

ASIAKASTIETO GROUP PLC

INTERIM REPORT

1.1.–31.3.2019

Intelligent decisions.
Bigger dreams.

A woman with dark hair and glasses is smiling while talking on a mobile phone. She is wearing a light-colored sweater and is sitting at a desk with a laptop open in front of her. The background is softly blurred, suggesting an office or home workspace. The overall tone is professional and positive.

ASIAKASTIETO GROUP PLC, STOCK EXCHANGE RELEASE 10 MAY 2019 AT 11.00 EEST

Asiakastieto Group's Interim Report 1.1. – 31.3.2019: Integration continues in line with targets

SUMMARY

Asiakastieto Group Plc acquired on 29 June 2018 the shares in UC AB. As a result of the acquisition, UC AB's consolidated balance sheet has been consolidated as part of Asiakastieto Group Plc's consolidated balance sheet from 30 June 2018 and UC AB's consolidated income statement as part of Asiakastieto Group Plc's consolidated income statement from 1 July 2018. In this Interim Report, the reported figures for the review periods 1 January–31 March 2018 and 1 January–30 June 2018 do not include UC AB's figures.

The figures presented in this Interim Report are unaudited.

January – March 2019 in brief

- Net sales amounted to EUR 34,5 million (EUR 15,1 million), an increase of 128,8 %.
- Adjusted EBITDA excluding items affecting comparability was EUR 11,7 million (EUR 6,4 million), an increase of 82,9 %.
- Adjusted EBITDA excluding IFRS 16 impact was EUR 11,2 million (EUR 6,4 million), an increase of 74,2 %.
- Adjusted EBIT excluding items affecting comparability and amortisation from fair value adjustments related to the acquisitions was EUR 9,8 million (EUR 5,6 million), an increase of 75,2 %.
- Operating profit (EBIT) was EUR 6,7 million (EUR 4,2 million). Operating profit included items affecting comparability of EUR 3,2 million (EUR 1,3 million), mainly arising from amortisation from fair value adjustments of EUR 2,8 million (EUR 0,1 million) related to acquisitions, M&A expenses and redundancy-related expenses associated with the restructuring of operations.
- New products and services represented 4,4 % (9,6 %) of net sales.
- Free cash flow amounted to EUR 7,3 million (EUR 1,5 million). The effect of items affecting comparability on free cash flow was EUR -0,6 million (EUR -0,5 million).
- Earnings per share were EUR 0,20 (EUR 0,21).
- Comparable earnings per share were EUR 0,29 (EUR 0,21)¹.

KEY FIGURES			
EUR million	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Net sales	34,5	15,1	98,1
Net sales growth, %	128,8	8,9	74,6
Operating profit (EBIT)	6,7	4,2	16,7
EBIT margin, %	19,3	27,7	17,0
Adjusted EBITDA	11,7	6,4	36,1
Adjusted EBITDA margin, %	34,0	42,6	36,8
Adjusted EBITDA excluding IFRS 16 impact	11,2	6,4	36,1
Adjusted EBITDA excluding IFRS 16 impact margin, %	32,4	42,6	36,8
Adjusted operating profit (EBIT)	9,8	5,6	32,0
Adjusted EBIT margin, %	28,5	37,2	32,7
New products and services of net sales, %	4,4	9,6	8,8
Free cash flow	7,3	1,5	15,9
Net debt to adjusted EBITDA, x	3,0	1,9	3,3 pro forma

¹ The comparable earnings per share does not contain amortisation from fair value adjustments related to the acquisitions or their tax impact.

Asiakastieto Group has prepared unaudited pro forma financial information to demonstrate the impacts of the UC acquisition, completed on 29 June 2018, on the result of operations and financial position of the Group and to improve the comparability of financial information. In this interim report, unaudited pro forma financial information is shown for the year 2018 as if the share transaction had been completed already on 1 January 2017. The pro forma financial information is indicated as Pro forma information in each instance where it appears in this interim report. The pro forma financial reporting principles are described in Note 1 to this interim report.

The figures in the pro forma summary for the comparison periods 1 January–31 March 2018 and 1 January–31 December 2018 are presented as pro forma figures, as if the acquisition of UC had taken place already at the beginning of 2017. The second half-year figures for 1 July–31 December 2018 are presented as actual reported figures.

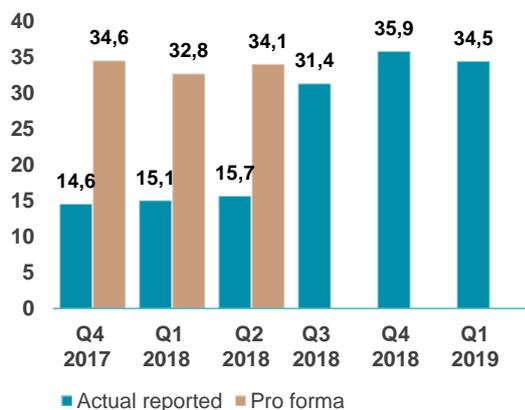
PRO FORMA JANUARY–MARCH 2019 IN BRIEF

- Net sales amounted to EUR 34,5 million (EUR 32,8 million), an increase of 5,2 % (at comparable exchange rates an increase of 7,7 %).
- Adjusted EBITDA excluding items affecting comparability was EUR 11,7 million (EUR 9,3 million), an increase of 26,8 % (at comparable exchange rates an increase of 28,5 %).
- Adjusted EBITDA excluding IFRS 16 impact was EUR 11,2 million (EUR 9,3 million), an increase of 20,8 % (at comparable exchange rates an increase of 22,4 %).
- Adjusted EBIT excluding items affecting comparability and amortisation from fair value adjustments related to the acquisitions was EUR 9,8 million (EUR 8,3 million), an increase of 18,5 %.
- Operating profit (EBIT) was EUR 6,7 million (EUR 4,5 million). Operating profit included items affecting comparability of EUR 0,4 million (EUR 1,0 million) and amortisation from fair value adjustments related to the acquisitions of EUR 2,8 million (EUR 2,8 million).
- New products and services represented 4,4 % (6,7 %) of net sales.
- Earnings per share were EUR 0,20 (EUR 0,13).
- Comparable earnings per share were EUR 0,29 (EUR 0,22)¹.

PRO FORMA KEY FIGURES

EUR million	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Net sales	34,5	32,8	134,3
Net sales growth, %	5,2	n/a	3,6
Operating profit (EBIT)	6,7	4,5	19,2
EBIT margin, %	19,3	13,6	14,3
Adjusted EBITDA	11,7	9,3	42,1
Adjusted EBITDA margin, %	34,0	28,2	31,3
Adjusted EBITDA excluding IFRS 16 impact	11,2	9,3	42,1
Adjusted EBITDA excluding IFRS 16 impact, %	32,4	28,2	31,3
Adjusted operating profit (EBIT)	9,8	8,3	37,7
Adjusted EBIT margin, %	28,5	25,3	28,1
New products and services of net sales, %	4,4	6,7	7,8
Net debt to adjusted EBITDA, x	3,0	n/a	3,3

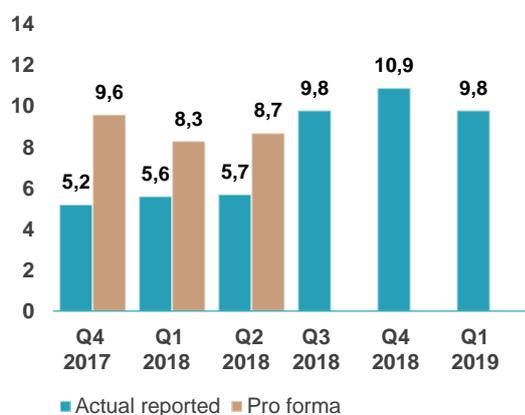
¹ The comparable pro forma earnings per share does not contain amortisation from fair value adjustments related to the acquisitions or their tax impact.

Net sales, EUR million


- Pro forma growth of net sales in the first quarter of 2019 was 5,2 % at reported exchange rates and 7,7 % at comparable exchange rates compared with the corresponding quarter of 2018.
- The development of net sales from consumer-related risk management services in the Risk Decisions business area continued strong in the first quarter. Launching of new products contributed in their part to the net sales growth.

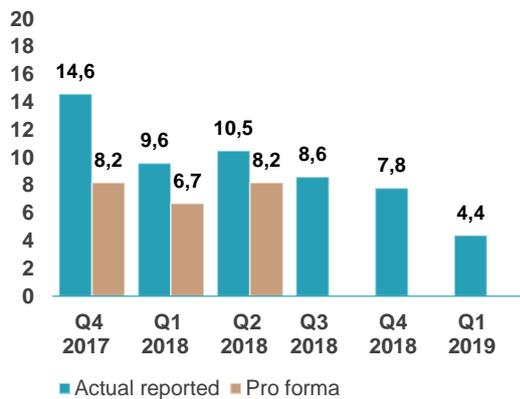
Adjusted EBITDA excluding IFRS 16 impact, EUR million


- Compared with the pro forma-adjusted EBITDA for the corresponding quarter of 2018, adjusted EBITDA for the first quarter of 2019 excluding IFRS 16 impact increased by 20,8 % at reported exchange rates and 22,4 % at comparable exchange rates.
- Adjusted EBITDA was increased year-on-year by the positive development of net sales, the cost-efficiency effect of actions taken to leverage synergies and the lower than planned level of personnel costs. During the interim period, investments according to strategy included investments in Nordic integration and the personnel's competence, while maintaining growth in profitability.
- Adjusted EBITDA margin excluding IFRS 16 impact was 32,4 % (28,2 %).

Adjusted operating profit (EBIT), EUR million


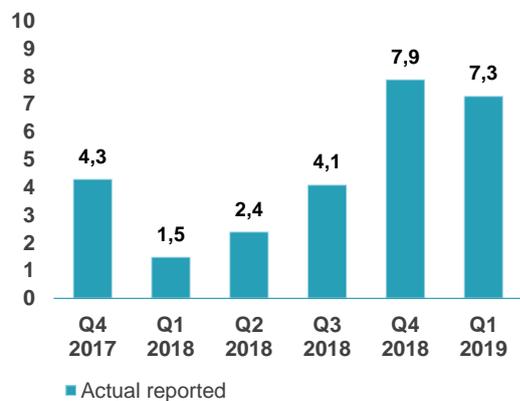
- Compared with pro forma-adjusted operating profit (EBIT) in the reference period, adjusted operating profit in the first quarter of 2019 increased by 18,5 %.
- Amortisation related to capitalised development costs increased from the pro forma comparison period.
- Adjusted EBIT margin was 28,5 % (25,3 %).

