

ASIAKASTIETO GROUP PLC

INTERIM REPORT

1.1.–31.3.2020

Intelligent decisions.
Bigger dreams.

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

ASIAKASTIETO GROUP PLC, STOCK EXCHANGE RELEASE 8 MAY 2020 AT 11:00 A.M. EEST

Asiakastieto Group's Interim Report 1.1. – 31.3.2020: Strong growth continued in a dramatically changing business environment

SUMMARY

January – March 2020 in brief

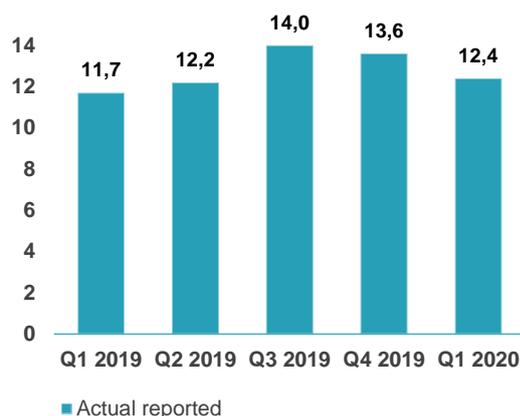
- Net sales amounted to EUR 37,6 million (EUR 34,5 million), an increase of 9,0 % (at comparable exchange rates an increase of 10,4 %).
- Adjusted EBITDA excluding items affecting comparability was EUR 12,4 million (EUR 11,7 million), an increase of 5,6 % (at comparable exchange rates an increase of 6,9 %).
- Adjusted EBIT excluding items affecting comparability and amortisation from fair value adjustments related to acquisitions was EUR 10,5 million (EUR 9,8 million), an increase of 6,3 %.
- Operating profit (EBIT) was EUR 7,1 million (EUR 6,7 million). Operating profit included items affecting comparability of EUR 3,3 million (EUR 3,2 million), mainly arising from amortisation from fair value adjustments of EUR 3,0 million (EUR 2,8 million) related to acquisitions as well as M&A and integration expenses.
- New products and services represented 4,4 % (4,4 %) of net sales.
- Free cash flow amounted to EUR 7,3 million (EUR 7,3 million). The effect of items affecting comparability on free cash flow was EUR -0,1 million (EUR -0,6 million).
- Earnings per share were EUR 0,23 (EUR 0,20).
- Comparable earnings per share were EUR 0,32 (EUR 0,29)¹.

KEY FIGURES			
EUR million	1.1. – 31.3.2020	1.1. – 31.3.2019	1.1. – 31.12.2019
Net sales	37,6	34,5	146,0
Net sales growth, %	9,0	128,8	48,7
Operating profit (EBIT)	7,1	6,7	27,8
EBIT margin, %	18,9	19,3	19,0
Adjusted EBITDA	12,4	11,7	51,5
Adjusted EBITDA margin, %	33,0	34,0	35,3
Adjusted operating profit (EBIT)	10,5	9,8	42,6
Adjusted EBIT margin, %	27,8	28,5	29,2
New products and services of net sales, %	4,4	4,4	4,0
Free cash flow	7,3	7,3	32,1
Net debt to adjusted EBITDA, x	2,8	3,0	2,9

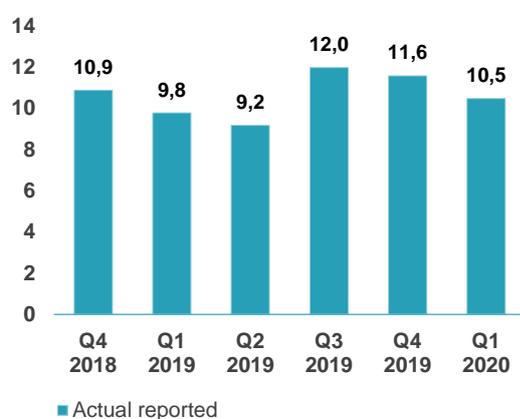
¹ The comparable earnings per share does not contain amortisation from fair value adjustments related to the acquisitions or their tax impact.

