

ASIAKASTIETO GROUP

Annual report

2019

One of the leading Nordic companies in
digital services and data innovation



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► Governance

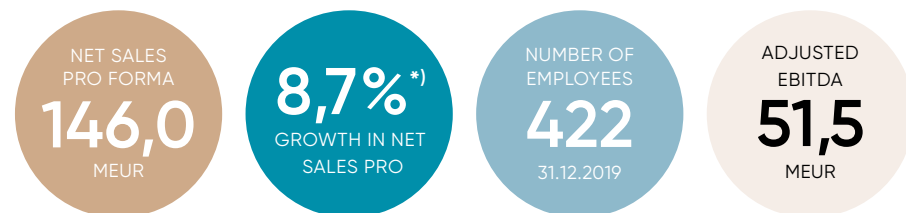
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Our Nordic growth story will go on

WE LOOK BACK ON 2019 as the year of Asiakastiето Group's Nordic growth. Our Nordic visibility has been expanded, our integration measures are progressing in line with our objectives and we have transitioned to normal operation at the organisational level. In late 2019, we started to work on defining our new strategy for 2020–2023. In addition to the Executive Team, the strategy development effort incorporates the views of nearly a hundred Asiakastiето employees. We made progress with our future-oriented efforts during the year as planned. The journey in the Nordics continues.



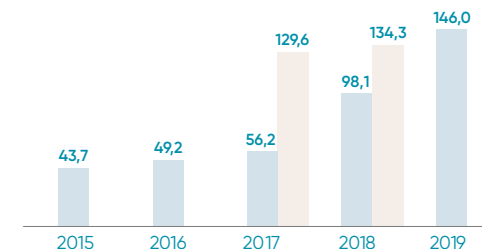
* compared to the previous year's pro forma net sales

Year 2019



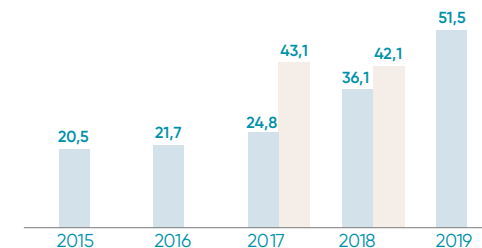
NET SALES 2015–2019

Actual reported, MEUR
Pro forma, MEUR



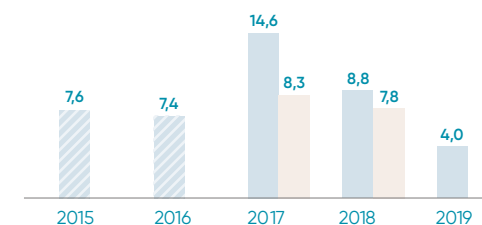
ADJUSTED EBITDA 2015–2019

Actual reported, MEUR
Pro forma, MEUR



NEW SERVICES SHARE OF NET SALES 2015–2019

Actual reported, MEUR
Pro forma, MEUR



▨ The method for calculating the share of new products and services has been changed from the financial year 2017 onwards so that the total sales of products launched during the past 24 months are included in the shares. For the financial years 2015 - 2016, the share was calculated as the net sales for products and services launched during the past 12 months added by the change in net sales for products and services launched during the preceding 12 months.

A successful year behind us

– our Nordic journey continues

► *Asiakastieto continued its strong development in 2019. We were able to focus fully on our work with customers and the development of our shared operations following the highly intensive integration stage between Asiakastieto's and UC's operations. The integration enables us to provide our customers with even more comprehensive services and stronger expertise. We continued to strengthen our offering by acquiring Proff, the leading company in information service in Norway and Denmark. The results of our many successful measures and hard work is reflected not only in our financial figures but also our internal culture. New colleagues, operating methods and products made our work more interesting and further increased our energy and enthusiasm.*

OUR NET SALES GREW to EUR 146 million, representing an increase of 8,7 per cent compared to the previous years pro forma net sales. At the same time, our adjusted EBITDA grew by 22,5 per cent to EUR 51,5 million. Our adjusted EBIT was EUR 42,6 million, which is an increase of 13,1 per cent. Our balance sheet remained strong and we financed the Proff acquisition directly through cash flow. Our profitability was improved by the synergies derived from the combination of Asiakastieto and UC. We continued to develop our service offering and launched new services in both of our main markets, Finland and Sweden. However, the share of net sales represented by new services decreased to 4,0 per cent due to the UC acquisition and the integration efforts related to it. The number of personnel decreased, mainly due to the

outsourcing of the Swedish telemarketing company, and we had 422 employees at the end of the year. Our positive development did not go unnoticed by investors, and our market capitalisation increased in the Helsinki stock exchange.

Proff strengthens our offering

Our goal is to strengthen our market position as one of the leading providers of company information services in the Nordic region. In May, we announced our acquisition of Proff, which produces company information services in Norway, Sweden and Denmark. The acquisition price was approximately EUR 12 million. Proff had net sales of about EUR 10 million and some 60 employees at the time of the acquisition. Proff's company information services are used by ap-

proximately three million unique visitors per month. Proff complements the geographical coverage of our services. In addition to Finland, Sweden and Norway, we now also have a presence in the Danish market. We are confident that the synergies created by these business combinations will deliver added value to our customers as well as our shareholders.

A growing need for reliable information

Asiakastieto's basic mission is to maintain trust in trading and agreements between different companies, between companies and consumers and between consumers. More and more buying situations today involve credit. This makes it important for us to provide creditors with services that help them confirm the solvency of debtors. At the same time, our services

help prevent the over-indebtedness of debtors, which is clearly a growing problem, especially in Finland. The number of consumers with payment defaults has decreased in Sweden during the existence of the positive credit register we maintain. In Finland, the number of consumers with payment defaults rose to a record high at the end of 2019 in spite of the Finnish economy having grown in recent years. Asiakastieto developed a PSD2 compliant bank account information inquiry system that was implemented in the autumn. Once the debtor has given their consent, the system determines their available funds based on information obtained from various creditors.

Indebtedness is causing concern among the authorities and regulators, which leads to efforts to bring the problem under control by strengthening the regulation of the industry. At the macroeconomic level, indebtedness compromises the ability of households and companies to adapt to financial challenges. At the individual level, a circle of debt can lead to a loss of control in life. Asiakastieto also strives to support society by disseminating information on how to manage finances. We have developed TarkkaFyrkka personal financial management learning materials aimed at young people and we also partner with the Youth Academy to organise workshops on this theme in Finland. The corresponding learning material package in Sweden is called The Bill.

Popcorn leads to strategic renewal

Our aim is to continuously improve our ability to serve our Nordic customers. In addition to excellent

customer cooperation and a constantly developing service offering, we are also prepared to make carefully considered acquisitions. To accelerate our growth, we are in the process of renewing our strategy. The renewed strategy will be published in early 2020. To ensure that our strategy will be effective and successful, we wanted it to be based on diverse information. A large group of Asiakastieto employees participated in the working group. Referred to as Popcorn, our strategy process has been an interesting and thought-provoking journey for everyone involved.

A leader in service development

New service development is an integral part of our growth strategy. Thanks to our good market position and strong expertise, we have a superior ability to develop our existing services as well as innovate new services and leverage the latest technologies. Increasingly comprehensive data and larger volumes also enable the efficient production of even higher-quality services. In service development, our goals for the new year are set considerably higher than in the previous year.

I would like to thank our customers, employees, shareholders and partners for their trust and excellent cooperation in 2019. We are in a great position to move forward.

Jukka Ruuska
CEO

2019 Asiakastiето Group

Asiakastiето and UC AB joined forces in 2018. In Finland we operate under the brand Suomen Asiakastiето Oy and in Sweden under UC AB. Since July 2019 Proff has been part of the Group.



LISTED ON NASDAQ HELSINKI

NUMBER OF EMPLOYEES 31.12.2019



422
TOGETHER



Intelligent Decisions.
Bigger Dreams.

MARKET CAPITALISATION

31.12.2019

756 MEUR



Partners in Nordic region and in Europe

Approximately 55 000 corporate customers within banking, finance, retail, public sector and small companies.



PROFF
The Business Finder
Since 2011

UC
Since 1977

PROFF
The Business Finder
Since 2011

asiakastiето
Since 1905



Year of Nordic growth

- Asiakastieto Group Plc and UC AB merged on 29 June 2018. The merger formed one of the leading Nordic providers of digital services and data innovations.
- UC Affärsinformation AB, part of Asiakastieto Group, acquired the business operations of Solidinfo.SE. The transaction was completed on 28 February 2019, and it will strengthen the offering of business information services in Sweden.
- Asiakastieto Group completed the acquisition of the shares of the business information service Proff in Norway, Sweden and Denmark on 1 July 2019. The acquisition will consolidate Asiakastieto's position in the market as the leading provider of business information services in the Nordic countries.
- Asiakastieto Group and Affärsfakta i Sverige AB completed the outsourcing of the telesales operations in UC Affärsfakta AB on 1 September 2019. Asiakastieto Group transferred the telesales operations in Sweden to Affärsfakta i Sverige AB, a company founded by the management of UC Affärsfakta AB as of 1 September 2019.

Growth formula

- New services
- Nordic offering
- Market share
- Pricing
- Acquisitions
- Cross selling
- Volume



Benefits

FUTURE GROWTH POTENTIAL

Joining our forces helps us to build a stronger future and better meet the changing customer needs by launching new digital services, on which we base our growth.

NORDIC OFFERING

We develop and offer a genuinely Nordic and smooth solution together with our cooperation partners. We introduce services from the Swedish market to Finland and vice versa.

ADDED VALUE TO SHAREHOLDERS

Our goal is to achieve at least EUR 17,8 million of synergy benefits a year. Full synergy benefits are expected to be realised by 2021.

Growth story

Towards a Nordic offering



JUNE 2018 Asiakastieto and UC AB merged.



FEBRUARY 2019 Solidinfo.SE corporate acquisition.



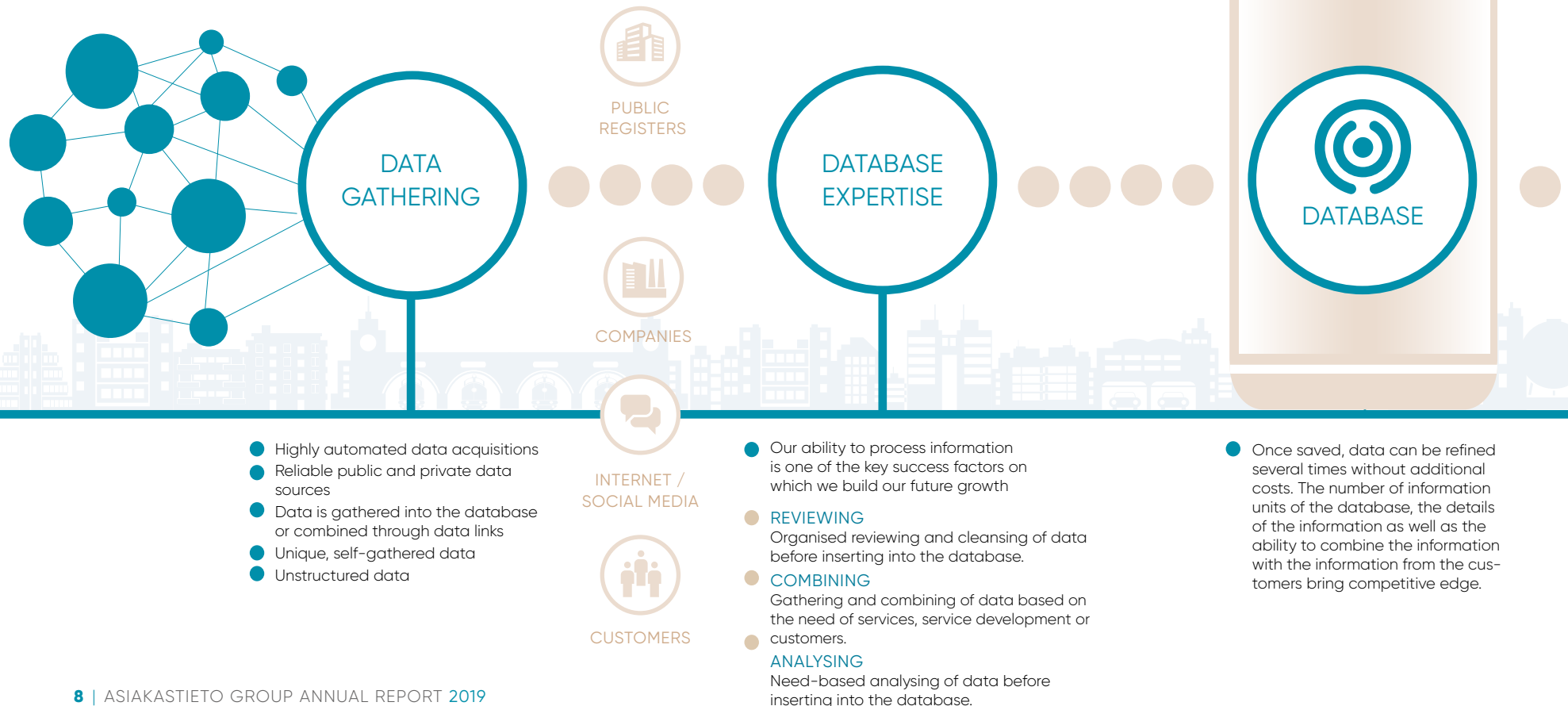
JULY 2019 Proff companies corporate acquisition.



SEPTEMBER 2019 Outsourcing of telesales operations in Sweden.

Database as the core of business operations

► We offer a broad selection of services that are based on our comprehensive database. Data is acquired from several public data sources, from companies themselves as well as through our own data gathering processes. In accordance with our strategy, we will focus in the utilisation of so-called unstructured data during the remainder of the year, such as data collected from companies' websites and social media..





SERVICE DEVELOPMENT

MAIN DISTRIBUTION

CUSTOMERS

OUTSOURCING SERVICES

INTEGRATED DELIVERY

B2B CUSTOMERS

OTHER PROCESSED SERVICES

CUSTOMER INTERFACE

B2C CUSTOMERS

INTERNATIONAL SERVICES

OPEN ONLINE SERVICE

AUTHORITIES

BASIC DATA

MOBILE SERVICE

CONSUMER CUSTOMERS

OFFLINE SERVICES

- Extensive selection of highly processed services
- Efficient product and service development organisation
- Service development in accordance with customer needs
- New service packages tailored for SMEs

- Services can be integrated directly into client's business and decision-making processes
- Most of the services are automated or are delivered via user interface or online service
- Services via Open Business Information service
- Different offline products as one-off deliveries

- Business to business companies
- Business to consumers companies
- Authorities
- Consumer customers

Strategic themes 2019 and strategy work 2020

- Our business environment is continuously changing. Our customers want to make use of new data and obtain solutions and services instead of a do-it-yourself package. They want to digitise their data-intensive processes to enhance their efficiency and offer their own customers a better customer experience. They expect the same from their service providers. Technology is evolving all the time. We must utilise new technology, such as machine learning and block chain-based solutions, to remain relevant in the future as well.
- Asiakastieto Group's strategy 2019 is based on three cornerstones, and on which the Group is developed. They are as follows: Customer first, engaged and competent personnel, and development of new services based on customer needs.
- To accelerate growth, Asiakastieto began a strategy development effort for 2020–2023 in the autumn 2019. The result of the process will be published in the spring 2020. Group-level corporate responsibility themes, targets, actions and indicators will be defined in connection with the new strategy.

The result
of our strategy
work will be
published
in the spring
2020.

Long term financial targets

GROWTH

Achieve 5-10 percent average growth in Net sales.

PROFITABILITY

Achieve a rate of EBITDA growth that exceeds the percentage growth of Net sales.

BALANCE SHEET STRUCTURE

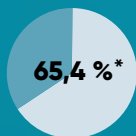
Maintain net debt to EBITDA of less than 3x while continuing to maintain an efficient capital structure.

Vision: Best decisions easily. **Mission:** We provide information services for the best decisions. Our services create high transparency and deeper trust in our society.

Business areas

RISK DECISIONS

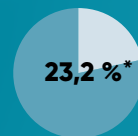
Companies engaging in corporate and consumer business use decision services and solutions for general risk management, credit risk management, financial management, customer acquisition, decision making, fraud and credit loss prevention as well as for gaining knowledge of and identifying their customers.



SME AND CONSUMERS

Digital services for small and micro companies with easy-to-use applications and user interfaces for the evaluation of risks and sales potential, acquisition of other relevant information on customers and business partners.

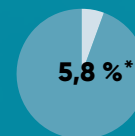
Services for consumers help consumers to understand and better manage their finances, while simultaneously protecting them from identity theft and fraud.



DIGITAL PROCESSES

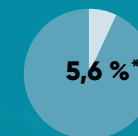
Services in this business area include, among others, real estate and apartment information, information about buildings and their valuation as well as solutions that help customers to automate their collateral management processes and digitalise the administration of housing purchases.

Services of the business area are also used for compliance purposes, for instance to identify companies' beneficial owners and politically exposed persons.



CUSTOMER DATA MANAGEMENT

Customer data management services help sales and marketing professionals to improve the efficiency of their work and to boost customer management by providing target group tools, services for surveying potential customers, register updates and maintenance, as well as various target group extractions.





Services

for responsible lending

- ▶ *Good consumer demand maintained the growth of the credit market and increased the demand for consumer-related risk management services. The need for personal data services and positive credit information increased in both markets, but the legislation on interest rate cap that entered into force in Finland at the beginning of September was visible in the form of the growth levelling off.*

THE SALES OF BUSINESS INFORMATION SERVICES saw positive development, largely due to new services. Net sales increased by 10,3% on the previous year at comparable exchange rates to EUR 95,5 million. Asiakastieto succeeded in increasing its sales through the acquisition of new customers and active service development, which was reflected in sales focusing increasingly on value-added services.

Asiakastieto is one of the leading providers of risk management services in Finland and Sweden. The Group's strong position is based on close cooperation and service development in collaboration with customers. To support their decisions, responsibly operating customers need increasingly comprehensive and up-to-date information through cost-effective digital services. Both lenders and borrowers benefit from responsible lending.

Determining available funds quickly

Service development was active during 2019. With the entry into force of the second EU Payment Services Directive, PSD2, Asiakastieto developed the Nordic Account Insight service together with its customers. The service is based on using the consumer's account data with their permission. Data about the transactions of the bank account, automatically retrieved for the lending process and analysed, help to calculate the applicant's actual available funds that can be used each month for servicing the debt. Going forward, PSD2 will also benefit corporate customers, allowing them to replace several manual steps of the loan application process by allowing access to the company's account data.

The availability of positive credit information in addition to payment default data helps to prevent over-indebtedness. A positive credit register has been in use in Sweden for a long time but, in Finland, the legislation is only under preparation. In Sweden, the service based on the credit register covers almost all lenders, situations and types of lending. In Finland, Asiakastieto has the Consumer Credit Inquiry System that makes positive credit information partly available. The reliability of the service requires data exchange between different operators, and its coverage expanded significantly during 2019, with key banks joining. Going forward, the aim is to include also housing loans in the service in addition to consumer credit.

Responsibility information about companies

Asiakastieto continued the development of the database on companies' responsibility and related services, driven by favourable market demand. The responsibility reports on companies now include criminal convictions from different courts, penalty payments imposed by the authorities, several variables associated with good corporate governance and information about occupational health and safety inspections carried out by the Regional State Administrative Agencies.

The Score Consumer Loan credit rating (Risk Blanco) launched in the Swedish market in 2018 became popular among consumer creditors. It is a credit rating system for unsecured consumer loans that assesses the risk level of credit applicants by collecting data from several sources. The rating helps lenders evaluate a customer's risk level in order to determine the interest rate to be offered.



Both lenders and borrowers benefit from responsible lending.

SERVICE

RISK DECISIONS BUSINESS AREA: The services promote trust between market participants and improve decision-making. Companies engaging in corporate and consumer business use the services and solutions for risk management, financial management, customer acquisition, decision-making, fraud and credit loss prevention as well as for obtaining customer information and identifying customers. The business area's customer base consists of companies of various sizes in many different industries.

Acquisition of Proff

broadened our offering

► *The acquisition of Proff, the leading company in information services in Norway and Denmark, was the highlight of 2019. With the establishment of the business in Norway and Denmark, Asiakastiето is now the leading company offering for business information services in the Nordics. Since the summer of 2019, it has had over 6,5 million unique visitors on the Freemium websites each month.*

THE BUSINESS AREA'S annual growth was stable and turnover grew by 16,7 percent to EUR 33,9 million, with comparable currency exchange rates to the previous year. When including Proff's turnover, the annual growth was 17 percent. Several changes occurred in the demand of our different services. Medium-sized companies moved from printed reports to online services, which impacted turnover. In Sweden, the UC Direkt online credit information services grew notably, and the positive demand in the Finnish market for certificates continued.

The growth of consumer business in Sweden came from Kreditkollen, which helps consumers better understand their credit information and improve their credit rating. In addition, small companies have a preference for easy-to-use online services, which cover both credit information and marketing functions.

Proff, which offers business information services, joined Asiakastiето Group after a successful acquisition during the summer. The acquisition strengthens further Asiakastiето's market position as the leading business information provider in the Nordic countries. Proff is an internet-based, free business and financial information service, which is based on a model of companies purchasing visibility, display advertising, and an order-based income model. Proff.no and proff.dk complement the allabolag.se site used in the Swedish market and the asiakastiето.fi/yritykset service in Finland.

The acquired business also includes the paid business information service Proff Forvalt, which provides comprehensive financial and background information as well as credit ratings for its Norwegian customers. Proff's Nordic experience will enable the further de-

velopment and creating positive synergies for all our business information sites. The Proff companies had in 2018 a turnover of approximately EUR 10 million, and with this acquisition 60 new employees joined Asiakastiето Group.

Strong product portfolio

With the acquisitions made in 2019, our product portfolio now serves even better than before both small and medium-sized companies, which will enable us to strengthen and expand customer relationships.

In 2020, the business will focus on developing its Nordic offering and investing in services, that can be launched in multiple countries for all business areas, as well as for our consumer business, certificates, and online credit services.

SERVICE

SME AND CONSUMERS BUSINESS AREA: Digital services for small and micro companies with easy-to-use applications and user interfaces for the evaluation of risks and sales potential, acquisition of other relevant information on customers and business partners and proof of own creditworthiness. Services for consumers help consumers to understand and better manage their finances, while simultaneously protecting them from identity theft and fraud.

Strong

growth continued

- *The strong growth of the Digital Processes business area continued in 2019. A fairly good level of activity in the real estate and housing market supported the demand for services, but growth was also supported by the successful introduction of new services.*

IN SWEDEN, THE TAMBUR HOUSING TRANSACTION SERVICE

became established as the prevailing practice in the operating methods of banks and real estate agents, and a corresponding service was also launched in the Finnish market. The demand for housing valuation services in Sweden was high, while the use of compliance services grew in Finland. Net sales increased to EUR 8,4 million, up 12,3 per cent at comparable exchange rates compared to 2018.

One of the business area's key objectives is the digital transformation of real estate and housing transactions to save customers' time and reduce

risks. The previous year saw the launch in the Swedish market of Tambur, a service platform that facilitates transactions and the exchange of information between housing agents and banks. Agents use the platform to collect the necessary information and documentation and carry out communications and various other activities through a shared digital platform used by agents and banks. The service makes housing transaction processes smoother and more efficient while also reducing risks. Tambur has become a genuine success and, in 2019, it was already used in the vast majority of housing transactions involving agents and banks.

New services launched in Finland

Asiakastieto developed the Digital Housing Transaction Service (Asuntokauppapalvelu), a similar service to Tambur, for the Finnish market in 2019. The first transactions on the Digital Housing Transaction Service platform were carried out in December 2019 and the commercial launch of the service will take place in early spring 2020.

A housing valuation service developed to meet the needs of banks was introduced in Finland in 2019. The new service from Asiakastieto provide price estimates as external party when banks use apartments or houses as collateral. It can also be used to have an evaluation of the entire portfolio of collaterals held by a bank. The corresponding Swedish service (Bostadsvärdering) continued to grow in popularity.

Service development supports growth

The combination of the services and resources of Asiakastieto and UC has strengthened the expertise and active service development that serves as the foundation of Asiakastieto Group's competitiveness. Investments in new services will continue in 2020. The business area's development efforts will again be primarily focused on services related to the digitalisation of housing transactions and processes in Finland and Sweden as well as the development of increasingly comprehensive compliance services.



The combination of the services and resources of Asiakastieto and UC has strengthened the expertise and active service development.

SERVICE

DIGITAL PROCESSES BUSINESS AREA: The services include, among others, real estate and apartment information, information about buildings and their valuation as well as solutions that help customers automate their collateral management processes and digitalise the administration of housing purchases. The services of the Digital Processes business area are also used for compliance purposes, such as identifying companies' beneficial owners and politically exposed persons. The most important customer groups are banks, real estate agents, the construction industry, electricity companies, law firms, forest owners' associations, municipalities, property management companies and rental housing companies.

A year of changes

- *In 2019, the Customer Data Management business area's net sales decreased at comparable exchange rates by 8,0 per cent to EUR 8,1 million compared to the previous year's pro forma net sales. The decrease in net sales was due to the termination of the consumer information service in Sweden, challenges in the customers' business brought on by GDPR, and a larger than usual customer churn.*

IN ADDITION, WE DECIDED to remove some of our oldest products, our email service was introduced with new use restrictions, and new functions were developed limitedly in the current subscription services. The interest for our products and services remain high, but the focus on new sales was not enough to catch up with the unexpected churn.

Active service development in Sweden and Finland

In November 2019, the new GDPR service was launched to the Swedish market. With a good reception in Finland in 2018, the service underwent further development prior to the launch in Sweden. Demand for the service is projected to be strong in the coming years. In addition, the business area developed several new services, that are projected to be ready for launch in 2020.

New direction

The business area's goal is to grow its market share, and has set up a new strategy for this. It focuses on ongoing comprehensive training of the sales team and a more targeted approach to customer service. Karl-Johan Werner began work as the new director of the business area in early 2019.

The markets in Sweden are notably larger than in Finland, and offer significant growth potential for the business area. Asiakastieto aims to strengthen its position as a value-adding partner. New competitors and starts-ups are continuously entering the market, and on the other hand, consolidation of market players may result in large and strong competitors. New technologies, such as artificial intelligence and machine learning, will also yield opportunities for developing services.





The business area's markets in Sweden are notably larger than in Finland.

SERVICE

CUSTOMER DATA MANAGEMENT BUSINESS AREA: Customer data management services help sales and marketing professionals improve the efficiency of their work and increase sales by providing tools and services for surveying current and potential customers, manage and maintain up-to-date registers, and perform various target group extractions. The customers of this product area are companies from various industries involved in consumer and corporate marketing.



Customer first

- *Our business environment is constantly changing. Our customers want to utilise new data and obtain solutions and services instead of DIY packages.*
- *Our customers want to digitalise their data-intensive processes to improve effectiveness and offer a better customer experience to their own customers, and they expect the same from their service suppliers.*

ALEXANDRIA CORPORATE FINANCING

Company Filter Pro helps reach potential customers



THROUGH ITS RAHAMYLLY SERVICE, Alexandria Corporate Financing Ltd grants financing for corporate customers and gives investors the opportunity to invest in Finnish SMEs. Alexandria's cooperation with Asiakastieto began when the company sought a partner to make it easier to access the information necessary for credit processes.

"Asiakastieto assigned a very capable contact person for us, and we quickly built a strong relationship based on trust," says **Markus Neimo**, CEO of Alexandria Corporate Financing. Asiakastieto's Optimi credit decision service and Company Filter Pro now support Alexandria's credit decision processes and make it easier to reach potential customers.

Company Filter Pro analyses the company's existing customer base and helps target marketing efforts at new customers with the highest potential.

"It has turned out to be a very effective tool for targeting our marketing activities and supporting our sales work. The effect is seen directly in our business," Neimo explains.

Company Filter Pro also enables Alexandria Corporate Financing to analyse its loan portfolio and monitor the performance of its borrowers. The tool helps the company develop its credit process and target its financing more effectively. Alexandria and Asiakastieto have worked together continuously to further improve the service package.

"Most important for us is that our contact at Asiakastieto knows us and is dedicated to developing the services to suit our specific needs. Our partnership with Asiakastieto has been characterised by collaboration and caring, and we have received just the kind of support and sparring that we have needed," Neimo adds.

CONSUMER CUSTOMER

Identity theft: An invoice for a thousand euros and a lot of work to sort things out



IN MARCH 2019, Niko Norisalo received a payment reminder from a consumer credit service in the mail in spite of not having taken out any such loans. Even though he had always tried to be careful about information security, he had become the victim of identity theft.

"The letter was about a thousand-euro loan taken out in my name in January. The interest rate was also quite high. It took until March for the invoice to reach me because the address information in the consumer credit service was a wrong address given by the identity thief," Norisalo explains.

He immediately called the company that had issued the loan.

"I was told to file a police report. After I did that, I set up a voluntary credit stoppage for myself on all credit information services so that my name could not be used to buy anything on credit," Norisalo recalls.

As a result of his experience, Norisalo decided to start using Asiakastieto's Minun Omatietoni service, which automatically notifies the user whenever an enquiry is made regarding their credit information and reveals who made the enquiry. The automatic monitoring of credit information allows the user to react immediately in the event of an attempt to use their personal data without authorisation.

"In my case, the identity theft was only revealed a couple of months after the fact. These days, many people recognise the need to protect their phones and computers with information security services, but they may forget about protecting their personal data. Minun Omatietoni is a data security service for your own personal data," Norisalo says.

Read more about the case on www.asiakastieto.fi.

ELO

Transparent reporting supports responsible investing



THE OBJECTIVE OF ELO Mutual Pension Insurance Company is to ensure the profitable and secure investment of employment pension assets. Elo's corporate financing supports the internationalisation and growth of Finnish companies and seeks sustainable earnings. Asiakastieto's services play an important role in credit ratings and decision-making processes in corporate financing. Asiakastieto's ESG Report service provides on the environmental and social responsibility, corporate governance and financial situation of companies.

"Elo is a leader in responsible investing and we want to use the best available tools in our sustainability efforts. Asiakastieto's ESG Report service corresponds to our needs very well. It provides a compilation of information that we had to collect from many different sources in the past. It has certainly made our operations smoother

and easier," says **Silja Bjondahl**, Head of Corporate Finance at Elo.

The assessment of a companies' creditworthiness and monitoring their solvency are important aspects of risk management. For Elo, Asiakastieto's monitoring services provide relevant and up-to-date information on changes in companies and the development of their financial situation. "This enables us to react in a timely manner, keep in contact and take a proactive approach," Bjondahl explains.

Bjondahl believes that high-quality reporting and transparency also help improve the sustainability of businesses in society in a broader sense. "Keeping sustainability issues at the forefront makes companies more aware of their impacts. It improves expertise in this area and creates a virtuous cycle."

LANDSHYPOTEK BANK

Automated housing valuation is the key to the future



OWNED BY SOME 39,000 farmers and forest owners, Landshypotek Bank has operated in the field of finance and banking since the 1800s. It offers housing finance services to customers throughout Sweden. UC AB's automated housing valuation service helps the bank deliver a quick and transparent credit decision process for its customers. The service makes it possible for customers to quickly see the offered interest rate and the factors behind it. They do not need to move all of their banking over or even negotiate with the bank to get competitive loan terms.

"To grant a loan, we need to make sure that the valuation is done reliably. The customer sends an extract from the cadastre online and immediately receives information on the value of the home. We chose to partner with UC because of their reputation as a provider of reliable solutions," says

Product Manager **Ann Wilén** from Landshypotek Bank.

UC's housing valuation service collects price statistics on all types of properties in Sweden, from farms to single-family houses. Wilén points out that reliable valuation along with information on the amount of credit are essential elements of the bank's loan offer. Partnering with UC has enabled Landshypotek Bank to streamline and automate its credit decision process.

"We meet regularly and engage in open dialogue. UC clearly cares about creating a good customer relationship and they are interested in our needs and plans so they can provide us with the best possible assistance in the long term," Wilén concludes.

LENDO

More accurate account data serves creditors and credit applicants



LENDO IS A GROWING international company and a leading Nordic loan broker that enables consumers to compare consumer loans and request competitive offers from creditors. Asiakastieto's services help evaluate a credit applicant's background information easily and reliably in advance.

"We want to be a responsible operator and carefully review the relevant information on credit applicants. It is important for us to know each of our customers. The credit information check enables us to find the best possible solution for the individual situation of each applicant," says Product Manager **Mikael Leppänen** from Lendo.

Making real-time calculations of available funds based on accurate data became easier when the PSD2 payment services directive gave Asiakastieto's customers the opportunity to review the account data of credit applicants subject to their consent.

"The information provided under PSD2 also serves our customers. The better we

know the customers, the more accurate offers we can deliver. At the same time, we can make our services easier and faster to use," Leppänen explains.