New services' share of net sales, %



- New services represented 4,4 % of net sales in the first quarter.
- Attributable to integration projects and the retargeting of development portfolio at Nordic projects, the net sales contribution of new services remained below long-term target level in the first quarter.
- Three new services were launched in the first quarter.

Free cash flow, EUR million



- Items affecting comparability decreased the cash flow from operating activities in the first quarter by EUR 0,6 million. The items affecting comparability consisted mainly of redundancy-related payments arising from operational restructuring, already recognised in the previous financial year.
- The Employees Pension Act (TyEL) insurance contribution for the entire year 2018, EUR 2,5 million, was paid in advance in the first quarter of 2018. No advance payment of TyEL contribution was made in the first quarter of 2019. Instead, TyEL contribution advances in 2019 are paid monthly during the year 2019 on the basis of salaries paid.

FUTURE OUTLOOK

Net sales: Asiakastieto Group expects its net sales growth in 2019 to be in the middle of the range of its long-term target (5–10 %) or slightly below it, compared to the previous year's pro forma net sales.

EBITDA: Asiakastieto Group expects its adjusted EBITDA, excluding the effect of IFRS 16 transition, to grow in 2019 at a percentage rate that exceeds the rate of net sales growth compared to the previous year's pro forma adjusted EBITDA.

Capital expenditure: Asiakastieto Group expects its capitalised product development and software expenses in 2019 to exceed the previous year's level on a pro forma basis.

JUKKA RUUSKA, CEO

“In the first quarter of the financial year 2019, Asiakastieto Group grew in accordance with our expectations. Net sales increased at comparable exchange rates by 7,7 % to EUR 34,5 million. The Group's net sales grew particularly in the consumer credit information services of the Risk Decisions business area in both markets. In addition, the Group's net sales were increased by new service launches, representing 4,4 % of net sales for the first quarter. However, because of the integration phase, service development was less active compared with previous quarters.

Adjusted EBITDA excluding IFRS 16 impact saw exceptionally strong growth of 22,4 % at comparable exchange rates, amounting to EUR 11,2 million. In addition to the scalable business model, the increase was attributable to the considerable decrease in IT expenses and the lower level of personnel expenses, which was due to efficiency improvement measures and the high number of vacancies.

The year 2019 has started off with positive expectations. Our customers' need to utilise our services in their business decisions continues to increase. Thanks to our strong market position, reliable brands and customer-driven services, our situation is advantageous. After the intensive integration phase, we have once again been able to concentrate on developing our services, providing even better customer service and improving the customer experience.

We measure the success of integration in three areas in accordance with our strategic themes: Skilled and competent personnel, improvement of customer experience and efficient service development. Originally, we estimated that at least EUR 17 million of cost, sales and investment synergies will be achieved through the integration by the end of 2021, and the achievement of this objective is advancing in accordance with the integration plan.

In 2019, Asiakastieto's Real Estate and Collateral Information Services will expand into housing information services, services related to apartment exchange and price estimation services for banks. We will introduce in the Finnish market a service similar to the Tambur service portal that is already in use in Sweden. This service allows real estate agencies and banks to exchange information and conclude deals through a joint service portal, instead of having to make phone calls, send emails and have meetings. The similar service has been a great success in Sweden: it saves a significant amount of time for real estate agencies and banks, and there is no need to go to the bank's office to conclude a deal.

In addition, service development has focused on services that take advantage of the new EU Payment Services Directive (PSD2) and on building Income Intelligence, a service related to the processing of income information. Launched in early 2019, Income Intelligence is a machine learning-based solution for the verification of income information for loan applications, among other uses.

The development of a uniform company culture began in 2018 and continues in 2019. To carry out this work in practice, we have established a company culture team. Its objective this spring is to create a proposal for the company's joint values and policies to be applied in our everyday work, both internally and in encounters with customers and partners.

We defined the material themes of our corporate responsibility in 2018 as follows: maintaining trust in the market, having a needs-driven and continuously evolving product and service offering, improving competitiveness, being perceived as an attractive investment and being a good corporate citizen. In accordance with our stock exchange release we will publish a report of our non-financial information for 2018 on our investor pages latest by the end of June 2019. In addition to acting responsibly as a company, it is important for us to help our customers to act responsibly and sustainably by launching services that support corporate responsibility.”

NET SALES

The net sales figures for the comparison period 1 January–31 March 2018 are presented as pro forma figures as if the acquisition of UC had taken place already at the beginning of 2017. The actual figures for the interim period and their reference figures are presented in the Condensed Financial Statements section of this interim report.

January–March (actual reported 2019 vs. pro forma 2018)

Asiakastieto Group's net sales in the first quarter amounted to EUR 34,5 million (EUR 32,8 million), increasing by 5,2 % at reported exchange rates and 7,7 % at comparable exchange rates from the corresponding quarter of the previous year. Net sales from new products and services were EUR 1,5 million (EUR 2,2 million), representing 4,4 % (6,7 %) of the total net sales for the first quarter. In the Risk Decisions business area, sales of consumer-related risk management services continued to develop strongly throughout the first quarter of 2019, with a significant effect on the growth of the Group's net sales. The number of banking days with a volume effect in the first quarter was the same as last year in both main market areas.

Net sales of the Risk Decisions business area amounted to EUR 23,4 million (EUR 21,3 million) in the first quarter. Compared with the corresponding quarter in the previous year, net sales of the business area increased by 9,6 % at reported exchange rates and 12,2 % at comparable exchange rates. Demand for consumer-related risk management services continued to see strong growth in the first quarter both in Finland and Sweden. The growth of consumer-related credit markets and increase of commercial volume boosted demand for consumer information services, and demand for positive credit information continued to grow strongly. The customer gains achieved, as well as the service development-driven and increasingly strong emphasis of sales on value-added services, also had a positive effect on net sales. Business Information sales made moderately positive progress in the first quarter. This was largely attributable to new services.

Net sales of the SME and Consumers business area amounted to EUR 7,1 million (EUR 7,3 million) in the first quarter. The business area's net sales decreased by 2,7 % at reported exchange rates but grew by 0,2 % at comparable exchange rates compared with the corresponding quarter in the previous year. The development of the business area's net sales in the first quarter was influenced by the strong growth in Finland of service packages and certificates targeted at the SME segment and the positive development of online consumer services in Sweden. Consumer services in Finland and online advertisement sales in Sweden developed less strongly than expected in the first quarter.

Net sales of the Customer Data Management business area amounted to EUR 2,0 million (EUR 2,5 million) in the first quarter. The business area's net sales decreased by 18,5 % at reported exchange rates and 17,0 % at comparable exchange rates compared with the corresponding quarter in the previous year. The decision made at the beginning of the second quarter of 2018 to discontinue selling B2C customer management services in Sweden resulted in a significant decrease in net sales compared with the reference period. In addition, the volume of Emaileri's electronic communications services decreased from the reference period. According to our estimate, the coming into force of the EU's General Data Protection Regulation (GDPR) in May 2018 has had a negative effect on demand for customer management services, as companies have been uncertain about the effects of the regulation on the information content used for the targeting of marketing efforts. The business area has initiated measures to improve the efficiency of sales, and service development now focuses on the Nordic service offering and the utilisation of unstructured data.

Net sales of the Digital Processes business area amounted to EUR 2,0 million (EUR 1,7 million) in the first quarter. Compared with the corresponding quarter in the previous year, net sales of the business area increased by 19,0 % at reported exchange rates and 20,5 % at comparable exchange rates. Growth in the business area in the first quarter of 2019 was particularly driven by the Tambur service launched in Sweden in April 2018 and the real estate and collateral information services in Finland. Other factors included continuous service development towards a more comprehensive product range and active sales effort for services.

FINANCIAL RESULTS

The financial result figures for the comparison period 1 January–31 March 2018 are presented as pro forma figures as if the acquisition of UC had taken place already at the beginning of 2017. The actual figures for the interim period and their reference figures are presented in the Condensed Financial Statements section of this interim report.

January–March (actual reported 2019 vs. pro forma 2018)

Asiakastieto Group's operating profit (EBIT) for the first quarter amounted to EUR 6,7 million (EUR 4,5 million). Operating profit included items affecting comparability of EUR 0,4 million (EUR 1,0 million), mainly resulting from integration and other expenses related to M&A as well as redundancy expenses related to the reorganisation of operations.

First-quarter adjusted EBITDA excluding items affecting comparability was EUR 11,7 million (EUR 9,3 million). Adjusted EBITDA increased by EUR 2,5 million at reported exchange rates and by EUR 2,6 million at comparable exchange rates.

Adjusted EBITDA excluding IFRS 16 impact was EUR 11,2 million (EUR 9,3 million) for the first quarter. Adjusted EBITDA excluding IFRS 16 impact increased by EUR 1,9 million at reported exchange rates and by EUR 2,0 million at comparable exchange rates.

Adjusted operating profit (EBIT) for the first quarter excluding items affecting comparability and amortisation from fair value adjustments related to the acquisitions increased by EUR 1,5 million to EUR 9,8 million (EUR 8,3 million). Adjusted EBIT margin for the first quarter improved compared with the corresponding quarter in the previous year. The improvement in the adjusted EBIT margin was attributable to good net sales growth, a considerable decrease in IT costs and a lower than planned level of personnel expenses. The actions taken to leverage synergies reduced personnel expenses and other operating expenses in the first quarter compared with the reference period. Amortisation related to capitalised development costs increased compared with the corresponding quarter in the previous year.

The Group's depreciation and amortisation in the first quarter amounted to EUR 4,7 million (EUR 3,7 million). Of the depreciation and amortisation, EUR 2,8 million (EUR 2,8 million) resulted from amortisation from fair value adjustments related to the acquisitions. The Group's depreciation on the right-of-use assets (IFRS 16) in the first quarter amounted to EUR 0,6 million (EUR 0).

Net financial expenses in the first quarter were EUR 0,8 million (EUR 0,7 million). Financial expenses related to lease liabilities (IFRS 16) were EUR 0,1 million (EUR 0) in the first quarter, and recognised exchange rate loss was EUR 0,1 million (EUR 0).

The Group's profit before income taxes for the first quarter was EUR 5,8 million (EUR 3,7 million).

The tax amount booked as expense for the first quarter was EUR -1,0 million (EUR -0,6 million).

The Group's profit for the first quarter was EUR 4,8 million (EUR 3,2 million).

CASH FLOW

In the review period, cash flow from operating activities amounted to EUR 9,9 million (EUR 2,8 million). The change in the Group's working capital was EUR -0,0 million (EUR -1,1 million). The impact of items affecting comparability on operating cash flow was EUR -0,6 million (EUR -0,5 million).