Net sales, EUR million


- The growth of net sales in the first quarter of the year was 9,0 % at reported exchange rates and 10,4 % at comparable exchange rates compared with the corresponding quarter of the previous year.
- The Proff acquisition carried out at the beginning of the third quarter of the previous year increased the reported net sales of the SME and Consumers business area year-on-year, but the business area also developed favourably organically, especially in the Swedish market.
- The good development of net sales in the Risk Decisions business area's consumer-related risk management services continued in Sweden and the Digital Processes business area saw strong growth, particularly in the Finnish market.

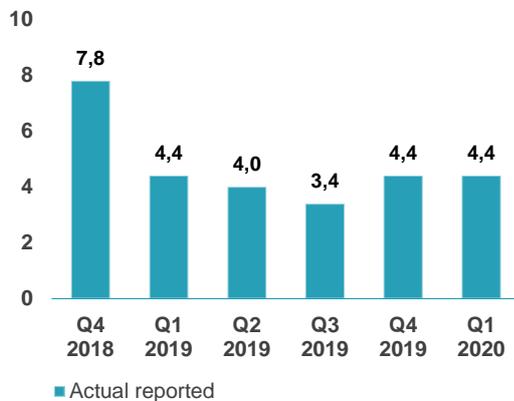
Adjusted EBITDA, EUR million¹


- The growth of adjusted EBITDA in the first quarter was 5,6 % at reported exchange rates and 6,9 % at comparable exchange rates compared with the corresponding quarter of the previous year.
- Adjusted EBITDA was increased year-on-year by the organic growth of net sales, synergies and the Proff acquisition. The year-on-year development of EBITDA in the first quarter was tempered by marketing investments aimed at increasing the sales of continuing subscription services as well as capitalised investments in IT system development.
- Adjusted EBITDA margin was 33,0 % (34,0 %).

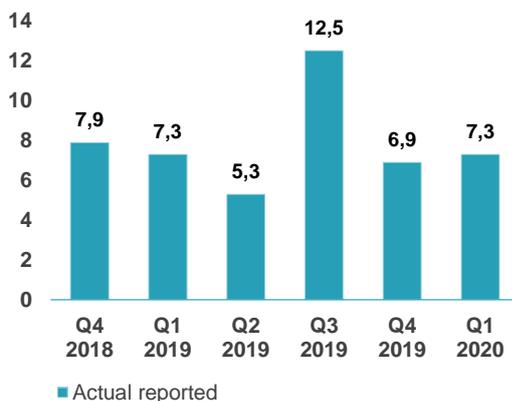
Adjusted operating profit (EBIT), EUR million


- Compared with the reference period, adjusted operating profit (EBIT) in the first quarter increased by 6,3 %.
- Amortisation related to capitalised development costs increased slightly from the comparison period.
- Adjusted EBIT margin was 27,8 % (28,5 %).

¹ Due to the transition to IFRS 16, the Adjusted EBITDA performance measure is presented starting from the first quarter of 2019.

New services' share of net sales, %


- New services accounted for 4,4 % of net sales in the first quarter.
- The Group has remained active in making service development investments, and the share of net sales represented by new services developed in line with expectations in the first quarter. The aim is to increase the share of net sales represented by new services in 2020 compared to the previous year.
- A total of 17 new services were launched in the first quarter.

Free cash flow, EUR million


- Free cash flow was affected in the first quarter by the negative development of net working capital and the high level of investments in software and service development.
- Items affecting comparability reduced cash flow from operating activities in the first quarter by EUR 0,1 million (EUR 0,6 million). The items affecting comparability consisted primarily of payments related to the termination of employment that were recognised as expenses in the previous financial year.

FUTURE OUTLOOK

The company issued a stock exchange release on 27 March 2020 cancelling its guidance for 2020.

Due to the COVID-19 pandemic, severe and extensive restrictions have been placed on state level in the Nordic countries. In this situation, it is impossible to reliably predict the potential impact on Asiakastieto Group's revenue and adjusted EBITDA. The situation is also likely to affect the levels of capitalised expenditure.