Lendo has also had the chance to influence the development of Asiakastieto's PSD2 service (Account Insight) by being involved in the pilot group that participated in the development of the service. The piloting process gave Lendo the opportunity to highlight special issues related to its operations that will continue to be taken into consideration in the continued development of the service. Leppänen is full of praise for Asiakastieto's proactive approach and the opportunity to work together to solve problems.

"When there are new services in the pipeline, Asiakastieto is quick to inform us and find out whether we have any challenges that we could tackle together. I am very pleased with our close cooperation and the way these services have been developed," Leppänen concludes.

OP

Digital credit decisions benefit customers through flexibility



"BANKING SERVICES at any time of the day, wherever the customer wants to use them." This is how **Mika Myllykangas**, Head of Credit Automation at OP Bank, summarises the wishes of today's customers. Myllykangas is in charge of automatic credit decision processes at OP. When services are provided regardless of time and place, information on the customer – such as credit information and population register information – must be available quickly and reliably.

"In practice, we use Asiakastieto's services in all of our credit decisions. The most important aspect of the partnership is that the information is accessible around the clock. We use automation to ensure that the customer can enjoy a positive service experience at a time that is convenient for them," Myllykangas says.

We always engage in discussions with Asiakastieto when we develop new services. One of the most signif-

icant steps taken during the past few years is the development of automatic loan offers for housing loans.

"It is essential for us to take a long-term view. Instead of simply reacting to existing needs, we want to work together to develop entirely new solutions."

Myllykangas characterises OP Bank's long-term partnership with Asiakastieto as smooth. Working with a familiar contact person ensures efficient cooperation.

"In an organisation as large as ours, cooperation without clearly designated contact persons would not work. Sometimes it feels like our contact person at Asiakastieto knows what is happening with us better than we do," Myllykangas adds with a laugh.

Increasing trust

and transparency in the market

- *Asiakastieto Group maintains trust in the market; in business-to-business transactions as well as transactions and agreements between businesses and private individuals. Trust is maintained through the provision of services that help companies verify the reliability of their contractual counterparties. The foundation for these services consists of Asiakastieto's databases of up-to-date information on companies and consumers.*
- *The services shaped from the Group's data improve the efficiency of customers' operations, increase responsibility and reduce the carbon footprint. As the carbon footprint of Asiakastieto's own operations is low, the Group's overall impact on its communities is very favourable.*

THE SIGNIFICANCE OF RESPONSIBILITY in the operations of Asiakastieto Group and its customers is constantly growing. The Group's database holds a large amount of information on companies and consumers. The appropriate processing of this data and maintaining the reliability and smooth functioning of services, along with the necessary standard of information security and privacy protection, require Asiakastieto to set ambitious objectives and operate at a high level of quality. The observance and continuous development of responsibility have always been an essential precondition for the continuity of the Group's business.

As corporate responsibility is a very broad issue, focusing development efforts on areas where the most positive outcomes can be achieved requires an understanding of the Group's impacts on all of its stakeholders. The material themes of Asiakastieto's corporate responsibility are maintaining trust in the market, having

a needs-driven and continuously evolving offering, developing the Group's competitiveness, being perceived as an attractive investment and being a good corporate citizen. From the perspective of human resources, the material themes are the opportunity to develop one's work and oneself as well as being able to work in a good workplace community.

To accelerate growth, Asiakastieto began a strategy development effort in the autumn of 2019. The result of the process will be published in the spring of 2020. Group-level corporate responsibility themes, targets, actions and indicators will be defined in connection with the new strategy.

Maintaining trust

Asiakastieto helps companies enhance their decision-making processes and customer relationship management by providing automated business and

credit information solutions that promote transparency between parties in business transactions, increase trust and promote commercial activity. The Group's service solutions make it possible for all parties to trust each other, trade on credit and ensure that the counterparty fulfils their obligations. For this to happen, the services provided by Asiakastieto must be efficient and their production must be smooth and free of disruptions. The data that underpins the services must be up-to-date and comprehensive. Service quality is measured by customer satisfaction surveys, among other things.

Promoting responsible lending

Companies are required to be increasingly responsible, transparent and reliable. This naturally also applies to the entire financial industry, including the provision of consumer credit. Responsibility in lending promotes

better financial management among companies as well as consumers throughout society. Asiakastiето helps its customers operate responsibly. In the area of consumer credit activities, our existing services, such as positive credit information and our UC Risk Blanco and Account Insight (PSD2) services improve the quality of credit decisions and support responsible lending. UC Risk Blanco, a product customised for the provision of unsecured credit, helps creditors make better credit decisions based on more accurate credit ratings. The PSD2 service makes it possible to use credit applicants' bank account information in assessing their solvency. By preventing over-indebtedness, these services are also beneficial for consumers.

Positive credit information is very valuable with respect to responsible credit granting and putting a stop to the circle of debt. This is supported by Asiakastiето Group's efficient systems in both countries. In Finland, the inquiry system developed by Asiakastiето discloses any alarmingly high debt loads of a person as well as any problems with due repayment of existing debts. The credit information file used in Sweden contains both payment default information and positive data related to a person's open credits. Thanks to the register, the number of people with payment defaults has decreased in recent years, even though consumers have incurred more debt at the same time.

An evolving service offering

Asiakastiето develops its services and their usability and availability with a customer-oriented approach. Customer needs are changing rapidly. Asiakastiето keeps a close eye on market development, the opportunities presented by the digital transformation

and the need to modify services in response to new regulations. At the same time, the Group invests in the development of its expertise and ability to innovate. Launching new services in the Nordic markets and continuously improving the existing services are core aspects of the Group's operations. There is a particularly significant need to quickly introduce innovations based on digitality and automation, as they help enhance the efficiency of customers' processes and reduce the carbon footprint. Customers are often engaged in development efforts and their views are increasingly taken into consideration in the Group's business as a whole. Development work also involves frequent cooperation with the authorities and other partners.

Developing the product and service offering while maintaining the efficiency and high quality of the Group's internal processes ensures high customer satisfaction and the financial profitability of operations. The quality management system and the ISO 9001:2015 standard are among the cornerstones of Asiakastiето's day-to-day operations.

The impacts of Asiakastiето's own operations are minor

Asiakastiето strives to reduce the environmental impacts of its operations, although their significance is relatively low in the big picture. The Group's most significant environmental impacts arise from business travel and the energy consumption of office premises. No significant risks are related to the environmental issues.

Efforts are made to reduce travel through the use of modern technology that enables remote work and the



partial use of video-conferencing and remote meetings. Asiakastiето also encourages employees to use public transport instead of creating a larger environmental impact through the use of employees' own cars and company cars. To this end, employees are provided with travel cards for commuting. The CO2 emission limit for Asiakastiето's company cars is 150 g/km.

Asiakastiето Group's largest offices are located in Helsinki (headquarters) and Stockholm. Both of the Group's offices are in locations with good public transport connections. They are modern activity-based offices in which fewer heated square metres per employee are needed. The lessors of both of the premises monitor electricity consumption, the use of warm and cold water, district heating and district cooling and waste management on a monthly basis.

The Report on non-financial information can be found in the Report of the Board of Directors.

Materiality assessment



The material aspects of Asiakastieto's corporate responsibility will guide our sustainability work.

Transparency and trust

- Maintaining trust in the market
- Promoting social transparency
- Reliable, comprehensive and up-to-date information and services
- Maintaining trust between Asiakastieto and various stakeholders
- Ensuring information security and privacy protection
- Promoting the availability of positive credit information
- Guidance to help consumers manage their finances
- Providing information and support to people with payment defaults

A needs-driven and continuously evolving product and service offering

- Understanding changes in customer needs
- Services that increase the efficiency of customers' operations and reduce the carbon footprint
- Quick adoption of digital innovations

Development of competitiveness

- Improving the customer experience
- Competence development
- Ensuring the efficiency of the Group's own operations and keeping production processes smooth and free of disruptions
- Strengthening the Nordic corporate identity and brand

Opportunities for developing your work and yourself

- Committed and competent employees
- Customer-oriented expert organisation
- Tasks that support competence development
- Opportunity to develop services
- Opportunities presented by Nordic operations and the business combination
- Promoting training, career development and job rotation

Good work community

- Coaching-oriented and supportive management culture creating trust
- Flat organisation and flexible cooperation
- A motivating and developing work community with a high level of well-being
- An employer image that helps attract top professionals
- Open communication and equal treatment
- Motivating and fair remuneration
- Maintaining a healthy work-life balance in various circumstances

Stakeholders

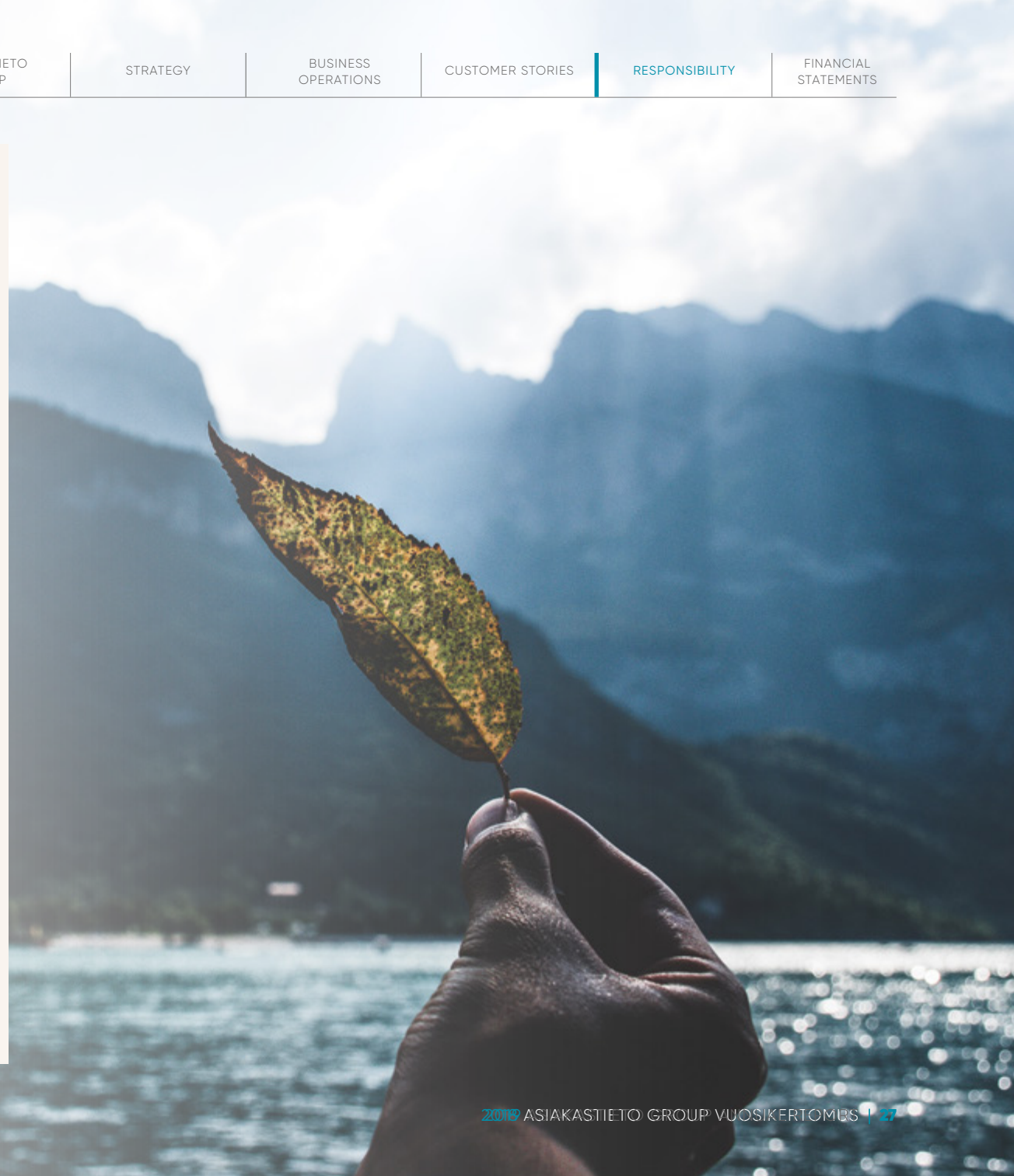
- Customers
- Personnel
- Business partners
- Shareholders
- Competitors
- Society and media

An attractive investment

- Growth and profitability, leading to higher shareholder value and dividends
- A liquid share
- Good governance and risk management
- Open, honest and timely communication
- Good investor relations

Good corporate citizenship

- Taking stakeholders, the authorities and partners into consideration
- Fulfilling obligations and paying taxes
- Honest and fair competition
- Active participation in the development of society
- Minimising the carbon footprint of the Group's own operations





Growing together into a strong Nordic team

➤ *Asiakastieto's Nordic organisation works together as a larger team than before – a team that respects the individual strengths of each of its members. Following the implementation of the integrated Nordic organisation, the year 2019 was characterised by the creation and development of a common company culture. The strategy development that began late in the year is focused on establishing new shared values and promoting new working methods and models of behaviour through new approaches and ways of thinking. The emphasis of the development efforts is on employees and the aim is to create a Nordic workplace that provides opportunities for employees to develop while also contributing to the development of operations, achieving good results and enjoying their work. Strong employee performance is a key factor in Asiakastieto's operations*

The quality of management, the employee experience of the work community, clear goals and employee competence are the key factors influencing the employees' commitment to work and well-being at work. The Nordic Supervisor Training Program targeted at the integration phase was launched in 2018. This programme aims at supporting the change management, self-development, coaching and team leadership skills of the supervisors. This programme has also played a significant role in building a unified team of supervisors. Based on the training programme, management principles were defined in early 2019 for the purpose of creating the desired work community and employee experience. Leadership training for new supervisors was launched during

the year, and the programme was also piloted in the expert group. The feedback was encouraging and the training for experts will continue in 2020.

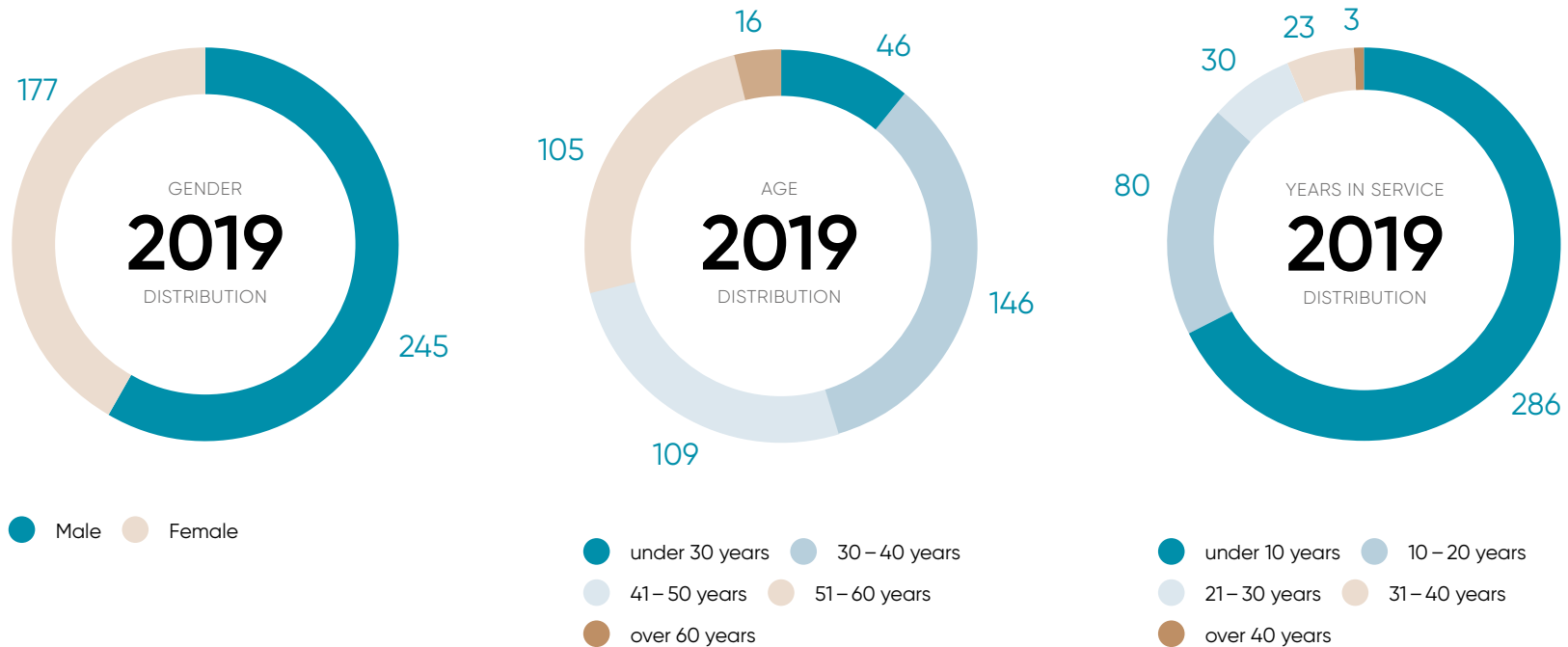
The Nordic organisation offers opportunities for development

The Grow Talk discussion practice was implemented at the Nordic level in 2019. Grow Talk discussions start with a personal annual target-setting discussion held in the first quarter of the year. The target-setting discussion is followed by monthly follow-up discussions with the supervisor and evaluation discussions held twice a year. The purpose of the discussions is to create commitment and build an understanding of how each employee contributes to the achievement

of the shared goals. Another purpose of the discussions is to ensure each employee's well-being and ability to develop in their work.

On-the-job learning plays a significant role in the employees continuously improving their ability to solve the customers' problems by offering new and innovative services and helping the customers enhance the efficiency of their own processes. Providing internal career opportunities to employees is one of the guiding principles of Asiakastieto's operations. The integrated Nordic organisation provides good development and learning opportunities through assignments in different market areas.

Altogether 22 e-learning courses were launched in 2019 to support sales operations and compliance.



In addition, a total of 400 employees in Finland and Sweden have started or completed EU GDPR training. Approximately 250 employees have started or completed country-specific training related to the credit information legislation in Sweden and Finland. IT security training has been provided for several years now. In 2020, the focus of the e-learning course programme will again be on satisfying compliance requirements and supporting sales.

People are at the core of the strategy process

Asiakastieto is building a leading Nordic group that produces digital services and data innovations. As

part of this process, Asiakastieto will update its strategy. The revised strategy will be published in early 2020. To ensure that the strategy will be effective and successful, the development of the strategy was based on diverse information. A large group of Asiakastieto employees participated in working groups. Referred to as Popcorn, the strategy process was an interesting and thought-provoking journey for everyone involved. The key principles of the strategy process were: co-operation throughout the organisation, seeking new ideas, perspectives and inspiration outside the organisation, questioning established operating methods and the transparency of the entire process.

In late 2018, we started a collaboration with the Great Place to Work® institute. The collaboration supports the long-term and systematic development of the Group's employee experience. We received the results of our first Trust Index® survey in September 2019. The information provided by the survey helps the organisation identify its strengths and weaknesses. The results of the survey were discussed in workshops during the latter part of the year. In addition to the Trust Index® survey, the collaboration with Great Place to Work involves a Culture Audit that describes Asiakastieto's culture in nine areas: hiring, inspiring, speaking, listening, thanking, developing, caring, cel-



celebrating and sharing. The purpose of the Culture Audit is to determine what makes the workplace unique and how to ensure the success of the organisation as well as the well-being of its employees.

Nordic Activity Group builds a stronger sense of community

The Nordic Activity Group established to support a strong sense of community within the Group continued to operate in 2019. The Group consists of active employees who plan and implement activities that promote team spirit and well-being at work throughout the year. The Nordic Activity Group has been an

internal success story. The concept has already been used in Finland for several years, and it was also implemented in Sweden in 2019. In 2019, the active group organised a number of events including breakfasts, surprise lunches, Christmas porridge and a soft serve ice cream machine.

Personnel 2019

The average number of personnel employed by Asiakastiето Group was 399 during the final quarter of the year and 428 (315) for the financial year 2019. At the end of the financial year, the number of people employed by Asiakastiето Group was 442 (447),

of whom 172 (164) worked in the Finnish companies, 210 (283) in the Swedish companies, 39 (0) in the Norwegian company and 1 (0) in the Danish company. The change in the number of personnel in the Swedish subsidiaries is mainly due to the outsourcing of UC Affärsfakta AB's telesales operations, while the change in the Norwegian and Danish subsidiaries is due to the Proff acquisition. The new resources and competencies brought in by the Proff acquisition have been a welcome addition to the Group's service offering and Asiakastiето's Nordic team. One of the highlights of the year was the first meeting of all of the Group's employees in March in Västerås, Sweden.





Board of Directors' Report and Financial Statements

2019

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Board of Directors' Report 2019

Business Overview

Asiakastieto Group Plc (the "Company") is a Finnish public limited liability company and the parent company to Asiakastieto Group ("Asiakastieto Group" or "the Group"). On the financial statements date, the Group consisted of the parent company Asiakastieto Group Plc, Suomen Asiakastieto Oy, Emaileri Oy, Proff AS, Proff ApS and UC AB and its subsidiaries UC Affärsinformation AB and Proff AB.

Asiakastieto Group Plc acquired the shares of UC AB on 29 June 2018. As a result of the transaction, UC's consolidated balance sheet has been consolidated as part of Asiakastieto Group Plc's consolidated balance sheet from 30 June 2018 and UC's consolidated income statement as part of Asiakastieto Group Plc's consolidated income statement from 1 July 2018. The Group acquired the shares of the business information service Proff in Norway, Sweden and Denmark under an agreement signed on 20 May 2019. The transaction was completed on 1 July 2019. The Proff companies' balance sheets and income statements have been included in Asiakastieto Group Plc's consolidated balance sheet and income statement starting from 1 July 2019. More detailed information on the impacts of the acquisitions on the Group's balance sheet is presented under Note 5 Corporate Acquisitions.

Asiakastieto Group is one of the leading Nordic providers of business and consumer information services. The Group operates in the business and consumer information services, collateral valuation, real estate information, sales and marketing information as well as consumer credit information markets in Finland, Sweden, Norway and Denmark. The Group's products and services are primarily used for risk management, finance and administration, decision-making, sales and marketing, automation, compliance, real estate transactions and real estate financing as well as personal financial management. The Group's largest clients include financial institutions and other financial service providers, expert service companies, insurance companies as well as wholesale and retail companies. The Group's customer base includes corporations as well as private individuals.

Asiakastieto Group has comprehensive databases consisting of information gathered from the authorities and other public sources as well as privately ac-

quired information. The databases are the basis for the Group's product and service offering and the development of new products and services. The Group has a strong track record of developing and launching new products and services.

Asiakastieto Group has an extensive product and service offering that is based on the Group's own databases, data links to public sources, data provided by the Group's clients and other companies as well as data gathered from the Internet. The Group's product and service offering ranges from simple information concerning corporations and private individuals to advanced risk management services, analyses as well as sales and marketing services. The Group delivers its products and services to clients, for example, by integrating its services into the client's business processes, through a contractual client's user interfaces and open online services that do not require separate subscription agreements. The Group also offers printed products and credit rating certificates.

Asiakastieto Group restructured its organisation in conjunction with the UC acquisition. From 1 July 2018 onwards, the Asiakastieto Group organisation consists of two types of units: business areas and functional units supporting the business. The business areas are responsible for the Group's service offering and the functional units for the production, maintenance and active development of the operations in their own focus area and business processes. The functional units are Sales Units, Marketing and Communications, IT and Technology, HR, and Finance

The Group's business areas are:

Risk Decisions: Companies engaging in corporate and consumer business use decision services and solutions for general risk management, credit risk management, financial management, customer acquisition, decision-making, fraud and credit loss prevention as well as for gaining knowledge of and identifying their customers.

Customer Data Management: Customer management services help sales and marketing professionals to improve the efficiency of their work and to boost customer management by providing target group tools, services for surveying potential customers, register updates and maintenance, as well as various target group extractions.

Digital Processes: Services in this business area include, among others, real estate and apartment information, information about buildings and their valuation as well as solutions that help customers to automate their collateral management processes and digitalise the administration of housing purchases. The services of the business area are also used for compliance purposes; for instance, to identify companies' beneficial owners and politically exposed persons.

SME and Consumers: Digital services for small and micro companies with easy-to-use applications and user interfaces for the evaluation of risks and sales potential, acquisition of other relevant information on customers and business partners and proof of own creditworthiness. Services for consumers help consumers to understand and better manage their finances, while simultaneously protecting them from identity theft and fraud.

Financial Results

Net Sales

Asiakastieto Group's net sales in the financial year 2019 amounted to EUR 146,0 million (EUR 98,1 million) and increased by 48,7 % compared with corresponding period of the previous year. Net sales from new products and services were EUR 5,9 million (EUR 8,6 million), which was 4,0 % (8,8 %) of the total net sales for the financial year. The growth in net sales resulted mainly from the consolidation of UC's figures into the Group from 1 July 2018, the favourable development of consumer-related risk management services, customers' interest in the company's new products and services, and the consolidation of the Proff companies' figures into the Group from 1 July 2019.

Financial Results

Asiakastieto Group's operating profit (EBIT) for the financial year 2019 amounted to EUR 27,8 million (EUR 16,7 million). Operating profit included items affecting comparability of EUR 3,3 million (EUR 9,4 million) mainly resulting from M&A and integration expenses related to the UC and Proff acquisitions, redundancy-related expenses and amortisation from fair value adjustments of EUR 11,6 million (EUR 5,9 million) related to the acquisitions.

Adjusted EBIT margin for the financial year 2019 was lower compared with the previous financial year. The consolidation of UC's figures into the Group from 1 July 2018 has a negative effect on the EBIT margin percentage when compared with the previous financial year, because the relative profitability of UC has been lower than that of the Finnish operations. Strong growth in services that involve a variable data acquisition cost has a negative effect on the margin percentage. The development of adjusted EBIT margin was also affected by investments in IT systems and growth of depreciation and amortisation related to capitalised product development costs.

The Group's depreciation and amortisation for the financial year 2019 amounted to EUR 20,5 million (EUR 10,0 million). Of the depreciation and amortisation, EUR 11,6 million (EUR 5,9 million) resulted from amortisation from fair value adjustments related to the acquisitions.

Net financial expenses for the financial year 2019 were EUR 2,9 million (EUR 2,2 million). The tax amount booked by the Group as expense for the financial year 2019 was EUR -5,2 million (EUR -3,6 million). The Group's profit for the financial year 2019 was EUR 19,7 million (EUR 10,9 million).

Cash Flow

Cash flow from operating activities in the financial year 2019 amounted to EUR 41,9 million (EUR 19,5 million). The effect of the change in the Group's working capital on cash flow was EUR 1,6 million (EUR 0,2 million). The impact of items affecting comparability on operating cash flow was EUR -2,7 million (EUR -8,5 million). Withholding taxes related to the cash components of rewards paid under the long-term incentive plan for the management had an impact on operating cash flow of EUR -1,1 million (EUR -0,9 million) during the review period. The Group paid EUR 4,9 million (EUR 3,6 million) in taxes in the financial year 2019.

Cash flow from investing activities for the review period amounted to EUR -19,4 million (EUR -90,8 million). The cash flow from investment activities consisted of the payment of the transaction price for the Proff acquisition as well as acquisitions of property, plant and equipment and intangible assets.

Cash flow from financing activities for the financial year 2019 amounted to EUR -35,0 million (EUR 85,2 million). The cash flow from financing activities for the review period consisted of dividend payment, capital repayment, the repayment of a credit limit of EUR 10 million and repayments of lease liabilities (IFRS 16).

Statement of Financial Position

On 31 December 2019, the Group's total assets were EUR 543,3 million (EUR 545,9 million), total equity amounted to EUR 310,7 million (EUR 321,3 million) and total liabilities to EUR 232,6 million (224,6 million). Of the total liabilities, EUR 166,2 million (EUR 170,1 million) were non-current interest-bearing liabilities, EUR 24,1 million (EUR 25,5) deferred tax liabilities, EUR 7,9 million (EUR 4,4) non-current pension liabilities, EUR 2,3 million (EUR 0,1 million) current, interest-bearing liabilities and EUR 32,1 million (EUR 24,4 million) current, non-interest-bearing liabilities. Goodwill amounted to EUR 351,4 million (EUR 348,7 million) at the end of the financial year. Goodwill was increased during the financial year 2019 by the recognition of goodwill arising from the acquisition of the Proff companies and the acquisition of the business of Solidinfo.SE.

Asiakastieto Group's cash and cash equivalents at the end of the financial year 2019 were EUR 20,4 million (EUR 33,2 million), and net debt was EUR 148,1 million (EUR 137,0 million). The effect of IFRS 16 transition on net debt reported for the review period was EUR 9,7 million

Capital Expenditure

The majority of Asiakastieto Group's capital expenditure is related to product and service development and investments in IT infrastructure. Other capital expenditure mainly comprises purchases of company cars and office equipment. The Group's capital expenditure in 2019 totalled EUR 12,4 million (EUR 5,6 million). Capital expenditure on intangible assets in 2019 was EUR 11,6 million (EUR 4,6 million) and capital expenditure on tangible assets was EUR 0,8 million (EUR 0,9 million).

Research and Development

The product development activities of Asiakastieto Group involve development of the product and service offering. In 2019, the capitalised development and software costs of the Group amounted to EUR 11,6 million (EUR 4,6 million). Capitalised development and software costs consist of costs related to the Group's product and service offering as well as intangible IT infrastructure. The Group had no material research activities in 2019.

Personnel

At the end of the financial year, Asiakastieto Group had a total of 422 (447) employees, of whom 172 (164) were employed by the Group companies in Finland, 210 (283) by the Swedish subsidiaries, 39 (0) by the Norwegian subsidiary and 1 (0) by the Danish subsidiary. Of the Group personnel, 6 (7) worked in Management, 115 (108) in Business Areas, 167 (219) in Sales Units and Marketing and Communications, 95 (76) in IT and Technology and 39 (37) in Finance and HR. The table below presents Asiakastieto Group's number of employees as well as wages and salaries for 2017–2019.

Key figures describing the Group's personnel

Personnel	2019	2018	2017
Number of personnel on average	428	315	153
Full time	417	305	148
Part time and temporary	11	10	5
Geographical distribution			
Finland	162	162	153
Sweden	246	153	-
Norway	19	-	-
Denmark	1	-	-
Wages and salaries for the financial year (EUR million)	28,5	20,2	10,4

The Group's personnel expenses for the financial year 2019 amounted to EUR 38,6 million (EUR 26,8 million). This figure includes an accrued cost of EUR 0,9 million (EUR

0,4 million) from the management's long-term incentive plan. More information on the management's long-term incentive plan is provided in note 27 Related parties in the notes to the consolidated financial statements.

In June 2018, 344 employees were transferred to the Group as a result of the UC acquisition and in July 2019, approximately 60 employees as a result of the acquisition of the Proff companies.

Asiakastieto Group Plc and UC Affärsfakta AB signed an agreement regarding the outsourcing of Affärsfakta's telesales operations on 14 May 2019. Asiakastieto Group transferred its Swedish telesales operations to Affärsfakta i Sverige AB, a company established by the management of UC Affärsfakta AB, effective from 1 September 2019. As a result of the outsourcing move, approximately 100 employees from the Swedish telesales unit were transferred to Affärsfakta i Sverige AB with their current benefits and obligations.

On 14 August 2018, Asiakastieto Group Plc announced its plans to reorganise its operations both in Finland and Sweden to gain efficiencies. On 24 September 2018, Asiakastieto Group finalised negotiations with employee representatives, as required by Finnish and Swedish legislation, pertaining to the planned new organisation. The planned gross headcount decrease was achieved in accordance with the stock exchange release issued on 14 August 2018 in three ways: natural attrition, retirement and redundancies. The gross headcount decreased by approximately 40 positions in 2018.

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 entered 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 in 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. Trading in the new shares commenced on 11 March 2019.

At the end of financial year, the Company's share capital amounted to EUR 80 thousand (EUR 80 thousand) and the total number of shares was 23 993 292 (23 953 964).

The Company did not hold any of its own shares at the end of the financial year. Asiakastieto Group Plc's Annual General Meeting of Shareholders on 28 March 2019 authorised the Board of Directors to decide on the repurchase of a maximum of 1 500 000 own shares of the Company. The authorisation replaced the corresponding authorisation issued to the Board of Directors by the Annual General Meeting held on 22 March 2018. The maximum amount corresponds to approximately 6,3 % of the Company's shares and voting rights. The authorisation is effective for 18 months from the date of the resolution. Further information on the authorisation is provided under "Authorisations of the Board of Directors".

Share price and volume

During the financial year, a total of 2 509 597 (3 533 838) shares were traded, and the total value of the exchanged shares was EUR 66,6 million (EUR 98,3 million). The highest share price during the financial year was EUR 34,70 (EUR 32,60), the lowest price was EUR 22,00 (EUR 21,10), the average price was EUR 26,56 (EUR 27,82) and the closing price was EUR 31,50 (EUR 24,60). Market capitalisation measured at the closing price of the financial year was EUR 755,8 million (EUR 589,3 million).