The Group paid EUR 1,6 million (EUR 1,0 million) in taxes during the review period.

Cash flow from investing activities for the review period amounted to EUR -2,5 million (EUR -1,5 million). The cash flow from investing activities consisted of acquisitions of property, plant and equipment and intangible assets.

Cash flow from financing activities for the interim period amounted to EUR -0,6 million (EUR 0). The cash flow from financing activities for the interim period consisted of repayments of lease liabilities (IFRS 16).

STATEMENT OF FINANCIAL POSITION

At the end of the review period, the Group's total assets were EUR 562,0 million (EUR 165,8 million). Total equity amounted to EUR 299,1 million (EUR 70,5 million) and total liabilities to EUR 262,9 million (95,3 million). Of the total liabilities EUR 178,3 million (EUR 69,8 million) were non-current interest-bearing liabilities, EUR 24,9 million (EUR 0) deferred tax liabilities, EUR 4,4 million (EUR 0) non-current pension liabilities, EUR 0 (EUR 0,3 million) non-current non-interest bearing liabilities, EUR 2,2 million (EUR 0) current interest-bearing liabilities and EUR 53,1 million (EUR 25,2 million) current non-interest bearing liabilities. Goodwill amounted to EUR 346,4 million (EUR 118,4 million) at the end of the review period. Compared with the reference period, goodwill was increased by the recognition of the goodwill resulting from the UC acquisition.

Asiakastiето Group's cash and cash equivalents at the end of the review period were EUR 39,6 million (EUR 20,2 million), and net debt was EUR 140,9 million (EUR 49,6 million). The effect of IFRS 16 transition on net debt reported for the first quarter was EUR 11,3 million.

CAPITAL EXPENDITURE

The majority of Asiakastiето Group's capital expenditure is related to the development of products and services as well as investments in IT infrastructure. Other capital expenditure mainly comprises purchases of company cars and office equipment. The Group's gross capital expenditure in the review period amounted to EUR 2,6 million (EUR 1,5 million). Capital expenditure on intangible assets was EUR 2,4 million (EUR 0,9 million) and capital expenditure on property, plant and equipment was EUR 0,2 million (EUR 0,5 million).

The product development activities of Asiakastiето Group involve development of the product and service offerings. During the review period, the capitalised development and software costs of the Group amounted to EUR 2,4 million (EUR 0,9 million). The Group had no material research activities.

Asiakastiето Group's gross investments in the interim period, compared with pro forma investments in the reference period, amounted to EUR 2,6 million (EUR 3,3 million)¹. Capital expenditure on intangible assets was EUR 2,4 million (EUR 2,6 million) and capital expenditure on property, plant and equipment was EUR 0,2 million (EUR 0,8 million).

PERSONNEL

The average number of personnel employed by Asiakastiето Group during the first quarter of the year was 426 (163). At the end of the review period, the number of personnel was 452 (165), of whom 164 (165) worked in the Group's companies in Finland and 288 (0) in the Swedish companies.

During the review period, the personnel expenses of the Group amounted to EUR 9,8 million (EUR 3,5 million) and included an accrued cost of EUR 201 thousand (EUR 55 thousand) from the management's long-term incentive plan. See further details in section 2.7. Concerning transactions with related parties, see the notes to the condensed financial statements, Transactions with related parties.



¹ Pro forma gross investments have been calculated by combining the historical capital expenditures of Asiakastiето Group and UC during the reference period 1 January–31 March 2018. Gross investments are fixed asset acquisitions with long-term effect, from which no sales of property or disposal of business have been deducted.

Key figures describing the Group's personnel:

PERSONNEL			
	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Average number of personnel	426	163	315
Full time	418	157	305
Part time and temporary	8	6	10
Geographical distribution			
Finland	159	163	162
Sweden	267	-	153
Wages and salaries for the period (EUR million)	7,3	2,9	20,2

OTHER EVENTS DURING THE REVIEW PERIOD

Asiakastieto Group Plc's General Meeting of shareholders on 28 March 2019

The General Meeting of shareholders held on 28 March 2019 confirmed the financial statements for the financial period ended on 31 December 2018, and discharged the members of the Board of Directors and the Chief Executive Officer from liability.

The Meeting approved the Board of Directors' proposal to distribute funds of EUR 0,95 per share. The funds were paid to shareholders registered in the Company's shareholder register held by Euroclear Finland Ltd on the payment record date of 1 April 2019. It was decided that the funds would be paid on 11 April 2019.

The Annual General Meeting decided, in accordance with the proposal of the Shareholders' Nomination Board, that the number of the company's Board members be six (6). In accordance with the proposal of the Shareholders' Nomination Board, Petri Carpén, Patrick Lapveteläinen, Carl-Magnus Månsson and Martin Johansson were re-elected as members of the Board of Directors. Petri Nikkilä and Tiina Kuusisto were elected as new Board members.

The General Meeting of shareholders decided that the annual remuneration is EUR 50 000 for the chairman of the Board of Directors and EUR 35 000 for the members. In addition, an attendance fee of EUR 500 is paid for attending a Board meeting. The Chairmen of the Committees shall receive an attendance fee of EUR 500 and members of the Committees EUR 400 per committee meeting. No remuneration is paid to the members of the Shareholders' Nomination Board. Reasonable travel expenses for attendance to meetings are paid to Board members and members of the Shareholder's Nomination Board.

Authorised Public Accountants firm PricewaterhouseCoopers Oy was selected as the auditor of the Company, and Authorised Public Accountant Martin Grandell as the auditor in charge. The auditor's fee is paid according to a reasonable invoice approved by the Audit Committee of Board of Directors.

Authorisation for issue of shares

The Annual General Meeting authorised the Board of Directors to resolve on one or more issuances, which include the right to issue new shares or dispose of the shares in the possession of the company. The authorisation would consist of up to 1 500 000 shares in the aggregate. The Board of Directors was authorised to decide on a directed issue. The authorisation is proposed to be used for material arrangements from the company's point of view, such as financing or implementing business arrangements or investments or for other such purposes determined by the Board of Directors in which case a weighty financial reason for issuing shares would exist.

The Board of Directors was authorised to resolve on all other terms and conditions of the issuance of shares, including the payment period, grounds for the determination of the subscription price and subscription price or allocation of shares free of charge or that the subscription price may be paid besides in cash also by other assets either partially or entirely.

The authorisation is effective for 18 months from the close of the Annual General Meeting until 28 September 2020. The authorisation cancelled the corresponding share issue authorisation granted to the Board of Directors by the Annual General Meeting on 22 March 2018. The authorisation has not been used as of 10 May 2019.

Asiakastieto Group Plc's Board of Directors decided on 11 February 2019 on a directed share issue related to the reward payment from the performance period 2015–2018 of the Matching Share Plan 2015 and from the performance period 2016–2018 of the Performance Share Plan 2016. In the share issue, 39 328 new Asiakastieto Group Plc shares were issued without consideration to the key employees participating in the Matching Share Plan 2015 and the Performance Share Plan 2016 in accordance with the terms and conditions of each plan. The decision on a directed issue of shares was based on the authorisation given to the Board of Directors by the Annual General Meeting on 22 March 2018.

Authorisation for repurchasing own shares

The Annual General Meeting authorised the Board of Directors to decide on the repurchase of a maximum of 1 500 000 of the company's own shares, in one or several instalments. The shares will be repurchased with the Company's unrestricted shareholders' equity, and the repurchases will reduce funds available for the distribution of profits. The shares can be repurchased for example to develop the company's capital structure, carry out or finance potential corporate acquisitions or other business arrangements, to be used as a part of the company's incentive programme or to be otherwise conveyed further, retained as treasury shares, or cancelled.

In accordance with the resolution of the Board of Directors, shares may be repurchased also in a proportion other than that in which shares are owned by the shareholders (directed acquisition) at the market price of the shares at marketplaces on which the company shares are traded or a price otherwise established on the market at the time of the repurchase. The Board of Directors decides how shares are repurchased. Among other means, derivatives may be used in acquiring the shares. According to the authorisation, the Board of Directors decides on any other matters related to the repurchase of shares.

The authorisation is effective for 18 months from the close of the Annual General Meeting until 28 September 2020. The authorisation cancelled the corresponding authorisation to repurchase the Company's shares granted to the Board of Directors by the Annual General Meeting on 22 March 2018. The authorisation has not been used as of 10 May 2019.

Meeting of the Board of Directors on 28 March 2019

The organizational meeting of the Board of Directors elected among its members Patrick Lapveteläinen as Chairman of the Board of Directors.

The Board of Directors has in its organization meeting evaluated the independence of the Directors according to the Finnish Corporate Governance Code. The Board noted that all members of the Board are independent of the Company and all except Patrick Lapveteläinen and Martin Johansson are independent of the significant shareholders. The Board of Directors noted the Company is in compliance with recommendation 10 of the CG Code.

The Board of Directors re-nominated Petri Carpén and Carl-Magnus Månsson as members of the Audit Committee and nominated Martin Johansson as a new member of the Committee. Petri Carpén was elected chairman of the committee.

Changes in Asiakastieto Group's Executive team

Karl-Johan Werner started as Asiakastieto Group's Director of Customer Data Management business area on 4 March 2019. He replaced Esa Kumpu in the Executive Team. Esa Kumpu left Asiakastieto Group on 31 March 2019 to pursue new challenges outside Asiakastieto Group.

Asiakastieto Group outsources its telemarketing unit in Sweden

Asiakastieto Group Plc and UC Affärsfakta AB have signed a letter of intent on the outsourcing of their telemarketing unit on 16 January 2019. According to the letter of intent, Asiakastieto will transfer the telesales operations practised by Affärsfakta to the company founded by the unit's current management. By outsourcing, Asiakastieto increases its efficiency and encourages entrepreneurial operating methods.

Affärsfakta currently has approximately 120 employees, of which approximately 100 employees transfer to the new company, and it operates in four locations in Sweden. In connection with the outsourcing move, the employees will be transferred to the new company with their current benefits and obligations, and the unit's present Managing Director Krister Ahlberg will continue to lead the company. The intention is to sign the outsourcing contract during the second quarter of 2019, and the outsourcing is planned to be finalised by the end of the third quarter of the year, at the latest.