The year 2020 has started strongly, but the general economic situation and decreased customer activity are expected to decrease the demand and have an effect also on the demand of Asiakastieto's services. As the impact on demand for services and the duration of the current situation are unknown, exact effects are impossible to evaluate. Due to the uncertain outlook, we will adjust our planned fixed cost base by 5 million euros during the rest of the year to secure short-term profitability and cash flow. We continue to invest in product and software development while also preparing to reprioritise the development portfolio to secure short-term cash generation if the economic environment so requires.

Once visibility on the development of economic activity in the main markets of Asiakastieto Group improves and the significant uncertainties have cleared, Asiakastieto Group will update the outlook and issue a new guidance.

JUKKA RUUSKA, CEO

The coronavirus pandemic and the measures taken to prevent its spread have led to growth forecasts being adjusted dramatically downward to an extent never seen before, both in Finland and elsewhere. The effects on Asiakastieto Group's business have been minor thus far, and our net sales saw steady growth in the first quarter, reaching EUR 37,6 million (EUR 34,1 million), which represents year-on-year growth of 10,4 % at comparable exchange rates.

The development of the Group's net sales was driven by the performance of the SME and Consumers business area, which was particularly boosted by the Proff acquisition, but also the business area's positive development in the Swedish market in particular. The Risk Decisions business area also continued to see positive development, and growth was also accelerated by the strong growth of the Digital Processes business area, mainly in the Finnish market. The net sales of the Customer Data Management business area, however, decreased in both markets.

Adjusted EBITDA increased by 6,9 % at comparable exchange rates and amounted to EUR 12,4 million (EUR 11,6 million). The development of profitability lagged behind the growth of net sales due to the Proff business acquired in July 2019 having a diluting effect on the EBITDA margin as well as marketing investments aimed at growing the customer base of subscription services and increased IT expenses. The Group's adjusted operating profit excluding non-recurring items and other adjustable items grew in the first quarter by 6,3 % and amounted to EUR 10,5 million (EUR 9,8 million). The share of net sales represented by new services was on a par with the previous quarter at 4,4 %.

At the start of the year, no-one could have predicted that the first quarter would end in such exceptional circumstances. The current situation is highly exceptional and different from previous economic downturns, which makes visibility on the remainder of the year almost non-existent. As for the impact of the pandemic on Asiakastieto's business, we recognise both positive and negative factors. On one hand, the lower level of economic activity reduces the use of our services. On the other hand, loan restructuring and the growing need for liquidity increase the demand for our services. Rapid changes in the regulatory environment — such as the Finnish Government's proposal to temporarily lower the interest rate ceiling on all consumer credit to 10 per cent — increase uncertainty in the financial markets. The extraordinary nature of the current situation makes the overall economic impact impossible to predict. With this in mind, Asiakastieto Group announced on 27 March 2020 that we are cancelling our financial guidance for 2020 for the time being.

We have drawn up various scenarios of the economy to gain insight into the potential impacts and consequences of the exceptional situation. We have taken proactive measures to secure our business and ensure our financial sustainability in all circumstances. We want our services to help our customers through this period and respond to special customer needs arising from the present situation. At the same time, we will continue the long-term development efforts concerning our services and IT platform.

For example, in the Swedish market, we have launched ID Protection for Companies, a service that monitors changes in the basic information and financial information of companies, creates alerts of such changes and helps companies maintain awareness of any changes to the registration data pertaining to their business. In addition, in Finland, Asiakastieto will start to document additional information about the effects of the coronavirus epidemic on companies' payment default entries. This way, the credit information provides a more comprehensive picture of the causes and duration of insolvency. Our strong experience in the Nordic markets presents us with new service development opportunities. One example is the redesigned Omatieto.fi service launched in Finland in the first quarter. The experiences gained from nearly half a million consumer customers in the Swedish market contributed to the development effort.

The present situation also calls for actions and plans for getting out of the crisis. Asiakastieto Group's Popcorn 2023 strategy development process, which began in autumn 2019, will play an important role in this respect. The results of the process will be announced during the spring.