Shareholders

According to the book-entry securities system, the Company had 2 726 (2 546) shareholders, including 8 (10) nominee-registered shareholders, on 31 December 2019. A list of the largest shareholders is available on the Company's investor pages at investors.asiakastieto.fi.

Significant shareholders on 31 December 2019

Owner	Number of shares	% of shares
1 Skandinaviska Enskilda Banken AB (Publ) Helsinki Branch ¹	3 135 154	13,07
2 Sampo Plc	2 920 000	12,17
3 Skandinaviska Enskilda Banken AB (Publ)	2 441 920	10,18
4 Nordea Bank ABP ¹	2 341 249	9,76
5 Nordea Bank ABP	2 303 315	9,60
6 Svenska Handelsbanken AB (Publ)	2 161 178	9,01
7 Swedbank	1 765 668	7,36
8 Mutual Pension Insurance Company Ilmarinen	724 380	3,02
9 Svenska Handelsbanken AB (Publ), Branch Operation in Finland ¹	566 006	2,36
10 Mutual Pension Insurance Company Elo	460 528	1,92
11 OP-Finland - Mutual Fund	407 454	1,70
12 Mutual Fund Nordea Nordic Small Cap	394 561	1,64
13 Mutual Pension Insurance Kaleva	370 907	1,55
14 Keva	320 140	1,33
15 SR Danske Invest Finland Equity	297 624	1,24
16 Mutual Fund Evli Finnish Small Cap	289 071	1,20
17 Church Pension Fund	212 308	0,88
18 Clearstream Banking S.A. ¹	206 100	0,86
19 Mutual Fund Säästöpankki Kotimaa	150 000	0,63
20 SEB Finland Small Cap	119 000	0,50
20 largest shareholders total	21 586 563	89,97
All shares	23 993 292	100,00

¹ Nominee-registered.

Shareholder structure by sector, 31 December 2019

Sector	Number of shareholders	% of shareholders	Number of shares	% of shares
Finance and insurance institutions	33	1,21	10 397 491	43,33
Foreign shareholders	15	0,55	10 321 156	43,01
General government	7	0,26	1 604 482	6,69
Households	2 349	86,17	891 853	3,72
Companies and housing companies	234	8,58	668 698	2,79
Non-profit organisations	88	3,23	109 612	0,46
Total	2 726	100,00	23 993 292	100,00

The information is based on the list of the Company's shareholders maintained by Euroclear Finland Ltd. Each nominee-registered shareholder is registered as one shareholder. It is possible to manage several shareholders' portfolios through one nominee-registered shareholder.

Management's share ownership on 31 December 2019

Board of Directors	Number of shares
Lapveteläinen Patrick, Chairman of the Board	10 000
Related party's ownership	8 000
Carpén Petri	0
Related party's ownership	0
Johansson Martin	0
Related party's ownership	0
Kuusisto Tiina	0
Related party's ownership	0
Månsson Carl-Magnus	0
Related party's ownership	0
Nikkilä Petri	0
Related party's ownership	0
Total	18 000

Management	Number of shares
Ruuska Jukka, CEO	80 244
Related party's ownership	0
Hane Siri	1 450
Related party's ownership	0
Karemo Mikko	11 423
Related party's ownership	0
Koivula Heikki	23 429
Related party's ownership	0
Olofsson Jörgen	800
Related party's ownership	0
Preger Victoria	1 500
Related party's ownership	0
Stråhlman Elina	1 500
Related party's ownership	0
Werner Karl-Johan	1 500
Related party's ownership	0
Ylpekkala Heikki	4 250
Related party's ownership	0
Öhlander Eleonor	1 500
Related party's ownership	0
Total	127 596

Auditor	Number of shares
Grandell Martin, auditor in charge	0
Related party's ownership	0
Total	0

Management

Board of Directors

The Company's Board of Directors consists of a minimum of four and maximum of eight members. The Annual General Meeting elects the Board members and decides on their remuneration. The Board of Directors elects the Chairman of the Board and also, if necessary, the Vice Chairman of the Board from among its members. The term of office of the Board members ends at the conclusion of the first Annual General Meeting following their election. There are no limitations to the number of terms a person can be a Board member.

Asiakastieto Group Plc's Annual General Meeting held on 28 March 2019 confirmed the financial statements and discharged the Board members and CEO from liability for the financial year ended 31 December 2018. The General Meeting confirmed that the annual remuneration for the Board chairman is EUR 50 000 and the annual remuneration for members is EUR 35 000. In addition, an attendance fee of EUR 500 is paid for attending a Board meeting. The chairmen of the Board committees receive an attendance fee of EUR 500 and the committee members are paid an attendance fee of EUR 400 per committee meeting.

In accordance with the proposal of the Shareholders' Nomination Board, the Annual General Meeting of 28 March 2019 re-elected Petri Carpén, Patrick Lapveteläinen, Carl-Magnus Månsson and Martin Johansson as members of the Board of Directors. Petri Nikkilä and Tiina Kuusisto were elected as new Board members. Following these elections, the Board of Directors consisted of six members. In its organisational meeting held on 28 March 2019, the Board of Directors elected Patrick Lapveteläinen as the Chairman of the Board. The Board of Directors met 9 times in 2019. In addition, on one occasion, pursuant to Chapter 6, Section 3 of the Companies Act, the Board of Directors made a decision without holding a meeting.

Board Committees

The Board of Directors appoints two committees from among its members: i) the Audit Committee and ii) the Nomination and Remuneration Committee. The Board of Directors may also appoint other committees, if deemed appropriate. The committees assist the Board of Directors by preparing and drawing up proposals and recommendations for the Board of Director's consideration.

On 28 March 2019, 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 continued as the Chairman of the Audit Committee.

The Nomination and Remuneration Committee consists of at least three members. On 28 March 2019, the Board of Directors decided not to appoint the Nomination and Remuneration Committee.

Authorisations of the Board of Directors

Share issue authorisation 28 March 2019

The Annual General Meeting of Shareholders held on 28 March 2019 authorised the Company's Board of Directors to decide on one or more share issues, including the right to issue new shares or transfer shares held by the Company. The maximum number of shares covered by the authorisation is 1 500 000. The Board of Directors was also authorised to decide on a directed share issue. The authorisation can be used for material arrangements from the Company's point of view, such as financing or implementing business arrangements or investments or for other purposes determined by the Board of Directors, in which case there would be a significant financial reason for issuing shares, potentially in the form of a directed share issue.

The company's Board of Directors was authorised to decide on all other share issue conditions, including payment term, specification grounds for subscription of shares and subscription price or issue shares without payment or that subscription price can be paid by cash, but also fully or partially by other property.

The authorisation is effective for 18 months from the date of the resolution of the Annual General Meeting, i.e. until 28 September 2020. The authorisation replaced the corresponding authorisation issued to the Board of Directors by the Annual General Meeting held on 22 March 2018.

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 em-

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 resolution of 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.

Asiakastieto Group Plc's Board of Directors decided on 10 February 2020 on a directed share issue related to the reward payment from the performance period 2018-2019 of the Matching Share Plan 2018. In the share issue, approximately 14 000 new Asiakastieto Group Plc shares will be issued without consideration to the key employees participating in the Matching Share Plan 2018 in accordance with the terms and conditions of 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 28 March 2019.

Authorisation for repurchasing own shares 28 March 2019

The Annual General Meeting authorised the Board of Directors to decide on the repurchase of maximum of 1 500 000 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. Shares could be repurchased, for example, in order to develop the Company's capital structure, to finance or carry out potential acquisitions or other business rearrangements, to be used as part of the Company's incentive arrangement, or otherwise to be transferred further, to be retained by the Company as treasury shares, or to be 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 date of the resolution of the Annual General Meeting, i.e. until 28 September 2020. The authorisation replaced the corresponding share repurchase authorisation issued to the Board of

Directors by the Annual General Meeting held on 22 March 2018. The authorisation has not been used by 11 February 2020.

The Company publishes a separate Corporate Governance Statement.

CEO and Executive Team

Jukka Ruuska served as the Chief Executive Officer (CEO) of the Company in 2019. At the end of the financial year 2019, the other members of the Executive Team were Heikki Koivula (Risk Decisions), Siri Hane (SME and Consumers), Karl-Johan Werner (Customer Data Management), Heikki Ylipekkala (Digital Processes), Mikko Karemo (Sales Units), Victoria Preger (Marketing and Communications), Jörgen Olofsson (IT and Technology), Elina Stråhlman (Finance) and Eleonor Öhlander (HR).

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.

Elina Stråhlman, M.Sc. (Econ.) was appointed Asiakastieto Group's CFO. She started in her position on 16 September 2019. Elina Stråhlman replaced Antti Kauppila in Asiakastieto Group's Executive Team. Antti Kauppila continues to be employed by the Group as Head of Financial Planning & Analysis.

Jörgen Olofsson was appointed Asiakastieto Group's CIO and member of the Executive Team. He started in his position on 1 October 2019. Jörgen Olofsson replaced acting CIO Anders Hugosson on the Executive Team.

Asiakastieto Group's Deputy CEO Anders Hugosson left the company on 31 January 2020. He left also his role as CEO of UC Group, which he has held since 2007. Anders Hugosson has not been a member of the Asiakastieto Group's Executive Team effective from 1 October 2019.

Auditor

Authorised Public Accountants PricewaterhouseCoopers Oy served as the Company's auditor in 2019. The auditor in charge was Martin Grandell, Authorised Public Accountant.

Loans, Liabilities and Commitments to Third Parties

Asiakastieto Group Plc concluded an agreement on the refinancing of its long-term loans in October 2018. The Company signed a loan agreement concerning a financing package totalling EUR 180 million with Danske Bank A/S, OP Yrityspankki Oyj and Nordea Bank Oyj. The new unsecured financing package consists of a term loan of EUR 160 million and a revolving credit facility of EUR 20 million. In accordance with the terms of the loan agreement, the Company took out the term loan partly in EUR and partly in SEK. At the end of the financial year, the Company had used EUR 0 (EUR 10 million) of its credit facility. The loans will mature in one instalment in October 2023.

With the new financing package, Asiakastieto Group Plc refinanced the EUR 75 million term loan and revolving credit facility agreement signed with Danske Bank A/S and Pohjola Bank Plc in November 2014 as well as the EUR 100 million temporary loan agreement signed with Danske Bank Oyj and OP Yrityspankki Oyj in May 2018 for the purpose of financing the UC acquisition.

To facilitate efficient cash management in the Group, a multi-currency cash pool arrangement was implemented during the financial year 2019 with Danske Bank A/S. An overdraft of EUR 15,0 million was included in the cash pool arrangement. The overdraft had not been utilised on 31 December 2019.

Asiakastieto Group's cash and cash equivalents on 31 December 2019 amounted to EUR 20,4 million (EUR 33,2 million).

Further information on loans, liabilities and commitments to related parties is provided in note 23 Financial liabilities, note 26 Contingent liabilities and note 27 Related parties in the consolidated financial statements.

Group Structure and Organisation

At the end of the financial year, Asiakastieto Group consisted of Asiakastieto Group Plc, its wholly-owned subsidiaries Suomen Asiakastieto Oy, Emleri Oy, Proff AS and Proff ApS as well as UC AB and its wholly-owned subsidiaries UC Affärsinformation AB and Proff AB.

Asiakastieto Group acquired the shares of the business information service Proff in Norway, Sweden and Denmark under an agreement signed on 20 May 2019. The transaction was completed on 1 July 2019. More detailed information on the acquisition is presented under Note 5 Corporate Acquisitions in the notes to the consolidated financial statements.

Asiakastieto Group Plc and UC Affärsfakta AB signed an agreement regarding the outsourcing of Affärsfakta's telesales operations on 14 May 2019. The letter of intent was signed on 16 January 2019. Asiakastieto Group transferred its Swedish telesales operations to Affärsfakta i Sverige AB, a company established by the management of UC Affärsfakta AB, effective from 1 September 2019. UC AB's subsidiary UC Affärsfakta AB was merged with its parent company and dissolved on 31 October 2019.

On 20 June 2018, Asiakastieto Group's Board of Directors decided on a new organisational structure. From 1 July 2018 on, Asiakastieto Group's new organisation consists of two types of units: business areas and functional units supporting the business. The business areas are responsible for the Group's service offering and the functional units for the production, maintenance and active development of the operations in their own focus area and business processes. The functional units are Sales Units, Marketing and Communications, IT and Technology, HR, and Finance.

Legal Proceedings

Disputes arise from time-to-time in the course of day-to-day operations of Asiakastieto Group. However, Asiakastieto Group was not party to any material litigation, arbitration proceeding or administrative proceeding in 2019 that may have a material effect on its financial position or profitability. The Company is not aware of any material such proceedings being pending or threatened.

Asiakastieto Group Plc (Asiakastieto) has received a claim for additional compensation from Eniro AB (publ.) in relation to Asiakastieto's acquisition of Proff companies from Eniro's subsidiaries Eniro Sverige AB, Eniro Holding AS and Eniro Danmark A/S. Eniro presents in its claim that the purchase price set out in the agreement and upon which the transaction was consummated was incorrect due to a "clerical error" on Eniro's side. The claim amounts to SEK 21 530 833,33. Asiakastieto Group Plc deems the claim to be without any merit. The matter has been submitted for arbitration. .

Events After the Reporting Date

The Group is not aware of any events deviating from the normal course of business after the end of the financial year.

Report on Non-financial Information

Asiakastieto Group's Board of Directors and management are responsible for the management of corporate responsibility. Asiakastieto Group complies with laws and regulations in its operating countries, the Articles of Association, rules and guideline of Nasdaq Helsinki and Corporate Governance Code for listed companies in its administration. In practical work, responsibility issues are guided by the Group's Code of Ethics. Furthermore, operations are governed by policies and operating practices approved by the Board of Directors and Executive Team. Compliance with laws and agreements is also required of all of the Group's partners. The Code of Ethics together with a list of Group-level key policies and guidelines is provided on Company's Investor Pages.

To accelerate growth, Asiakastieto Group began a strategy development effort in the autumn of 2019. The result of the process will be published in the spring of 2020. Group-level corporate responsibility themes, targets, actions and indicators will be defined in connection with the new strategy.

Asiakastieto Group's business model

Asiakastieto Group's mission is to maintain and create trust in the markets: in trading and concluding agreements between companies as well as between companies and private parties. Trust is created through the provision of services that help companies verify the reliability of their contractual counterparties. The foundation for these services consists of Asiakastieto Group's databases of up-to-date information on companies and consumers. The digital services shaped from the Group's data improve the efficiency of customers' operations, increase responsibility and reduce the carbon footprint of the Group.

The carbon footprint of Asiakastieto Group's own operations is low. All in all, the Group has a positive overall impact on the surrounding social environment.

The Group's operations are guided by

- the strategy approved by the Company's Board of Directors
- the annual budget and action plan of the Group
- the management and governance model of the Group

Asiakastieto Group Plc's subsidiary, Suomen Asiakastieto Oy uses the ISO 9001:2015 Quality Management System which defines the quality policy and

targets of the company. The key processes defined in the Quality Management System are related to the customer-oriented development and management of products and services. The indicators of the Quality Management System are the results of the audits, which monitor, for example, development measures, best practices, quality defects and quality accidents. There were 4 implemented development measures and 12 identified best practices in 2019. A total of 11 quality defects and 9 quality accidents were observed in the audits. Corrective measures and their follow-up measures have been prepared to remedy the above-mentioned defects.

The most essential corporate responsibility themes

In 2018, Asiakastieto Group defined its most essential corporate responsibility themes which are discussed in Asiakastieto Group's Annual Report 2019.

The most essential corporate responsibility themes are:

- Maintaining trust and transparency in the markets
- A customer needs-driven and continuously evolving service offering
- Development of competitiveness
- An attractive investment
- Good corporate citizenship

The most essential themes for the personnel are:

- Opportunities for developing your work and yourself
- Working in a good work community

Environmental issues

Asiakastieto Group strives to reduce the environmental impacts of its operations, although their significance is relatively low in the big picture. The Group's most significant environmental impacts arise from business travel and the energy consumption of office premises. No significant risks are related to the environmental issues.

Efforts are made to reduce travel through the use of modern technology that enables remote work and the partial use of video-conferencing and remote meetings. Asiakastieto Group also encourages employees to use public transport instead of creating a larger environmental impact through the use of employees'

own cars and company cars. To this end, employees are provided with travel cards for commuting. The CO₂ emission limit for the company cars is 150 g/km.

Asiakastieto Group's largest offices are located in Helsinki (headquarters) and Stockholm. Both of the Group's offices are in locations with good public transport connections. They are modern activity-based offices in which fewer heated square metres per employee are needed. The lessors of both of the premises monitor electricity consumption, the use of warm (only Helsinki) and cold water, district heating and district cooling and waste management on a monthly basis.

The equipment in Asiakastieto Group's IT service production data centre environment in Finland are mainly virtualised and placed in a large data centre complex, which means that the energy consumption per device is low. The data centre environment has a centralised automation and monitoring system which monitors the overall energy consumption of the centre. The centre is equipped with a heat pump which collects the heat from the outgoing data centre heat which is then used to cool and heat the premises. The centre is located underground, so the cooling basin stores cooling energy during the free cooling period.

Social and employee-related issues

In 2019, the number of people employed by Asiakastieto Group was 422, of which 172 worked in the Finnish companies, 210 in the Swedish companies, 39 in the Norwegian company and one in the Danish company.

Asiakastieto Group emphasises development of competence, community spirit as well as leadership and management in its social responsibilities. Asiakastieto Group's goal is to be an attractive employer who offers interesting tasks for people with different knowledge backgrounds. In Asiakastieto Group, the employees can further develop their expertise or management skills and have the opportunity to pursue different tasks inside the Group within the Nordic area.

The Group ensures the fulfilment of its social responsibilities with fair working conditions, remuneration and practices that are based on, among other things, the Group's Code of Ethics, Recruitment Policy, Remuneration Policy, Working Environment Policy and Diversity and Equality Policy.

The quality of management, experience in the work community, clear work objectives and competence are the key factors influencing the employees' commit-

ment to work and well-being at work. The Nordic Supervisor Training Programme targeted at the integration phase was launched in 2018. This programme aims at supporting the change management, self-development, coaching and team leadership skills of the supervisors. This programme has also played a significant role in building a unified team of supervisors. Based on the training programme, management principles were defined in early 2019 for the purpose of creating the desired work community and employee experience. In 2019, leadership training for new supervisors was launched, and the programme was also piloted in the expert group. The feedback was encouraging and the training for experts will continue in 2020.

The Grow Talk discussion practice was implemented at the Nordic level in 2019. Grow Talk discussions start with a personal annual target-setting discussion held in the first quarter of the year. The target-setting discussion is followed by monthly follow-up discussions with the supervisor and evaluation discussions held twice a year. The purpose of the discussions is to create commitment and build an understanding of how each employee contributes to the achievement of the shared goals. Another purpose of the discussions is to ensure each employee's well-being and ability to develop in their work.

The Nordic Activity Group established to support a strong sense of community within the Group continued to operate in 2019. The Group consists of active employees who plan and implement activities that promote the team spirit and well-being at work throughout the year.

In 2019, days of sickness absence in the Group amounted to 501 (440) in Finland and 1 414 (1 232) in Sweden.

Ensuring information security and privacy protection

Respecting privacy and ensuring information security are at the very core of Asiakastieto Group's operations and services. Asiakastieto Group processes data with care and as required by legislation, and privacy protection is ensured during the personal data processing. Information security, privacy and confidentiality are specified in the Group's Ethical principles and Safety policy. Furthermore, the confidentiality obligation is included in the employment agreement.

Respect for human rights

Asiakastieto Group operates in the Nordic countries where the respect for human rights and equal treatment of people are generally at a very high level. At Asiakastieto Group, the requirement that human rights and equality must be respected applies to personnel and partners alike. The Code of Ethics includes practices and procedures for dealing with issues related to respect for human rights. There were no suspected violations of human rights or violations related to discrimination or other unfair treatment of employees observed in 2019.

Issues related to the fight against corruption and bribery

Asiakastieto Group's internal guidelines prohibit corruption and bribery. The Group's practices and procedures reduce opportunities for taking action that would be contrary to the rules. The Code of Ethics includes practices and procedures for dealing with issues related to corruption and bribery. No corruption or bribery cases or other violations related to unethical business practices were reported in 2019.

Risks and Uncertainties

Asiakastieto Group is exposed to a number of risks and uncertainties that are related, for instance, to the market conditions and the Group's industry, strategy, business and financing. The realisation of such risks could have a considerable adverse effect on Asiakastieto Group's business, financial situation, performance and future outlook.

Market and strategic risks

The demand for the Group's products and services depends on customers' transaction volumes, which are sensitive to changes in the general economic situation. Demand tends to follow the general activity level of the economy and the commercial transaction volumes. Economic growth has picked up in recent years, which has had a positive effect on demand for the Group's products.

Asiakastieto Group operates in a number of product and service markets in which competition is continuously becoming tougher and customers' needs keep changing. Information services are available more easily than before. This is primarily attributable to better availability of public information, increase of digi-

tal information and new service providers, who may increase competition in the markets. Better availability of information may also provide the Group's customers with better opportunities for in-house development of services, such as analysis services.

Tendering carried out by customers and general cost-awareness may put some pressure for lower prices on the Group's markets. In addition, price pressures caused by Asiakastieto Group's competitors may have a negative effect on the Group's margins and result and hamper its opportunities to acquire new customers on the current terms and conditions.

No customer of the Group accounted for more than ten per cent of the Group's total invoicing in 2019. Even though the Group's customer base is diverse, the loss of one or more major customers or a significant decrease in sales to one or more such customers for any reason could have a very harmful effect on the Group's business, financial position, business result and future outlook.

The gathering, storage and use of information is subject to strict regulations, and in Sweden a licence is required for certain operations of the Group, such as credit register-related operations. In addition, according to UC's shareholder agreement, UC's minority shareholders may veto certain decisions concerning UC's credit register and the control of credit register data. This may restrict Asiakastieto Group's possibilities to materially change business operations related thereto. The Group and its employees must also comply with numerous other laws and regulations. Changes to the regulatory framework may require Asiakastieto Group to adapt its service offering or strategy. Any actions in breach of regulations concerning operations subject to a licence may lead to changing of Asiakastieto Group's operations, imposing additional conditions to the licence or cancellation of the licence. The above may also lead to higher costs, force the Group to stop providing some products or services, or prevent or delay development of its operations, or the Group may end up in legal proceedings or become subject to legal claims.

In order to achieve synergies, Asiakastieto Group must carry out extensive and correctly timed integration work on acquired businesses, particularly UC. Failure of integration, unexpected costs or delays in schedule may lead to partial or total non-achievement of the synergies and advantages expected of the acquisitions. In the future, the Group may also seek growth through M&A transactions or pro-

vide more services also outside its current countries of operation. M&A transactions and geographical expansion involve many risks that may have an effect on the Group's future business.

Asiakastieto Group has a lot of goodwill recognised on acquisitions. Impairment of goodwill and other assets could have a material effect on the Group's reported result.

Operational risks

In its business, Asiakastieto Group relies on information from external sources, such as government offices and other public sources, customers and other sources. If one or more of them stopped providing information for any reason or considerably increased the price of the information provided, this could have a harmful effect on Asiakastieto Group's ability to offer its products and services to its customers.

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. The Group's financial result may suffer if the development of new products or services or improvements to existing products are delayed for reasons related to possible technical challenges, problems related to external IT development resources, information acquisition or regulatory requirements.

Asiakastieto Group has invested and will continue to invest in its technical infrastructure, including equipment and software. If Asiakastieto Group fails in its technological investments, its income may not develop as expected and its expenses may increase. In addition, the Group may end up in an unfavourable competitive position in the market if it cannot, for example, offer certain new products and services or gather certain type of new information.

Safe and uninterrupted functioning of Asiakastieto Group's IT network and systems is critical for the company's business. Unauthorised access to or disclosure of information as well as loss or abuse of information may lead to a breach of data protection and other applicable laws by Asiakastieto Group, harm to reputation, loss of income, claims or measures taken by the authorities.

Despite testing and information quality control, products and services developed and supplied by Asiakastieto Group as well as the operating systems

and software it uses may contain errors or faults. Material defects or errors in the Group's information, products or services as well as delays in providing products and services may harm its reputation or lead to loss of income, increased costs, regulatory measures or legal claims. Asiakastieto Group's IT network and infrastructure may be exposed to damage and problems resulting from many reasons. Such damage or problem may lead to a failure of Asiakastieto Group's IT infrastructure, which in turn may complicate the company's work and lead, for instance, to breaches of contract.

The Group's brands and reputation are important competitive advantages. The company's success is also based on its own technologies, processes, methods and information. The company protects its intellectual rights with trademarks and domain names, for instance, and by relying on business secrets and the development of products and technology. Failure to protect intellectual rights, damage to reputation or negative views of the company in the market may have a negative effect on the company.

Asiakastieto Group's success also depends on its management and other professional personnel as well as its ability to recruit competent personnel and develop, train and retain them. The Group's inability to retain or recruit new employees may have a material harmful effect on the Group.

Successful implementation of Asiakastieto Group's strategy depends on a number of factors, some of which are completely or partially beyond the company's control. Costs related to the implementation of the strategy or failure to implement it may have a harmful effect on the Group's business.

The Group's tax burden depends on applicable laws and decrees as well as their application and interpretation. Amendments to tax laws and decrees or their interpretation may increase the Group's tax burden, which in turn may affect the Group's financial result.

Asiakastieto Group has taken out insurances to cover various risks or loss events. The Group's insurance coverage may be insufficient or the Group may not be able to maintain its current insurance coverage, in which case the company may suffer losses not covered by its insurances.

Asiakastieto Group is exposed to various financing risks, including currency exposure, interest rate risk and solvency risk. The Group's financing risks and their management are described in note 4 in Notes to the consolidated financial statements.

Financial Targets, Dividends and Outlook

Financial Targets

The Board of Directors of Asiakastiето Group has adopted long-term financial targets and dividend policy for the Group. The long-term financial targets are:

- **Growth:** Achieve 5-10 per cent average growth in net sales
- **Profitability:** Achieve a rate of EBITDA growth that exceeds the percentage growth of net sales.
- **Balance sheet structure:** Maintain net debt to EBITDA of less than 3x while continuing to maintain an efficient capital structure

Dividend Policy

The Company's dividend policy is to distribute as dividends at least 70 per cent of the Company's net profit, whilst, taking into consideration the business development and investment needs of the Group. Any dividends to be paid in future years, their amount and the time of payment will depend on Asiakastiето Group's future earnings, financial condition, cash flows, investment needs, solvency and other factors.

Asiakastiето distributed funds to its shareholders totalling EUR 22 794 thousand for the financial year 2018 and EUR 14 347 for the financial year 2017. The dividend and capital repayment were EUR 0,95 per share for both the financial year 2018 and the financial year 2017.

Pursuant to the Companies Act, the Annual General Meeting of Shareholders resolves on the distribution dividend based on the Board of Directors' proposal. Dividends are typically distributed once per financial year, and dividends can only be distributed once the Annual General Meeting of Shareholders has approved the financial statements. If dividends are distributed, all shares confer equal rights to dividends.

Proposal for the Distribution of Funds

At the end of the financial year 2019, distributable funds of the Group's parent company amounted to EUR 390 068 633,22, of which the profit for the financial year was EUR 28 999 233,88. The Board of Directors proposes to the Annual General Meeting convening on 27 March 2020 that from the financial year ended 31 December 2019, funds be distributed EUR 0,95 per share, EUR 22 793 627,40 in total

based on the Company's registered total number of shares at the time of the proposal, as follows:

	EUR / share	EUR
From the invested unrestricted equity reserve as a repayment of capital	0,95	22 793 627,40
To be retained in unrestricted equity		367 275 005,82
Total		390 068 633,22

The equity repayment from the reserve for invested unrestricted shareholders' equity will be paid to a shareholder registered in the company's shareholders' register held by Euroclear Finland Ltd on the payment record date of 31 March 2020. The Board of Directors proposes that the funds be paid on 9 April 2020.

The remunerations to be paid on the basis of the company's management's Long-term Incentive Plan 2018 -2019 are further expected to result in an issuance of 14,000 new shares in Asiakastiето Group Plc, entitling to the distribution of funds from the financial year 2019. Thus, the proposed total amount of distributed funds would increase by approximately EUR 14,000.

Future Outlook

- **Net sales:** Asiakastiето Group expects its net sales growth in 2020 to be close to the upper limit of its long-term target range (5-10 %), weighted to the first half of the year.
- **EBITDA:** Asiakastiето Group expects its adjusted EBITDA margin to grow somewhat in 2020 in comparison to previous year.
- **Capital expenditure:** Asiakastiето Group expects its capitalised product development and software expenses in 2020 to exceed the previous year's level.

The outlook is based on the assumption that exchange rates prevail at the current level.

The future outlook is subject to risks related to, among other factors, the economic development of Asiakastiето Group's countries of operation and the development of the Group's business operations. The most significant risks related to business operations include 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.

Key financial information for the group

Key income statement and cash flow figures and ratios

EUR million (unless otherwise mentioned)	2019	2018	2017
Net sales	146,0	98,1	56,2
EBITDA	48,3	26,7	24,3
EBITDA margin, %	33,1	27,2	43,3
Adjusted EBITDA	51,5	36,1	24,8
Adjusted EBITDA margin, %	35,3	36,8	44,2
Adjusted EBITDA excluding IFRS 16 impact	49,3	36,1	24,8
Adjusted EBITDA excluding IFRS 16 impact, %	33,8	36,8	44,2
Operating profit (EBIT)	27,8	16,7	21,2
EBIT margin, %	19,0	17,0	37,8
Adjusted operating profit (EBIT) ¹	42,6	32,0	22,0
Adjusted EBIT margin, % ¹	29,2	32,7	39,1
Free cash flow ³	32,1	15,9	16,5
Cash conversion, % ³	66,4	59,6	68,0
Net sales from new products and services ²	5,9	8,6	8,2
New products and services of net sales, % ²	4,0	8,8	14,6

Key balance sheet ratios

EUR million (unless otherwise mentioned)	2019	2018	2017
Balance sheet total	543,3	545,9	160,3
Net debt	148,1	137,0	50,9
Net debt to adjusted EBITDA, x ⁴	2,9	n/a	2,1
Return on equity, %	6,2	5,4	20,1
Return on capital employed, %	5,8	5,2	14,2
Equity ratio, %	58,3	59,6	51,0
Gearing, %	47,7	42,6	63,0
Gross investments	12,4	5,6	4,3

¹ The method used for calculating the adjusted operating profit (EBIT) has been changed from 1 January 2018 so that also amortisation from fair value adjustments related to the acquisitions and external expenses arising from significant regulatory changes are taken into account as items to be adjusted. The reference data for the financial year 2017 has been adjusted.

² The method for calculating the share of new products and services has been changed from 1 January 2018 so that the total sales of products launched during the past 24 months are included in the shares. The reference data for the financial year 2017 has been adjusted to reflect the change. Previously, the share was calculated as the net sales for products and services launched during the past 12 months added by the change in net sales for products and services launched during the preceding 12 months.

³ The method for calculating free cash flow has been changed from 1 January 2018 so that the impact of paid taxes is no longer added to the cash flow of business operations. The reference data for the financial year 2017 has been adjusted.

⁴ Resulting from the effect of the UC acquisition on Asiakastieto's net debt, the relation of net debt for the financial year 2018 to adjusted EBITDA is not presented, because it is not considered to be comparable to the figures presented for the financial year 2017.

Share-related key figures

EUR million (unless otherwise mentioned)	2019	2018	2017
Earnings per share, basic	0,82	0,56	1,06
Earnings per share, diluted	0,82	0,56	1,06
Earnings per share, comparable ⁵	1,20	0,78	1,07
Equity per share	12,95	16,39	5,37
Dividend per share	0,95	0,95	0,95
Dividend per earnings, %	115,9	170,6	89,4
Effective dividend yield, %	3,0	3,9	4,0
Price per earning	38,4	44,2	22,5
Share price development			
Average price	26,56	27,82	20,31
Highest price	34,70	32,60	24,35
Lowest price	22,00	21,10	17,14
Closing price	31,50	24,60	23,90
Market capitalisation, EUR million			
Trading volume, pcs	2 509 597	3 533 838	1 816 212
Trading volume, %	10,5	18,0	12,0
Adjusted number of shares			
Weighted average during financial year	23 986 073	19 603 022	15 102 178
At the end of the financial year	23 993 292	23 953 964	15 102 178
Number of shares adjusted for share issue, diluted			
Weighted average during financial year	24 013 292	19 649 487	15 158 471
At the end of the financial year	24 020 511	24 000 429	15 166 273

⁵ The comparable earnings per share does not contain amortisation from fair value adjustments related to the acquisitions or their tax impact.

Alternative Performance Measures Used in Financial Reporting

Asiakastieto Group Plc discloses a summary on the use of alternative performance measures used by the Group, definitions of the performance measures used and their matching with the IFRS financial statements figures in accordance with the ESMA (European Securities and Markets Authority) Guidelines on Alternative Performance Measures¹.