Asiakastieto Group acquires the business of Solidinfo.SE and strengthens company information services in Sweden

On 12 February 2019, UC Affärsinformation AB, part of Asiakastieto Group, signed an agreement to buy the business operations of Solidinfo.SE from Social Media Support Sverige AB. Through the acquisition of these business operations, Asiakastieto Group strengthened its business information service offering in Sweden. The core of the Solidinfo.SE service consists of a free-of-charge business and financial information search service, similar to the business information service on Swedish companies provided by UC Affärsinformation AB. The transaction was closed on 28 February 2019, and it has no material effect on Asiakastieto Group's cash flow or financial position. The acquisition price is not disclosed.

SHARES AND SHAREHOLDERS

The Company has one share class. Each share carries one vote at the General Meeting of shareholders and each share confers equal right to dividends and net assets of the Company. The shares have no nominal value. The shares of the Company are incorporated in the book-entry securities system maintained by Euroclear Finland Ltd.

A total of 39 328 new shares were subscribed for in Asiakastieto Group Plc's share issue directed to the company key personnel without payment. The shares were registered into the Trade Register on 8 March 2019. After the registration, the company's shares totalled 23 993 292. The new shares produce the right to dividends and other distribution of assets as well as other shareholder rights as of the registration date 8 March 2019. The trading of new shares commenced on 11 March 2019.

On 31 March 2019, the total number of shares was 23 993 292 (15 102 178), and the share capital of the Company amounted to EUR 80 000 (EUR 80 000).

According to the book-entry securities system, the Company had 2 678 (2 481) shareholders on 31 March 2019. A list of the largest shareholders is available on the Company's investor pages at investors.asiakastieto.fi.



SHARE-RELATED KEY FIGURES

EUR (unless otherwise stated)	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Share price development			
Highest price	29,60	26,10	32,60
Lowest price	22,00	21,10	21,10
Average price	23,97	23,26	27,82
Closing price	25,50	25,40	24,60
Market capitalisation, EUR million	611,8	383,6	589,3
Trading volume, pcs	976 737	424 022	3 533 838
Total exchange value of shares, EUR million	23,4	9,9	98,3

MANAGERS' TRANSACTIONS

Transactions by Asiakastieto Group's management during the review period have been published as Stock Exchange Releases and they can be read on the Company's investor pages at investors.asiakastieto.fi

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The demand for the Group's products and services depends on the activity of the business operations of its customers. Slow economic growth or a declining economy may result in a weakening demand for the services of Asiakastieto Group.

A general tendency to seek cost savings in business activities and the tightening competition in the Group's business sector may cause downward pricing pressure, which may have a negative effect on revenue and profit.

Asiakastieto Group believes that its continued success will be influenced by its ability to meet customers' needs through the development of products and services that are easy to use and that seek to increase customers' business process efficiency, offer cost savings, and facilitate better business decisions. Potential deficiencies in the management of the product development portfolio, as well as a shortage of development resources, may delay the introduction of new services or enhancements to the market and therefore weaken the Group's results.

Well-functioning information technology and good availability of services are essential conditions for the business operations of Asiakastieto Group. Notwithstanding the current solutions for high availability and protection solutions in accordance with best practices, the realisation of external or internal threats can never be completely eliminated. The realisation of risks of this kind could result in misuse, modification or illegal publication of information and could have legal consequences or cause reputational harm, loss of revenue, claims or regulatory actions.

Completion of the combination of Asiakastieto Group and UC will require time from key personnel and causes uncertainty within personnel as well as activating competitors in their recruitment efforts. The Group has planned and carried out activities to mitigate these risks. Estimated synergy benefits and expenses related to the combination process are based on estimations which are by nature uncertain and subject to numerous risks and uncertainties related to business, economy and competition.

FUTURE OUTLOOK

Net sales: Asiakastieto Group expects its net sales growth in 2019 to be in the middle of the range of its long-term target (5–10 %) or slightly below it compared to the previous year's pro forma net sales.

EBITDA: Asiakastieto Group expects its adjusted EBITDA, excluding the effect of IFRS 16 transition, to grow in 2019 at a percentage rate that exceeds the rate of net sales growth compared to the previous year's pro forma adjusted EBITDA.

Capital expenditure: Asiakastieto Group expects its capitalised product development and software expenses in 2019 to exceed the previous year's level on a pro forma basis.

The outlook is subject to risks related to, among other factors, the development of the Finnish and Swedish economy and the business operations of the Group. The most significant risks related to business operations include, for example, risks related to the success of product and service development activities, launches of new products and services and risks related to competitive tenders and to losing significant customer accounts.

Asiakastieto Group's business risks have been described in more detail on the Company's investor pages at investors.asiakastieto.fi and in the company's listing prospectus, approved by the Financial Supervisory Authority on 10 September 2018 and also available on the investor pages of the company website.

Helsinki, 10 May 2019

ASIAKASTIETO GROUP PLC
Board of Directors

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CONDENSED FINANCIAL STATEMENTS AND NOTES 1.1. – 31.3.2019

The figures presented in this Interim Report are unaudited. The amounts presented in the Interim Report are rounded, so the sum of individual figures may differ from the sum reported.

1. Consolidated statement of comprehensive income, financial position, cash flows and changes in equity

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
EUR thousand	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Net sales	34 522	15 088	98 135
Other operating income	25	49	86
Materials and services	-5 609	-3 178	-18 334
Personnel expenses ¹	-9 833	-3 469	-26 763
Other operating expenses	-8 334	-3 765	-28 055
Work performed by the entity and capitalised	566	381	1 630
Depreciation and amortisation	-4 681	-928	-9 995
Operating profit	6 656	4 180	16 704
Finance income	10	0	7
Finance expenses	-827	-292	-2 195
Finance income and expenses	-818	-292	-2 188
Profit before income tax	5 838	3 888	14 516
Income tax expense	-1 038	-780	-3 598
Profit for the period	4 800	3 108	10 918
Items that may be reclassified to profit or loss:			
Translation differences on foreign units	-3 960	-	5 450
Hedging of net investments in foreign units	888	-	-858
Income tax relating to these items	-178	-	172
	-3 249	-	4 763
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	-	-	-687
Income tax relating to these items	-	-	142
	-	-	-546
Other comprehensive income for the period, net of tax	-3 249	-	4 218
Total comprehensive income for the period	1 551	3 108	15 136

¹ Personnel expenses include an accrued expense related to the long-term incentive plan to the management amounting to EUR 201 thousand for the first quarter 1 January–31 March 2019, EUR 55 thousand for the reference period 1 January–31 March 2018 and EUR 415 thousand for the financial year 2018.

EUR thousand	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Profit attributable to:			
Owners of the parent company	4 800	3 108	10 918
Total comprehensive income attributable to:			
Owners of the parent company	1 551	3 108	15 136
Earnings per share attributable to the owners of the parent during the period:			
Basic, EUR	0,20	0,21	0,56
Diluted, EUR	0,20	0,20	0,56

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
EUR thousand	31.3.2019	31.3.2018	31.12.2018
ASSETS			
Non-current assets			
Goodwill	346 445	118 411	348 654
Other intangible assets	135 072	11 302	137 877
Property, plant and equipment	2 776	2 291	3 285
Right-of-use assets	11 478	-	-
Deferred tax assets	1 040	1 528	1 127
Loan and other receivables	187	365	187
Total non-current assets	496 997	133 897	491 130
Current assets			
Account and other receivables	25 362	11 641	21 526
Cash and cash equivalents	39 630	20 237	33 215
Total current assets	64 992	31 877	54 741
Total assets	561 989	165 775	545 871
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	80	80	80
Invested unrestricted equity reserve	340 173	112 355	351 690
Translation differences	1 514	-45 056	4 592
Accumulated losses	-42 657	3 108	-35 071
Equity attributable to owners of the parent	299 110	70 487	321 290
Share of equity held by non-controlling interest	0	-	0
Total equity	299 110	70 487	321 290
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	178 340	69 804	170 113
Pension liabilities	4 356	-	4 445
Deferred tax liabilities	24 905	-	25 482
Account and other payables	-	250	-
Total non-current liabilities	207 600	70 054	200 040
Current liabilities			
Interest-bearing liabilities	2 162	-	130
Advances received	7 690	2 391	6 375
Account and other payables	45 426	22 843	18 036
Total current liabilities	55 278	25 234	24 541
Total liabilities	262 878	95 288	224 581
Total equity and liabilities	561 989	165 775	545 871

CONSOLIDATED STATEMENT OF CASH FLOWS			
EUR thousand	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Cash flow from operating activities			
Profit before income tax	5 838	3 888	14 516
Adjustments:			
Depreciation and amortisation	4 681	928	9 995
Finance income and expenses	818	292	2 188
Profit (-) / loss (+) on disposal of property, plant and equipment	-21	-49	-71
Other adjustments	150	51	-1 662
Cash flows before change in working capital	11 466	5 109	24 966
Change in working capital:			
Increase (-) / decrease (+) in account and other receivables	-3 791	-3 540	834
Increase (+) / decrease (-) in account and other payables	3 763	2 416	-633
Change in working capital	-28	-1 124	200
Paid interests and other financing expenses	-78	-261	-2 092
Received interest and other financing income	71	0	7
Income taxes paid	-1 552	-954	-3 554
Cash flow from operating activities	9 880	2 770	19 527
Cash flows from investing activities			
Purchases of property, plant and equipment	-208	-484	-893
Purchases of intangible assets	-2 382	-1 040	-4 799
Purchases of subsidiaries, net of cash acquired	-	-	-85 247
Proceeds from sale of property, plant and equipment	107	72	170
Cash flows from investing activities	-2 484	-1 452	-90 769
Cash flows from financing activities			
Proceeds from interest-bearing liabilities	-	-	269 573
Repayments of interest-bearing liabilities	-579	-	-170 000
Dividends paid and other profit distribution	-	-	-14 347
Cash flows from financing activities	-579	-	85 226
Net increase / decrease in cash and cash equivalents	6 816	1 318	13 985
Cash and cash equivalents at the beginning of the period	33 215	18 919	18 919
Net change in cash and cash equivalents	6 816	1 318	13 985
Translation differences of cash and cash equivalents	-402	-	311
Cash and cash equivalents at the end of the period	39 630	20 237	33 215

2. Notes

2.1. Accounting policies

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies and methods applied in the Interim Report are the same as those applied in the financial statements for the financial year ended 31 December 2018.

The preparation of financial statements in accordance with IFRS requires Asiakastieto Group's management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the reported amounts of income and expenses for the review period. In addition, it is necessary to exercise judgment in applying the accounting policies. Because estimates and assumptions are based on the understanding as at the end of the interim period, they include risks and uncertainties. The actual results may differ from the estimates and assumptions made. Critical accounting estimates and judgments are disclosed in more detail under Note 3 to the consolidated financial statements for the year 2018.