NET SALES

January – March

Asiakastieto Group's net sales in the first quarter amounted to EUR 37,6 million (EUR 34,5 million), increasing by 9,0 % at reported exchange rates and 10,4 % at comparable exchange rates from the corresponding quarter of the previous year. Net sales from new products and services were EUR 1,7 million (EUR 1,5 million), representing 4,4 % (4,4 %) of the total net sales for the first quarter. The key drivers of net sales growth in the first quarter were the strong development of the SME and Consumers business area, driven by the Proff acquisition and online consumer services in Sweden, the continued good development of the consumer-related risk management services of the Risk Decisions business area in Sweden and the strong growth of the Digital Processes business area, especially in the Finnish market. The number of banking days with a volume effect was the same as last year in both of the main market areas, Finland and Sweden.

Net sales of the Risk Decisions business area amounted to EUR 23,6 million (EUR 23,4 million) in the first quarter. Compared with the corresponding quarter in the previous year, net sales of the business area increased by 1,0 % at reported exchange rates and 2,3 % at comparable exchange rates. The demand for consumer-related risk management services and positive credit information, in particular, continued to see good growth in the first quarter in Sweden, although the rate of growth was moderate compared to the very strong development achieved in the previous year. In Finland, the development of business information services was strong in the first quarter, supported by good demand and new services. However, the net sales growth of consumer-related risk management services in Finland was low due to the negative demand effect of the interest rate ceiling on consumer credit. The scope of positive credit information nevertheless continues to grow in Finland, and positive credit information is being increasingly widely used in granting consumer credit. The business area's positive net sales development was supported by new services and the service development-driven and increasingly strong emphasis of sales on value-added services.

Net sales of the SME and Consumers business area amounted to EUR 9,9 million (EUR 7,1 million) in the first quarter. Compared with the corresponding quarter in the previous year, net sales of the business area increased by 38,2 % at reported exchange rates and 40,5 % at comparable exchange rates. The Proff acquisition strengthened Asiakastieto's business information service offering aimed at the SME sector, and the consolidation of Proff's net sales into the SME and Consumers business area from the start of the third quarter of the previous year was a key factor in the reported year-on-year growth of the business area in the first quarter. In addition to the growth effect of the Proff acquisition, the business area achieved strong development in Sweden, particularly thanks to the very good growth of online consumer services. In Finland, the redesigned omatieto.fi consumer service was launched, with experiences of the successful corresponding service in Sweden contributing to the development effort, and the sales of the redesigned service have started as positively as expected.

Net sales of the Customer Data Management business area amounted to EUR 1,9 million (EUR 2,0 million) in the first quarter. The business area's net sales decreased by 6,6 % at reported exchange rates and 5,9 % at comparable exchange rates compared with the corresponding quarter in the previous year. The net sales of B2C customer management services saw strong development in Finland in the first quarter thanks to active sales efforts. The volume of Emaileri's electronic communications services continued to decline year-on-year, while the net sales of B2B customer management services in Sweden contracted. The business area is continuing its efforts to improve the efficiency of sales, and service development is focused on the Nordic service offering and the utilisation of unstructured data.

Net sales of the Digital Processes business area amounted to EUR 2,3 million (EUR 2,0 million) in the first quarter. Compared with the corresponding quarter in the previous year, net sales of the business area increased by 14,5 % at reported exchange rates and 15,4 % at comparable exchange rates. The business area's growth in the first quarter was driven by the good development of real estate and collateral information services in both markets as well as the continued strong positive development of the volume of compliance services in Finland. The volumes of the price estimation service for banks, launched last year in the Finnish market, saw strong growth and significantly supported the growth of the business area. In Sweden, the Tambur housing transaction service has achieved a high coverage of the transaction volume in the market, and investments to further develop the service are continuing

in close cooperation with key customers. In Finland, the end of the first quarter saw the commercial launch of the Digital Housing Transaction Service.

FINANCIAL RESULTS

January – March

Asiakastieto Group's operating profit (EBIT) for the first quarter amounted to EUR 7,1 million (EUR 6,7 million). Operating profit included items affecting comparability of EUR 3,3 million (EUR 3,2 million), mainly arising from amortisation from fair value adjustments of EUR 3,0 million (EUR 2,8 million) related to acquisitions as well as M&A and integration expenses.