Asiakastieto Group Plc presents alternative performance measures in addition to the performance measures presented in the Group's IFRS income statements, statements of financial position and cash flow statements to reflect the underlying business performance and to enhance comparability from period to period. The management's view is that alternative performance measures provide meaningful supplemental information to the management and investors, securities analysts and other parties regarding the Group's operating result, financial position and cash flows. Alternative performance measures are not included in IFRS-based consolidated financial statements as such, but they are derived from IFRS-based consolidated financial statements by adjusting the items in the consolidated income statements, statements of financial position and cash flow statements and/or making them proportional. Alternative performance measures should not be considered as a substitute for measures in accordance with IFRS. Not all companies calculate alternative performance measures in a uniform way, and thus the alternative performance measures of the Company are not necessarily comparable with similarly named performance measures of other companies.

Certain non-operational or non-cash valuation transactions with significant income statement impact are adjusted as items affecting comparability, if they arise from:

- M&A and integration-related expenses as one-off transactions
- negotiated redundancy payments omitted from the operative cost structure
- external expenses arising from significant regulatory changes as one-off transactions
- compensation for damages as one-off transactions
- legal actions as one-off transactions

Alternative performance measures are defined as follows:

- **EBITDA**
EBITDA is the profit (loss) for the financial year before (i) income taxes, (ii) financial income and expenditure and (iii) depreciation and amortisation.
- **Adjusted EBITDA**
Adjusted EBITDA is defined as EBITDA excluding items affecting comparability.
- **Adjusted EBITDA excluding IFRS 16 impact**
Starting from 1 January 2019, the Company presents Adjusted EBITDA excluding IFRS 16 impact as a new alternative performance measure.
- **Adjusted EBIT**
Adjusted EBIT is defined as EBIT excluding items affecting comparability. The method used for calculating the adjusted operating profit (EBIT) was changed effective from 1 January 2018 due to the UC acquisition so that amortisation from fair value adjustments related to acquisitions are also taken into account as items to be adjusted. This redefinition of adjusted operating profit (EBIT) has not had a material effect on the previously reported adjusted operating profit (EBIT) figures.
- **Net sales from new products and services**
New products and services are a significant driver of growth in the company and consumer data market. The impact of new products and services is especially important in times of poor economy, because they dilute the impact of the poor economic situation on the demand for current products and services. New products and services replace or update old products and services. They are often more advanced than old products and services, or they respond to potential market demand. In addition to customer needs, the development of new products and services is also guided by opportunities recognised by service providers. According to the Company's view, company and consumer data markets in its countries of operation are somewhat immature compared to many European countries, and there is potential for new products and services in the market.
- **Free cash flow**
Free cash flow consists of the cash flow from operating activities before (i) paid interests and other financing expenses, (ii) received interests and other financing income deducted by (iii) acquisitions of tangible and intangible assets. The method used for calculating the free cash flow was changed effective

¹ Alternative Performance Measure refers to a financial measure other than financial measure defined or specified in IFRS norms.

tive from 1 January 2018 so that the impact of paid taxes is no longer added to the cash flow of business operations.

- **Cash conversion**

Cash conversion is calculated by dividing free cash flow by EBITDA.

- **Net debt**

Net debt is calculated as difference of interest-bearing liabilities and cash and cash equivalents. Interest-bearing liabilities include loans from financial institutions (short- and long-term loans), and cash and cash equivalents include short-term deposits, cash assets and bank accounts.

- **Net debt**

Net debt to adjusted EBITDA is calculated by dividing net debt by adjusted EBITDA.

- **Return on equity**

Return on equity is calculated by dividing (i) profit (loss) for the financial year by (ii) total equity (average for the financial year).

- **Return on capital employed**

Return on capital employed is calculated (i) by adding financial expenses to the profit (loss) before taxes and (ii) by dividing the sum by the average of the difference of the balance sheet total and non-interest bearing debts of the opening and closing balance sheet.

- **Gearing**

Gearing is calculated by dividing net debt by total equity.

- **Equity ratio**

Equity ratio is calculated by dividing (i) total equity by (ii) balance sheet total, deducted by advances received.

- **Gross investments**

Gross investments are fixed asset acquisitions with long-term effect, from which no sales of property or renunciation of business have been deducted. As a general rule, fixed assets comprise property, plant and equipment 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 under-

standing 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 from 1 January 2019 as, according to the Company's view, it improves the understanding of Group's profitability compared to prior periods. The adoption of IFRS 16 Leases has a significant impact on adjusted EBITDA, which is one of the main alternative performance measures used to describe the development of the Group's profitability.

Net sales from new products and services is presented as alternative performance measures, as it, according to the Company's view, 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 its 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 view, 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.

Matching of alternative performance measures to the closest IFRS performance measure

Adjusted EBIT

EUR thousand	2019	2018	2017
EBIT	27 782	16 704	21 232
Amortisation from fair value adjustments related to acquisitions	11 572	5 915	221
Items affecting comparability			
M&A and integration-related expenses	1 961	7 266	409
Redundance payments	1 202	1 935	107
External expenses arising from significant regulatory changes	-	142	-
Compensations paid for damages	-	80	-
Legal actions	99	-	-
Total items affecting comparability	3 263	9 424	516
Adjusted EBIT	42 616	32 042	21 969

EBITDA and adjusted EBITDA

EUR thousand	2019	2018	2017
EBIT	27 782	16 704	21 232
Depreciation and amortisation	20 503	9 995	3 074
EBITDA	48 284	26 699	24 307
Items affecting comparability			
M&A and integration-related expenses	1 961	7 266	409
Redundance payments	1 202	1 935	107
External expenses arising from significant regulatory changes	-	142	-
Compensations paid for damages	-	80	-
Legal actions	99	-	-
Total items affecting comparability	3 263	9 424	516
Adjusted EBITDA	51 547	36 122	24 822
IFRS 16 -lease expenses	-2 281	-	-
Adjusted EBITDA excluding IFRS 16 impact	49 266	36 122	24 822

Free cash flow

EUR thousand	2019	2018	2017
Cash flow from operating activities	41 920	19 527	19 914
Interest and other financing expenses paid	2 755	2 092	962
Received interest and other financing income	-201	-7	-4
Acquisition of tangible assets and intangible assets	-12 417	-5 691	-4 344
Free cash flow	32 057	15 921	16 529

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, iv) external expenses arising from significant regulatory changes and v) legal actions
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, %	$\frac{\text{Profit (loss) for the financial year}}{\text{Total equity (average for the financial year)}} \times 100$
Return on capital employed, %	$\frac{\text{Profit (loss) before taxes + financial expenses}}{\text{Total assets - non-interest-bearing liabilities (average for the financial year)}} \times 100$
Gearing, %	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Total equity}} \times 100$
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - advances received}} \times 100$
Dividend per earnings, %	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
Effective dividend yield, %	$\frac{\text{Dividend per share}}{\text{Market value per share on the last day of the financial year}} \times 100$
Price per earnings	$\frac{\text{Market value per share on the last day of the financial year}}{\text{Earnings per share}}$
Earnings per share, basic	Profit for the period attributable to the owners of the parent company divided by the 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 the weighted average number of shares in issue, taking 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 acquisitions and their tax impact, divided by the 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 property, plant and equipment and intangible assets.

Financial Statements

Consolidated Statement of Comprehensive Income

EUR thousand	Note	1.1. – 31.12.2019	1.1. – 31.12.2018
Net sales	6	145 957	98 135
Other operating income	7	293	86
Materials and services	8	-24 499	-18 334
Personnel expenses	9	-38 574	-26 763
Other operating expenses	10	-37 111	-28 055
Work performed by the entity and capitalised		2 218	1 630
Depreciation and amortisation	11	-20 503	-9 995
Operating profit		27 782	16 704
Finance income	12	154	7
Finance expenses	12	-3 029	-2 195
Finance income and expenses		-2 875	-2 188
Profit before income tax		24 906	14 516
Income tax expenses	13	-5 197	-3 598
Profit for the financial year		19 710	10 918

	Note	1.1. – 31.12.2019	1.1. – 31.12.2018
Items that may be reclassified to profit or loss:			
Translation differences from foreign units		-5 305	5 450
Hedging of net investments made in foreign units		1 186	-858
Income taxes relating to these items		- 237	172
		-4 357	4 763
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	22	-3 634	-687
Income taxes relating to these items		749	142
		-2 885	-546
Other comprehensive income for the financial year, net of tax		-7 242	4 218
Total comprehensive income for the financial year		12 467	15 136
Profit attributable to:			
Owners of the parent company		19 710	10 918
Total comprehensive income attributable to:			
Owners of the parent company		12 467	15 136
Earnings per share attributable to the owners of the parent during the financial year:			
Basic, EUR	14	0,82	0,56
Diluted, EUR	14	0,82	0,56

Consolidated Statement of Financial Position

EUR thousand	Note	31.12.2019	31.12.2018
ASSETS			
Non-current assets			
Goodwill	15	351 368	348 654
Other intangible assets	15	135 460	137 877
Property, plant and equipment	16	2 356	3 285
Right-of-use assets	16	9 591	-
Deferred tax assets	24	740	1 127
Financial assets and other receivables	17	86	187
Total non-current assets		499 601	491 130
Current assets			
Account and other receivables	18	23 328	21 526
Cash and cash equivalent	20	20 361	33 215
Total current assets		43 688	54 741
Total assets		543 289	545 871

EUR thousand	Note	31.12.2019	31.12.2018
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	21	80	80
Invested unrestricted equity reserve	21	340 173	351 690
Translation differences		407	4 592
Accumulated losses	21	-29 985	-35 071
Equity attributable to owners of the parent		310 675	321 290
Share of equity held by non-controlling interest		0	0
Total equity		310 675	321 290
Liabilities			
Non-current liabilities			
Financial liabilities	23	166 225	170 113
Pension liabilities	22	7 915	4 445
Deferred tax liabilities	24	24 137	25 482
Total non-current liabilities		198 277	200 040
Current liabilities			
Financial liabilities		2 276	130
Advances received	25	10 247	6 375
Account and other payables	25	21 814	18 036
Total current liabilities		34 337	24 541
Total liabilities		232 614	224 581
Total equity and liabilities		543 289	545 871

Consolidated Statement of Changes in Equity

Attributable to owners of the parent

EUR thousand	Share capital	Invested unrestricted equity reserve	Translation differences	Accumulated losses	Total	Share of equity held by non-controlling interest	Total equity
Equity at 1.1.2019	80	351 690	4 592	-35 071	321 290	0	321 290
Profit for the period	-	-	-	19 710	19 710	-	19 710
Other comprehensive income for the period							
Hedging of net investments	-	-	1 120	-172	948	-	948
Defined benefit plans	-	-	-	-2 885	-2 885	-	-2 885
Translation differences	-	-	-5 305	-	-5 305	-	-5 305
Total comprehensive income for the period	-	-	-4 185	16 653	12 467	-	12 467
Transactions with owners							
Distribution of funds	-	-11 517	-	-11 277	-22 794	-	-22 794
Management's incentive plan	-	-	-	-289	-289	-	-289
Equity at 31.12.2019	80	340 173	407	-29 985	310 675	0	310 675

Attributable to owners of the parent

EUR thousand	Share capital	Invested unrestricted equity reserve	Translation differences	Accumulated losses	Total	Share of equity held by non-controlling interest	Total equity
Equity at 1.1.2018	80	112 355	-	-31 336	81 099	-	81 099
Adoption of amendment to IFRS 2	-	-	-	594	594	-	594
Adoption of IFRS 9	-	-	-	-24	-24	-	-24
Adoption of IFRS 15	-	-	-	-22	-22	-	-22
Adjusted equity at the beginning of the period	80	112 355	-	-30 787	81 648	-	81 648
Profit for the period	-	-	-	10 918	10 918	-	10 918
Other comprehensive income for the period							
Hedging of net investments	-	-	-858	172	-686	-	-686
Defined benefit plans	-	-	-	-546	-546	-	-546
Translation differences	-	-	5 450	-	5 450	-	5 450
Total comprehensive income for the period	-	-	4 592	10 544	15 136	-	15 136
Transactions with owners							
Distribution of dividend	-	-	-	-14 347	-14 347	-	-14 347
Management's incentive plan	-	-	-	-481	-481	-	-481
Directed share issue	-	240 131	-	-	240 131	-	240 131
Share issue and listing new shares related costs	-	-796	-	-	-796	-	-796
Share of equity held by non-controlling interest related to the acquisition of subsidiary	-	-	-	-	-	0	0
Equity at 31.12.2018	80	351 690	4 592	-35 071	321 290	-	321 290

Consolidated Statement of Cash Flows

EUR thousand	Note	1.1.–31.12.2019	1.1.–31.12.2018
Cash flow from operating activities			
Profit before income tax		24 906	14 516
Adjustments:			
Depreciation and amortisation	11	20 503	9 995
Finance income and expenses	12	2 875	2 188
Profit (-) / loss (+) on disposal of property, plant and equipment		-66	-71
Management's incentive plan	27	-289	-481
Other adjustments		-177	-1 181
Cash flows before change in working capital		47 752	24 966
Change in working capital:			
Increase (-) / decrease (+) in account and other receivables		-618	834
Increase (+) / decrease (-) in account and other payables		2 191	-633
Change in working capital		1 573	200
Interest expenses paid	12	-2 755	-2 092
Interest income received	12	201	7
Income taxes paid	13	-4 852	-3 554
Cash flow from operating activities		41 920	19 527

EUR thousand	Note	1.1.–31.12.2019	1.1.–31.12.2018
Cash flows used in investing activities			
Purchases of property, plant and equipment	16	-779	-893
Purchases of intangible assets	15	-11 638	-4 799
Purchases of subsidiaries, net of cash acquired	5	-7 327	-85 247
Proceeds from sale of property, plant and equipment		370	170
Cash flows used in investing activities		-19 374	-90 769
Cash flows from financing activities			
Proceeds from interest bearing borrowings	23	-	269 573
Repayment of interest bearing borrowings	23	-12 216	-170 000
Dividends paid and other profit distribution	21	-22 794	-14 347
Cash flows from financing activities		-35 010	85 226
Net increase / decrease in cash and cash equivalents		-12 464	13 985
Cash and cash equivalents at the beginning of the financial year		33 215	18 919
Net increase / decrease in cash and cash equivalents		-12 464	13 985
Currency exchange rate adjustments		-390	311
Cash and cash equivalents at the end of the financial year		20 361	33 215

Notes to the Consolidated Financial Statements

1 General Information

Asiakastieto Group Plc (the "Company") is a Finnish public limited liability company and the parent company to Asiakastieto Group ("Asiakastieto Group" or the "Group"). The registered address of Asiakastieto Group Plc is Hermannin rantatie 6, PO BOX 16, 00581 Helsinki, Finland.

Asiakastieto Group is one of the leading Nordic providers of business and consumer information services. The Group operates in the business and consumer information services, collateral valuation, real estate information, sales and marketing information as well as consumer credit information markets in Finland, Sweden, Norway and Denmark. The Group's products and services are primarily used for risk management, finance and administration, decision-making, sales and marketing, automation, compliance, real estate transactions and real estate financing as well as personal financial management. The Group's largest clients include financial institutions and other financial service providers, expert service companies, insurance companies as well as wholesale and retail companies. The Group's customer base includes corporations as well as private individuals.

Asiakastieto Group has a scalable business model that makes it possible to increase net sales at minor additional cost. A large proportion of the Group's income is based on automated processes and the automatic sharing of information from the Group's own databases. The Group can use and relay the same data multiple times and include it in a number of services provided for different customers. The Group also earns income from advertising, particularly in Sweden.

Asiakastieto Group has comprehensive databases consisting of information gathered from the authorities and other public sources as well as privately acquired information. The databases are the basis for the Group's product and service offering and the development of new products and services.

Copies of the consolidated financial statements are available at the Company's head office at Hermannin rantatie 6, 00580 Helsinki and at the Group's website www.asiakastieto.fi.

The Board of Directors of Asiakastieto Group Plc has approved these consolidated financial statements for publication on 11 February 2020. Under the Finnish Limited Liability Companies Act, shareholders can approve or reject the consolidated financial statements in the Annual General Meeting held after the release. The Annual General Meeting may also resolve to amend the consolidated financial statements.

2 Summary of Significant Accounting Policies

2.1 Basis of Preparation

The consolidated financial statements of Asiakastieto Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, conforming with the IAS standards and IFRS standards as well as SIC and IFRIC interpretations applicable as per 31 December 2019. IFRS refer to the standards and interpretations applicable by corporations set out by the Finnish accounting ordinance and other guidance set out on the basis of this ordinance enforced for application in accordance with the procedure stipulated in the regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation complementing the IFRS standards.

The consolidated financial statements have been prepared primarily under the historical cost convention unless otherwise indicated. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the

entity operates. The consolidated financial statements are presented in euros, which is Asiakastieto Group's functional and presentation currency.

The amounts are presented in thousands of euros unless otherwise stated. Amounts presented in the consolidated financial statements are rounded, so the sum of individual figures may differ from the sum reported.

2.1.1 New Standards and Interpretations Adopted in 2019

Asiakastieto Group has adopted new IFRS 16 Leases standard starting 1 January 2019. The new standard replaces IAS 17 standard and all interpretations of the IAS 17 standard. Other changes in standards or interpretations do not have material impact on Group financial statements.

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. For the comparison year leases in which a significant portion of the risks and rewards of ownership were retained by the lessor were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the income statement on a straight-line basis over the period of the lease. Leases where the group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Treatment of finance leases was similar as in IFRS 16 standard.

After implementation of IFRS 16 standard all agreements with a lease term of 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 2,5 % depending on duration of the lease agreement, 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. Group's finance leases have already been treated as right-of-use assets and financial liabilities. At the implementation of IFRS 16 standard all right-of-use assets and lease liabilities relating to finance leases were recognised for amounts based on IAS 17 asset and liability values before the adoption of the IFRS 16 standard. This approach is according to practical expedients for IFRS 16 implementation.

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. Group does not operate as a lessor to a significant degree and the adoption of the standard will not have a significant effect on the Group's future financial statements in this regard.

In addition to impact on balance sheet the implementation of the standard has an impact on Group Profit or Loss statement. From the beginning of the fiscal year 2019 depreciation of the right-of-use assets which are recognized instead of rent expense improved the Group EBIT by EUR 0,1 million. Net income for the fiscal year 2019 declined by EUR 0,1 million due to the implementation of the standard. Group EBITDA which is one of the key performance indicators for the development of the profitability increased by EUR 2,3 million due to operative lease rent expense being previously included in the EBITDA but depreciation of the right-of-use assets are not included in EBITDA. Implementation of the IFRS 16 standard had a significant impact on Group adjusted EBITDA, key performance indicator for the development of the profitability and therefore Group has presented an alternative performance measure, adjusted EBITDA without IFRS 16 impact since 1.1.2019.

Implementation of IFRS 16 standard has also an impact on presentation of cash flow. Previously lease rent payments have been included in cash flow from operations. From 1.1.2019 cash flow from operations only includes interest expenses relating to lease liabilities and repayment of lease liabilities is included in cash

flow from financing operations. As an impact cash flow from operations increased in 2019 and cash flow from financing operations decreased in 2019 by EUR 2,2 million.

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

LEASE LIABILITIES

EUR thousand	1.1.2019
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

2.1.2 New Standards and Interpretations not yet Adopted

Asiakastieto Group has not implemented the next published standard. The Group adopts new and amended standards and interpretations on their effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

IFRS 17 Insurance Contracts standard objective is to improve the quality of the reporting of financial position and profitability of insurance companies and harmonize the valuation and reporting of insurance contracts falling under the standard. The new standard replaces IFRS 4 standard published in 2004.

New standard is effective 1.1.2021 or fiscal years starting after the date and Group expects the implementation to have no impact on future Group financial statements.

There are no other published IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on Asiakastieto Group financial statements.

2.2 Consolidation

Subsidiaries

Subsidiaries are all such entities over which Asiakastieto Group has control. Asiakastieto Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to Asiakastieto Group. They are de-consolidated from the date that the control ceases.

Inter-company transactions, receivables and liabilities as well as unrealised gains and losses on transactions between group companies are eliminated. When needed, the financial statements by subsidiaries have been adjusted to conform to the Group's accounting policies.

Acquired businesses

Acquired subsidiaries have been consolidated into the Group's accounts from the date which the Group has acquired the control and correspondingly the divested functions are included until the termination of control. The mutual owning of shares of the group companies is eliminated by past-equity method. The surrendered consideration, including the conditional acquisition price and the identifiable assets and liabilities are valued to the fair value at the moment of acquisition. Purchase related expenses are recognized as an expense.

Further information for business combinations of Asiakastieto Group is disclosed under 2.4 Goodwill and intangible assets and 5 Acquisitions.

2.3 Segment reporting

The Group constitutes a single operating segment, which is consistent with the way internal reporting is provided to the chief operating decision-maker and the way chief operating decision-maker determines allocation of resources and assessment of performance.

The CEO of the Company has been determined as the chief operating decision-maker. The CEO is responsible for allocating resources and assessing performance as well as making key strategic and operative decisions.

2.4 Goodwill and intangible assets

Intangible assets comprise goodwill and other intangible assets. Other intangible assets consist primarily of capitalised development costs related to new products and services, off the shelf software and intangible assets recognised separately from goodwill in connection with the company acquisitions.

Goodwill

Goodwill recorded at the consolidated financial statements of the Group arose from the acquisition of Asiakastiето Group business by the Group in 2008, purchase of share capital of Intellia Oy in 2016 and purchase of share capital of Emaileri Oy in 2017 and purchase of share capital of UC AB in year 2018 and purchase of share capital of Proff companies and acquisition of Solidinfo.SE business in 2019. For internal monitoring and impairment testing purposes, goodwill is followed at the level of the Group's cash generating units. The Group has three cash generating units, Finland, Sweden and Norway and Denmark combined. This also reflects the way the acquirer is expecting to realize the benefits of the acquisition.

Goodwill impairment review is undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the cash generating unit is compared to the recoverable amount, which is the higher of the value in use and the fair value less costs of disposal of the related cash generating unit.

Other intangible assets

Other intangible assets are initially recognised in the balance sheet at historical cost if the cost can be measured reliably and it is probable that future economic benefits associated with the asset will flow to Asiakastiето Group.

Other intangible assets acquired in connection with company acquisitions are recognised separate from goodwill if they meet a definition of intangible asset and are separable or are based on agreements or legal rights. Intangible assets

recognised in connection with company acquisitions consist, among others, of the value of customer agreements and related customer relations, of the value of acquired IT systems and databases as well as the value of trademarks. The value of customer agreements and customer relations is defined by the assumed length of customer relationship and on the basis of cash flows assessed.

Amortisations are calculated along straight-line method over their useful economic lives. The applied useful economic lives are:

Capitalised development costs	5–10 years
Off the shelf software	3–5 years
Customer and contract portfolios	3–20 years
IT systems, databases and technology	3–12 years
Trademarks	5–15 years

The assets' residual values and useful lives and amortisation method are reviewed at minimum at the end of each reporting period and adjusted, if appropriate, to reflect changes in the expected economic benefits. The amortisation of intangible assets is commenced when the asset is ready for its intended use.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of impairment testing, assets are allocated to the Group's cash-generating units. Prior impairments of tangible and intangible assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Capitalised development and software costs

Costs associated with maintaining current products and services are recognised as an expense as incurred. Development costs of new products and services that are directly attributable to building and testing of new products and services controlled by Asiakastiето Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the new product and service so that it will be available for use;
- the management intends to complete the new product and service and use or sell it;
- there is an ability to use or sell the new product and service;
- it can be demonstrated how the new product and service will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the new product and service are available; and;
- the expenditure attributable to the new product and service during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. New service development costs recognised as assets are amortised over their estimated useful lives, which does not exceed ten years.

2.5 Property, Plant and Equipment

Property, plant and equipment comprise machinery and equipment as well as other tangible assets and advances paid. Machinery and equipment comprise mainly IT, office machines and equipment as well as company cars.

Machinery and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Finance lease assets which have been previously presented as Fixed Assets as machinery and equipment have been transferred to right-of-use assets after the implementation of IFRS 16 standard.

Other tangible assets comprise mainly capitalised modernisation and renovation expenses of office premises. Other tangible assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on tangible assets is calculated using the straight-line method to allocate their cost amounts to their residual values over their estimated useful lives, as follows:

Machinery and equipment3–10 years
Capitalised modernisation and renovation expenses of office premises..10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other operating income" or "Other operating expenses" in the income statement.

2.6 Financial Assets

According to IFRS 9 standard financial assets have been classified either to financial assets measured at amortised cost or financial assets measured at fair value through profit or loss. The classification of financial assets is driven by the contractual cash flow characteristics and by the entity's business model used for managing the financial assets.

Classification of financial assets at amortised cost

The group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

This group includes account receivables of the group, other financial assets and cash and cash equivalents. These financial assets are recognised in the current assets except if they are due in 12 months from the reporting date in which case they are classified to non-current assets.

Expected credit losses related to the financial assets at amortised cost are calculated based on the expected credit loss model. Credit losses of the group may originate mainly from account receivables and contract assets. Accounting policy for these impairments is described in section 2.7 Account receivables.

Financial assets measured at fair value

The group recognises investments to unlisted securities in this group because the gains and losses due to the changes in fair value of such securities have not been decided to be recognised through other comprehensive income. Investments to unlisted securities are recognised in non-current assets except if they are due or management intends to dispose them within 12 months since the end of the reporting period. In this case they are recognised in current assets.

2.7 Account receivables

Account receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. These receivables are usually due within 14 to 30 days. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Account receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Account receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value.

The group applies the simplified impairment model for accounts receivables and contract assets in accordance which the Group recognises expected credit losses since the initial recognition of the receivable for the whole amount of expected credit losses during the receivables' lifetime. To measure the expected credit losses, account receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the account receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2018 and 1 January 2018 respectively and

the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. For the amount for recognition of expected credit loss provision, see note 4 – Credit risk management.

Account receivables and contract assets are derecognised when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, potential bankruptcy of the debtor or inability to prepare a payment plan with the group and delay of the contractual payments for more than a year.

2.8 Cash and cash equivalents

In the consolidated statement of cash flows and consolidated statement of financial position, cash and cash equivalents include cash in hand and bank accounts with banks.

2.9 Financial liabilities

Financial liabilities are recognised initially at fair value, net of transaction costs incurred. Liabilities are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the interest-bearing liabilities using the effective interest method. The Group also has unused credit facilities and recognises the related fees in the income statement on a straight-line basis.

The group has both long term and short-term financial liabilities. Financial liabilities can be interest bearing and non-interest bearing. Short term financial liabilities include liabilities falling due within 12 months or less.

A financial liability is derecognised when the Group either discharges the liability (or part of it) by paying the creditor or is legally released from primary responsibility for the liability (or part of it) either by process of law or by the creditor. The difference between balance sheet value and payment is recognised in the income statement.

2.10 Account payables

Account payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Account payables are classified as current liabilities if payment is due within one year or less. If not, they

are presented as non-current liabilities. Account payables are recognised initially at fair value and subsequently measured at amortised cost.

2.11 Foreign currency translation and net investment hedge

The consolidated financial statements are presented in euros, which is the functional currency of the parent company. Swedish krona denominated income statements and cash flows of the subsidiaries are translated into euros on a monthly basis using the average monthly exchange rate published by the European Central Bank and the balance sheet is translated using the closing exchange rates at the balance sheet date published by the European Central Bank. A translation difference arises from translating the result for the period using different exchange rates for the income statement and the balance sheet. The difference is recorded in the equity and the change in the translation difference is recorded into other comprehensive income.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss unless they are not allocated as net investment hedge. In such case the exchange rate differences are recognised in other comprehensive income and accumulated into translation differences in the equity.

Foreign exchange gains and losses related to cash and cash equivalents, borrowings and interests related to borrowings are presented in the finance income and finance cost in the statement of profit or loss. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other operating income or operating expenses.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless

this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is disposed the associated exchange differences, including the effective portion of the hedge, are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions. For more information related to the hedging of the net investment, see note 4 Currency risk management.

2.12 Interest income

The Group earns interest mainly from overdue interest from account receivables. Interest income is recognised when they occur.

2.13 Share Capital

Ordinary shares are classified as equity.

2.14 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement.

The current income tax charge is calculated based on the Finnish and Swedish tax laws enacted or substantively enacted at the balance sheet date. The management periodically evaluates positions taken in tax returns with respect to sit-

uations in which applicable tax regulation is subject to interpretation. The group establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities and assets when expected to receive tax returns.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax liabilities are recognised in full for all taxable temporary differences, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by Asiakastieto Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized and up to the amount of the deferred tax liabilities.

Deferred tax assets arising from past losses above the amount of deferred tax liabilities are recognised if convincing evidence exists that the Group will be able to utilise the tax losses carried forward.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee Benefits

Short-term Employee Benefit Obligations

Short-term employee benefits include salaries including fringe benefits and vacation pay payable within 12 months. Short-term employee benefits are recognized as other liabilities in respect of employee service up to the reporting date and measured at the amounts expected to be paid when the liabilities are settled. A liability is recognized for the amount expected to be paid under short-term bonus plan if the criteria for paying such bonuses are met.

Pension Obligations

The Group operates both defined benefit and defined contribution pension plans.

For defined contribution plans, Asiakastieto Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Asiakastieto Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group has defined benefit obligations in the Swedish BTP 2 plans which are partly funded by plan assets underlying the insurance policies with SPP. The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. The Group has derived its interest rate from the Swedish market of covered mortgage bonds, with an extrapolated duration corresponding to the Group's pension obligations. The fair value of any plan assets is remeasured as of the reporting date.

Service cost is recognised as part of personnel expenses and net interest expenses are presented as part of finance costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

The Swedish special salary taxes on pension costs (SLP) constitute part of the actuarial assumptions and is therefore recognised as part of the net pension defined benefit liability.

Swedish tax on returns from pension funds is recognised on an ongoing basis in profit or loss for the period in which the tax relates and is therefore not included in the liability calculation. The tax relates to a hypothetical return on plan assets determined for tax purposes only and is recognised in other comprehensive income. In the case of unfunded or partially unfunded plans, the tax is included in the profit or loss for the year.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.16 Provisions

Provisions for restructuring and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions include termination benefits related to personnel. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.17 Share-based Payments

The Group has share-based incentive plans which include incentives paid as shares or in cash. The benefits granted in accordance with the incentive plan are valued at fair value at the grant date and are expensed on a straight-line basis over the vesting period.

The fair value of the equity-settled incentives is the market value at the grant date. The share-based payments settled with equity instruments are not revalued subsequently, and cost from these arrangements is recognised as an increase in equity. Share based incentive plans are treated as equity settled and the cost is recognised based on gross amount of the shares despite the fact that the employee receives net amount of the shares and the Group pays the portion needed to cover withholding tax in cash to tax authorities. The tax expense paid to tax authorities is recognised as a deduction from the equity. The cash-settled share-based incentives are valued at fair value at the end of each financial reporting period until the settlement date and recognised as a liability. The expensed amount of the benefits is based on the group's estimate of the amount of benefits to be paid at the end of the vesting period. Market conditions and non-vesting conditions are considered in determining the fair value of the benefit. Instead, the non-market criteria, such as profitability or increase in sales, are not considered in measuring the fair value of the benefit but taken into account when estimating the final amount of benefits. The group updates the estimate of the final amount of the benefits at every financial reporting end and recognises changes in estimates through the statement of income.

2.18 Revenue recognition

Asiakastieto Group provides information services. The majority of revenue is transaction based generated from the delivery of individual pieces or bundles of credit,

business and market information. The information is collected by the Group from several data sources, e.g. its customers, trade registers, population registers and real estate registers, processed or refined by the Group and made available to the customers mainly through online facilities.

The major sales transactions are derived from the following business areas and performance obligations.

Risk Decisions:

Companies engaging in corporate and consumer business use decision services and solutions for general risk management, credit risk management, financial management, customer acquisition, decision-making, fraud and credit loss prevention as well as for gaining knowledge of and identifying their customers. The Risk Decisions revenue stream includes three main types of performance obligations which are online services (transactions), customised service packages for online services and customer projects.

Online services (transactions) are information services typically delivered as reports, bundles of information or individual pieces of information when, and if, the customer orders. Order and delivery are usually performed simultaneously. Despite of the physical form of a report that Asiakastieto delivers to customer Asiakastieto considers that the nature of its performance is a service as a report consists of information that is valid only at the time it is extracted/issued. Revenue is recognised at the point in time when the performance obligation is satisfied by the delivery of information.

Customised service packages include in practice an unlimited number volume of transactions, of predetermined information services for the contract period delivered to customer whenever needed. The services in the customised packages are substantially the same and have the same pattern of transfer to the customer. The agreements include fixed charges i.e. minimum charges irrespective of the customer's actual use of the inquiry based services. Asiakastieto Group has concluded that it provides a series of distinct services (i.e. stand ready to deliver). Therefore, a customised service package contract includes one performance obligation which is recognised as revenue over time on a straight-line basis. Orders outside the service package, if any, are separate performance obligations. If customer orders additional reports or information the promises in additional

orders are distinct performance obligations with stand-alone selling prices and are recognised as revenue as separate contracts.