The subsidiaries' income statements and cash flows denominated in Swedish krona have been converted into euro on a monthly basis using the monthly average exchange rate issued by the European Central Bank, and balance sheets have been converted using the exchange rate issued by the European Central Bank on the end date of the period. Conversion of the profit for the period using different exchange rates for the income statement and balance sheet causes a translation difference in the balance sheet recognised in equity. The change in equity is recognised in other comprehensive income.

The amounts presented in the Interim Report are consolidated figures. The amounts presented are rounded, so the sum of individual figures may thus differ from the sum reported. The figures presented in this Interim Report are unaudited.

Changes in Accounting policies

Asiakastieto Group has adopted new IFRS 16 *Leases* standard starting 1 January 2019. Description of the new standard and details concerning the adoption can be found in Note 2 to the Group Consolidated Financial Statements for 2018.

IFRS 16 *Leases* standard establishes principles for the recognition, measurement, presentation and disclosure of leases and note requirements. As a result of the implementation of the standard, the differentiation between operating leases and finance leases will no longer apply and lessees must treat all leases the same way, so that the lessee recognises an asset (the right to use the leased asset) and a lease liability for all leases, unless the lease term is 12 months or less, or the lease agreement has low value. In the income statement depreciation on the right-of-use asset and interest expenses on the lease liability are recognised instead of a lease expense. The lease rent payment is divided into interest expense and debt repayment.

The Group has applied the simplified approach for adoption, and the figures for the comparison year have not been adjusted. All agreements with a lease term less than 12 months and low value agreements are recognised as straight line expenses during the duration of the agreement. All right-of-use assets and corresponding lease liabilities have been measured at the value corresponding to the present value of the lease rent payments and any residual payments. Discount rates used in the net present value calculations vary between 1,2 % and 2,2 %, weighted average being 1,7 %. All right-of-use assets have been valued at the lease liability as at the adoption date (adjusted for prepaid or accrued rent). The Group has applied practical expedients and has not recognised a liability for lease agreements ending during 2019. IFRS 16 mainly affects the accounting of the Group's operating leases. As the Group's finance leases have already been treated as right-of-use assets and financial liabilities, the adoption of the new standard has no effect with regard to these items.

Lessors are still required to categorise lease agreements as either financial leases or operating leases. The IFRS 16 accounting treatment of leases from the lessor's side is essentially unchanged compared to current standards. As the Group does not operate as a lessor to a significant degree, the adoption of the standard will not have a significant effect on the Group's future financial statements in this regard.

Reconciliation between operating lease commitments in the financial statements 2018 and IFRS 16 lease liabilities:

LEASE LIABILITIES	
EUR thousand	2019
Operating lease commitments 31 Dec 2018	18 712
Short-term lease agreements	-254
Low-value lease agreements	-371
Agreements assessed as service agreements	-5 091
Lease liabilities before discounting 1 Jan 2019	12 996
Discounted lease liabilities using incremental borrowing rate 1 Jan 2019	11 876
Finance lease liabilities 31 Dec 2018	394
Adjustment for value added tax for finance lease liabilities	-76
Lease liabilities 1 Jan 2019	12 194
Short-term lease liability	2 181
Long-term lease liability	10 013
Total	12 194

Right-of-use assets have been recognised at the value corresponding the lease liability on the adoption date.

RIGHT-OF-USE ASSETS		
EUR thousand	31.3.2019	1.1.2019
Premises	11 148	11 760
Machinery and equipment	330	434
Total	11 478	12 194

At the end of the financial year 2018 the Group had EUR 18,7 million in undiscounted non-cancellable lease commitments based on operating leases and finance lease liabilities for EUR 0,4 million. At the implementation, EUR 12,2 million was recognised as right-of-use assets and EUR 12,2 million was recognised as lease liabilities, of which EUR 2,2 million were short term and EUR 10,0 million long term lease liabilities.

The Group leases office premises, IT equipment and cars. The duration of lease agreements vary between less than 12 months to 9 years and part of the agreements include extension options. Lease agreements are negotiated on an agreement by agreement basis and they include normal and ordinary agreement terms and conditions.

Adoption of the IFRS 16 standard has a significant impact on adjusted EBITDA which is one of the main key performance indicators used to present the development of profitability. As a result Group will present an alternative performance measure, Adjusted EBITDA excluding the IFRS 16 impact, starting 1 January 2019. The impact of implementing IFRS 16 standard on adjusted EBITDA has been described in Note 2. Key financial information for the Group.

2.2. Net Sales

NET SALES BY BUSINESS AREA			
EUR thousand	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Risk Decisions	23 382	10 044	65 192
SME and Consumers	7 134	2 417	19 565
Customer Data Management	2 018	1 438	7 042
Digital Processes	1 988	1 190	6 337
Total	34 522	15 088	98 135

On 20 June 2018, Asiakastieto Group's Board of Directors decided on a new organisational structure. Asiakastieto Group's new organisation from 1 July 2018 on consists of two types of units: business areas and functional units. The net sales are presented for the reference year using these new business areas. Net sales for reference periods have been restated to match the current fiscal year business area allocation of products. Certain products have been moved from Customer Data Management to SME and Consumers business area.

Asiakastieto Group specified revenue recognition of customer specific projects at the time of applying the IFRS 15 standard to comply in a more accurate way to the transfer of control of a service. The impact of the application of the IFRS 15 standard on the net sales of the Risk Decisions business area for the reference period 1 January 2018 – 31 March 2018 was EUR 29 thousand and for the financial year 2018 EUR 117 thousand.

2.3. Corporate acquisitions

Acquisition of business of Solidinfo.SE

On 12 February 2019, UC Affärsinformation AB, part of Asiakastieto Group, signed an agreement to buy the business operations of Solidinfo.SE from Social Media Support Sverige AB. Through the acquisition of these business operations, Asiakastieto Group strengthened its business information service offering in Sweden. The core of the Solidinfo.SE service consists of a free-of-charge business and financial information search service, similar to the business information service on Swedish companies provided by UC Affärsinformation AB. The transaction was closed on 28 February 2019, and it has no material effect on Asiakastieto Group's cash flow or financial position. The acquisition price is not disclosed.

Purchase of shares in UC AB

Asiakastieto Group Plc's Board of Directors and the then owners of UC AB informed on 24 April 2018 that they had agreed on the combination of the companies. Pursuant to the terms of the combination agreement, Asiakastieto Group Plc acquired on 29 June 2018 the shares in UC AB for a total consideration of EUR 338,9 million. The consideration consisted of EUR 98,8 million in cash and 8 828 343 newly issued shares in the Company.

In addition, the sellers of Asiakastieto Group Plc and UC shares signed a shareholder agreement concerning the control of UC's credit register and credit register information. The company owned jointly by the sellers received, as part of the transaction, a small number of UC's B shares, granting their holders certain administrative rights. The B shares do not entitle to dividends or UC's results or balances.

In the allocation of the purchase consideration, EUR 20,3 million was allocated to customer relations, which will be amortised in 8–20 years, EUR 31,0 million to trademarks, which will be amortised in 15 years, and EUR 65,4 million to technology, which will be amortised in 5–12 years. Goodwill in the amount of EUR 227,0 million was recognised in connection with the acquisition. Advisory fees of EUR 7,3 million relating to the purchase of the shares and the integration of the companies were recognised as expenses in the financial year 2018.

The consolidated income statement 2018 includes EUR 36,6 million in UC AB's post-acquisition net sales and EUR 0,8 million in UC AB's profit. The full-year net sales of the Group created by the acquisition would have amounted to EUR 134,3 million and profit for the period EUR 12,9 million if the business combination had taken effect at the beginning of the financial year 2018. UC's balance sheet has been consolidated into Asiakastieto Group's balance sheet starting from 30 June 2018, and the figures of the income statement from 1 July 2018.

2.4. Equity

CHANGES IN NUMBER OF SHARES		
	Osakemäärä	Osakkeet yhteensä
1.1.2018		15 102 178
Shares issued to the management's incentive system	23 443	15 125 621
Directed share issue	8 828 343	23 953 964
31.12.2018		23 953 964
1.1.2019		23 953 964
Shares issued to the management's incentive system	39 328	23 993 292
31.3.2019		23 993 292

A total of 39 328 new shares were subscribed for in Asiakastieto Group Plc's share issue targeted at the company's key personnel without payment and registered in the Trade Register on 8 March 2019. The new shares produce the right to dividends and other distribution of assets as well as other shareholder rights as of the registration date 8 March 2019. Trading in the new shares commenced on 11 March 2019. The issuance of shares related to share-based remuneration is disclosed in the notes to the condensed financial statements, in Note 2.7 Transactions with related parties.

A total of 23 443 new shares were subscribed for in Asiakastieto Group Plc's share issue targeted at the company's key personnel without payment and registered in the Trade Register on 29 May 2018. The new shares produce the right to dividends and other distribution of assets as well as other shareholder rights as of the registration date 29 May 2018. Trading in the new shares commenced on 30 May 2018. The issuance of shares related to share-based remuneration is disclosed in the notes to the condensed financial statements, in Note 2.7 Transactions with related parties.

On 29 June 2018, Asiakastieto Group Plc issued 8 828 343 new shares as part of the consideration for the acquisition of UC AB. On 10 September 2018, the Financial Supervisory Authority approved the listing prospectus prepared by the Company. On 11 September 2018, Nasdaq Helsinki Ltd approved the listing of the new shares. Trading in the new shares commenced on 12 September 2018.

For the financial year 2018, Asiakastieto Group Plc distributed EUR 0,95 of funds per share, totalling EUR 22,8 million. The dividend and capital repayment were paid on 11 April 2019. For the financial year 2017, Asiakastieto Group Plc paid a dividend of EUR 0,95 per share, totalling EUR 14,3 million. The dividend payment date was 4 April 2018.

2.5. Interest-bearing liabilities

INTEREST-BEARING LIABILITIES OF THE GROUP			
EUR thousand	31.3.2019	31.3.2018	31.12.2018
Non-current			
Loans from financial institutions	168 994	69 804	169 849
Lease liabilities	9 346	-	-
Financial leasing debts	-	-	264
Total	178 340	69 804	170 113
Current			
Lease liabilities	2 162	-	-
Financial leasing debts	-	-	130
Total	2 162	-	130
Total interest-bearing liabilities	180 502	69 804	170 243

Of the loans from financial institutions, EUR 105,4 million (EUR 69,8 million) are EUR-denominated and EUR 63,6 million (EUR 0) are SEK-denominated on 31 March 2019.