First-quarter adjusted EBITDA excluding items affecting comparability was EUR 12,4 million (EUR 11,7 million). Adjusted EBITDA increased by EUR 0,7 million at reported exchange rates and by EUR 0,8 million at comparable exchange rates.

Adjusted operating profit (EBIT) for the first quarter excluding items affecting comparability and amortisation from fair value adjustments related to the acquisitions increased by EUR 0,6 million to EUR 10,5 million (EUR 9,8 million). Adjusted EBIT margin for the first quarter declined slightly year-on-year. The growth rate of profitability was slightly lower than the rate of growth of net sales due to the acquired Proff business having a diluting effect on the EBIT margin, marketing investments aimed at increasing the sales of continuous subscription services as well as higher IT expenses. Amortisation related to capitalised development costs increased slightly compared with the corresponding quarter in the previous year.

The Group's depreciation and amortisation in the first quarter amounted to EUR 5,0 million (EUR 4,7 million). Of the depreciation and amortisation, EUR 3,0 million (EUR 2,8 million) resulted from amortisation from fair value adjustments related to the acquisitions. The Group's depreciation on the right-of-use assets (IFRS 16) in the first quarter amounted to EUR 0,6 million (EUR 0,6 million).

Net financial expenses in the first quarter were EUR 0,4 million (EUR 0,8 million). Financial expenses related to lease liabilities (IFRS 16) were EUR 0,0 million (0,0 million) in the first quarter, and recognised exchange rate gains amounted to EUR 0,2 million (EUR -0,1 million).

The Group's profit before income taxes for the first quarter was EUR 6,7 million (EUR 5,8 million).

The tax amount booked as expense for the first quarter was EUR -1,3 million (EUR -1,0 million).

The Group's profit for the first quarter was EUR 5,4 million (EUR 4,8 million).

CASH FLOW

In the review period, cash flow from operating activities amounted to EUR 10,1 million (EUR 9,9 million). The change in the Group's working capital was EUR -0,3 million (EUR -0,0 million). The impact of items affecting comparability on operating cash flow was EUR -0,1 million (EUR -0,6 million).

The Group paid EUR 1,7 million (EUR 1,6 million) in taxes during the review period.

Cash flow from investing activities for the review period amounted to EUR -2,7 million (EUR -2,5 million). The cash flow from investing activities consisted of acquisitions of property, plant and equipment and intangible assets.

Cash flow from financing activities for the review period amounted to EUR -0,4 million (EUR -0,6 million). The cash flow from financing activities for the review period consisted of repayments of lease liabilities (IFRS 16).

STATEMENT OF FINANCIAL POSITION

At the end of the review period, the Group's total assets were EUR 530,8 million (EUR 562,0 million). Total equity amounted to EUR 302,5 million (EUR 299,1 million) and total liabilities to EUR 228,4 million

(262,9 million). The change in equity mainly consists of the result for the review period and a translation difference included in comprehensive income, largely attributable to the depreciation of the Swedish krona. Of the total liabilities, EUR 162,2 million (EUR 178,3 million) were long-term interest-bearing liabilities, with the change being due to the depreciation of the Swedish krona. Of the total liabilities, EUR 22,4 million (EUR 24,9 million) were deferred tax liabilities, EUR 7.4 million (EUR 4.4) non-current pension liabilities, EUR 2,2 million (EUR 2,2 million) non-current interest-bearing liabilities and EUR 34,1 million (EUR 53,1 million) current non-interest-bearing liabilities. Goodwill amounted to EUR 341,3 million (EUR 346,4 million) at the end of the review period.

Asiakastieto Group's cash and cash equivalents at the end of the review period were EUR 26,1 million (EUR 20,4 million), and net debt was EUR 138,3 million (EUR 140,9 million).

CAPITAL EXPENDITURE

The majority of Asiakastieto Group's capital expenditure is related to the development of products and services as well as investments in IT infrastructure. Other capital expenditure mainly comprises purchases of company cars and office equipment. The Group's gross capital expenditure in the review period amounted to EUR 2,9 million (EUR 2,6 million). Capital expenditure on intangible assets was EUR 2,6 million (EUR 2,4 million) and capital expenditure on property, plant and equipment was EUR 0,3 million (EUR 0,2 million).