Asiakastieto Group also provides customer specific projects. The scope of work is defined on a contract-by-contract basis. These contracts may include several deliverables such as different types of formulas to calculate the credit rating of private customers for consumer credit or mortgage loans. Each of the deliverables is a distinct performance obligation. Contracts for customer projects are analysed separately to conclude whether revenue is recognised over time or at the point in time due to customised contract terms. Projects may include subsequent services linked to the formula such as input data for the formulas or support service. Revenue from services provided after the customer project, i.e. support and maintenance services for the formulas created in the customer project is recognised over time.

Asiakastieto management has used judgement in online services contracts including a fixed access fee that do not transfer a promised good or service to the customer. These fixed access fees are advance payments for online services (transactions) and should be recognised based on the satisfaction of the underlying performance obligation i.e. allocated to each piece of delivered information. Instead, these fixed fees have been recognised as revenue linearly over the term of the contract for simplification reasons. As the volume of delivered online services (transactions) under these contracts do not vary significantly during the year, the over time revenue recognition has been judged reasonable by management.

Customer Data Management:

Customer management services help sales and marketing professionals to improve the efficiency of their work and to boost customer management by providing target group tools, services for surveying potential customers, register updates and maintenance, as well as various target group extractions.

Performance obligations related to Customer Data Management services are each of the services provided e.g. a service that alerts of changed information of selected entities or a service which enables the customer to do searches of entities by selected criteria such as location or line of business. Revenue from these services are recognised over time on a straight-line basis. If customer orders additional reports or information the promises in the additional orders are distinct

performance obligations with stand-alone selling prices and they are recognised as revenue as separate contracts.

Digital Processes:

Services in this business area include, among others, real estate and apartment information, information about buildings and their valuation as well as solutions that help customers to automate their collateral management processes and digitalise the administration of housing purchases. Services of the business area are also used for compliance purposes, for instance to identify companies' beneficial owners and politically exposed persons. The Digital Processes revenue stream includes two main types of performance obligations which are online services (transactions) and service packages.

Online services (transactions) are information services typically delivered as reports, bundles of information or individual pieces of information when, and if, the customer orders. Order and delivery are usually performed simultaneously. Despite of the physical form of a report that Asiakastieto delivers to customer Asiakastieto considers that the nature of its performance is a service as a report consists of information that is valid only at the time it is extracted/issued. Revenue is recognised at the point in time when the performance obligation is satisfied by the delivery of information.

For service packages, each of the services provided is a performance obligation e.g. a drafting service, property valuation service, or digitalised residential sale process, which are available to customers on when and if needed basis. Drafting service provides tools to use the authority's e-service effectively such as contract templates. Digitalised residential sale process enables banks and realtors to communicate through a portal and collect all the information that is exchanged between banks and realtors throughout the purchase and sales process. Revenue from these services are recognised over time on a straight line basis.

SME and Consumers:

Digital services for small and micro companies with easy-to-use applications and user interfaces for the evaluation of risks and sales potential, acquisition of other relevant information on customers and business partners and proof of own creditworthiness. Services for consumers help consumers to understand and better

manage their finances, while simultaneously protecting them from identity theft and fraud. SME and Consumers revenue stream has two main type of performance obligations.

Performance obligation is the deliverable provided e.g. analysis of entity's credit rating or a certificate of entity's payment behaviour of which each is a distinct performance obligation. Revenue is recognised when the control transfers to customer at the point in time, when the ordered certificate or analysis is delivered to customer.

Standardised service packages for online services include unlimited number of predetermined information services provided whenever needed during the contract period. The services in the standardised packages are substantially the same and have the same pattern of transfer to the customer. Asiakastieto Group has concluded that it provides a series of distinct services (i.e. stand ready to deliver) which is accounted for as one performance obligation. Revenue from standardised service package is recognised over time on a straight-line-basis. Orders outside the service package, if any, are separate performance obligations and recognised as revenue at the point in time, when the service is performed and delivered to the customer.

Private services include primarily ID security and blocking services i.e. notifying customers immediately if credit information is queried or changed. These services are delivered continuously over time and recognised as revenue over time on a straight-line basis. The Group provides advertising services by providing advertisement space on its websites. The performance obligation is to publish the advertisement on Group's webpages during the contract period and the revenue is recognised over time on straight-line basis during the advertisement period.

The Group sells corporate and governmental reports with market industry information and regional reports published every three- or four-month period. The revenue is invoiced and recognised at the point in time of publication and delivery of each report.

Asiakastieto Group recognises as revenue transaction price to which Asiakastieto Group expects to be entitled in exchange for transferring goods and services to customer. Amounts collected on behalf of third parties e.g. value added taxes are excluded. Some of the Group's contracts include service level agreements (SLA) which include penalties to be paid, if the provided services are not in accordance

with the agreed service level. As penalties have not realised in the past, management has concluded that even though the contracts include a variable consideration, it is highly unlikely that a significant reversal of revenue will occur in the future. Therefore, penalties have not been deducted from transaction price. Telephone sales to small and micro companies have resulted in reversals of revenue in the past. The time between issue of invoice and issue of credit note is on average two months. Based on historical data, and in the absence of indicators that future reversal rate should change, the Group has adjusted transaction prices for the latest two months' telephone sales. The accrual effect on revenue in the financial statement as of year 2019 is EUR 30 thousand (EUR 14 thousand).

Private customers, and entities ordering one-off analyses and certificates through Group's online facilities, are typically charged directly through the customers' credit cards on the web site as order is placed. The corresponding service is provided immediately or within days of the payment. Majority of corporate customers are invoiced as services have been transferred to customer or on a monthly basis. Typical payment terms are from 14 to 30 days. The Group also provides some continuous services with a fee invoiced yearly, twice a year, quarterly or monthly which indicate that the transaction price includes financing component. As the Group applies the practical expedient for significant financing components the Group does not adjust transaction price for effects of time value of money when it expects that the period between transferring the promised good or service to a customer and the customer paying for that good or service will be one year or less. Customer specific projects have milestone payments but timing difference between payments and revenue recognition do not typically exceed one year. The yearly fees and milestone payments related to projects result in recognising contract assets or contract liabilities depending on timing of invoicing. The yearly fees and milestone payments are invoiced either in advance, during the contract period or after providing the service. A contract asset is recognised, if fee is not invoiced as the services are provided. Contract assets are transferred to account receivables as the underlying services have been invoiced. Contract liability i.e. advances received is recognised if payment is received prior to providing the underlying services. Contract liabilities are recognised as revenue when the underlying services have been provided.

Principal agent considerations

Asiakastieto Group's revenue is generated from the sale of credit, business and market information which is collected by the Group from several data sources e.g. its customers, trade register, population register and real estate register. Most of the information is processed or refined by the Group and stored in Group's databases. The management has analysed whether Asiakastieto Group acts as a principal or as an agent related to the information sold. For majority of the information sold to customers the Group takes control over the information collected, has discretion in establishing selling prices and has the primary responsibility for the information provided. Therefore, the management has concluded the Group to act as principal to most of its information services. However, within the Digital Processes online services the Group also provides its customers official reports derived from authority's register at customer's request. The official reports are purely forwarded to customers as pdf files with no data input or modification by Asiakastieto Group and pricing is set by the authority. Asiakastieto Group has concluded that it does not have control over the official reports and acts as an agent in the arrangement and recognises revenue from the official reports as net amount.

Contract costs

Asiakastieto Group pays sales commission to external and internal sales persons when obtaining a contract. Sales commissions are activated as assets and amortised on straight line basis that is consistent with the pattern of the transfer of the services to the client.

2.19 Lease agreements

The group recognises an asset (a right-of-use asset for the lease target) and a financial liability relating to payment of lease rents in the balance sheet for all lease agreements in the group unless the lease agreement duration is 12 months or less or the leased item is of low value. Starting 1.1.2019 right-of-use asset depreciation and interest expense relating to the lease liability are recognised in the income statement instead of lease rent expenses. Cash lease rent is divided into lease liability repayment and interest expense.

Asiakastieto Group leases office premises, IT equipment and personnel cars. Lease agreements are usually made for fixed time period which vary from one

year to nine years. Some lease agreements include options to extend the lease agreement. These options are described further below. Lease term is the time period during which the agreement is non-cancellable considering possible extension and ending the agreement -options if it is reasonably certain options will be used.

Lease agreements can include both lease components and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relevant stand-alone prices. Lease terms are negotiated on an individual basis and contain normal and usual terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Assets and liabilities arising from a lease are initially measured on a present value basis. Right-of-use assets are measured at acquisition cost which includes:

- initial lease liability
- rent payments before the beginning of the agreement less any lease incentives received
- any initial direct cost, and
- restoration costs.

Net book values of right-of-use assets at the end of the reporting period divided into asset classes is presented in the table below:

Right-of-use assets

EUR thousand	31.12.2019	1.1.2019
Premises	9 318	11 760
Machinery and equipment	273	434
Total	9 591	12 194

Right-of-use assets recognised from lease agreements are subject to impairment testing. Asset net book values and useful lives are reviewed at the end of the fiscal year and adjusted if necessary. If the carrying value of the asset is more than benefit accumulated for the asset carrying value is adjusted to match the accumulated benefit.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments) less any lease incentives received
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option and,
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are included in the measurement of the liability. Value added tax is not included in the lease liability.

Lease payments are discounted using lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar time period, terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received
- uses a build-up approach that starts with a risk-free rate adjusted for credit risk for leases held by Asiakastieto Group, and
- makes adjustments specific to the lease, eg term, country, currency and security.

Lease payments are allocated between principal and finance cost. Finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over

the underlying asset's useful life. While the group revalues its buildings that are presented within fixed assets, it has chosen not to do so for the right-of-use buildings held by the group.

Difference between acquisition cost and carrying amount of the right-of-use assets is recognised on a straight-line basis over the lease term as depreciation as follows:

Premises	1–9 years
Machinery and equipment	1–5 years

Payments associated with short-term leases and all leases of low-value assets less incentives received from lessor, are recognized as expenses on a straight-line basis over the lease term in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and office furniture. Expenses recognized in profit or loss relating to short-term leases were EUR 227 thousand and expenses recognized in profit or loss relating to low-value assets were EUR 748 thousand during fiscal year 2019.

Extension and termination options are included in number of lease agreements for right-of-use assets. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Most extension options in offices and machinery and equipment leases have not been included in the lease liability, because the group could replace the assets without significant cost or business disruption.

2.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

2.21 Operating profit (EBIT)

IAS Standard 1 Presentation of Financial Statements does not define operating profit. The Group has defined the concept as follows: operating profit is the net total which is formed when other operating income is added to net sales and the following items are detracted: the cost of materials and services, personnel expenses, other operating expenses, the cost adjustment of work performed by the entity and capitalised, depreciation, amortisation and potential impairment loss. All other items of the income statement are presented below the operating profit line.

3 Critical accounting estimates and judgements

The management of Asiakastieto Group makes estimates and assumptions concerning the future as well as exercises judgement in applying the accounting principles when preparing financial statements. Estimates and judgements are continually evaluated and they are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 Defining Cash-Generation Units, allocating goodwill and assumptions used in goodwill impairment testing

The management of Asiakastieto Group has used judgement when determining cash generating units and allocation of goodwill for those units. Applying the judgement, the management of Asiakastieto Group has determined that the goodwill is allocated for goodwill impairment testing purposes to cash-generating units Finland, Sweden as well as Norway and Denmark. The recoverable amount of the Group's cash-generating units has been determined based on

value-in-use calculations, which require the use of estimates including projected future cash flows, estimates of discount rate and development of economy in Finland and Sweden. The Group's goodwill amounted to EUR 351,4 million (EUR 348,7 million) as at 31 December 2019. Asiakastieto Group tests the carrying value of goodwill annually or more frequently if events or changes in circumstances indicate that such carrying value may not be recoverable. See also note 15 Intangible assets.

3.2 Business combinations

Net assets acquired in business combinations are measured at fair value. Measurement of fair values of the acquired net assets are based on market values of similar assets or estimates of expected cash flows (e.g. intangible assets like customer relationships, technology and trademarks). The management of Asiakastieto Group has exercised judgement and made assumption when determining fair values of the acquired intangible assets that are based on assumptions and estimates on expected long-term development of net sales and profitability, useful lives of the assets and discount rates. The management believes that the estimates and assumptions used are sufficiently reliable for determining fair values.

3.3 Accounting for the shareholder agreement

Asiakastieto Group Plc is a party in a shareholder agreement, which concerns the control of UC's credit register and credit register information, as 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 result or balance sheet. Furthermore, according to UC's Articles of Association, among others, certain resolutions concerning the credit register and credit register information require a unanimous decision of the Board of Directors and the requirement for the making of such a decision at UC's General Meeting is that the minority shareholders vote in favour of the decision. These requirements are applied for changes which include a risk that UC is not occasionally able to fulfill the juridical commitments and/or contractual commitments relating to among others the use of credit register or credit register data, availability and treatment, certain outsourcing actions, safe distribution of credit register data and

user interface used for distribution of credit data. In addition Asiakastieto Group Oyj has made a commitment not to transfer the shares in UC to any party unless the party has adequate capabilities and the party does not commit to same restrictions as Asiakastieto Group in relation to credit register and credit register data. These arrangements have been designed to safe guard the maintenance of the credit register and administration of the credit register data provided by the sellers. The management of Asiakastieto Group has used judgement when reporting the B shares with value of SEK 1 000 as a non-controlling interest in Equity.

3.4 Capitalised development expenses

Costs incurred in the development phase of an internal project are capitalised as intangible assets if a number of criteria are met. The management has made judgements and assumptions when assessing whether a project meets these criteria, and on measuring the costs and the economic life as well as the future cash inflows generated by the development projects. Expected returns from capitalised development projects involve estimates and judgement from the management about the future net sales and related costs. These estimates involve risks and uncertainties and it is possible that, following changes in circumstances, expected returns from capitalised development projects change.

Asiakastieto Group assesses indications of impairment for capitalised development projects. The value for capitalised development projects may decrease, if the expected returns from new services change. See also note 15 Intangible assets.

3.5 Recoverability of deferred tax assets

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on the management's estimates of future cash flows. Estimates of these future cash flows are dependent on the management's estimates that relate among others to the amount of future net sales, operating costs and finance costs. The Group's ability to generate taxable income depends also on factors related to general

economy, finance, competitiveness and regulations beyond the Group's control. These estimates and assumptions are subject to risk and uncertainty, hence it is possible that changes in circumstances will alter expectations. This may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of temporary differences. Deferred tax receivables amounted to EUR 740 thousand (EUR 1 127 thousand) and deferred tax liabilities amounted to EUR 24 137 (EUR 25 482) thousand after netting the deferred taxes at 31.12.2019. Deferred tax assets relate to non-deductible net interest expenses that can be deducted from the following years' taxable income and deferred tax liabilities relate to intangible assets recognized at acquisitions. See also note 24 Deferred tax assets and liabilities.

3.6 Defined benefit pension obligations

Recognition of defined benefit pension obligation and plan assets are based on the actuarial calculations. The actuarial calculations require assumptions on the discount rate used, future inflation rate, mortality and salary increases. The actual outcome may deviate from the assumptions used, which may result in changes in the carrying values of defined benefit pension items. See also note 22 Pension liabilities.

4 Financial risk management

4.1 Financial risk factors

Asiakastieto Group's activities expose it to a variety of financial risks: market risk (including cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's finance function under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, use of derivative financial instruments, and investment of excess liquidity.

4.1.1 Market risk

Cash flow and fair value interest rate risk

Asiakastieto Group's interest rate risk arises from long-term financial liabilities amounting to EUR 166,2 million (EUR 170,1 million) at 31 December 2019 and all of which were issued with variable rates. Financial liabilities issued at variable interest rates expose the Group's cash flow to interest rate risk. The rise in interest rates may affect the cost of available financing and the Group's current financing costs. Loans are denominated in euros and Swedish kronas. The Group does not hedge against cash flow interest rate risk. See also note 23 Financial liabilities.

At 31 December 2019, if interest rates on financial liabilities had been 50 basis points higher with all other variables held constant, profit before tax for the year would have been EUR 645 thousand (EUR 251 thousand) lower as a result of higher interest expense on variable interest rate financial liabilities. Interest rate sensitivity has been calculated by increasing the interest curve by 50 basis points (due to low market interest environment the lower scenario has not been presented). The interest position includes all external variable interest rate interest-bearing liabilities.

Currency risk

The Group is exposed to currency fluctuations, especially in relation to the Swedish krona. The objective of currency risk management is to reduce the uncertainty arising from the potential impact of fluctuating exchange rates on the value of the future cash flows, receivables, liabilities and other balance sheet items.

Transaction risk arises from the foreign currency cash flows related to business operations and financing when transactions are carried out in a currency other than the functional currency of each group company. The group operates in Finland, Sweden, Norway and Denmark. Major part of net sales and expenses for the group are incurred in other currency than euro. Currently no currency derivatives are used to hedge against transaction risks in business operations but risks are minimised by operational means. As the sales and purchases are mainly generated in the functional currency of each group company, the Group has not been exposed to a significant transaction risk.

The Group's operating result is particularly exposed to a translation risk related to foreign exchange rates arising from the translation of the income statements

and balance sheets of foreign subsidiaries into the Group's presentation currency of Group's financial statements, euros. Euro is also the functional currency for Asiakastiето Group Plc. The Group mainly uses operational means to minimise the negative impacts of the currency rate fluctuations. The Group aims to finance its Swedish operations in Swedish krona, in order to cover the changes in operating profit due to exchange rate fluctuations partly in changes in finance costs.

Under normal circumstances, the Group does not use foreign currency derivative instruments to hedge against translation risks but the Group applies hedge accounting of net investment in a foreign operation for the loan. In October 2018, the parent company has entered into a bank loan of EUR 63,6 million which is denominated in Swedish kronas (SEK). The loan has maturity date of 18 October 2023. The loan was drawn to finance an equity investment to be made in the Swedish subsidiary and its spot rate has been designated as a hedge of the net investment in this subsidiary. No ineffectiveness was recorded from net investments in foreign entity hedges.

The impacts of the foreign currency denominated loan designated as a net investment hedge to the Group's financial position and profit for the period were as follows:

31.12.2019

EUR thousand (unless otherwise stated)	31.12.2019	31.12.2018
Net investment in foreign operation		
Carrying amount (bank loan)	63 320	64 506
SEK carrying amount (thousand)	661 491	661 491
Hedge ratio	1:1	1:1
Change in carrying amount of bank loan as a result of foreign currency movements (recognised in OCI)	1 186	-858
Change in value of hedged item used to determine hedge effectiveness	-1 186	858
Weighted average hedged rate for the year (EUR / SEK)	10,5891	10,2975

4.1.2 Credit risk

The Group is exposed to credit and counterparty risks through outstanding receivables from customers and cash balances. Credit and counterparty risks occur when counterparties are unable or unwilling to fulfill their obligations.

Credit risk is managed in the Group's finance function which is responsible for preparing the credit policy complied in Asiakastiето Group. The Group assesses the creditworthiness of a new customer, taking into account mainly its financial position and available past experiences for the customer. When the credit risk is assessed high, a guarantee payment is requested. The amount of guarantee payments received was immaterial for the periods presented. The Group's client base is widespread hence there are no large concentrations of credit risk. Majority of the clients are companies and the amount of consumers is in minority.

The Group holds excess cash (bank accounts and short-term deposits) with financial institutions whose credit rating is minimum 'A'. The Group's outstanding receivables are not exposed to significant credit risk and its credit losses have been small. See also notes 2.7 Account receivables and 18 Account and other receivables.

Accounts receivable and contract assets are derecognised from balance sheet as credit losses when it is not reasonable to expect to receive payment of receivables. Indications for when it is not reasonable to expect to receive payment include among others probable bankruptcy of debtor or inability to conclude a payment plan with the group and payment delays for more than 12 months.

In accordance with the accounting policies, the Group applies a simplified approach to the recognition of expected credit losses, according to which expected credit losses on any trade receivables and contract assets can be recognised for the entire validity period according to the delay of payment and different types of trade receivables. The loss-related deductible item on 31 December 2019 and 31 December 2018 was specified as follows for trade receivables and contract assets:

31.12.2018

EUR thousand	Not due	Due 1-30 days	Due 31-60 days	Due 61-90 days	Due 91-180 days	Due 181-360 days	Due over 360 days	Total
Expected loss rate	0,1%	0,7%	3,1%	11,7%	16,7%	57,5%	100,0%	
Gross carrying amount – account receivables	14 859	1 386	451	73	352	177	91	17 389
Loss allowance	9	9	14	9	59	102	154	355

31.12.2018

EUR thousand	Not due	Due 1-30 days	Due 31-60 days	Due 61-90 days	Due 91-180 days	Due 181-360 days	Due over 360 days	Total
Expected loss rate	0,1%	1,3%	10,0%	15,0%	20,0%	50,0%	100,0%	
Gross carrying amount – account receivables	6 399	64	1	13	22	54	8	6 560
Loss allowance	4	1	0	2	4	27	8	47

31.12.2018

EUR thousand	Not due	Due 1-30 days	Due 31-60 days	Due 61-360 days	Due over 360 days	Total
Gross carrying amount – account receivables	6 322	3 036	282	155	11	9 806
Loss allowance	-	22	-	48	9	79

The closing loss allowances for account receivables as at 31 December 2019 reconcile to the opening loss allowances as follows:

EUR thousand	31.12.2019	31.12.2018
1.1.	126	30
Increase in account receivables loss allowance thru acquisition	71	45
Increase in account receivables loss allowance recognised in profit or loss during the year	296	108
Receivables written off during the year as uncollectible	-153	-57
Reversal of unused allowance	17	1
Translation differences	-2	-
31.12.	355	126

4.1.3 Liquidity risk

The Group's ability to finance its operations depends mainly on the amount of cash flows from operations and the sources of financing available.

Cash flow forecasting is performed on group basis. The Group finance function monitors Asiakastieto Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed loan facilities at all times so that the Group does not breach loan limits or covenants. At 31 December 2019 the Group has undrawn interest-bearing facilities of EUR 20 million (EUR 10 million).

In October 2018, Asiakastieto Group has arranged term loan and credit facility agreement with Danske Bank A/S, OP Yrityspankki Plc and Nordea Bank Plc for the total value of EUR 180,0 million. The arrangement consists of EUR 160,0 million term loan and EUR 20,0 million revolving credit facility. In accordance with the term and conditions of the loan agreement, the company drew down the term loans partially in euros and partially in Swedish kronas. The loans will mature to be paid in one installment in October 2023. See more information on note 23 Financial liabilities.

The loan from a financial institution includes a financial covenant that is net debt to EBITDA, calculated as defined under the financing agreement. The covenants are monitored on a quarterly basis. Group's net debt to EBITDA adjusted in accordance with terms and conditions of the loan agreement was 2,8 (3,4) as at 31 December 2019. According to the financing agreement, the covenant limit for the financial year of 2019 was 4,0 (4,5). The Group has met all covenant requirements during the periods presented.

During the fiscal year 2019 the group implemented a multi-currency cash pool to ensure efficient cash management in the group. An overdraft of EUR 15 million was included in the cash pool arrangement. At 31.12.2019 the overdraft was not utilised.

All Group excess cash is placed in bank or short-term investments with suitable maturity and which enable sufficient liquidity. Group has not made any short-term investments in 2019 or 2018.

The table below shows future repayments, interest expenses and capitalised interest expenses of the Group's financial liabilities divided into maturity groupings based on the remaining contractual maturity at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

31.12.2019

EUR thousand	Under 1 year	1–2 years	2–5 years	Over 5 years	Total
Loans from financial institutions	2 036	2 030	164 567	-	168 635
Lease liabilities	2 389	2 131	3 508	2 025	10 053
Account payables	6 572	-	-	-	6 572
Total	10 998	4 162	168 076	2 025	185 260

31.12.2018

EUR thousand	Under 1 year	1–2 years	2–5 years	Total
Loans from financial institutions	2 515	2 456	177 853	182 823
Financial leasing debts	130	166	98	394
Account payables	5 999	-	-	5 999
Total	8 643	2 622	177 951	189 215

4.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns and increase in value of invested capital for shareholders.

The Group defines the capital as including equity and loans from financial institutions. The capital ratios are monitored by the equity ratio and net debt of which net debt is the most important ratio followed by the Group. Net debt is calculated as loans from financial institutions (included in 'current and non-current interest-bearing liabilities') less short-term deposits and cash in hand and at banks. The management does not have a target level for net debt but follows it regularly.

The table below shows the net debt position at reporting date.

EUR thousand	31.12.2019	31.12.2018
Loans from Financial institutions	158 797	169 849
Lease liabilities	9 704	-
Financial leasing debts	-	394
Cash and cash equivalents	20 361	33 215
Total	148 140	137 028

Net debt reconciliation which presents the movements of cash flows and other movements has been presented below:

EUR thousand	Cash	Finance lease under 1 year	Finance lease over 1 year	Loans over 1 year	Total
Net debt 1.1.2018	18 919	-	-	-69 775	-50 857
Cash flow	66	53	7	-99 573	-99 447
Acquisitions	13 919	-180	-266	-	13 473
Exchange rate adjustments	311	-3	-5	-858	-554
Other adjustments	-	-	-	357	357
Net debt 31.12.2018	33 215	-130	-264	-169 849	-137 028
Cash flow	-16 786	2 216	-	10 000	-4 569
Acquisitions	4 322	-243	-127	-	3 952
Exchange rate adjustments	-390	-	-	1 186	795
Other adjustments	-	-4 119	-7 037	-133	-11 290
Net debt 31.12.2019	20 361	-2 276	-7 428	-158 797	-148 140

5 Corporate acquisitions

Acquisition of Proff companies

Asiakastieto Group acquired the shares of the business information service Proff in Norway, Sweden and Denmark from its previous owner Eniro under an agreement signed on 20 May 2019. The transaction was completed on 1 July 2019. The purchase consideration for the acquisition was SEK 120,0 million, which was paid in cash in one instalment. Interest of 5 per cent per annum, calculated for the period between 1 January–1 July 2019, was added to the purchase consideration. The interest payable at completion was SEK 3,0 million.

The acquisition strengthens Asiakastieto Group's position in the market as the leading provider of business information services in the Nordic countries. Proff's business information services in Norway, Sweden and Denmark have altogether approximately three million unique monthly visitors, and Proff's freemium business information services correspond to Asiakastieto Group's allabolag.se service in Sweden and asiakastieto.fi/yritykset service in Finland. After the completion of the transaction, the Proff companies became subsidiaries of Asiakastieto Group Plc, and they continue to operate as their own companies.

The Group has made an allocation of the consideration for intangible assets identified and recognised in the acquisition. In the allocation of the purchase consideration, EUR 3,0 million was allocated to customer relations, which will be amor-

tised in 3–5 years, EUR 0,6 million to trademarks, which will be amortised in 5 years, and EUR 1,9 million to technology, which will be amortised in 3–5 years. The fair value of acquired accounts receivable is EUR 0,8 million, which corresponds to their book value at the moment of acquisition. The accounts receivable are expected to be entirely collectable. Goodwill resulting from the acquisition is EUR 5,8 million. Goodwill is not deductible in taxation.

The goodwill recognised in connection with the acquisition consists of synergies directed at the customer relations, technology and cost structure of the target of acquisition and the acquiring party, expected future income from the target's know-how and new technologies based on existing technologies, expected future income from new customer relations, and the knowledge and capabilities of the personnel of the target of acquisition.

The figures from the Proff companies' balance sheet and income statement have been included in Asiakastieto Group's consolidated balance sheet and income statement starting from 1 July 2019. At the moment of acquisition, there were no material mutual business operations between the Group and the acquired companies that should have been taken into account in the combination of business activities.

Net sales included in the group profit or loss after the Proff acquisition amounted to EUR 4.9 million and profit for the period of EUR 0.5 million. If the acquisition would have taken place in the beginning of the fiscal year the group net sales would have been EUR 150,7 million and profit for the period EUR 20,2 million.

Consideration transferred

EUR thousand

Cash paid	11 380
Interest paid	288
Total cost of acquisition	11 667

Net Assets acquired

EUR thousand

Customer relations Trademarks	3 027
Trademarks	645
Technology	1 903
Other intangible assets	639
Property, plant and equipment	508
Loan and other receivables	3
Account and other receivables	1 282
Cash and cash equivalents	4 326
Deferred tax liabilities	-1 212
Interest-bearing liabilities	-501
Advances received	-3 449
Account and other payables	-1 268
Net assets acquired	5 902

Goodwill arising from business combination

EUR thousand

Consideration transferred	11 667
Net assets acquired	5 902
Goodwill	5 766

Effects of acquisition on cash flow

EUR thousand

Purchase price paid in cash	-11 667
Cash and cash equivalents of the acquired entity	4 326
	-7 341

Expenses of EUR 0,5 million related to the acquisition of Proff companies' shares and the companies' integration in the review period have been recognised in the item "Other operating expenses" of the statement of consolidated income". The expenses are mainly related to advisor fees for the acquisition of shares and execution of the transaction.

Acquisition of business of Solidinfo.SE

On 12 February 2019, UC Affärsinformation AB, part of Asiakastiето 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, Asiakastiето 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 Asiakastiето Group's cash flow or financial position. The acquisition price is not disclosed.

Purchase of shares in UC AB

Asiakastiето 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, Asiakastiето 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 Asiakastiето 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 holders 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.

6 Net sales

Net sales by market area

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Finland	58 424	56 405
Sweden	74 661	36 077
Norway	7 463	-
Denmark	400	-
Other EU countries	2 367	1 424
Other countries	2 641	4 229
Total	145 957	98 135

Net sales by products and services

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Risk Decisions	95 486	65 192
SME and Consumers	33 931	19 565
Customer Data Management	8 127	7 042
Digital Processes	8 413	6 337
Total	145 957	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 onwards consists of two types of unit: business areas and functional units. Net sales for the group have been presented for fiscal year 2019 and comparison period 2018 using the new business areas. Furthermore, comparison period net sales has been restated to reflect 2019 product – business area allocation.

Growth in net sales is mainly due to consolidation of UC companies into the group starting 1.7.2018 and consolidation of Proff companies into the group starting 1.7.2019 and good development in consumer risk decisions services.

Net sales for the financial year 2019 included EUR 172 thousand (EUR 516 thousand) revenue from long-term client specific projects which is recognized using method of measuring progress toward complete satisfaction of performance obligation.

Assets and liabilities based on contracts with customers are presented in note 19.

7 Other operating income

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Capital gains from the sale of property, plant and equipment	66	71
Rental income	159	-
Grants	0	5
Other operating income	68	10
Total	293	86

8 Materials and services

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Purchases during the financial year	-22 562	-16 416
External services	-1 936	-1 918
Total	-24 499	-18 334

9 Personnel expenses

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Salaries and benefits ¹	-28 453	-20 172
Pension costs – defined contribution plans	-4 452	-3 270
Pension costs – defined benefit plans ²	-472	-159
Social security costs	-5 196	-3 162
Total	-38 574	-26 763

¹ For the financial year 2019 the personnel expenses include an accrued cost of EUR 850 thousand from the management's long-term incentive plan and for the financial year 2018 EUR 415 thousand.

² More information on pension costs in note 22 Pension liabilities.

Salaries and benefits of the management

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Salaries and benefits	-3 733	-3 769
Pension costs - defined contribution plans	-9	-9
Total	-3 741	-3 777

Specification of salaries and benefits to the management is included in note 27 Related parties.

Number of personnel on average

Employees	1.1.–31.12.2019	1.1.–31.12.2018
Full-time	417	305
Part-time and temporary	11	10
Total	428	315

In June 2018 the group headcount increased by 344 employees due to UC acquisition and in July 2019 the group headcount increased by approximately 60 employees due to acquisition of Proff companies.

Asiakastieto Group Plc and UC Affärsfakta AB signed an agreement regarding the outsourcing of telesales operations in Affärsfakta on 14 May 2019. Asiakastieto Group transferred the telesales operations in Sweden from 1 September 2019 onward to Affärsfakta i Sverige AB, founded by the current management of UC Affärsfakta AB. Along with the outsourcing, approximately 100 employees from the telesales unit in Sweden transferred their employment to Affärsfakta i Sverige AB with their current benefits and obligations

On 14 August 2018, Asiakastieto Group Plc announced its plans to reorganise its operations both in Finland and Sweden to gain efficiencies. On 24 September 2018, Asiakastieto Group finalised negotiations with employee representatives, as required by Finnish and Swedish legislation, pertaining to the planned new organisation. The planned gross headcount decrease was achieved in accordance with the stock exchange release issued on 14 August 2018 in three ways: natural attrition, retirement and redundancies. The gross headcount decreased by approximately 40 positions during the year.