On 18 October 2018, Asiakastieto Group Plc signed an agreement on the refinancing of its long-term loans. The company entered into a loan agreement on a total of EUR 180 million of financing with Danske Bank A/S, OP Corporate Bank Plc and Nordea Bank Plc. Asiakastieto Group Plc used this financing to refinance the EUR 75 million term loan and revolving credit facility agreement entered into with Danske Bank A/S and Pohjola Bank Plc on 28 November 2014 and to refinance the financing agreement entered into with Danske Bank A/S and OP Corporate Bank Plc on 31 May 2018, concerning a bridge loan of EUR 100 million.

The new agreement consists of a term loan of EUR 160 million and a revolving credit facility of EUR 20 million. The company drew down the term loan on 25 October 2018, partially in euro and partially in Swedish krona in accordance with the terms of the loan agreement. The loans mature in October 2023. Of the revolving credit facility, EUR 10 million was utilised on 31 March 2019.

The loans include a financial covenant reviewed on a quarterly basis, which is Net debt to EBITDA calculated in accordance with the financing agreement. The relation of the Group's net debt to EBITDA adjusted according to the terms of the financing agreement was 3,0 (2,1) on 31 March 2019. The covenant limit in accordance with the financing agreement was 4,5 (3,5) on 31 March 2019.

2.6. Lease agreement commitments

LEASE AGREEMENT COMMITMENTS			
EUR thousand	31.3.2019	31.3.2018	31.12.2018
No later than 1 year	65	729	4 406
Later than 1 year and no later than 5 years	-	3 865	12 000
Later than 5 years	-	2 827	2 306
Total	65	7 421	18 712

Lease agreement commitments are not shown for the interim period, unless the lease period is 12 months or less or the value of the lease agreement is low. Group does not report low value agreements or IT service agreements as minimum rents. Reference period is based on IAS 17 standard, review period is based on IFRS 16 standard.

As a result of adoption of IFRS 16 standard lease agreement commitments have decreased due to recognition of short term and long term lease liabilities on the balance sheet. A reconciliation between Financial Statements 2018 lease commitments and IFRS 16 lease liabilities has been presented in note 2.1 Accounting Policies.

2.7. Transactions with related parties

Related parties of the Group consist of group entities and shareholders having a significant influence over the Group. The shareholders who have had the right to nominate a representative in the Company's Board of Directors are considered as having significant influence in the Company. In addition, the key management persons, including the Board of Directors, CEO and Executive Team, are related parties of the Group, as well as their close family members and companies, where the above mentioned persons exercise controlling power.

THE FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH RELATED PARTIES			
1.1.-31.3.2019	Sales of	Purchases	Finance
EUR thousand	goods and	of goods	income and
	services	and services	expenses
Shareholders having a significant influence over the Group	2 755	-155	-217
Total	2 755	-155	-217
31.3.2019		Receivables	Liabilities
EUR thousand			
Shareholders having a significant influence over the Group		1 340	57 175
Total		1 340	57 175
1.1.-31.12.2018	Sales of	Purchases	Finance
EUR thousand	goods and	of goods	income and
	services	and services	expenses
Shareholders having a significant influence over the Group	5 389	-482	-181
Total	5 389	-482	-181
31.12.2018		Receivables	Liabilities
EUR thousand			
Shareholders having a significant influence over the Group		1 091	57 516
Total		1 091	57 516

Transactions with related parties have been carried out on an arm's length basis. During the review period, the Group's related party transactions with key persons in management and members of the Board of Directors consisted of normal salaries and fees.

Long-term incentive plans for the management

Long-term incentive plan for the management 2015–2018

In March 2015, the Board of Directors of the Company established an incentive plan for the management of the Group. The plan is based on the Group's management making personal investments in Asiakastieto Group Plc's shares and the opportunity for the Group's management to be awarded further shares on the basis of meeting long-term performance criteria and a commitment to the company. In order to participate in the plans and receive an award from the plans, the members of the Group's management acquired, in the personnel offering, the number of shares determined by the Board of Directors. Any shares acquired above the number of shares determined by the Board of Directors are not entitled to an award. The long-term incentive plan contains two elements: a performance-based share plan and a matching share plan.

In general, no award shall be paid if the employment or service contract terminates before the award payment. Any award shall be paid in net amount of shares after deducting the tax-related costs.

The participants must retain at least 50 per cent of all net shares received on the basis of the plan until the participant's share ownership equals his/her annual gross base salary. Such number of shares must be held as long as the participant's employment or service at Asiakastieto Group continues.

The plan was directed to approximately ten key members of the Group's personnel, including all members of the executive team. The awards to be paid out through the performance based share plan and the matching share plan of year 2015, correspond to the value of 108 000 shares at a maximum including also the cash proportion and with the assumption that the criteria for the performance-based share plan are achieved to their maximum.

In June 2016, the Board of Directors of Asiakastieto Group Plc resolved to continue the key employee performance share plan as resolved by the Board in March 2015. Should the targets of the plan resolved in June be attained in full, the payable rewards will correspond to a maximum total of 72 000 Asiakastieto Group shares, including also the cash proportion.

The long-term incentive plan to the management is in the scope of IFRS 2. For the review period, an accrued expense EUR 27 thousand (EUR 55 thousand) has been recognised in personnel expenses.

Performance-Based Share Plan 2015

The long-term incentive plan includes the possibility to be awarded with further shares based on a set of performance criteria. The performance-based award for the period March 2015 – March 2018 shall be based on the total shareholder return calculated on the Asiakastieto Group Plc's share, adjusted for dividends paid. Performance-Based Share Plan 2015 ended on 31 March 2018 and paid out on 29 May 2018.

Matching Share Plan 2015

In the personnel offering, the members of the Group's management subscribed for Personnel Shares, the ownership of which is a prerequisite for participating in the long-term incentive plan. The acquisition of Personnel Shares within the matching share plan entitles the participant to be awarded one additional share for each Personnel Share within the plan in four years' time, provided that the participant's employment or service at the company continues and the Personnel Shares acquired within the plan are still held by the participant at such time. The matching share plan award was paid to the participants on 8 March 2019.

Performance-Based Share Plan 2016

The long-term incentive plan included the possibility to be awarded with further shares based on a set of performance criteria. The performance-based award for the period July 2016 – December 2018 shall be based on the total shareholder return calculated on the Asiakastieto Group Plc's share, adjusted for dividends paid. Any earned award was paid out to participants on 8 March 2019.

In the directed issue, key persons participating in the performance-based share plans 2015 and 2016 were given altogether 39 328 new shares of Asiakastieto Group Plc without consideration, in accordance with the terms of the programme. Withholding tax of EUR 1,1 million was withheld from the shares issued and paid to the tax authorities. The decision on a directed issue of shares was based on the authorisation given to the Board of Directors by the Annual General Meeting on 22 March 2018. The new shares were registered in the Trade Register on 8 March 2019, and they became the subject of public trading on 11 March 2019.

Long-term incentive plan for the management 2018–2021

In August 2018, the Board of Directors decided on a new share-based, long-term incentive plan for key persons of Asiakastieto Group. The target group of the plan includes approximately 40 key persons, including the members of the Executive Team. In order to participate in the plan and receive award, the participant must purchase Asiakastieto Group Plc's shares or allocate previously held Asiakastieto shares to the programme in the number determined by the Board of Directors.

The possible award for the commitment period depends on the continuation of employment or service at the time of payment award and meeting of the shareholding requirement. The award for the

commitment period will be paid after the end of the commitment period in 2020. Furthermore, the possible award for the performance period is based on total shareholder return (TSR) on Asiakastieto Group Plc share and the Group's adjusted EBITDA in 2020. The award for the performance period will be paid in two increments in 2021.

Awards payable under the plan will not total more than the value of approximately 300 000 Asiakastieto Group Plc shares, including also the amount paid in cash. For the financial year, an accrued expense of EUR 175 thousand (EUR 0) has been recognised in personnel expenses.

NOTE 1. CONSOLIDATED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information is presented to illustrate the impact of the acquisition of UC and the related bridge financing on Asiakastieto Group's results of operations. To finance the acquisition of UC, the Group entered on 31 May 2018 in a financing agreement of EUR 100,0 million concerning a bridge loan. The bridge loan was drawn down on 29 June 2018, and it was replaced by refinancing of the loans on 25 October 2018. The consolidated pro forma financial information purports to reflect the effect of the bridge loan facility to financial expenses in Asiakastieto Group's consolidated statements of income during the periods presented. The effective interest rate used for pro forma purposes for the bridge loan facility was 1,7 percent. More information on the acquisition of UC is presented under Note 2.3. Corporate Acquisitions in the Notes to the condensed financial statements.

Consolidated pro forma statement of income data

CONSOLIDATED PRO FORMA STATEMENT OF INCOME			
EUR million	Actual 1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Net sales	34,5	32,8	134,3
Other operating income	0,0	0,1	0,1
Materials and services	-5,6	-5,3	-22,8
Personnel expenses	-9,8	-10,1	-40,7
Other operating expenses	-8,3	-9,9	-38,2
Work performed by the entity and capitalised	0,6	0,6	2,0
Depreciation and amortisation	-4,7	-3,7	-15,5
Operating profit	6,7	4,5	19,2
Finance income	0,0	0,0	0,0
Finance expenses	-0,8	-0,7	-3,1
Finance income and expenses	-0,8	-0,7	-3,1
Profit before income tax	5,8	3,7	16,2
Income tax expense	-1,0	-0,6	-3,3
Profit for the period	4,8	3,2	12,9
Items that may be reclassified to profit or loss:			
Translation differences on foreign units	-4,0	-	5,4
Hedging of net investments in foreign units	0,9	-	-0,9
Income tax relating to these items	-0,2	-	0,2
	-3,2	-	4,8
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	-	1,1	0,5
Income tax relating to these items	-	-0,2	-0,1
	-	0,8	0,4
Other comprehensive income for the period, net of tax	-3,2	0,8	5,2
Total comprehensive income for the period	1,6	4,0	18,0

Accounting policies of the unaudited pro forma financial information

The pro forma financial information for the financial year ended 31 December 2018 combines historical consolidated statements of comprehensive income of Asiakastieto Group and UC and the impact of the acquisition of UC including the bridge financing to give effect to the transaction as if it had occurred on 1 January 2017. UC's balance sheet has been consolidated into Asiakastieto Group's balance sheet starting from 30 June 2018 and the figures of the income statement from 1 July 2018. Therefore, the figures for the third and fourth quarters of 2018 are taken into account in the pro forma calculations as actual reported figures.