The product development activities of Asiakastieto Group involve development of the product and service offering. During the review period, the capitalised development and software costs of the Group amounted to EUR 2,3 million (EUR 2,4 million). The Group had no material research activities.

PERSONNEL

The average number of personnel employed by Asiakastieto Group during the first quarter of the year was 417 (426). At the end of the review period, the number of people employed by Asiakastieto Group was 432 (452), of whom 173 (164) worked in the Finnish companies, 213 (288) in the Swedish companies, 44 (0) in the Norwegian company and 2 (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.

During the review period, the personnel expenses of the Group amounted to EUR 9,6 million (EUR 9,8 million) and included an accrued cost of EUR 284 thousand (EUR 201 thousand) from the management's long-term incentive plan. More details on the management's long-term incentive plan are provided in section 2.6. Transactions with related parties in the notes to the condensed interim report.



Key figures describing the Group's personnel:

PERSONNEL			
	1.1. – 31.3.2020	1.1. – 31.3.2019	1.1. – 31.12.2019
Average number of personnel	417	426	428
Full time	404	418	417
Part time and temporary	13	8	11
Geographical distribution			
Finland	170	159	162
Sweden	210	267	246
Norway	43	-	19
Denmark	3	-	1
Wages and salaries for the period (EUR million)	7,1	7,3	28,5

OTHER EVENTS DURING THE REVIEW PERIOD

Annual General Meeting postponed to a later date

In response to the spread of the coronavirus (COVID-19) and the guidance of the Finnish Government, Asiakastieto Group Plc decided to postpone the Annual General Meeting scheduled for 27 March 2020.

On 16 March 2020, the Finnish Government announced that public gatherings will be limited to a maximum of ten persons. In accordance with the Finnish Government's guidance, Asiakastieto Group's Board of Directors decided that the Annual General Meeting should not be held due to the prevailing exceptional circumstances. Asiakastieto wants to ensure a safe meeting environment both for its shareholders and employees.

Authorisation for issue of shares

The Annual General Meeting of 28 March 2019 authorised the Board of Directors to resolve on one or more issuances, which include the right to issue new shares or dispose of the shares in the possession of the company. The authorisation would consist of up to 1 500 000 shares in the aggregate. The Board of Directors was authorised to decide on a directed issue. The authorisation is proposed to be used for material arrangements from the company's point of view, such as financing or implementing business arrangements or investments or for other such purposes determined by the Board of Directors in which case a weighty financial reason for issuing shares would exist.

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

The authorisation is effective for 18 months from the close of the Annual General Meeting, until 28 September 2020. The authorisation cancelled the corresponding share issue authorisation granted to the Board of Directors by the Annual General Meeting on 22 March 2018.

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

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, 13 769 new Asiakastieto Group Plc shares were issued without consideration to the key employees participating in the Matching Share Plan 2018 in accordance with the terms and conditions of the 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

The Annual General Meeting of 28 March 2019 authorised the Board of Directors to decide on the repurchase of a maximum of 1 500 000 of the company's own shares, in one or several instalments. The shares will be repurchased with the company's unrestricted shareholders' equity, and the repurchases will reduce funds available for the distribution of profits. The shares can be repurchased for example to develop the company's capital structure, carry out or finance potential corporate acquisitions or other business arrangements, to be used as a part of the company's incentive programme or to be otherwise conveyed further, retained as treasury shares, or cancelled.

In accordance with the resolution of the Board of Directors, shares may be repurchased also in a proportion other than that in which shares are owned by the shareholders (directed acquisition) at the market price of the shares at marketplaces on which the company shares are traded or a price otherwise

established on the market at the time of the repurchase. The Board of Directors decides how shares are repurchased. Among other means, derivatives may be used in acquiring the shares. According to the authorisation, the Board of Directors decides on any other matters related to the repurchase of shares.

The authorisation is effective for 18 months from the close of the Annual General Meeting, until 28 September 2020. The authorisation cancelled the corresponding authorisation to repurchase the Company's shares granted to the Board of Directors by the Annual General Meeting on 22 March 2018. The authorisation has not been used as of 8 May 2020.