10 Other operating expenses

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Other employment expenses	-1 561	-1 089
Expenses related to premises	-1 320	-2 083
Marketing expenses	-3 241	-1 669
Paid commissions on sales	-4 606	-1 732
Office expenses	-1 497	-1 207
IT expenses	-15 195	-9 160
Purchased services	-6 576	-9 292
Other expenses	-3 115	-1 822
Total	-37 111	-28 055

Auditor's fee

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
PricewaterhouseCoopers		
Statutory fees	-302	-140
Tax advisory	-13	-119
Other services	-43	-777
Total	-358	-1 035
KPMG		
Statutory fees	-	-66
Other services	-	-182
Total	-	-248

11 Depreciation and amortisation

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Amortisation on intangible assets	-17 134	-8 990
Depreciation on property, plant and equipment	-3 369	-1 005
Total	-20 503	-9 995

12 Finance income and expenses

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Finance income		
Interest income from loan and other receivables	35	2
Exchange rate profit	119	5
Total finance income	154	7
Finance expenses		
Impairment of financial assets at fair value recognised in profit or loss	-100	-
Interest expenses from financial liabilities at amortised cost	-2 436	-1 972
Net interest expenses relating to defined benefit pension plans	-92	-56
Interest expenses for lease liabilities	-185	-
Interest expenses for financial leasing debts	-	-3
Other interest expenses	-25	-2
Exchange rate loss	-106	-50
Other finance expenses	-86	-112
Total finance expenses	-3 029	-2 195
Total	-2 875	-2 188
EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Exchange rate gains and losses in profit or loss		
Exchange rate gains and losses in Net sales	-1	-
Exchange rate gains and losses in purchases	3	-0
Exchange rate gains in financial income	119	5
Exchange rate losses in financial expenses	-106	-50
Total	15	-44

13 Income tax expenses

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Current tax on profits for the financial year	-6 355	-3 598
Change in deferred taxes	1 158	0
Total	-5 197	-3 598
Income taxes recognised in consolidated income statement differ from the income taxes calculated using the Finnish tax rate as follows:		
EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Result before income tax	24 906	14 516
Tax calculated at Finnish tax rate	-4 981	-2 903
Differences in tax rates in foreign subsidiaries	-88	-17
Other:		
Income not subject to tax	167	7
Non-deductible expenses	-238	-684
Tax losses for which deferred income tax asset was not recognised	-	-0
Other items	-55	-
Total	-5 197	-3 598

Finland introduced interest deduction limitation rules starting from 1 January 2014 limiting the deductibility of intra-group net interests. Interests from the Parent Company's loans were subject to these interest deductibility limitation rules. EUR 22 268 thousand of the Parent Company's net interest expenses for the financial year 2014 was non-deductible for tax purposes. As a result, the Parent Company generated taxable income against which previously unrecognised tax losses were utilised. This non-deductible net interest from the financial year 2014 is carried forward and can be deducted from the following years' taxable income. Net interest expense carryforwards do not expire.

14 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent company by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share reflect the possible impact of the Group's management's long-term incentive plan.

	1.1.–31.12.2019	1.1.–31.12.2018
Profit attributable to the owners of the Parent Company (EUR)	19 709 667	10 918 320
Weighted average number of shares (number of shares)	23 986 073	19 603 022
Basic earnings per share	0,82	0,56
Management's incentive plan (number of shares)	27 219	46 465
Number of shares, weighted average diluted	24 013 292	19 649 487
Diluted earnings per share	0,82	0,56

15 Intangible assets

EUR thousand	Goodwill	Trademarks	Customers	Technology	Development and software costs	Work in progress and advances paid	Total
Cost at 1.1.2019	348 654	31 609	23 087	68 059	17 524	10 676	499 609
Additions	5 891	639	3 030	1 943	549	11 532	23 582
Disposals	-	0	-	-39	-2 399	-458	-2 896
Reclassifications	-	-	-	-	8 542	-8 542	-
Translation differences	-3 176	-581	-380	-1 225	-82	-176	-5 620
Cost at 31.12.2019	351 368	31 666	25 737	68 738	24 134	13 032	514 675
Accumulated amortisation at 1.1.2019	-	-1 079	-1 339	-3 986	-6 674	-	-13 078
Disposals	-	0	-	39	2 399	-	2 438
Translation differences	-	-2 108	-2 253	-7 294	-5 474	-	-17 129
Amortisation for the financial year	-	-8	-9	-27	-33	-	-78
Accumulated amortisation at 31.12.2019	-	-3 195	-3 601	-11 268	-9 782	-	-27 846
Net book value at 1.1.2019	348 654	30 530	21 749	64 073	10 850	10 676	486 531
Net book value at 31.12.2019	351 368	28 471	22 136	57 470	14 352	13 032	486 828

EUR thousand	Goodwill	Trademarks	Customers	Technology	Development and software costs	Work in progress and advances paid	Total
Cost at 1.1.2018	118 411	7	2 401	1 384	11 333	992	134 528
Additions thru business combinations	226 966	31 000	20 294	65 410	818	11 167	355 655
Additions	-	1	-	-	131	4 915	5 047
Disposals	-	0	-	-	-997	-389	-1 386
Reclassifications	-	2	-	-	6 223	-6 226	-
Translation differences	3 277	599	392	1 264	16	216	5 765
Cost at 31.12.2018	348 654	31 609	23 087	68 059	17 524	10 676	499 609
Accumulated amortisation at 1.1.2018	-	-3	-157	-195	-4 677	-	-5 032
Disposals	-	0	-	-	997	-	997
Translation differences	-	-1 066	-1 173	-3 756	-2 991	-	-8 986
Amortisation for the financial year	-	-11	-9	-35	-3	-	-57
Accumulated amortisation at 31.12.2018	-	-1 079	-1 339	-3 986	-6 674	-	-13 078
Net book value at 1.1.2018	118 411	4	2 244	1 189	6 656	992	129 496
Net book value at 31.12.2018	348 654	30 530	21 749	64 073	10 850	10 676	486 531

Impairment test for goodwill

The management monitors business performance at Group level. The Group has three cash generating units, Finland, Sweden as well as Norway and Denmark. The Group monitors goodwill at this level. EUR 175,8 million of goodwill has been recognised on the Finnish cash generating unit, EUR 171,8 million on the Swedish cash generating unit and EUR 3,6 million on the Norwegian and Danish cash generating unit. The recoverable amounts of the company's cash generating units are based on value in use calculations. These calculations use cash flow forecasts for five years, based on forecasts approved by the management and determined before tax.

Key parameters affecting the forecasts are the development of net sales and the most important expense items. The forecasts take into account the Group's market position in its market areas and the general economic environment, as well as the realised development of the Group's cash generating units in the most important parameters affecting the forecasts. The average annual growths included in the forecasts do not exceed the Group's long-term goals in the forecast period. Cash flows that will be realised later than within five years are extrapolated using the estimated long-term growth rates presented below.

The key assumptions used for value-in-use calculations are as follows:

	31.12.2019	31.12.2018
Finland		
Long-term growth rate	1,5 %	1,5 %
Discount rate	6,8 %	7,3 %
Sweden		
Long-term growth rate	1,5 %	1,5 %
Discount rate	7,0 %	7,3 %
Norway and Denmark		
Long-term growth rate	1,5 %	-
Discount rate	16,0 %	-

The discount rates used are pre-tax and reflect specific risks relating to the cash generating unit. As part of the performance review the management has performed a sensitivity analysis around the key parameters. The results suggest that

a situation in which the carrying value of goodwill and other assets under impairment testing would exceed the recoverable value is unlikely.

Finland:

- 10 %-point (10 %-point) decrease in annual net sales growth rate
- 5 %-point (5 %-point) decrease in annual EBITDA margin
- Pre-tax discount rate of 10,6 % (10,9 %)

Sweden:

- 5 %-point decrease in annual net sales growth rate
- 2 %-point decrease in annual EBITDA margin
- Pre-tax discount rate of 8,3 % (7,7 %)

Norway and Denmark:

- 10 %-point decrease in annual net sales growth rate
- 7,5 %-point decrease in annual EBITDA margin
- Pre-tax discount rate of 18,8 %

The sensitivity analysis did not indicate impairment, when the parameters above were changed one at a time, while others remained constant. If all the parameters above would be changed at the same time, the recoverable amount would equal the carrying value for the tested assets.

16 Property, plant and equipment

EUR thousand	Machinery and equipment	Right-of-use, machinery and equipment	Right-of-use, premises	Leased machinery and equipment	Other tangible assets	Total
Cost at 1.1.2019	9 206	-	-	462	148	9 815
Adoption of IFRS 16	-	502	11 760	-462	-	11 800
Adjusted cost at 1.1.2019	9 206	502	11 760	-	148	21 616
Additions	722	62	496	-	11	1 290
Disposals	-574	-197	-648	-	-	-1 418
Translation differences	-17	-6	-110	-	-2	-135
Cost at 31.12.2019	9 337	361	11 498	-	157	21 353
Accumulated depreciation at 1.1.2019	-6 449	-	-	-68	-13	-6 530
Adoption of IFRS 16	-	-68	-	68	-	-
Adjusted accumulated depreciation at 1.1.2019	-6 449	-68	-	-	-13	-6 530
Disposals	423	83	11	-	-	517
Depreciation for the financial year	-1 073	-103	-2 173	-	-25	-3 374
Translation differences	-1	0	-19	-	0	-19
Accumulated depreciation at 31.12.2019	-7 099	-88	-2 180	-	-39	-9 406
Net book value at 1.1.2019	2 757	434	11 760	-	134	15 085
Net book value at 31.12.2019	2 238	273	9 318	-	118	11 947

EUR thousand	Machinery and equipment	Leased machinery and equipment	Other tangible assets	Advances paid	Total
Cost at 1.1.2018	7 996	-	2	54	8 052
Additions thru business combinations	895	465	70	-	1 431
Additions	739	-	76	132	948
Disposals	-627	-12	-2	-1	-643
Reclassifications	185	-	-	-185	-
Translation differences	17	9	1	-	28
Cost at 31.12.2018	9 206	462	148	-	9 815
Accumulated depreciation at 1.1.2018	-6 054	-	-2	-	-6 056
Disposals	534	-	2	-	537
Depreciation for the financial year	-928	-68	-13	-	-1 009
Translation differences	-1	-1	0	-	-2
Accumulated depreciation at 31.12.2018	-6 449	-68	-13	-	-6 530
Net book value at 1.1.2018	1 942	-	-	54	1 996
Net book value at 31.12.2018	2 757	394	134	-	3 285
	2 757	394	134	-	3 285

17 Financial instruments

Financial instruments by category

31.12.2019

EUR thousand	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
Assets as per balance sheet			
Financial assets and other receivables	85	0	86
Account and other receivables	17 033	-	17 033
Cash and cash equivalents	20 361	-	20 361
Total	37 480	0	37 480

31.12.2019

EUR thousand	Financial liabilities at amortised cost	Total
Liabilities as per balance sheet		
Financial liabilities	168 501	168 501
Accounts payable and other payables	6 977	6 977
Total	175 478	175 478

31.12.2018

EUR thousand	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
Assets as per balance sheet			
Financial assets and other receivables	87	100	187
Account and other receivables	16 241	-	16 241
Cash and cash equivalents	33 215	-	33 215
Total	49 543	100	49 643

31.12.2018

EUR thousand	Financial liabilities at amortised cost	Total
Liabilities as per balance sheet		
Financial liabilities	170 243	170 243
Accounts payable and other payables	6 761	6 761
Total	177 004	177 004

18 Account and other receivables

EUR thousand	31.12.2019	31.12.2018
Account receivables	17 186	16 298
Amount recognised as actual credit loss	-153	-57
Net carrying value	17 033	16 241
Prepaid expenses and accrued income	5 860	4 965
Accrued income from long-term client specific projects	120	225
Other receivables	314	96
Total	23 328	21 526

The fair values of account and other receivables equal their carrying amount. The maximum exposure to credit risk is the carrying value of each receivable.

As at 31 December 2019, account receivables of EUR 2 530 thousand (EUR 3 645 thousand) were due. These relate to a number of individual customers.

The ageing analysis of account receivables is as follows:

EUR thousand	31.12.2019	31.12.2018
Not due	14 859	12 721
Overdue by		
Less than 1 month	1 386	3 100
1-3 months	524	358
3 months or over	620	187
Total	17 389	16 366
Loss allowance	-355	-126
Total	17 033	16 241
Amount recognised as actual credit loss	153	57

During fiscal year 2019 accounts receivable of EUR 153 thousand (EUR 57 thousand) were recognised as actual credit losses due to non-collection of the accounts receivable in question. The individually impaired receivables relate to sales receivables of a number of independent customers.

Accounts receivable and other receivable in the group are euro, Swedish, Norwegian and Danish krona nominated at 31.12.2019 and euro and Swedish krona nominated at 31.12.2018.

19 Assets and liabilities based on contracts with customers

EUR thousand	31.12.2019	31.12.2018
Asset recognised on income based on contract liabilities	833	1 001
Asset recognised on expenses based on contract liabilities	120	161
Contract assets total	953	1 162
Advances received from contracts with customers	-10 247	-6 375
Contract liabilities total	-10 247	-6 375

Changes in contract assets and liabilities

EUR thousand	Contract asset 2019	Contract liabilities 2019	Contract assets 2018	Contract liabilities 2018
Opening balance 1.1.	1 162	-6 375	434	-1 358
Acquired through combination of business activities	-	-3 415	712	-5 080
Reclassifications from contract assets to trade receivables	-2 800	-	-1 666	-
Reclassifications from assets based on contracts to expenses	-	-	-1	-
Advances for expenses recognised for the financial year relating to performance obligations	-41	-	161	-
Recognised sales proceeds from contract liabilities during the financial year	-	14 034	-	6 508
Sales proceeds not yet invoiced recognised for the period	2 623	-	1 515	-
Advances received during the period relating to unfulfilled performance obligations	-	-14 583	-	-6 350
Translation differences	10	92	7	-95
Total net changes	-209	-3 872	728	-5 016
Closing balance 31.12.	953	-10 247	1 162	-6 375

Of the opening balance for Contract liabilities EUR 6 375 thousand (EUR 1 358 thousand) has been recognised as revenue during the financial year 2019.

Transaction price allocated to remaining performance obligations

EUR thousand	31.12.2019	31.12.2018
Transaction price allocated to remaining performance obligations	6 714	11 487

The Group has applied the practical expedient allowed by IFRS 15 and presented the transaction price allocated to remaining performance obligations only for customer contracts continuing for more than 12 months. Of the transaction price allocated to remaining performance obligations EUR 6 433 thousand will be recognised as revenue in 2020 and EUR 281 thousand in 2021.

20 Cash and cash equivalents

EUR thousand	31.12.2019	31.12.2018
Cash at bank and in hand	20 361	33 215
Cash and cash equivalents	20 361	33 215

21 Shareholders' equity

The total shareholders' equity consists of the share capital, the invested unrestricted equity reserve, translation differences and accumulated losses.

Shares and share capital

The Parent Company has one share class, and each share has equal right to dividend. Each share carries one vote at the general meeting. All shares issued by the Parent Company are fully paid. The shares have no nominal value.

The total amount of shares at 31 December 2019 was 23 993 292 and at 31 December 2018 23 953 964.

Invested unrestricted equity reserve

EUR thousand	
1.1.2018	112 355
Directed share issue	240 131
Costs related to share issue and the listing of new shares	-796
31.12.2018	351 690
Return of capital	-11 517
31.12.2019	340 173

The company paid 11 April 2019 EUR 11 517 thousand from the invested unrestricted equity reserve as capital return based on the resolution of Annual General Meeting 28 March 2019.

Asiakastieto Group Plc issued 8 828 343 new shares as part of the consideration for the acquisition of UC AB. The share subscription price was recognised in the reserve for invested unrestricted equity, excluding expenses, totalling EUR 240 131 thousand. The expenses related to this directed share issue and the listing of new shares, EUR 796 thousand, consisted mainly of costs of the listing prospectus less taxes.

Accumulated losses

EUR thousand

1.1.2018	-31 336
Adjustments related to the adoption of new standards	548
Distribution of dividend	-14 347
Management's incentive plan	-481
Profit for the financial year	10 918
Other components of comprehensive income	-374
31.12.2018	-35 071
Distribution of dividend	-11 277
Management's incentive plan	-289
Profit for the financial year	19 710
Other components of comprehensive income	-2 885
Correction to translation differences	-172
31.12.2019	-29 985

Long-term incentive plans for the management are described in note 27, Related Parties. An accrued expense of EUR 850 thousand (EUR 415 thousand) for the financial year 2019 has been recognised as an increase in equity. In addition, equity has been adjusted with the amount of awards paid, EUR 1 139 thousand (EUR 896 thousand), previously recognised as expense.

The company paid EUR 11 277 as dividend from the profit of the financial year 2018 on 11 April 2019 in accordance with the resolution of the Annual General

Meeting held on 28 March 2019, and EUR 14 347 thousand from the profit of the financial year 2017 on 4 April 2018 in accordance with the resolution of the Annual General Meeting held on 22 March 2018.

22 Post-employment obligations

As a result of Defined benefit pension plans Group is exposed to plan asset volatility risk, life expectancy risk and inflation risk materializing in salary increase rate. Post-employment obligations are described accounting policies section under item 2.15 Employee benefits.

Liabilities related to defined benefit obligations

EUR thousand	31.12.2019	31.12.2018
Current value of defined benefit obligations	28 073	24 969
Fair value of plan assets	-20 158	-20 524
Net amount of current value of obligations and fair value of assets	7 915	4 445
Effect of minimum funding requirement / asset item	-	-
Recognised net obligation	7 915	4 445

Change in current value of defined benefit obligations

EUR thousand	1.1.-31.12.2019	1.1.-31.12.2018
Current value of defined benefit obligations 1.1.	24 969	-
Acquired through combination of business activities	-	23 471
Benefits paid	-565	-435
Current service cost	269	159
Interest expenses recognised in profit or loss	527	281
Actuarial gains (-) and losses (+):		
Changes in financial assumptions	3 937	224
Experience adjustments	-653	804
Translation differences	-412	464
Current value of defined benefit obligations 31.12.	28 073	24 969

Change in fair value of plan assets

EUR thousand	1.1.-31.12.2019	1.1.-31.12.2018
Fair value of plan assets 1.1.	20 524	-
Acquired through combination of business activities	0	19 664
Employer contributions	455	339
Interest income recognised in profit or loss	434	225
Income on plan assets excluding items included in interest income	-314	347
Benefits paid	-565	-435
Translation differences	-377	385
Fair value of plan assets 31.12.	20 158	20 524

Plan assets consist of the following items:

	31.12.2019	31.12.2018
Shares	11,0 %	9 %
Debt investments		
Government bonds	25,0 %	25,0 %
Mortgage loans	12,0 %	15,0 %
Corporate bonds	26,0 %	28,0 %
Real estate	12,0 %	12,0 %
Other investments	14,0 %	11,0 %
Total	100,0 %	100,0 %

Items recognised in profit or loss

EUR thousand	1.1.-31.12.2019	1.1.-31.12.2018
Current service cost	-269	-159
Interest expenses/income	-92	-56
Net expense recognised in profit or loss	-362	-215

Items recognised in other comprehensive income

EUR thousand	1.1.-31.12.2019	1.1.-31.12.2018
Remeasurements:		
Actuarial gains (-) and losses (+)	3 317	1 037
Income on plan assets excluding items included in interest income	317	-350
Net amount recognised in other comprehensive income	3 634	687

Actuarial assumptions and sensitivity analysis

	2019	2018
Discount rate	1,5 %	2,2 %
Salary increase rate	2,0 %	2,0 %
Inflation	2,0 %	2,0 %
Lifetime	DUS 14	DUS 14

Sensitivity analysis for changes in assumptions

EUR thousand	2019	2018
Discount rate, +1,0 %	-5 671	-4 791
Discount rate, -1,0 %	7 555	6 624

23 Financial liabilities

EUR thousand	31.12.2019	31.12.2018
Non-current		
Loans from financial institutions	158 797	169 849
Lease liabilities	7 428	-
Finance lease liabilities	-	264
Total non-current financial liabilities	166 225	170 113
Current		
Lease liabilities	2 276	-
Finance lease liabilities	-	130
Total short-term financial liabilities	2 276	130
Total financial liabilities	168 501	170 243

Of the loans from financial institutions, EUR 95,5 million (EUR 105,3 million) are EUR-denominated and EUR 63,3 million (EUR 64,5 million) are SEK-denominated at 31 December 2019.

Loans from financial institutions

On 18 October 2018, Asiakastiето 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. Asiakastiето 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 0 was utilised on 31 December 2019 (EUR 10 million).

To facilitate efficient cash management in the Group a multi-currency cash pool arrangement was implemented during the second quarter with Danske Bank A/S. An overdraft of EUR 15,0 million was included in the cash pool arrangement. The overdraft had not been utilised on 31 December 2019.

The Group's management has determined that there is no essential difference between carrying value and fair value because there have not been significant changes in interest rates since the issue date of the loans and margins of loans are considered to reflect different conditions and the subordination of the loans with reasonable accuracy.

24 Deferred tax assets and liabilities

The net movement on the deferred income tax account is as follows:

EUR thousand	2019	2018
1.1.	-24 355	1 647
Charged to balance sheet	-1 200	-26 172
Charged to income statement	921	0
Recognised in comprehensive income	749	142
Translation differences	488	28
31.12.	-23 397	-24 355

At the end of financial year, Group has deferred tax assets for EUR 740 thousand (EUR 1 127 thousand) and deferred tax liabilities EUR 24 137 thousand (EUR 25 482 thousand). The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of tax balances, is as follows:

Deferred tax assets

EUR thousand	Financial instruments	Defined benefit pension plans	Revenue recognition	Non-deductible net interest expense	Management's incentive plan	Other	Total
1.1.2018	44	-	-	2 243	186	1	2 474
Charged to balance sheet	6	854	34	-	-	380	1 274
Charged to income statement	91	-25	-4	-479	-96	-381	-895
Recognised in comprehensive income	-	142	-	-	-	-	142
Translation differences	-	-54	0	-	-	-	-54
31.12.2018	140	916	30	1 764	90	0	2 940
Charged to balance sheet	-	-	-	-	-	-	-
Charged to income statement	-17	-19	160	-655	108	23	-400
Recognised in comprehensive income	-	749	-	-	-	-	749
Translation differences	-	-15	2	-	-	0	-12
31.12.2019	124	1 631	192	1 109	198	23	3 276

Deferred tax liabilities

EUR thousand	Financial instruments	Change in depreciation method	Allocations of the acquisition	Capitalised development costs	Depreciation difference	Other	Total
1.1.2018	45	73	597	-	111	-	826
Charged to balance sheet	-	-	24 754	2 692	-	-	27 446
Charged to income statement	86	-20	-1 292	262	68	-	-895
Translation differences	-	-	-12	-70	-	-	-82
31.12.2018	131	53	24 047	2 883	179	-	27 295
Charged to balance sheet	-	-	1 219	-	-	-19	1 200
Charged to income statement	-27	-53	-2 465	1 169	15	40	-1 321
Translation differences	-	-	-464	-37	-	0	-500
31.12.2019	105	-	22 337	4 016	194	21	26 673

The Group has recognised deferred tax asset amounting to EUR 1 109 thousand (EUR 1 764 thousand) from non-deductible net interest expense, that amounted to EUR 5 543 thousand (EUR 8 818 thousand) as at 31 December 2019. Non-deduct-

ible net interest expense can be deducted from the taxable income in the future periods within the limits of interest deduction limitation rules. Net interest expense carryforwards do not expire.

25 Other current liabilities

EUR thousand	31.12.2019	31.12.2018
Advances received from unrecognised net sales	10 002	6 016
Advances received from long-term client specific projects	245	359
Total	10 247	6 375

EUR thousand	31.12.2019	31.12.2018
Account payables	6 572	5 999
Other liabilities	2 692	2 965
Accrued expenses	12 550	9 072
Total	21 814	18 036

Accrued liabilities consist mainly of accruals of personnel expenses.

26 Contingent liabilities

Own guarantees

EUR thousand	31.12.2019	31.12.2018
Pledges	196	394

Guarantees given

Until the refinancing of loans on 25 October 2018, Asiakastiето Group Plc and its subsidiary, Suomen Asiakastiето Oy, had guaranteed EUR 70,0 million of loans from financial institutions and EUR 5,0 million of undrawn facilities on behalf of each other.

Minimum rent commitments for short term lease agreements

EUR thousand	31.12.2019	31.12.2018
No later than 1 year	223	4 406
Later than 1 year and no later than 5 years	-	12 000
Later than 5 years	-	2 306
Total	223	18 712

Minimum rent commitments for short term lease agreements for fiscal year 2019 include lease agreements with lease term 12 months or less. Comparison period has been presented according to IAS 17 standard and fiscal year 2019 has been presented according to IFRS 16 standard.

Due to implementation of IFRS 16 standard lease agreement commitments have been recorded as short term and long-term lease liabilities in the balance sheet. As a result lease commitments for fiscal year 2019 have decreased significantly. In the note 2.1. Basis of preparation a bridge reconciliation between lease commitments in 2018 financial statements and lease liabilities according to IFRS 16 standard has been presented.

Low value lease agreement commitments

EUR thousand	31.12.2019	31.12.2018
Due within the next financial year	694	21
Due later	1 044	41
Total	1 738	62

Minimum lease payments for office equipment lease agreements for the group have been presented for fiscal year 2019 as low value lease commitments. Comparison period has been presented according to IAS 17 standard and fiscal year 2019 has been presented according to IFRS 16 standard.

27 Related parties

The related parties of the Group consist of group entities and shareholders exercising significant influence over the Company, as mentioned in note 28. The shareholders who have had the right to nominate a representative to the Company's Board of Directors are considered to exercise significant influence over the Company. In addition, key persons, including the Board of Directors, CEO and Executive Team are considered related parties of the Group, along with their close family members and companies controlled by the aforementioned persons.

The following transactions were carried out with related parties:

1.1.–31.12.2019

EUR thousand	Sales of goods and services	Purchases of goods and services	Finance income and expenses
Shareholders exercising significant influence over the Group	11 622	- 556	-788
Total	11 622	- 556	-788

31.12.2019

EUR thousand	Receivables	Liabilities
Shareholders exercising significant influence over the Group	1 188	53 268
Total	1 188	53 268

1.1.–31.12.2018

EUR thousand	Sales of goods and services	Purchases of goods and services	Finance income and expenses
Shareholders exercising significant influence over the Group	5 389	-482	-181
Total	5 389	-482	-181

31.12.2018

EUR thousand	Receivables	Liabilities
Shareholders exercising significant influence over the Group	1 091	57 516
Total	1 091	57 516

Liabilities to related parties include a loan carried out on market terms and conditions and loan related accrued interest with Nordea Bank Oyj. Loan includes market terms and conditions and is described in detail in note 23.

Transactions with related parties were carried out on an arm's length basis. The Group's transactions with related parties in connection to key management and the Board of Directors during the financial year consisted of normal salaries and fees.

Related to the acquisition of UC, certain members of the Executive Team are entitled to a stay-on bonus corresponding to three months' salary at a maximum.

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 Asiakastiето 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 com-

pany. 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.

The possible award was contingent on the continuation of employment or service at the time of payment award and meeting of the shareholding requirement. The awards paid out through the performance-based share plan and the matching share plan of the year 2015 corresponded to a value of 108 000 shares at a maximum, including also the cash proportion.

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 be attained in full, the payable rewards would correspond to a maximum total of 72 000 Asiakastieto Group shares, including also the cash proportion.

The long-term incentive plan to the management was within the scope of IFRS 2. For the financial year, an accrued expense of EUR 27 thousand (EUR 246 thousand) has been recognised in personnel expenses.

Performance-based Share Plan 2015

The performance-based share plan award for the period March 2015–March 2018 was based on the total shareholder return calculated on the Asiakastieto Group Plc's share, adjusted for dividends paid. The share plan's performance period ended on 31 March 2018 and the rewards were paid out on 29 May 2018.

Matching Share Plan 2015 and Performance-based Share Plan 2016

The acquisition of personnel shares within the matching share plan 2015 entitled the participant to be awarded one additional share for each personnel share within the plan in four years' time, provided that the terms and conditions of the plan were met. The rewards earned under the matching share plan were paid to the participants on 8 March 2019.

The performance-based share plan 2016 award for the period July 2016–December 2018 was based on the total shareholder return calculated on the Asiakastieto

Group Plc's share, adjusted for dividends paid. The rewards earned were paid to the 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 resolution of 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 2018–2020

The target group of the share-based long-term incentive plan decided on by the Board of Directors in August 2018 includes approximately 40 key persons of Asiakastieto Group, including the members of the Executive Team. In order to participate in the plan and receive rewards under the plan, 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. Net amount of shares will be awarded after deducting the personal withholding tax. For the financial year, an accrued expense of EUR 823 thousand (EUR 169 thousand) has been recognised in personnel expenses.

	Matching share plan 2018–2019	Performance Based Share Plan 2018–2020 / I 2021	Performance Based Share Plan 2018–2020 / II 2021
Original allocation date	21 September 2018	21 September 2018	21 September 2018
Performance period begins	1 September 2018	1 September 2018	1 September 2018
Performance period ends	31 December 2019	31 December 2020	31 December 2020
Vesting conditions	Shareholding, employment until payment	Shareholding, employment until payment, EBITDA and TSR	Shareholding, employment until payment, EBITDA and TSR
Vesting date	31 May 2020	31 May 2021	30 November 2021
Maximum duration, years	1,7	2,7	3,2
Time to maturity, years	0,4	1,4	1,9
Persons at the end of the financial year	27	26	26
Implementation method	Shares	Shares	Shares

Changes in the plan during the period

Number	Matching share plan 2018–2019	Performance-based share plan 2018–2020 / I 2021	Performance-based share plan 2018–2020 / II 2021	Total
1.1.2019				
Outstanding at beginning of period	17 000	76 500	76 500	170 000
Changes during period				
Granted	12 000	54 000	54 000	120 000
Forfeited	-	9 900	9 900	19 800
31.12.2019				
Outstanding at end of period	29 000	120 600	120 600	270 200

Long-term incentive plan for the management 2020–2022

In December 2019, the Board of Directors decided on a new share-based long-term incentive plan for key persons of Asiakastiето Group. The target group of the plan includes approximately 35 key persons, including the members of the Executive Team.

The incentive plan consists of one performance period covering the calendar years 2020–2022. The potential rewards from the plan will be paid partly in Asiakastiето Group Plc shares and partly in cash after the end of the performance period. The potential rewards are based on the achievement of targets set for the

total shareholder return (TSR) of the Asiakastiето Group Plc share and the Group's cumulative adjusted EBITDA in 2020–2022. The rewards are also dependent on the continuation of the participants' employment or service contracts at the time of payment.

The rewards to be paid from the plan correspond to an approximate maximum total of 100 000 Asiakastiето Group Plc shares, including the proportion to be paid in cash. The maximum reward will be denominated as a gross number of Shares before the deduction of any applicable taxes.

The remuneration of Board of Directors

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Patrick Lapveteläinen	40	40
Petri Carpén	28	27
Bo Harald (member until 28 March 2019)	25	25
Nicklas Ilebrand (member 29 June 2018 – 28 March 2019)	19	-
Martin Johansson (member from 29 June 2018)	-	-
Tiina Kuusisto (member from 28 March 2019)	-	-
Carl-Magnus Månsson	27	26
Petri Nikkilä (member from 28 March 2019)	-	-
Anni (Anna-Maria) Ronkainen (member until 28 March 2019)	27	26
Total	167	144

Remuneration of the Executive Team members (excluding the CEO)

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Salaries and benefits	1 462	1 369
Long-term incentive bonus	900	1 075
Performance - based incentives paid in cash ¹	161	406
Termination benefits	41	-
Stay-on bonus	88	-
Total	2 653	2 850

Remuneration of the CEO

EUR thousand	1.1.–31.12.2019	1.1.–31.12.2018
Salaries and benefits	259	242
Long-term incentive bonus	718	489
Performance - based incentives paid in cash ¹	104	188
Pension costs – defined contribution plans	9	9
Total	1 089	928

¹ The incentives have been reported on a payment basis and paid on the basis of the result for the previous financial year.

The Group has a supplementary voluntary pension plan for the CEO that is classified as defined contribution plan and has a cost of EUR 8 500 per year. The CEO will receive additional voluntary old age pension between ages 63 and 73.

The termination period for the CEO's employment contract is 6 months. In addition, in case of termination of the employment contract, the CEO is entitled to one-time payment under certain conditions that corresponds to six months' salary.

The CEO's contract of service and the assignment as the CEO of the Company will expire at the end of the month during which the CEO reaches 63 years of age.

28 Group companies

The following table presents the Group's subsidiaries as at 31 December 2019. The Group had no shared functions as at 31 December 2019. All group companies are related parties of the Group.

Parent company	Nature of activities	Country of		
Asiakastieto Group Oyj	Headquarter activities	Finland		
Subsidiaries				
		Group ownership (%)		
		Voting rights (%)		
Suomen Asiakastieto Oy	Operative company	Finland	100,0	100,0
Emaileri Oy	Operative company	Finland	100,0	100,0
UC AB	Operative company	Sweden	99 ²	100,0
UC Affärsinformation AB	Operative company	Sweden	100,0	100,0
Proff AB	Operative company	Sweden	100,0	100,0
Proff AS	Operative company	Norway	100,0	100,0
Proff ApS	Operative company	Denmark	100,0	100,0

² Asiakastieto Group Plc and the sellers of 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 and UC's result or balance sheet. See more information on note 5 Corporate acquisitions.