The pro forma financial information for the financial year ended 31 December 2018 is prepared in accordance with the accounting policies applied in Asiakastieto Group's audited consolidated financial statements for the year ended 31 December 2018.

The unaudited pro forma financial information is prepared on the basis of the historical consolidated statements of comprehensive income of Asiakastieto Group and UC, prepared in accordance with IFRS. More information on Asiakastieto Group's historical performance is available in Asiakastieto Group's audited financial statements and Asiakastieto Group's half year financial report for year 2018. The basis of presentation of the pro forma financial information and the notes to unaudited comprehensive pro forma income statements are also presented in more detail in the report. Asiakastieto Group's audited financial statements and half year report for year 2018 are available at www.asiakastieto.fi.

All amounts are presented in millions of euros unless otherwise stated. The pro forma financial information set forth herein has been rounded. Accordingly, in certain instances, the sum of figures may not conform exactly to the total amount given for that column or row.

Additional pro forma information

The following tables present the basic and diluted pro forma earnings per share attributable to the owners of the parent company and the net sales distribution by business area, applying the same principles as those applied to the pro forma income statement information.

PRO FORMA EARNINGS PER SHARE			
	Actual		
EUR million (unless otherwise stated)	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Pro forma profit attributable to the owners of the parent company	4,8	3,2	12,9
Weighted average number of shares in issue, historical (pcs)	23 964 014	15 102 178	15 116 115
Pro forma adjustment regarding new shares (pcs)	-	-	-
New shares issued as part of consideration (pcs)	-	8 828 343	8 828 343
Pro forma weighted average number of shares in issue, basic (pcs)	23 964 014	23 930 521	23 944 458
Pro forma basic earnings per share (EUR)	0,20	0,13	0,54
Pro forma weighted average number of shares in issue, basic (pcs)	23 964 014	23 930 521	23 944 458
Management's incentive plan (pcs)	879	66 650	46 465
Pro forma number of shares, weighted average, diluted (pcs)	23 964 893	23 997 171	23 990 923
Pro forma diluted earnings per share (EUR)	0,20	0,13	0,54

PRO FORMA NET SALES BY BUSINESS AREA			
EUR million	Actual		
	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Risk Decisions	23,4	21,3	88,0
SME and Consumers	7,1	7,3	29,7
Customer Data Management	2,0	2,5	8,9
Digital Processes	2,0	1,7	7,6
Total	34,5	32,8	134,3

Net sales for reference periods have been restated to match the current fiscal year business area allocation of products. Certain products have been moved from Customer Data Management to SME and Consumers business area.

Pro forma key figures

In addition to pro forma operating profit (EBIT) and pro forma EBITDA, Asiakastieto Group presents on a pro forma basis comparable earnings per share excluding amortisation from fair value adjustments related to the business acquisitions and their tax impact, adjusted operating profit (EBIT) and adjusted EBITDA, to reflect the financial development of its business operations and to enhance comparability from period to period. Information regarding the formulas for key figures and reasons for the use of alternative performance measures are presented to this interim report in Note 2 Key financial information for the group.

PRO FORMA KEY FIGURES			
EUR million	Actual		
	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Net sales	34,5	32,8	134,3
Net sales growth, %	5,2	n/a	3,6
EBITDA	11,3	8,2	34,8
EBITDA margin, %	32,8	25,0	25,9
Adjusted EBITDA	11,7	9,3	42,1
Adjusted EBITDA margin, %	34,0	28,2	31,3
Adjusted EBITDA excluding IFRS 16 impact	11,2	9,3	42,1
Adjusted EBITDA excluding IFRS 16 impact, %	32,4	28,2	31,3
Operating profit (EBIT)	6,7	4,5	19,2
EBIT margin, %	19,3	13,6	14,3
Adjusted operating profit (EBIT)	9,8	8,3	37,7
Adjusted EBIT margin, %	28,5	25,3	28,1
Net sales from new products and services	1,5	2,2	10,5
New products and services of net sales, %	4,4	6,7	7,8
Earnings per share, basic, EUR	0,20	0,13	0,54
Earnings per share, diluted, EUR	0,20	0,13	0,54
Earnings per share, comparable, EUR ¹	0,29	0,22	0,90
Net debt to adjusted EBITDA, x	3,0	n/a	3,3

¹ The comparable pro forma earnings per share does not contain amortisation from fair value adjustments related to the acquisitions or their tax impact.

Matching of pro forma alternative key figures to the closest IFRS key figure

PRO FORMA ADJUSTED EBITDA			
	Actual		
EUR million	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Operating profit (IFRS)	6,7	4,5	19,2
Depreciation and amortisation	4,7	3,7	15,5
EBITDA	11,3	8,2	34,8
Items affecting comparability			
M&A and integration related expenses	0,2	0,6	4,2
Redundancy payments	0,2	-	2,1
External expenses arising from significant regulatory changes	-	0,4	0,9
Compensation paid for damages	-	-	0,1
Total items affecting comparability	0,4	1,0	7,3
Adjusted EBITDA	11,7	9,3	42,1
IFRS 16 -lease expenses	-0,6	-	-
Adjusted EBITDA excluding IFRS 16 impact	11,2	9,3	42,1

PRO FORMA ADJUSTED OPERATING PROFIT			
	Actual		
EUR million	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Operating profit (IFRS)	6,7	4,5	19,2
Amortisation from fair value adjustments related to acquisitions	2,8	2,8	11,1
Items affecting comparability			
M&A and integration related expenses	0,2	0,6	4,2
Redundancy payments	0,2	-	2,1
External expenses arising from significant regulatory changes	-	0,4	0,9
Compensation paid for damages	-	-	0,1
Total items affecting comparability	0,4	1,0	7,3
Adjusted operating profit	9,8	8,3	37,7

PRO FORMA COMPARABLE EARNINGS PER SHARE			
	Actual		
EUR million (unless otherwise stated)	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Pro forma profit attributable to the owners of the parent company (IFRS)	4,8	3,2	12,9
Amortisation from fair value adjustments related to acquisitions	2,8	2,8	11,1
Tax impact of amortisation from fair value adjustments related to the acquisitions	-0,6	-0,6	-2,4
Pro forma comparable profit attributable to the owners of the parent company	7,0	5,3	21,6
Pro forma weighted average number of shares in issue - basic (pcs)	23 964 014	23 930 521	23 944 458
Pro forma comparable earnings per share (EUR)	0,29	0,22	0,90

NOTE 2. KEY FINANCIAL INFORMATION FOR THE GROUP

Asiakastieto Group Plc presents alternative performance measures as additional information for key performance measures in the consolidated statements of income, financial position and cash flows prepared according to IFRS to reflect the financial development of its business operations and to enhance comparability from period to period. According to the management's view, alternative performance measures provide substantial supplemental information on the result of the Group's operations, financial position and cash flows to the management and investors, securities analysts and other parties. Alternative performance measures are not, as such, included in the consolidated financial statements prepared according to IFRS, but they are derived from the IFRS consolidated financial statements by adjusting items in the consolidated statements of income, financial position and cash flows and/or by proportioning them to each other. Alternative performance measures should not be considered as a substitute for measures in accordance with IFRS. All companies do not calculate alternative performance measures in a uniform way. Therefore, the company's alternative performance measures are not necessarily comparable with similarly named performance measures of other companies.

In addition, Asiakastieto Group Plc presents some performance measures reflecting the productivity of its business operations on a pro forma basis to describe the impact of UC's acquisition and bridge loan financing as if these transactions had been realised on an earlier date. The information on the preparation basis of Pro forma financial information and the unaudited pro forma income statements used as the basis for the calculation are found in Note 1, Consolidated pro forma financial information of the Group.

The alternative performance measures of this Interim Report have been calculated applying the same principles as presented in the Board of Directors' Annual Report for 2018.

KEY INCOME STATEMENT AND CASH FLOW FIGURES AND RATIOS			
EUR million	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Net sales	34,5	15,1	98,1
Net sales growth, %	128,8	8,9	74,6
EBITDA	11,3	5,1	26,7
EBITDA margin, %	32,8	33,9	27,2
Adjusted EBITDA	11,7	6,4	36,1
Adjusted EBITDA margin, %	34,0	42,6	36,8
Adjusted EBITDA excluding IFRS 16 impact	11,2	6,4	36,1
Adjusted EBITDA excluding IFRS 16 impact, %	32,4	42,6	36,8
Operating profit (EBIT)	6,7	4,2	16,7
EBIT margin, %	19,3	27,7	17,0
Adjusted operating profit (EBIT)	9,8	5,6	32,0
Adjusted EBIT margin, %	28,5	37,2	32,7
Free cash flow	7,3	1,5	15,9
Cash conversion, %	64,4	29,5	59,6
Net sales from new products and services	1,5	1,5	8,6
New products and services of net sales, %	4,4	9,6	8,8
Earnings per share, basic, EUR	0,20	0,21	0,56
Earnings per share, diluted, EUR	0,20	0,20	0,56
Earnings per share, comparable, EUR ¹	0,29	0,21	0,78

¹ The comparable earnings per share does not contain amortisation from fair value adjustments related to the acquisitions or their tax impact.

KEY BALANCE SHEET RATIOS			
EUR million	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Balance sheet total	562,0	165,8	545,9
Net debt	140,9	49,6	137,0
Net debt to adjusted EBITDA, x	3,0	1,9	3,3
Return on equity, %	6,2	16,4	5,4
Return on capital employed, %	5,5	11,5	5,2
Gearing, %	47,1	70,3	42,6
Equity ratio, %	54,0	43,1	59,6
Gross investments	2,6	1,5	5,6

Matching of alternative key figures to the closest IFRS key figure

EBITDA AND ADJUSTED EBITDA			
EUR thousand	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Operating profit	6 656	4 180	16 704
Depreciation and amortisation	4 681	928	9 995
EBITDA	11 337	5 108	26 699
Items affecting comparability			
M&A and integration related expenses	224	1 315	7 266
Redundancy payments	184	-	1 935
External expenses arising from significant regulatory changes	-	-	142
Compensation paid for damages	-	-	80
Total items affecting comparability	408	1 315	9 424
Adjusted EBITDA	11 745	6 423	36 122
IFRS 16 -lease expenses	-556	-	-
Adjusted EBITDA excluding IFRS 16 impact	11 189	6 423	36 122

EBIT AND ADJUSTED EBIT			
EUR thousand	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Operating profit	6 656	4 180	16 704
Amortisation from fair value adjustments related to the acquisitions	2 770	118	5 915
Items affecting comparability			
M&A and integration related expenses	224	1 315	7 266
Redundancy payments	184	-	1 935
External expenses arising from significant regulatory changes	-	-	142
Compensation paid for damages	-	-	80
Total items affecting comparability	408	1 315	9 424
Adjusted operating profit	9 834	5 613	32 042

FREE CASH FLOW			
EUR thousand	1.1. – 31.3.2019	1.1. – 31.3.2018	1.1. – 31.12.2018
Cash flow from operating activities	9 880	2 770	19 527
Paid interests and other financing expenses	78	261	2 092
Received interest and other financing income	-71	-0	-7
Acquisition of tangible assets and intangible assets	-2 591	-1 524	-5 691
Free cash flow	7 296	1 507	15 921

Matching of pro forma alternative performance measures is shown in Note 1 Consolidated pro forma financial information of the Group to this interim report.