Adjustment of financial guidance

The company issued a stock exchange release on 27 March 2020 cancelling its guidance for 2020 due to the COVID-19 pandemic.

EVENTS AFTER THE REVIEW PERIOD

Change to Asiakastieto Group's Shareholders' Nomination Board's proposal, 16 April 2020

The Shareholders' Nomination Board of Asiakastieto Group Plc prepares proposals in relation to the election and remuneration of members of the Board of Directors to the next Annual General Meeting.

The proposal of the Nomination Board to the Annual General Meeting of spring 2020 was published on 19 December 2020 as stock exchange release. The Nomination Board proposed that Petri Carpén, Patrick Lapveteläinen, Carl-Magnus Månsson, Martin Johansson, Petri Nikkilä and Tiina Kuusisto be re-elected as members of the Board of Directors.

Petri Nikkilä has withdrawn his consent to continue as a member of the Board of Directors after the proposal was given.

New proposal of the Nomination Board to the Annual General Meeting in spring 2020

The Nomination Board proposes that Minna Parhiala be elected as a new member to the Board of Directors. Parhiala's current occupation is Director (Head of Business Area, Nordea Personal Banking) at Nordea Bank.

The Nomination Board made no other changes to its proposal.

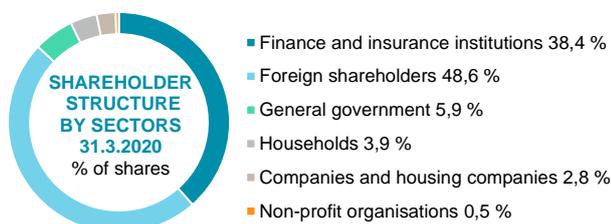
SHARES AND SHAREHOLDERS

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

A total of 13 769 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 26 February 2020. After the registration, the company's shares totalled 24 007 061. The new shares produce the right to dividends and other distribution of assets as well as other shareholder rights as of the registration date 26 February 2020. Trading in the new shares commenced on 27 February 2020.

On 31 March 2020, the total number of shares was 24 007 061 (23 993 292), and the share capital of the company amounted to EUR 80 000 (EUR 80 000).

According to the book-entry securities system, the company had 2 935 (2 678) shareholders on 31 March 2020. A list of the largest shareholders is available on the company's investor pages at investors.asiakastieto.fi.



SHARE-RELATED KEY FIGURES

EUR (unless otherwise stated)	1.1. – 31.3.2020	1.1. – 31.3.2019
Share price development		
Highest price	38,40	29,60
Lowest price	24,20	22,00
Average price	29,91	23,97
Closing price	25,60	25,50
Market capitalisation, EUR million	614,6	611,8
Trading volume, pcs	850 899	976 737
Total exchange value of shares, EUR million	25,4	23,4

FLAGGING NOTIFICATIONS AND MANAGERS' TRANSACTIONS

Flagging notifications in the review period

There were no flagging notifications during the review period.

Managers' transactions

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

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The demand for the Group's products and services depends on the activity of the business operations of its customers. Slow economic growth or a declining economy may result in a weakening demand for the services of Asiakastieto Group. In addition, regulatory changes that reduce the lending ability of the Group's customers may have a negative effect on the demand for the Group's services and products.

Due to the COVID-19 pandemic, severe and extensive restrictions have been placed at the state level in the Nordic countries. These restrictions have significant impacts on economic activity. The Group has assessed the risks and uncertainties arising from the restrictive measures. Due to the extraordinary situation, the Group's ability to predict the potential effects on the demand for its services has been reduced. The potential business impacts of the pandemic-related risks that affect demand factors are managed by proactive cost adaptation measures and contingency plans. The Group expects the increase in credit risk to be limited because a significant proportion of the Group's customers are financially sound companies in the financial industry, whose credit risk is assessed to be low by the Group. For managing liquidity risk, the Group has unused credit arrangements and the Group does not have any external loans maturing before October 2023.