29 Events after the end of financial year

There have been no out of the ordinary events after the end of the fiscal year.

Parent Company Income Statement (FAS)

EUR	Note	1.1.–31.12.2019	1.1.–31.12.2018
Net sales	2	1 154 457,45	2 003 715,10
Personnel expenses	3	-2 153 844,98	-2 453 140,02
Other operating expenses	4	-1 510 235,38	-5 759 257,01
Operating loss		-2 509 622,91	-6 208 681,93
Finance income and expenses			
Income from group undertakings	5	12 441 977,60	-
Other interest and finance income	5	1 293 853,73	52 278,29
Reduction in value of investments held as non-current assets	5	-101 330,00	-
Interest and other finance expenses	5	-2 554 313,04	-3 026 908,03
Total finance income and expenses		11 080 188,29	-2 974 629,74
Profit (loss) before appropriations and taxes		8 570 565,38	-9 183 311,67
Appropriations			
Group contributions	6	24 566 647,00	23 342 888,00
Income tax expenses	7	-4 137 978,50	-2 832 016,26
Profit for the financial year		28 999 233,88	11 327 560,07

Parent Company Balance Sheet (FAS)

EUR	Note	31.12.2019	31.12.2018
ASSETS			
Non-current assets			
Investments	8	543 299 197,52	534 707 291,14
Total non-current assets		543 299 197,52	534 707 291,14
Current assets			
Long-term receivables	9	1 490 594,18	2 282 227,51
Short-term receivables	10	25 069 397,44	24 890 359,51
Cash in hand and at banks		11 394 520,44	10 071 293,89
Total current assets		37 954 512,06	37 243 880,91
Total assets		581 253 709,58	571 951 172,05

EUR	Note	31.12.2019	31.12.2018
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	11	80 000,00	80 000,00
Invested unrestricted equity reserve	11	357 869 927,37	369 386 707,53
Retained profit	11	3 199 471,97	3 148 759,14
Profit for the financial year		28 999 233,88	11 327 560,07
Total equity		390 148 633,22	383 943 026,74
Liabilities			
Non-current liabilities			
Loans from financial institutions		159 319 981,67	170 505 519,43
Total non-current liabilities		159 319 981,67	170 505 519,43
Current liabilities			
Accounts payable		188 955,62	129 960,53
Payables to group companies	12	30 245 033,40	15 958 015,43
Other liabilities		34 580,72	284 388,94
Accrued expenses	12	1 316 524,95	1 130 260,98
Total current liabilities		31 785 094,69	17 502 625,88
Total liabilities		191 105 076,36	188 008 145,31
Total equity and liabilities		581 253 709,58	571 951 172,05

Parent Company Statement of Cash Flows (FAS)

EUR	Note	1.1.–31.12.2019	1.1.–31.12.2018
Cash flow from operating activities			
Loss before appropriations and taxes		8 570 565,38	-9 183 311,67
Adjustments:			
Finance income and expenses	5	-11 080 188,29	2 974 629,74
Cash flows before change in working capital		-2 509 622,91	-6 208 681,93
Change in working capital:			
Increase (-) / decrease (+) in account and other receivables		303 480,78	-393 295,88
Increase (+) / decrease (-) in account and other payables		88 693,47	197 299,53
Change in working capital		392 174,25	-195 996,35
Interest and other financing expenses paid		-2 444 581,23	-2 092 793,27
Dividend received		12 441 977,60	-
Interest and other finance income received		13 470,43	264,83
Income taxes paid		-2 450 262,62	-3 073 719,85
Cash flow from operating activities		5 443 155,52	-11 570 926,57
Cash flows used in investing activities			
Acquisition of subsidiary	8	-8 942 697,82	-102 202 045,40
Investointien rahavirta		-8 942 697,82	-102 202 045,40
Cash flows from financing activities			
Proceeds from short-term borrowings		14 273 508,25	6 975 840,74
Proceeds from long-term borrowings		-	269 647 763,79
Repayment of long-term borrowings		-10 000 000,00	-170 000 000,00
Group contributions received	6	23 342 888,00	21 971 792,00
Dividends paid and other profit distribution	11	-22 793 627,40	-14 347 069,10
Cash flows from financing activities		4 822 768,85	114 248 327,43
Net increase (+) / decrease (-) in cash and cash equivalents		1 323 226,55	475 355,46
Cash and cash equivalents at the beginning of the financial year		10 071 293,89	9 595 938,43
Cash and cash equivalents at the end of the financial year		11 394 520,44	10 071 293,89

Notes to the Parent Company Financial Statements

1 Accounting principles

Asiakastieto Group Plc is a Finnish limited liability company and the Parent Company of the group named Asiakastieto Group. The Company listed its shares on the main list of Nasdaq Helsinki Ltd on 31 March 2015.

Asiakastieto Group Plc's financial statements have been prepared in accordance with the accounting principles based on the Finnish accounting legislation (FAS).

1.1 Valuation principles

Financial instruments

The fees paid on draw-down loans and financial instruments hedging the loans have been entered in accrued income. These will be booked as financial expenses on the basis of time in equal proportions. At the time of loan amortisation the respective share of the remaining fees in the balance sheet will be booked as expenses.

Deferred tax assets

Deferred tax assets are calculated on the temporary differences between taxation and the financial statements using the tax rates effective for future years confirmed on the balance sheet date. The balance sheet includes the deferred tax assets at their estimate realisable amount.

1.2 Items denominated in foreign currencies

Transactions in foreign currencies are entered at the exchange rates prevailing at the transaction dates. The unsettled balances on foreign currency receivables and liabilities are converted into euros at the rates of exchange prevailing at the end of the financial year.

1.3 Cash pooling arrangement

To ensure an efficient cash management for the group Asiakastieto Group Oyj implemented a Multi-currency cash pool arrangement with Danske Bank A/S. Subsidiary bank accounts in Danske Bank have been included as member accounts to

the arrangement. Previously only the Suomen Asiakastieto Oy bank account in Danske Bank was included to the parent company cash pool account. The positive balances of member accounts are shown in the balance sheet item "Payables to Group companies" and the negative balances in the balance sheet item "Receivables from Group companies".

2 Net sales

Net sales by market area

EUR	1.1.–31.12.2019	1.1.–31.12.2018
Finland	1 154 457,45	2 003 715,10
Total	1 154 457,45	2 003 715,10

Net sales consist of management fees from Group companies.

3 Personnel expenses

EUR	1.1.–31.12.2019	1.1.–31.12.2018
Salaries and benefits	-1 898 376,97	-2 217 752,07
Pension expenses	-233 693,50	-216 679,21
Other social security expenses	-21 774,51	-18 708,74
Total	-2 153 844,98	-2 453 140,02

The pension provision for the personnel is arranged at Elo Mutual Pension Insurance Company.

Salaries and benefits of the management

EUR	1.1.–31.12.2019	1.1.–31.12.2018
Board members and CEO	-1 246 885,68	-1 063 006,32
Total	-1 246 885,68	-1 063 006,32

The salaries and benefits paid to the management are itemised in more detail in note 27 Related parties to the consolidated financial statements.

Number of personnel on average

Employees	1.1.–31.12.2019	1.1.–31.12.2018
Full-time	11	10
Part-time and temporary	1	-
Total	12	10

4 Other operating expenses

EUR	1.1.–31.12.2019	1.1.–31.12.2018
Other employment related expenses	-129 308,01	-58 379,59
Expenses related to premises	-73 270,89	-64 049,14
Marketing expenses	-80 779,86	-61 955,65
Office expenses	-290 331,81	-263 530,84
IT expenses	-101 128,76	-75 215,00
Purchased services	-672 115,60	-4 993 860,01
Other expenses	-163 300,45	-242 266,78
Total	-1 510 235,38	-5 759 257,01

Auditor's fees

EUR	1.1.–31.12.2019	1.1.–31.12.2018
PricewaterhouseCoopers Oy		
Statutory fees	-128 264,50	-79 702,87
Tax advisory	-12 556,00	-118 772,00
Other services	-30 112,50	-751 426,16
Total	-170 933,00	-949 901,03

5 Finance income and expenses

EUR	1.1.–31.12.2019	1.1.–31.12.2018
Income from group undertakings		
Dividends	12 441 977,60	-
Other interest and finance income		
Interest income		
from group companies	10 528,78	-
from parties outside the group	2 941,65	264,83
Other finance income		
from parties outside the group	1 280 383,30	52 013,46
Total finance income	13 735 831,33	52 278,29
Reduction in value of investments held as non-current assets		
Reduction in value of shares and interests	-101 330,00	-
Interest expenses and other finance expenses		
Interest expenses		
to group companies	-12 220,72	-10 240,65
to parties outside the group	-2 314 027,23	-1 515 708,09
Other finance expenses		
to parties outside the group	-228 065,09	-1 500 959,29
Total finance expenses	-2 655 643,04	-3 026 908,03
Total	11 080 188,29	-2 974 629,74

6 Appropriations

EUR	1.1.–31.12.2019	1.1.–31.12.2018
Group contributions received	24 566 647,00	23 342 888,00
Total	24 566 647,00	23 342 888,00

7 Income tax expenses

EUR	1.1.–31.12.2019	1.1.–31.12.2018
On business operations	-3 483 026,17	-2 352 851,54
Change in deferred tax asset	-654 952,33	-479 164,72
Total	-4 137 978,50	-2 832 016,26

8 Investments

EUR	31.12.2019	31.12.2018
Shares in Group companies		
Cost at 1.1.	534 605 961,14	175 811 389,57
Additions	8 693 236,38	358 828 770,13
Disposals	-	-34 198,56
Cost at 31.12.	543 299 197,52	534 605 961,14
Other shares		
Cost at 1.1.	101 330,00	101 330,00
Disposals	-101 330,00	-
Cost at 31.12.	-	101 330,00
Net book value at 1.1.	534 707 291,14	175 912 719,57
Net book value at 31.12.	543 299 197,52	534 707 291,14
	Ownership (%)	Ownership (%)
Group companies		
Suomen Asiakastieto Oy, Helsinki	100,00	100,00
Emaileri Oy, Turku	100,00	100,00
UC AB, Tukholma	99,99	99,99
UC Affärsfakta AB, Stockholm	-	100,00
UC Affärsinformation AB, Stockholm	100,00	100,00
Proff AB, Stockholm	100,00	-
Proff AS, Oslo	100,00	-
Proff ApS, Frederiksberg	100,00	-

All the group companies have been consolidated to the Parent Company's consolidated financial statements. Specification of Group companies is included in note 28 to the consolidated financial statement.

9 Long-term receivables

EUR	31.12.2019	31.12.2018
Deferred tax assets		
From non-deductible net interest expenses	1 108 636,32	1 763 588,65
Total deferred tax assets	1 108 636,32	1 763 588,65
Prepaid expenses and accrued income		
Financial expenses periodised	381 957,86	518 638,86
Total prepaid expenses and accrued income	381 957,86	518 638,86
Total	1 490 594,18	2 282 227,51

10 Short-term receivables

EUR	31.12.2019	31.12.2018
Receivables from group companies		
Accounts receivable	215 374,47	639 429,19
Prepaid expenses and accrued income		
Group contribution	24 566 647,00	23 342 888,00
Total receivables from group companies	24 782 021,47	23 982 317,19
Other receivables	49 723,68	1 136,57
Prepaid expenses and accrued income		
Financial expenses periodised	143 041,65	143 037,16
Other periodised expenses	94 610,64	22 623,81
Taxes	-	740 706,22
Other	-	538,56
Total prepaid expenses and accrued income	237 652,29	906 905,75
Total	25 069 397,44	24 890 359,51

11 Shareholders' equity

EUR	31.12.2019	31.12.2018
Share capital at 1.1.	80 000,00	80 000,00
Share capital at 31.12.	80 000,00	80 000,00
Total restricted shareholders' equity	80 000,00	80 000,00
Invested unrestricted equity reserve at 1.1.	369 386 707,53	112 393 642,80
Directed share issue	-	256 993 064,73
Return of capital	-11 516 780,16	-
Total invested unrestricted equity reserve at 31.12.	357 869 927,37	369 386 707,53
Retained profit at 1.1.	14 476 319,21	17 495 828,24
Distribution of dividend	-11 276 847,24	-14 347 069,10
Total retained profit at 31.12.	3 199 471,97	3 148 759,14
Profit for the financial year	28 999 233,88	11 327 560,07
Total unrestricted shareholders' equity	390 068 633,22	383 863 026,74
Total equity	390 148 633,22	383 943 026,74

Distributable funds

EUR	31.12.2019	31.12.2018
Invested unrestricted equity reserve	357 869 927,37	369 386 707,53
Retained profit	3 199 471,97	3 148 759,14
Profit for the financial year	28 999 233,88	11 327 560,07
Total	390 068 633,22	383 863 026,74

12 Current liabilities

Payables to group companies

EUR	31.12.2019	31.12.2018
Accounts payable	209 016,56	185 266,19
Other liabilities	30 036 016,84	15 762 508,59
Accrued expenses	-	10 240,65
Total	30 245 033,40	15 958 015,43

Accrued expenses

EUR	31.12.2019	31.12.2018
Holiday pay liabilities	164 389,20	178 885,81
Other personnel expenses periodisations	453 667,68	338 171,55
Interest expenses	388 726,54	502 144,21
Taxes	292 057,33	-
Other	17 684,20	111 059,41
Total	1 316 524,95	1 130 260,98

Board's Proposal for the Distribution of Funds

The parent company's distributable funds as at 31 December 2019 amounted to EUR 390 068 633,22, of which the profit for the financial year was EUR 28 999 233,88. The Board of Directors proposes to the Annual General Meeting convening on 27 March 2020 that from the financial year ended 31 December 2019, funds be distributed EUR 0,95 per share, EUR 22 793 627,40 in total based on the Company's registered total number of shares at the time of the proposal, as follows:

	EUR / share	EUR
From the invested unrestricted equity reserve as a repayment of capital	0,95	22 793 627,40
To be retained in unrestricted equity		367 275 005,82
Total		390 068 633,22

The equity repayment from the reserve for invested unrestricted shareholders' equity will be paid to a shareholder registered in the company's shareholders' register held by Euroclear Finland Ltd on the payment record date of 31 March 2020. The Board of Directors proposes that the funds be paid on 9 April 2020.

The remunerations to be paid on the basis of the company's management's Long-term Incentive Plan 2018-2019 are further expected to result in an issuance of 14 000 new shares in Asiakastieto Group Plc, entitling to the distribution of funds from the financial year 2019. Thus, the proposed total amount of distributed funds would increase by approximately EUR 14 000.

After the financial year there are no material changes in the Company's financial position. Company's liquidity is good and based on the Board of Directors' outlook the proposed Distribution of Profits does not threaten the Company's liquidity.

Signatures to the Financial Statements

Helsinki, 11 February 2020

Patrick Lapveteläinen
Chairman of the Board

Carl-Magnus Månsson
Member of the Board

Tiina Kuusisto
Member of the Board

Petri Carpén
Member of the Board

Petri Nikkilä
Member of the Board

Martin Johansson
Member of the Board

Jukka Ruuska
CEO

Auditor's Note

The report of the audit has been submitted today.

Helsinki, 11 February 2020

PricewaterhouseCoopers Oy
Authorised Public Accountants

Martin Grandell
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of Asiakastieto Group Oyj

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position and financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of Asiakastieto Group Oyj (business identity code 2194007-7) for the year ended 31 December 2019. The financial statements comprise:

- the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies
- the parent company's balance sheet, income statement, statement of cash flows and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 10 to the Financial Statements.

Our Audit Approach

Overview

- **Materiality:**

Overall group materiality: € 1,2 million, which represents approximately 5% of profit before tax

- **Group scoping:**

The group audit scope includes all significant legal entities in Finland and Nordic countries, covering vast majority of revenues, assets and liabilities of the group

- **Key audit matter:**

Goodwill in Asiakastieto Group's consolidated statement of financial position was € 351 368 thousand which is approximately 65% of the total assets of € 543 289 thousand. We have tested the impairment assessment and assessed the appropriateness of the estimates used by Group's management in their impairment assessment.

- **Net sales:**

Asiakastieto Group's net sales in the financial year 2019 amounted to € 145 957 thousand. There is a risk in revenue recognition that revenue accounted for in the financial statements are not real or revenue has been recognised in incorrect amount or in incorrect accounting period, whether caused by fraud or error. We have tested revenue recognition principles as well as revenue transactions in order to respond to risks in revenue recognition.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality

€ 1,2 million (previous year € 1,0 million)

How we determined it

Approximately 5% of profit before taxes

Rationale for the materiality benchmark applied

We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within the range of acceptable quantitative materiality thresholds in auditing standards.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

The group audit scope included group parent company and all subsidiaries to parent company.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group

How our audit addressed the key audit matter

Goodwill *Refer to note 15 of the financial statements*

The Group's goodwill amounted to € 351 368 thousand as at 31 December 2019 which is approximately 65% of total assets € 543 289 thousand. Goodwill is material to the consolidated financial statements. The Group's management uses significant judgement when assessing future estimated cash flows.

For the purpose of impairment testing, the recoverable amount of the Group's three cash-generating units have been determined based on value-in-use calculations which require the use of estimates. These calculations use cash flow projections based on financial estimates approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates.

Key parameters in the projections are the development of net sales and key cost items as well as long-term growth rate and discount rate. Management has performed a sensitivity analysis around the key parameters of the goodwill allocated to each cash generating units in which the combined effect of changes in the parameters is tested.

We tested the cash flow estimates prepared by the Group's management for years 2020-2024 as well as the determination of the discount rate used. We compared the used cash flow estimates to financial budgets and projections prepared by the management and approved by the board to verify that cash flow estimates used in the assessment are not greater than the financial budget. We assessed the reasonableness and consistency of estimated profitability levels to approved financial budgets and cash flow estimates. We compared estimated growth rates used in the cash flow estimates to the Group's historic growth and tested mathematical accuracy of these cash flow estimates. We assessed appropriateness of the discount rate used in the calculations and tested the mathematical accuracy of the discount rate calculations.

We tested the sensitivity analysis prepared by management in order to ascertain the combined effect of changes in key parameters that would lead to impairment. We tested the mathematical accuracy of the sensitivity analysis related to the goodwill impairment assessment.

Net sales *Refer to note 6 and to summary of significant accounting policies section 2.18 of the financial statements.*

Asiakastieto Group provides information services. The majority of revenue is transaction based generated from the delivery of individual pieces or bundles of credit, business and market information. The information is processed or refined by the Group and made available to the customers mainly through online facilities.

Revenue is recognised at the point in time when the performance obligation is satisfied by the delivery of information or over time depending on performance obligation to be satisfied. The Group recognises as revenue transaction price to which Asiakastieto Group expects to be entitled in exchange for transferring goods and services to customer.

There is a risk in revenue recognition that revenue accounted for in the financial statements are not real or revenue has been recognised in incorrect amount or in incorrect accounting period, whether caused by fraud or error. The Company aims to ensure by its internal processes and controls that revenue recognition in the financial statements is materially correct.

This matter is a significant risk of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014.

We assessed and tested the effectiveness of sales process key controls. We also tested revenue transactions by using computer assisted audit techniques and by substantive testing procedures in order to respond to risk of fraud in revenue recognition and to the risk that recognised revenue is not real or has been recognised incorrectly. We also tested that revenue transactions have been accounted for in the correct financial period.

We audited journal entries related to revenue. In addition, we have performed analytical procedures to respond to risk of material misstatement in the financial statements.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Appointment

We have been acting as auditors appointed by the annual general meeting since 5.5.2008. Our appointment represents a total period of uninterrupted engagement of 12 years. Authorised Public Accountant (KHT) Martin Grandell has acted as the responsible auditor since 30.3.2017, which represents a total period of uninterrupted engagement of 3 years. Asiakastiето Group Oyj became a public interest entity on 31.3.2015 as a result of the initial public offering.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 11 February 2020

PricewaterhouseCoopers Oy
Authorised Public Accountants

Martin Grandell
Authorised Public Accountant (KHT)

Corporate Governance Statement 2019

Asiakastieto Group Plc (the "Company" or "Asiakastieto") is a Finnish public limited liability company. The parent company of the Group is Asiakastieto Group Plc, the domicile is Helsinki, Finland. The shares of the Company are listed on Nasdaq Helsinki Ltd starting from 31 March 2015.

The Company's governance is subject to the Finnish Companies Act, the Finnish Securities Markets Act, the Accounting Act, the rules of Nasdaq Helsinki Ltd as well as the Company's Articles of Association. In addition, Asiakastieto complies fully with the Finnish Corporate Governance Code issued by the Securities Market Association in 2020 (the "CG Code"). The CG Code is available at www.cgfinland.fi.

This Company's Corporate Governance Statement is published separately from the Board of Directors' report.

The Company's governance is organised through the General Meeting, the Board of Directors and the Chief Executive Officer. Further, the Company has an Executive Team led by the Chief Executive Officer.

General Meeting

The General Meeting is Asiakastieto's highest decision-making body, which normally convenes once a year. Its tasks and procedures are defined in the Finnish Companies Act and the Company's Articles of Association. Certain important matters, such as amending the Articles of Association, approval of the financial statements, approval of the dividend, election of the members of the Board of Directors and the auditors fall within the sole jurisdiction of the General Meeting.

The General Meeting is convened by the Board of Directors. The Annual General Meeting shall be held within six (6) months of the end of the financial year. An Extraordinary General Meeting shall be held whenever the Board of Directors deems necessary, the auditor of the Company or shareholders with at least 10 % of the shares so demand in writing in order to deal with a given matter, or if this is otherwise required by law.

The General Meeting handles the matters presented on the agenda by the Board of Directors. According to the Finnish Companies Act, a shareholder may

also request that his/her proposal be handled at the next General Meeting. Such a request shall be made in writing to the Company's Board of Directors at the latest on the date specified by the Company on its website. This date shall be published no later than by the end of the financial period preceding the general meeting. The request is always deemed to be on time, if the Board of Directors has been notified of the request no later than four (4) weeks before the delivery of the notice of the General Meeting.

According to the Company's Articles of Association, notices of the General Meetings shall be published on the Company's website no more than three months before the record date pursuant to the Limited Liability Companies Act (eight working days before the General Meeting) and at the latest three weeks before the General Meeting, however, always at least nine days before the said record date. In addition, the Board of Directors may decide to publish the notice in full or in part in an alternative manner as it deems appropriate. The notice shall contain information on the Member of the Board of Directors, their remuneration, the matters to be handled at the General Meeting and other information required under the Companies Act and the CG Code.

The notice of the General Meeting, documents to be submitted to the General Meeting (e.g. financial statements, report by the Board of Directors, auditor's report) and the resolution proposals to the General Meeting are made available on the Company's website at least three (3) weeks before the General Meeting.

The minutes of the General Meeting are published on the Company's website within two (2) weeks after the General Meeting. In addition, the decisions of the General Meeting are also published by means of a stock exchange release immediately after the General Meeting. The documents related to the General Meeting are available on the Company's website at least for a period of three (3) months after the General Meeting.

Shareholders may attend a General Meeting either in person or by proxy. Notification regarding the attendance to a meeting must be made by the date mentioned in the notice to the General Meeting.

Only shareholders, who are registered in Asiakastiето's shareholders' register maintained by Euroclear Finland Ltd on the record date (i.e. eight (8) working days before the General Meeting) are entitled to attend a General Meeting. Holders of nominee registered shares may be registered temporarily in said shareholders' register and therefore, they are advised to request from their custodian banks necessary instructions regarding such temporary registration and the issuing of proxy documents. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder.

The Board of Directors may decide that the shareholders may participate in the General Meeting by post or telecommunications or by other technical means.

Asiakastiето has one series of shares. Each share has one vote in all matters dealt with by a General Meeting. A shareholder shall have the right to vote at the General Meeting, if he/she has registered to participate in the meeting by the date specified in the notice to the General Meeting, which date shall not be earlier than ten (10) days before the meeting. A shareholder may at the General Meeting vote with different shares in a different manner and a shareholder may also vote with only part of his/her shares. The Articles of Association of Asiakastiето include no redemption clauses or voting limitations.

Most resolutions by the General Meeting require a simple majority of the votes cast at the meeting. In an election, the person receiving the highest number of votes shall be deemed elected. The General Meeting may, however, prior to an election, decide that to be elected, a person shall receive more than half of the votes cast. However, there are several matters, which according to the Companies Act require a two-third (2/3) majority of the votes cast and of the shares represented at the meeting.

All Members of the Board of Directors, the auditor and CEO shall attend the General Meeting.

The Annual General Meeting was held on 28 March 2019.

Shareholders' Nomination Board

Based on the proposal by the Board of Directors, the sole shareholder of the Company resolved on 10 March 2015 to establish a Shareholders' Nomination Board for an indefinite period to prepare proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors and the re-

muneration of the Board Committees and the Nomination Board. According to the Charter of the Shareholders' Nomination Board, it shall comprise representatives of the Company's three largest shareholders who, on 30 September preceding the next Annual General Meeting, hold the largest number of votes calculated of all shares in the Company and, in addition, of the Chairperson of the Board of Directors and a person nominated by the Company's Board of Directors as expert members.

The right to nominate the shareholder representatives lies with those three shareholders whose share of all the voting rights in the Company is on 30 September preceding the next Annual General Meeting the largest on the basis of the shareholders' register of the Company held by Euroclear Finland Ltd. However, holdings by a shareholder who, under the Finnish Securities Market Act, has the obligation to disclose its shareholdings (flagging obligation) that are divided into several funds or registers, will be summed up when calculating the share of all the voting rights, provided that such shareholder presents a written request to that effect to the Chairperson of the Company's Board of Directors no later than on 29 September preceding the next Annual General Meeting.

The aforementioned shareholders appoint, in accordance with the Charter of the Nomination Board, from the request of the Chairperson of the Company's Board of Directors their representatives to the Nomination Board after 30 September.

Shareholders' Nomination Board submits its proposal to the Board of Directors of the Company at the latest on 31 January preceding the next Annual General Meeting. Shareholders' Nomination Board reviews its performance and procedures once a year and gives out a report of its actions annually. The report is published in the Corporate Governance Statement.

Principles concerning the diversity of the Board of Directors

The Company has defined the principles concerning the diversity of the Board of Directors in the following way:

In Asiakastiето Group Plc, the proposal concerning the composition of the Board of Directors is prepared and made to the Annual general Meeting by the Shareholders' Nomination Board, which consists of the representatives of the Company's three largest shareholders and of the chairperson of the Board of Directors and

a representative nominated by the Board of Directors amongst them as expert members. When making their proposal for the composition of the Board of Directors, the Shareholders' Nomination Board applies these diversity principles defined by the Company or the assessment of diversity.

Diversity of the Board of Directors supports the development of the Company's business and the achievement of strategic objectives as well as the promoting of customer insight. The complementing expertise of the members and experience in the lines of business essential for the Company (financing, commerce, information technology) are considered important. From the point of view of diversity, experience in international operational environment and international representation are considered essential. The objective is that both genders be represented in the Board of Directors. Long-term needs and adequate turnover shall be taken into account when electing the members of the Board of Directors.

Realization of diversity of the Board of Directors

At the moment (2019), the Company's Board of Directors consists of six members, two of whom are foreign nationals. The members are experienced in Board duties in various types of companies. Of the members of the Board of Directors, one have acted in the Board of Directors of the Company or its subsidiary already before the Company's listing in 2015; two persons became members of the Board of Directors in connection with the listing or were nominated in the general meeting in 2016; and one person became members of the Board of Directors in connection with the completion of the acquisition of UC AB in 2018. Two persons have been nominated by the general meeting in 2019. Both genders are represented in the Company's Board of Directors.

These principles and the realization of diversity are presented as part of the Company's corporate governance.

Report of the actions of the Shareholders' Nomination Board in 2019

General

The Company's sole shareholder (before the Company's listing on the stock exchange) decided on 10 March 2015 to found the Shareholders' Nomination Board to prepare the proposals to the Annual General Meeting for the selection and remuneration of Board members and the remuneration of the Board committees

and the Nomination Board. The term of the Nomination Board is until next Annual General Meeting.

The three largest shareholders according to the share register as at 30 September 2019 were Sampo Plc, Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ).

The companies appointed Petri Niemisvirta (Sampo Plc), Hugo Preutz (Nordea Bank AB (publ)) and Mats Torstendahl (Skandinaviska Enskilda Banken AB (publ)) as members of the Nomination Board. Patrick Lapveteläinen is a member of the Nomination Board as the Chairman of the Board of Directors and Petri Carpén as a member appointed by the Board of Directors.

Personal details on the Shareholders Nomination Board members are set forth in the table below:

Name	Occupation
Petri Niemisvirta	Mandatum Life Insurance, CEO
Hugo Preutz	Nordea Bank AB (publ.), Head of Group Mergers & Acquisitions
Mats Torstendahl	Skandinaviska Enskilda Banken AB, Head of Corporate & Private Customers

The Board elected Petri Niemisvirta as Chairman. The Board assembled one time in 2019. All members of the Nomination Board participated to these meeting.

Shareholders' Nomination Board's proposal to Annual General Meeting 2020

The Nomination Board proposes that the number of Board members be six (6).

The Board proposes that Petri Carpén, Patrick Lapveteläinen, Carl-Magnus Månsson, Martin Johansson, Petri Nikkilä and Tiina Kuusisto be reelected as members of the Board of Directors.

The Board proposes that the remuneration payable to the Board of Directors Chairperson be EUR 51 000 per year and to other Board members EUR 36 000 per year. An attendance fee of 500 euros shall be paid per Board of Directors meeting.

The chairpersons of Board of Directors committees shall be paid an attendance fee of EUR 500 and the committee members shall be paid an attendance fee of EUR 400 per committee meeting.

The Board proposes that no remuneration will be paid to the Nomination Board members.

The Board proposes that reasonable travelling expenses for the attendance to the meetings shall be paid to members.

The Board proposes that the aforementioned proposed remuneration will become effective immediately after the next Annual General Meeting of the Company.

Board of Directors

The Board's role is to manage the Company's business in the best possible way and in their work protect the interests of the Company and its shareholders. In accordance with the Articles of Association of Asiakastieto, the Board of Directors shall consist of a minimum of four (4) and a maximum of eight (8) members elected by the General Meeting. The members of the Board of Directors shall be appointed for one year at a time. The Shareholders' Nomination Board prepares a proposal on the composition of the Board to the Annual General Meeting for its decision.

Asiakastieto's Board members shall be professionally competent and as a group have sufficient knowledge of and competence, inter alia, in the Company's field of business and markets. A new Member of the Board must have induction of the activities. The majority of the directors shall be independent of the Company. In addition, at least two of the directors, representing the aforementioned majority, shall be independent of significant shareholders of the Company. Independence from the Company is determined based on the fact whether a person has been employed by any of the Asiakastieto Group companies within the last 5 years. Independence from the shareholders is determined based on the fact whether a person has either directly or through controlling interest company owned Asiakastieto's shares during the last year.

The Board has general authority to decide on and act in any matters not reserved by law or under the provisions of the Articles of Association to any other governing body of the Company. The Board of Directors is responsible for the management of the Company and its business operations. Additionally, the Board is responsible for the appropriate arrangement of the bookkeeping and financial administration.

The operating principles and main duties of the Board of Directors have been defined in the Charter for the Board of Directors and include, among other things, to:

- establish business objectives and strategy,
- appoint, continuously evaluate and, if required, remove the CEO from office,
- ensure that there are effective systems in place for monitoring and controlling the Group's operations and financial position compared to its stated objectives,
- ensure that there is satisfactory control of the Company's compliance with laws and other regulations applicable to the Company's operations, and
- ensure that the Company's external disclosure of information is marked by openness and is correct, timely, relevant and reliable, by way of, among other things, adopting a disclosure policy.

By the resolution of Annual General Meeting on 28 March 2019, Petri Carpén, Martin Johansson, Tiina Kuusisto, Patrick Lapveteläinen, Carl-Magnus Månsson and Petri Nikkilä, were appointed as members to the Board of Directors.

Independence of the Board of Directors

Under the Finnish Corporate Governance Code 2020, the majority of directors shall be independent of the Company. In addition, at least two directors of this majority shall be independent of the Company's major shareholders. The Board shall evaluate the independence of directors and report which directors it determines to be independent of the Company and which directors it determines to be independent of major shareholders.

Based on an evaluation by the Board of Directors pursuant to the Finnish Corporate Governance Code, all members of the Company's new Board of Directors are considered to be independent of the Company. In addition, all members of the Board, except for Patrick Lapveteläinen and Martin Johansson who have employment relationship with a major shareholder, are independent of the significant shareholders. Patrick Lapveteläinen and Martin Johansson are not independent of the company's significant shareholders as they have employment relationships with significant shareholders.

The Company is in compliance with recommendation 10 of the Corporate Governance Code.

1/6 of the Members of the Board are women at the end of year 2019. The age distribution is 48–61 years. Members present two nationalities and they have gained experience from various industries.