Calculation formulas for alternative performance measures

FORMULAS FOR KEY FIGURES

EBITDA	Operating profit + depreciation and amortisation
Items affecting comparability	Material items outside ordinary course of business that concern i) M&A and integration related expenses, ii) redundancy payments, iii) compensations paid and iv) external expenses arising from significant regulatory changes
Adjusted EBITDA	EBITDA + items affecting comparability
Adjusted EBITDA excluding IFRS 16 impact	Adjusted EBITDA + IFRS 16 -lease expenses
Adjusted operating profit (EBIT)	Operating profit excluding amortisation from fair value adjustments related to the acquisitions + items affecting comparability
Net sales from new products and services	Net sales of new products and services is calculated as net sales of those products and services introduced within the past twenty-four months.
Free cash flow	Cash flow from operating activities added by paid interests and other financing expenses, deducted by received interests and other financing income and deducted by acquisition of tangible and intangible assets
Cash conversion, %	$\frac{\text{Free cash flow}}{\text{EBITDA}} \times 100$
Net debt	Interest-bearing liabilities - Cash and cash equivalents
Net debt to adjusted EBITDA, x	$\frac{\text{Net debt}}{\text{Adjusted EBITDA}}$
Return on equity, %	$\frac{\text{Profit (loss) for the period}}{\text{Total equity (average for the period)}} \times 100$
Return on capital employed, %	$\frac{\text{Profit (loss) before taxes + Financial expenses}}{\text{Total assets - Non-interest-bearing liabilities (average for the period)}} \times 100$
Gearing, %	$\frac{\text{Interest -bearing liabilities - cash and cash equivalents}}{\text{Total equity}} \times 100$
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - Advances received}} \times 100$
Earnings per share, basic	Profit for the period attributable to the owners of the parent company divided by weighted average number of shares in issue

Earnings per share, diluted	Profit for the period attributable to the owners of the parent company divided by weighted average number of shares in issue taken into consideration the possible impact of the Group's management's long-term incentive plan
Earnings per share, comparable	Profit for the period attributable to the owners of the parent company excluding amortisation from fair value adjustments related to the acquisitions and their tax impact divided by weighted average number of shares in issue
Gross investments	Gross investments are fixed asset acquisitions with long-term effect, from which no sales of property or disposal of business have been deducted. As a general rule, fixed assets comprise tangible assets and intangible assets

Purpose of use of alternative performance measures

EBITDA, adjusted EBITDA and adjusted EBIT are presented as alternative performance measures, as they, according to the Company's view, enhance the understanding of the Group's results of operations and are frequently used by analysts, investors and other parties.

Adjusted EBITDA excluding IFRS 16 impact is presented as alternative performance measure starting 1 January 2019 as, according to the Company's view, it will improve the understanding of Group's profitability compared to prior year. Implementation of IFRS 16 Lease Agreements standard will have a significant impact on adjusted EBITDA, which is one of the main alternative performance measures used to describe the development of Group profitability.

Net sales from new products and services is presented as alternative performance measure, as it, according to the Company's views, describes the development and structure of the Company's net sales.

Free cash flow, cash conversion and gross investments are presented as alternative performance measures, as they provide, according to the Company's view, a good insight into the needs relating to the Group's business cash flow and are frequently used by analysts, investors and other parties.

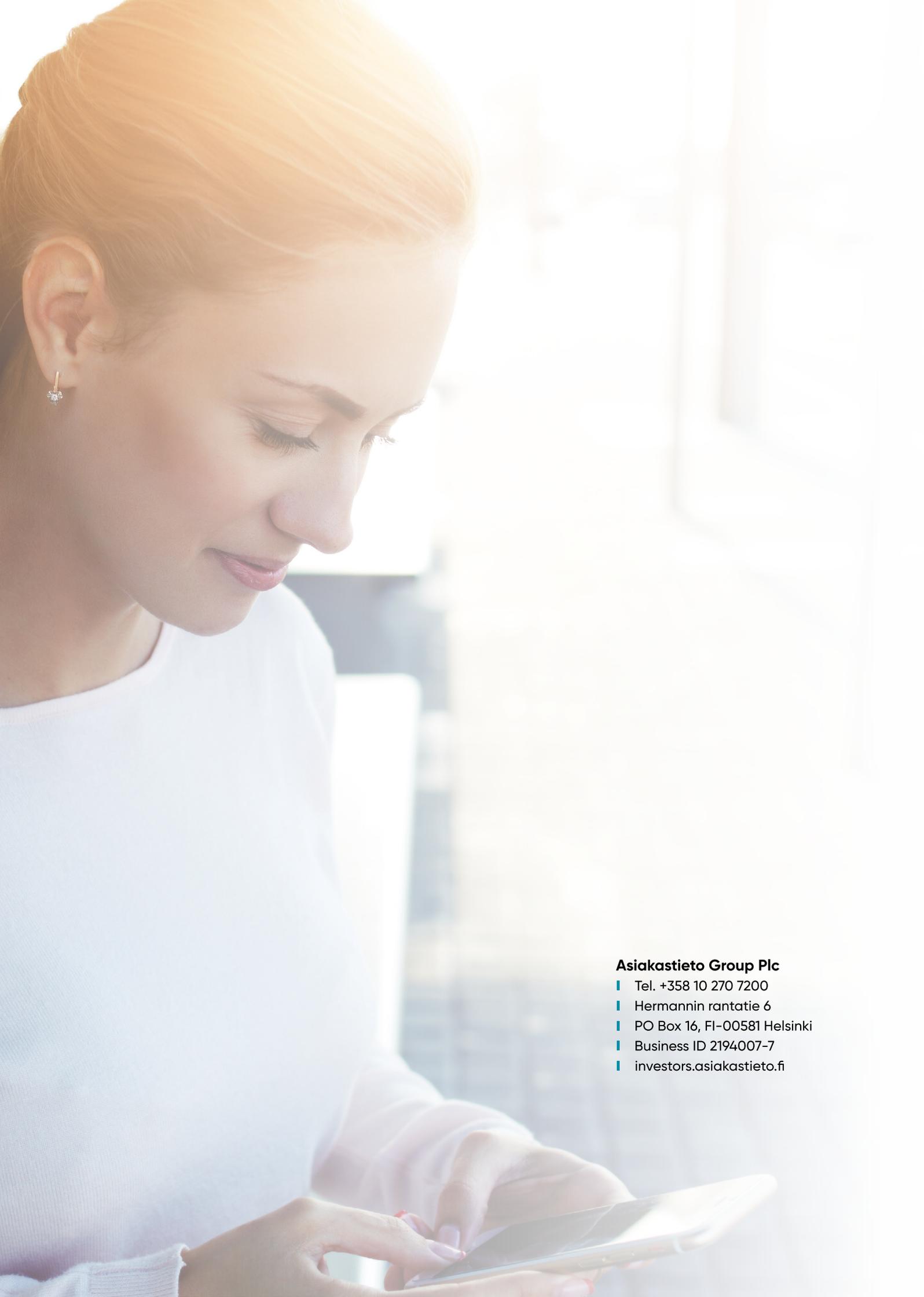
Net debt, net debt to adjusted EBITDA, return on equity and return on capital employed are presented as alternative performance measures, as they are, according to the Company's view, useful measures of the Group's ability to obtain financing and pay their debts, and they are frequently used by analysts, investors and other parties.

Gearing and equity ratio are presented as alternative performance measures, as they, according to the Company's views, reflect the level of risk related to financing and help to monitor the level of capital employed in the Group's business.

Comparable earnings per share is presented as an alternative performance measure, as it, according to the Company's view, helps to reflect the profit attributable to the owners.

Quarterly consolidated statements of income

CONSOLIDATED STATEMENT OF INCOME						
EUR thousand	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Net sales	34 522	35 910	31 410	15 728	15 088	14 574
Other operating income	25	-11	33	14	49	50
Materials and services	-5 609	-5 912	-5 532	-3 712	-3 178	-2 913
Personnel expenses	-9 833	-9 965	-9 905	-3 424	-3 469	-3 641
Other operating expenses	-8 334	-9 111	-8 158	-7 021	-3 765	-2 726
Work performed by the entity and capitalised	566	492	366	390	381	312
Depreciation and amortisation	-4 681	-4 276	-3 814	-977	-928	-910
Operating profit	6 656	7 126	4 401	997	4 180	4 746
Finance income	10	-107	114	0	0	1
Finance expenses	-827	-686	-891	-327	-292	-278
Finance income and expenses	-818	-793	-776	-326	-292	-277
Profit before income tax	5 838	6 333	3 624	671	3 888	4 469
Income tax expense	-1 038	-1 406	-707	-704	-780	-975
Profit for the period	4 800	4 926	2 917	-33	3 108	3 494
Items that may be reclassified to profit or loss						
Translation differences on foreign units	-3 960	717	4 733	-	-	-
Hedging of net investments in foreign units	888	-858	-	-	-	-
Income tax relating to these items	-178	172	-	-	-	-
	-3 249	31	4 733	-	-	-
Items that will not be reclassified to profit or loss						
Remeasurements of post-employment benefit obligations	-	-687	-	-	-	-
Income tax relating to these items	-	142	-	-	-	-
	-	-546	-	-	-	-
Other comprehensive income for the period, net of tax	-3 249	-515	4 733	-	-	-
Total comprehensive income for the period	1 551	4 411	7 650	-33	3 108	3 494
Profit attributable to:						
Owners of the parent company	4 800	4 926	2 917	-33	3 108	3 494
Total comprehensive income attributable to:						
Owners of the parent company	1 551	4 411	7 650	-33	3 108	3 494
Earnings per share attributable to the owners of the parent during the period:						
Basic, EUR	0,20	0,21	0,12	-0,00	0,21	0,23
Diluted, EUR	0,20	0,21	0,12	-0,00	0,20	0,23



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