The performance of the Board is evaluated annually. In 2019 the Board evaluated time allocation in meetings, the frequency and length of the meetings, practicalities of the meetings, the material received by the Board and the material

distribution, the culture of the Board, the role and actions of the Chairman as well as gave proposals to make performance more efficient.

Meetings of the Board of Directors are convened by its Chairperson. The Board of Directors constitutes a quorum when more than half of the members appointed by the General Meeting are present at the meeting. When votes are cast, the majority opinion will be the Board's decision and, in the case of a tie, the Chairperson will have the casting vote.

The Board of Directors is always obliged to act in the Company's interests and

Personal details on the Board members:

Name	Year of birth	Position	Education	Occupation	Positions of trust
Carpén Petri	1958	Board member (from 22 December 2014)	Master's Degree in Law (LL.M.)	Director of Nets Oy	–
Harald Bo	1948	Member (from 22 December 2014 until 28 March 2019)	Master of Arts (Pol. Sc.)	–	–
Ilebrand Nicklas	1980	Member (from 29 June 2018 until 28 March 2019)	Master's Degree in Science (Comp. Sc.)	–	–
Johansson Martin	1962	Board member (from 29 June 2018)	Master's Degree in Science (Econ.)	Senior Advisor for CEO, Skandinaviska Enskilda Banken AB (publ)	Chairman of the Board of Directors: Repono Holding AB, Försäkrings AB Suecia, Försäkringsaktiebolaget Skandinaviska Enskilda Captive. Member of the Board of Directors of several other companies belonging to the SEB Group
Kuusisto Tiina	1962	Board member (from 28 March 2019)	Master's Degree in Science (Econ.)	Director (Chief Customer Officer) of Kojamo Plc	Member of the Board of Directors: Auron Oy
Lapveteläinen Patrick	1966	Chairman (from 1 April 2016)	Master's Degree in Science (Econ.)	Chief Investment Officer of Sampo Group	Chairman of the Board of Directors: Leviathan Oy Member of the Board of Directors: If P&C Insurance Holding Ltd, If P&C Insurance Ltd (publ), Mandatum Life Insurance Company Limited (Sampo Life Insurance Company)
Månsson Carl-Magnus	1966	Board member (from 1 April 2016)	Master's Degree in Science (Eng.)	CEO of Iver Group	–
Nikkilä Petri	1971	Board member (from 28 March 2019)	Master's Degree in Science (Econ.)	Director (Chief Commercial and Digital Officer) of Nordea Group	Member of the Board of Directors: Nordea Funds Oy, Automatia Pankkiautomaatit Oy
Ronkainen Anni (Anna-Maria)	1966	Member (from IPO 31 March 2015 until 28 March 2019)	Master's Degree in Science (Econ.)	–	–

in such a way that its acts or measures are not likely to produce unjustified benefit to any shareholder or other third party at the cost of the Company or another shareholder.

A Board member is disqualified from participating in the handling of a matter pertaining to a contract or other transaction between the Board member and the Company or of such matter where the member is to derive an essential benefit and that benefit may be contrary to the interests of the Company. In principle, a Board member may not participate in the handling of a matter if the Board member is involved in the matter under assessment in another capacity.

The Board of Directors shall convene as frequently as necessary to discharge its responsibilities. The Chief Executive Officer ensures that the Board is provided with sufficient information to assess the operations and financial situation of the group.

The secretary of the Board of Directors is Legal Counsel Juuso Jokela.

Board meetings 2019

The Board of Directors convened altogether 9 times during year 2019. Average attendance was 95 per cent. In addition, the Board made one separate resolution in accordance with Chapter 6, Section 3 of the Finnish Companies Act without convening a meeting.

Board Committees

The Board annually appoints an Audit Committee and may also appoint other permanent Committees if considered necessary at its organization meeting following the Annual General Meeting. The Board did not appoint Nomination and Remuneration Committee in its organizational meeting 28 March 2019. The Board has deemed, in particular taking into consideration the size and composition of the Board, it more efficient to prepare and discuss matters pertaining to amongst other things the development of remuneration schemes as well as remuneration principles in its full composition. In addition, the Board has assessed that it fulfils the independence requirements set out for a Nomination and Remuneration Committee. The composition, duties and working procedures of the Committees shall be defined by the Board in the Charters confirmed for the Committees. The Committees regularly report on their work to the Board.

Audit Committee

The Audit Committee consists of at least three (3) members, the majority of which must be independent of the Company. The members shall have the qualifications necessary to perform the responsibilities of the Committee. At least one (1) member shall be independent of the significant shareholders and at least one (1) member shall have expertise specifically in accounting, bookkeeping or auditing. All members of the Committee shall be versed in financial matters.

According to its Charter, the Audit Committee assists the Board in fulfilling its supervisory responsibilities and also prepares certain accounting and auditing matters to be handled by the Board. In addition, the Audit Committee makes recommendations for the election and removal of the external auditors and for their compensation and approves the external auditors' audit plan based on the auditors' proposal. Among its other duties, the Audit Committee reviews and monitors the financial reporting process, the efficiency of the system of internal control and risk management, and the audit process.

Petri Carpén serves as the Chairperson of the Audit Committee and Carl-Magnus Månsson and Martin Johansson serve as members of the Audit Committee.

Audit Committee convened 6 times during 2019. Average attendance was 94 per cent.

In accordance with its financial calendar, the Audit Committee discussed matters relating to internal control and auditing and reviewed the audit plan and remarks from auditing during the financial year. The Audit Committee reviewed IFRS changes and especially paid attention to analysis performed by the Company about IFRS16 implications. The Audit Committee also reviewed financial actual amounts and forecasts for the financial year, budget for the next financial year and impairment testing. The Audit Committee also discussed calculations relating to a corporate acquisition.

Attendance to Board and Committee Meetings

Name	Board meeting	Audit committee
Carpén Petri	8/9	5/6
Harald Bo	1/1	
Ilebrand Nicklas	1/1	
Johansson Martin	8/9	6/6
Kuusisto Tiina	8/8	
Lapveteläinen Patrick	9/9	
Månsson Carl-Magnus	9/9	6/6
Nikkilä Petri	7/8	
Ronkainen Anni (Anna-Maria)	1/1	

Chief Executive Officer

The Chief Executive Officer ("CEO") of Asiakastieto is appointed by the Board. The CEO is in charge of the day-to-day management of the Company. The duties of the CEO are governed primarily by the Finnish Companies Act. The CEO leads the operational activities and prepares information and decisions to support the Board and presents his findings at Board meetings.

In accordance with the Finnish Companies Act, the CEO has a right to decide himself on certain urgent matters which otherwise would require a Board decision. Jukka Ruuska is the CEO of the Company.

Jukka Ruuska (born 1961) has been an Executive Team member since 2011 and was appointed as Asiakastieto Group Plc's CEO as of 2012. He currently serves as Chairman of the Board of Suomen Asiakastieto Oy, Emaileri Oy, UC AB, UC Affärsinformation AB, Proff AS, Proff AB and Proff Aps as a member of the board Suomen Kansallisteatterin Osakeyhtiö and Nordic Morning Oyj. He has served as a member of the Board of Asiakastieto Group Plc, Affecto Oyj, B10 Asset Management Oy, AB Lindex and Destia Oy. His previous positions also include President of Nordic Exchange Oyj, Deputy CEO of OMX Abp, Senior Partner at CapMan and Head of Corporate Planning at Elisa Corporation. He holds a LL.M. from University of Helsinki and MBA degrees from Helsinki University of Technology.

Executive Team

The Company had an Executive Team at the end of year 2019 consisting of Jukka Ruuska Heikki Koivula, Mikko Karemo, Heikki Ylipekkala, Siri Hane, Victoria Preger, Eleonor Öhlander, Karl-Johan Werner, Jörgen Olofsson and Elina Stråhlman. The members of the Executive Team are appointed by the Board based on a proposal by the CEO. The members of the Executive Team report to the CEO.

The Executive Team members handle the issues that concern managing of the group in their respective areas and on the basis of the guidance provided by the Board of Directors. The Executive Team meets one to two times per month, or as required, and supports the CEO in, for example, the preparation and execution of strategic matters, operating plans, matters of principle and any other significant matters. The Executive Team also assists the CEO in ensuring the flow of information and sound internal cooperation.

The following table presents details of the management team members:

Name	Birth year	Position	Appointed
Ruuska Jukka	1961	CEO	2011
Stråhlman Elina	1979	CFO	2019
Hane Siri	1982	Director, SME and Consumers	2018
Karemo Mikko	1971	Director, Sales and Customer Operations	2012
Koivula Heikki	1974	Director, Risk Decisions	2010
Olofsson Jörgen	1965	CIO	2019
Preger Victoria	1976	Director, Marketing and Communications	2018
Werner Karl-Johan	1973	Director, Customer Data Management	2019
Ylipekkala Heikki	1967	Director, Digital Processes	2016
Öhlander Eleonor	1970	Director, HR	2018

Board of Directors' and management's share ownership 31 December 2019

Board members	Number of shares
Lapveteläinen Patrick	10 000
Chairman of the Board	
Related party's ownership	8 000
Carpén Petri	0
Related party's ownership	0
Johansson Martin	0
Related party's ownership	0
Kuusisto Tiina	0
Related party's ownership	0
Månsson Carl-Magnus	0
Related party's ownership	0
Nikkilä Petri	0
Related party's ownership	0
Total	18 000

CEO and Executive Team	Number of shares
Ruuska Jukka	80 244
CEO	
Related party's ownership	0
Stråhlman Elina	1 500
Related party's ownership	0
Hane Siri	1 450
Related party's ownership	0
Karemo Mikko	11 423
Related party's ownership	0
Koivula Heikki	23 429
Related party's ownership	0
Olofsson Jörgen	800
Related party's ownership	0
Preger Victoria	1 500
Related party's ownership	0
Werner Karl-Johan	1 500
Related party's ownership	0
Ylpekkala Heikki	4 250
Related party's ownership	0
Öhlander Eleonor	1 500
Related party's ownership	0
Total	127 596

Auditor

The main function of the statutory audit is to verify that the financial statements provide true, accurate and sufficient information on the Asiakastieto Group's performance and financial position for the financial year. The Asiakastieto Group's financial year is the calendar year. The auditor's responsibility is to audit the correctness of the Group's accounting in the respective financial year and to provide an auditor's report to the General Meeting. In addition, Finnish law requires that the auditor also monitors the lawfulness of the Company's administration. The auditor reports to the Board of Directors at least once a year.

The Audit Committee prepares a proposal on the appointment of Asiakastieto's auditors, which is then presented to the AGM for its decision. The compensation paid to the auditors is decided by the AGM and assessed annually by the Audit Committee.

Pursuant to Article 8 of the Company's Articles of Association, the Company must have one auditor that is a company of public accountants approved by the Central Chamber of Commerce of Finland. The term of the Auditor of the Company shall end at the close of the Annual Meeting following the election.

The Annual General Meeting 28 March 2019 has appointed PricewaterhouseCoopers Oy, Authorised Public Accountants as its auditor. PricewaterhouseCoopers Oy has appointed Martin Grandell, Authorised Public Accountant, as the principal responsible auditor.

In 2019 auditor Company was paid EUR 302 thousand for auditing and for other services EUR 56 thousand.

Risk management and Internal control

Risk management

Asiakastieto is exposed to a number of risks and uncertainties related to, among other factors, the market conditions, the Company's industry, the Company's strategy, business operations of the Company and financial risks. The materialisation of any such risks could have a material adverse effect on Asiakastieto's business, financial condition, results of operations and future prospects.

The objective of Risk Management is to secure profitable performance of the Asiakastieto Group and to ensure the continuity of the business by executing risk management in a cost-effective and systematic manner in the different functions of the Company. Risk management is part of Asiakastieto's strategic and operative planning, daily decision-making process and internal control.

Main Principles for Organizing Risk Management

The Company complies with a policy approved by the Company's Board of Directors for the management of risks. Risk Management covers all activities that are related to the objectives being achievable and consistent with the strategy, to the identification, measuring, assessment, processing, reporting and control of risks and to the reaction to risks.

Main Features of Risk Management Process

In conjunction with the strategy process and annual planning, the Company's CEO and members of the management group evaluate the business risks which may prevent or endanger the achieving of the group's strategic and result objectives. The units provide risk assessments of their own operations for the support of the strategy process. The directors of the units have to provide assessments of the risks of their own area of responsibility and present action plans for the management of risks. Changes taking place in the strategic and operative risks are discussed in the management group.

Asiakastieto's CEO reports the identified risks as well as planned and implemented actions for the risk mitigation to the Audit Committee and the Board of Directors. In accordance with the recommendation 26 of the Finnish Corporate Governance Code, the Company shall disclose the major risks and uncertainties that the Board is aware of and the principles along which risk management is organised. The Audit Committee shall assure that the Corporate Governance Statement published by the Company shall contain an appropriate description of the main features of the internal control and risk management systems in relation to the financial reporting process.

The report by the Board of Directors contains an evaluation of the major risks and uncertainties. In addition, the interim reports and financial statements releases shall describe major short-term risks and uncertainties related to the business operations.

Internal control

The objective of the internal control in Asiakastieto Group is to ensure that business operations are efficient and profitable, financial reporting is reliable, and that applicable laws and regulations for the Company's business, as well as Company's internal instructions are followed. The specific objective of the internal control over financial reporting is to ensure that interim reports, financial statement releases

and other financial reporting made available to the public, and financial statements and annual reports are reliable and are prepared in accordance with the accounting and reporting principles adopted by the Company.

The Audit Committee of Asiakastieto is responsible for, according to its working order, the monitoring of the financial statement preparation and financial reporting processes, and it monitors the effectiveness of the Company's internal control and risk management processes.

CEO is operationally responsible for the organization of the internal control. It includes that the Company has designed and implemented adequate internal control mechanisms as stipulated in the operating principles approved by the Board. CEO, supported by the Management Team, is responsible to ensure that the Company operates in accordance with the agreed and defined principles, follows laws and regulations, and reacts towards identified exceptions and takes adequate corrective actions.

The duty of the CFO is to make sure and control that the bookkeeping and financial reporting practices of the group are in accordance with the law and that the financial and management reporting is reliable.

An integral part of the internal control is the document indicating the Company's delegation of authority, as defined by the Board (Delegation of Authority Summary). The guideline defines authorisations of the Board, the CEO and other management team members. The guideline deals with the situations where authorisations may be required for annual financial accounts, budget, remuneration, investments, acquisitions, financing and one-off transactions. Asiakastieto Code of Ethics is applicable for all the group employees. It has been published in the Company's intranet and is also introduced to all new employees.

Asiakastieto's minimum internal control requirements are aimed at preventing, detecting and correcting material accounting and disclosure errors and irregularities and are performed on all company levels. They include a range of activities such as approvals, authorisations, verifications, reconciliations, reviews of operating performance, the security of assets and the separation of duties as well as general computer controls. In Finland, Asiakastieto has also adopted the ISO 9001-based quality system. This describes the Company's principal processes and related controls, by means of which the units can control and develop their process risk management.

General Description of Internal Control and Operational Principles

Internal control is carried out by the Board of Directors, management and the Company's entire personnel so that it can reasonably be asserted that:

- the operations are functioning, efficient and in compliance with the strategy
- the financial reporting and information given to the management is reliable, sufficient, and timely
- applicable laws and regulations as well as the Company's internal instructions and ethical values are complied with at Asiakastieto

Asiakastieto's internal control contain the following structural elements:

- instructions and principles set by the Board of Directors for internal control, risk management and administration
- the implementation and application of instructions and principles under the supervision of the management
- control of the efficiency and functionality of operations as well as the reliability of the financial and management reporting by the financial department
- the Company's risk management process, the purpose of which is to identify, assess and reduce risks threatening the achievement of objectives
- compliance processes, the purpose of which is to ensure that all applicable laws, regulations, internal instructions and ethical values are complied with common ethical values and strong internal control culture amongst all employees

Asiakastieto has no specific internal audit organisation. This has been taken into consideration in the content and extent of the annual audit plan. The Audit Committee of the Board shall, according to its working order, evaluate on a yearly basis whether such function should be established. The Audit Committee may use either internal or external resources to carry out specific internal audit assignments. The Group Finance of the Company monitors adherence of the approval limits as defined in the Delegation of Authority guidelines.

Focus areas in 2019 for internal control development

Areas of focus for the internal control in 2019 were to continue development of Nordic processes and to improve and standardise controls in the entire group.

Related party transactions

The Company has procedures in place to identify and define its related parties and assesses and monitors related party transactions to ensure that all conflicts of interest and the Company's decision-making process are appropriately taken into account.

The Group's financial management monitors and supervises related party transactions as part of the Company's normal reporting and monitoring procedures and reports to the Board of Directors on regular basis.

The Board of Directors monitors related party transactions on a regular basis. All the material related party transactions that deviate from the company's normal business operations are to be approved by the Board of Directors. Asiakastieto has not conducted related party transactions that are material from the perspective of the company and where such transactions deviate from the company's normal business operations or are not made on market or market equivalent terms.

Compliance with laws and regulation

It is the policy of Asiakastieto to comply throughout the organization with all applicable laws and regulations and to maintain an ethical workplace for its officers and employees as well as an ethical relationship with its customers, suppliers and other business partners.

In its insider administration Asiakastieto follows the Guidelines for Insiders issued by Nasdaq Helsinki Ltd complemented by the Company's own Insider Guidelines approved by the Board. The Company maintains the list of persons discharging managerial responsibilities and persons closely associated to them and project specific insider registers in the SIRE system of Euroclear Finland Ltd. In accordance with MAR regulation persons discharging managerial responsibilities include the members of the Board (and their deputies, if any) and in addition, based on a decision made by Asiakastieto's Board of Directors, the CEO, the Deputy CEO and the CFO. Asiakastieto has no company-specific permanent insider register.

According to Asiakastieto's Insider Guidelines, persons discharging managerial responsibilities shall always obtain a prior approval for trading in the Company's securities from the Company's Insider Officer. Persons discharging managerial responsibilities may not in any event trade in the Company's securities during the period of 30 days before the publication of the (quarterly) interim report or annual result (Closed Window). According to the Insider Guidelines approved by the Board also the persons who participate in the financial reporting of the Company are concerned by this prohibition to trade during the Closed window.

A project-specific insider register is also maintained when required by law or regulations. Project specific insiders are prohibited from trading in the Company's securities until the termination of the project.

Shareholders' Agreement and Articles of Association relating to the Credit Register and the Credit Register Information

The Company and UC AB's former owners Skandinaviska Enskilda Banken AB (publ), Nordea Bank AB (publ), Svenska Handelsbanken AB (publ), Swedbank AB (publ), Danske Bank A/S Swedish branch and Länsförsäkringar Bank AB (publ) (together, the "Sellers") have entered into a shareholders agreement relating to the governance of UC AB's Credit Register and Credit Register Information, as a company jointly owned by the Sellers received as part of the acquisition of UC AB a small number of UC AB's Class B shares that grant their holders certain governance related rights. The purpose of these arrangements has been to secure the maintenance of the Credit Register and the management of Credit Register Information provided by the Sellers.

The Company is not aware of any other shareholders' agreements regarding the shares of the Company.

Board of Directors' report

Board of Directors published in 5 March 2020 its report for financial year 2019. Board of Directors report is published at the same time with Corporate Governance Statement.

Board of Directors



Patrick Lapveteläinen

b. 1966

Education: M.Sc. (Econ.)

Chairman of the Board of Directors from 1 April 2016

Main duty: Chief Investment Officer of Sampo Group

Positions of trust: Chairman of the Board of Directors: Leviathan Oy. Member of the Board of Directors: If P&C Insurance Holding Ltd, If P&C Insurance Ltd (publ.), Mandatum Life Insurance Company Limited (Sampo Life Insurance Company)

Independent of the company but non-independent of its significant shareholders.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 10 000 shares, holdings of interest parties 8 000 shares.



Petri Carpén

b. 1958

Education: Master of Laws (LL.M.)

Board member from 22 December 2014

Main duty: Director of Nets Oy

Positions of trust: -

Independent of the company and independent of its significant shareholders.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 0 shares, no holdings of interest parties.



Martin Johansson

b. 1962

Education: M.Sc. (Econ.)

Board member from 29 June 2018

Main duty: Senior Advisor for CEO, Skandinaviska Enskilda Banken AB (publ.)

Positions of trust: Chairman of the Board of Directors: Repono Holding AB, Försäkrings AB Suecia, Försäkringsaktiebolaget Skandinaviska Enskilda Captive. Member of the Board of Directors of several other companies belonging to the SEB Group

Independent of the company but non-independent of its significant shareholders.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 0 shares, no holdings of interest parties.



Tiina Kuusisto

b. 1968

Education: M.Sc. (Econ.)
Board member from 27 March 2019

Main duty: Director (Chief Customer Officer) of
Kojamo Plc

Positions of trust: Member of the Board of
Directors: Auron Oy

Independent of the company and independent
of its significant shareholders.

Shareholding in Asiakastiето Group Plc
on 31 December 2019: 0 shares, no holdings of
interest parties.



Carl-Magnus Månsson

b. 1966

Education: M.Sc. (Eng.)
Board member from 1 April 2016

Main duty: CEO of Iver Group

Positions of trust: -

Independent of the company and independent of
its significant shareholders.

Shareholding in Asiakastiето Group Plc
on 31 December 2019: 0 shares, no holdings of
interest parties.



Petri Nikkilä

b. 1971

Education: M.Sc. (Econ.)
Board member from 27 March 2019

Main duty: Director (Chief Commercial and Digital
Officer) of Nordea Group

Positions of trust: Member of the Board of Directors:
Nordea Funds Oy, Automatia Pankkiautomaatit Oy

Independent of the company and independent of
its significant shareholders.

Shareholding in Asiakastiето Group Plc
on 31 December 2019: 0 shares, no holdings of
interest parties.

Executive Management Team



Jukka Ruuska

b. 1961

CEO

Master of Laws (LL.M.), MBA

Employed by Asiakastiето Group since 2011. Executive Management Team Member since 2011 and Asiakastiето Group's CEO since 2012. He has previously acted as President of Nordic Exchange Oyj, Deputy CEO of OMX Abp, Senior Partner at CapMan Oyj and Head of Corporate Planning at Elisa Corporation.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 80 244 shares, no holdings of interest parties.



Elina Strahlman

b. 1979

CFO

M.Sc. (Econ.)

Employed by Asiakastiето Group and Executive Management Team Member since 16 September 2019. She has previously acted at Finnair in different management positions in finances, being responsible for the group's accounting, taxation, financial reporting and service centre. Before Finnair, she worked, among others, at Fortum and Ernst & Young.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 1 500 shares, no holdings of interest parties.



Siri Hane

b. 1984

Director, SME and Consumers

M.Sc. (Econ.)

Employed by Asiakastiето Group and Executive Management Team Member since 2018. She has previously acted as Business Area Manager Consumer at UC AB, Head of Consumer at Collector Bank and CEO at Lendo AS.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 1 450 shares, no holdings of interest parties.



Mikko Karemo

b. 1971

Director, Sales and Customers

Master of Laws (LL.M.)

Employed by Asiakastiето Group and Executive Management Team Member since 2012. He has previously acted as Sales and Marketing Director at Asiakastiето Group, Regional Director at If P&C Company and in expert and leading positions in finance and service sector in Finland, Sweden and China.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 11 423 shares, no holdings of interest parties.



Heikki Koivula

b. 1974

Director, Risk Decisions

eMBA

Employed by Asiakastiето Group and Executive Management Team Member since 2010. He has previously acted as Deputy CEO, Head of Business Information, Head of Consumer Information and Development Director at Asiakastiето Group and Vice President at OP Group.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 23 429 shares, no holdings of interest parties.



Jörgen Olofsson

b. 1965

CIO

Bachelor of Computer Science and Electronics, KTH

Employed by Asiakastiето Group and Executive Management Team Member since 1 October 2019. He has previously acted as CIO at Svenska Spel. Prior to his position at Svenska Spel, he worked as Head of System Development at the Swedish Tax Authority.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 800 shares, no holdings of interest parties.



Victoria Preger

b. 1976

Director, Marketing and Communications

B.Sc. in Economics and in Communications

Employed by Asiakastiето Group and Executive Management Team Member since 2018. She has previously acted as Chief Marketing Officer at UC AB and as Head of Marketing and Communications at Swedish IT and Telecom company Dialect.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 1 500 shares, no holdings of interest parties.



Karl-Johan Werner

b. 1973

Director, Customer Data Management

M.Sc. (Econ.)

Employed by Asiakastiето Group and Executive Management Team Member since 4 March 2019. He has previously acted as Head of Customer Insight at Skandia. Alongside that position he has had several other responsibilities, such as head of online financial advisory services, information content owner of customer data and GDPR business representative.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 1 500 shares, no holdings of interest parties.



Heikki Ylpekkala

b. 1967

Director, Digital Processes

B.Pol.Sc., eMBA

Employed by Asiakastiето Group and Executive Management Team Member since 2016. He has previously acted as Head of Real Estate and Collateral Information at Asiakastiето Group and in the executive teams of the national central securities depositories of Finland and Sweden (Euroclear Finland and Euroclear Sweden).

Shareholding in Asiakastiето Group Plc on 31 December 2019: 4 250 shares, no holdings of interest parties.



Eleanor Öhlander

b. 1970

Director, HR

B.Sc. in Business Administration and Economics

Employed by Asiakastiето Group and Executive Management Team Member since 2018. She has previously acted as Head of HR at UC Group, Head of HR at Aon Sweden AB, Head of HR at Acta, HR Manager at Manpower and Accountant at PwC and Ernst & Young.

Shareholding in Asiakastiето Group Plc on 31 December 2019: 1 500 shares, no holdings of interest parties.

Other changes in the Executive Management Team during the financial year

Anders Hugosson, Deputy CEO, employed by Asiakastiето Group until 31 January 2020 and Executive Management Team Member until 30 September 2019.

Antti Kauppila, CFO and Executive Management Team Member until 16 September 2019 and after that as the Group's Head of Financial Planning & Analysis.

Esa Kumpu, Director, Customer Data Management, employed by Asiakastiето Group and Executive Management Team Member until 3 March 2019.

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 entered in the book-entry securities system maintained by Euroclear Finland Ltd.

A total of 39 328 new shares were subscribed for in Asiakastiето Group Plc's share issue directed to the company key personnel without payment. The shares were registered in 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. Trading in the new shares commenced on 11 March 2019.

The Company did not hold any of its own shares at the end of the financial year. Asiakastiето Group Plc's Annual General Meeting of Shareholders on 28 March 2019 authorised the Board of Directors to decide on the repurchase of a maximum of 1 500 000 own shares of the Company. The authorisation replaced the corresponding authorisation issued to the Board of Directors by the Annual General Meeting held on 22 March 2018. The maximum amount corresponds to approximately 6,3 % of the Company's shares and voting rights. The authorisation is effective for 18 months from the date of the resolution. Further information on the authorisation is provided under "Authorisations of the Board of Directors".

At the end of financial year, the Company's share capital amounted to EUR 80 thousand (EUR 80 thousand) and the total number of shares was 23 993 292.

Share price and volume

During the financial year, a total of 2 509 597 shares were traded, and the total value of the exchanged shares was EUR 66,6 million. The highest share price during the financial year was EUR 34,70, the lowest price was EUR 22,00, the average price was EUR 26,56 and the closing price was EUR 31,50. Market capitalisation measured at the closing price of the financial year was EUR 755,8 million.

Shareholders

According to the book-entry securities system, the Company had 2 726 shareholders, including 8 nominee-registered shareholders, on 31 December 2019. A list of the largest shareholders is available on the Company's investor pages at investors.asiakastiето.fi. The company's biggest shareholder is the Sampo Group (Sampo Plc and Mandatum Life), their joint holding being 12,20 %.

The information is based on the list of the company's shareholders maintained by Euroclear Finland Ltd.

Significant shareholders on 31.12.2019

Shareholder	Number of shares	% of share capital	Nominee registered
Skandinaviska Enskilda Banken Ab (publ) Helsinki Branch	3 135 154	13,070	x
Sampo Oyj	2 920 000	12,170	
Skandinaviska Enskilda Banken Ab (publ)	2 441 920	10,180	
Nordea Bank Abp	2 341 249	9,760	x
Nordea Bank Abp	2 303 315	9,600	
Svenska Handelsbanken Ab (publ)	2 161 178	9,010	
Swedbank	1 765 668	7,360	
Ilmarinen Mutual Pension Insurance Company	724 380	3,020	
Svenska Handelsbanken AB (publ), Filiaalverksamheten i Finland	566 006	2,360	x
Elo Mutual Pension Insurance Company	460 528	1,920	
OP-Finland	407 454	1,700	
Nordea Nordic Small Cap Fund	394 561	1,640	
Kaleva Mutual Insurance Company	370 907	1,550	
The Local Government Pensions Institution	320 140	1,330	
Danske Invest Finnish Equity Fund	297 624	1,240	
Evli Finnish Small Cap Fund	289 071	1,200	
Church Pension Fund	212 308	0,880	
Clearstream Banking S.A.	206 100	0,860	x
Säästöpankki Finland Mutual Fund	150 000	0,630	
SEB Finland Small Cap Fund	119 000	0,500	
20 largest shareholders total	21 586 563	89,980	
All shares	23 993 292	100,000	

Shareholder structure by sector 31.12.2019

Sector	Number of shareholders	% of shareholders	Number of shares	% of share capital
Finance and insurance institutions	33	1,210	10 397 491	43,330
Foreign shareholders	15	0,550	10 321 156	43,010
General government	7	0,260	1 604 482	6,690
Households	2 349	86,170	891 853	3,720
Companies and housing companies	234	8,580	668 698	2,790
Non-profit organisations	88	3,230	109 612	0,460
Total	2 726	100,000	23 993 292	100,000

Ownership distribution by number of shares 31.12.2019

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of share capital
1 – 100	1 068	39,178	60 552	0,252
101 – 500	1 170	42,920	292 056	1,217
501 – 1 000	248	9,098	195 361	0,814
1 001 – 5 000	166	6,090	338 471	1,411
5 001 – 10 000	27	0,990	207 979	0,867
10 001 – 50 000	16	0,587	411 310	1,714
50 001 – 100 000	9	0,330	686 173	2,86
100 001 – 500 000	13	0,477	3 442 520	14,348
500 001 – 999 999 999 999	9	0,330	18 358 870	76,517
Total	2 726	100,000	23 993 292	100,000
Of which nominee registered	8		6 268 272	26,125

The information is based on the list of the company's shareholders maintained by Euroclear Finland Ltd.

Information for Shareholders

Annual General Meeting

Asiakastieto Group Plc's Annual General Meeting will be held in Helsinki on Friday 27 March 2020, starting at 10:00 a.m. (EET), at the Terrace Hall of Finlandia Hall, address Mannerheimintie 13e, 00100 Helsinki. The notice of the Annual General Meeting, including registration instructions, can be found on the Group's Investor pages at investors.asiakastieto.fi.

Board of Directors' proposal to the Annual General Meeting

The Board of Directors proposes to the Annual General Meeting convening on 27 March 2020 that from the financial year ended 31 December 2019, funds be distributed amounting to EUR 0,95 per share. If the Annual General Meeting approves the Board of Directors' proposal on the distribution of funds, payment shall be made to shareholders registered in the company's shareholder register maintained by Euroclear Finland Ltd on the payment record date of 31 March 2020. The Board of Directors proposes that the funds be paid on 9 April 2020.

Changes of address

Shareholders are kindly requested to notify the account manager of the book-entry account of any changes of address.

Financial information in 2020

Each year, Asiakastieto Group Plc publishes a financial statement release, an annual report, a half year financial report and two interim reports. After they are published, the stock exchange releases can be read on the Group's investors site. The annual report is published as a PDF file only.

Annual Report for 2019	week 10 / 2020
Interim Report 1 Jan–31 Mar (Q1).....	8.5.2020
Half Year Financial Report 1 Jan–30 Jun	6.8.2020
Interim Report 1 Jan–30 Sep (Q3).....	6.11.2020

Basic share information

Market	Nasdaq Helsinki
List	Mid cap
Sector	Financials
Trading code	ATG1V
Votes / share	1
Number of shares on 31 December 2019	23 993 292
Share capital (EUR)	80 000

Analysts

Information about analysts following the company can be found on the Investor pages. The list is not necessarily exhaustive, and Asiakastieto Group shall not be held responsible for any estimates presented in analyses.

Investor Relations

The goal of the Group's IR function is to produce accurate up-to-date information about the company's business operations and financial development. Asiakastieto Group publishes all investor information on its Investors site in Finnish and English. Asiakastieto Group Plc observes a 30-day period of silence before the publishing of financial reports. During this period, the company does not arrange or participate in any one-on-one meetings with investors, analysts or the media.

IR contact information



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Asiakastieto as an Investment

Resilience in economic cycles

Asiakastieto Group's services are needed in both good times and bad.

Growth

New services and the digitalisation of the processes create growth.

Dividend yield

Strong cash flow enables good dividend yield.



Asiakastieto Group Plc

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