The exchange rate risk arising from the volatility of the Nordic currencies is primarily managed by operational means. Sales and purchases are mainly generated in the operating currency of each Group company. As a result, the Group is not exposed to significant transaction risk. The Group manages translation risk by financing its business operations outside Finland in the local currency. This means that changes in operating profit arising from the fluctuation of exchange rates can be partly covered by changes in financing costs. The Group's reporting currency is the euro and the Group has significant business operations denominated in the Swedish krona and the Norwegian krone. As a result, changes in exchange rates have an impact on the development of the Group's reported net sales, EBITDA and profit.

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

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

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

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.

PROPOSAL CONCERNING THE DISTRIBUTION OF FUNDS

At the end of the financial year 2019, the 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 has decided to change the proposal to the Annual General Meeting that funds amounting to EUR 0,61 per share, totalling EUR 14 644 307,21, which represents half of the profit for the period, based on the company's registered total number of shares at the time of the proposal, be distributed for the financial year that ended on 31 December 2019 as follows:

PROPOSAL CONCERNING THE DISTRIBUTION OF FUNDS		
	EUR / share	EUR
From the invested unrestricted equity reserve as a repayment of capital	0,61	14 644 307,21
To be retained in unrestricted equity		375 424 326,01
Total		390 068 633,22

The Board of Directors also proposes that the Annual General Meeting authorise the Board, at its discretion, to resolve the distribution of funds to shareholders as capital repayment from the reserve for invested unrestricted equity of no more than 0.34 euros per share, i.e. EUR 8 162 400,74 in total. Funds would be distributed at a later stage when it is possible to make a more reliable estimate on the impacts of the COVID-19 pandemic on Asiakastieto Group's business and liquidity.

The Board can also decide not to use this authorisation. The Board of Directors proposes that the authorisation includes the right for the Board of Directors to decide on all other terms and conditions related to the capital repayment. The authorisation is proposed to remain in effect until the start of the subsequent Annual General Meeting, but not past 30 June 2021.

Helsinki, 8 May 2020

ASIAKASTIETO GROUP PLC
Board of Directors

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CONDENSED INTERIM FINANCIAL STATEMENTS AND NOTES 1.1. – 31.3.2020

The figures presented in this Interim Report are based on unaudited figures for the first quarter of 2020. The amounts presented in the interim report are rounded, so the sum of individual figures may differ from the sum reported.

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

CONSOLIDATED STATEMENT OF INCOME			
EUR thousand	1.1. – 31.3.2020	1.1. – 31.3.2019	1.1. – 31.12.2019
Net sales	37 638	34 522	145 957
Other operating income	186	25	293
Materials and services	-6 097	-5 609	-24 499
Personnel expenses ¹	-9 627	-9 833	-38 574
Work performed by the entity and capitalised	689	566	2 218
<i>Total personnel expenses</i>	<i>-8 938</i>	<i>-9 267</i>	<i>-36 356</i>
Other operating expenses	-10 688	-8 334	-37 111
Depreciation and amortisation	-4 979	-4 681	-20 503
Operating profit	7 122	6 656	27 782
Finance income	250	10	154
Finance expenses	-646	-827	-3 029
Finance income and expenses	-396	-818	-2 875
Profit before income tax	6 726	5 838	24 906
Income tax expense	-1 308	-1 038	-5 197
Profit for the period	5 419	4 800	19 710
Items that may be reclassified to profit or loss:			
Translation differences on foreign units	-16 237	-3 960	-5 305
Hedging of net investments in foreign units	3 518	888	1 186
Income tax relating to these items	-704	-178	-237
	-13 423	-3 249	-4 357
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	-	-	-3 634
Income tax relating to these items	-	-	749
	-	-	-2 885
Other comprehensive income for the period, net of tax	-13 423	-3 249	-7 242
Total comprehensive income for the period	-8 004	1 551	12 467

¹ Personnel expenses include an accrued expense related to the long-term incentive plan to the management amounting to EUR 284 thousand for the first quarter 1 January–31 March 2020, EUR 201 thousand for the reference period 1 January–31 March 2019.

EUR thousand	1.1. – 31.3.2020	1.10. – 31.3.2019	1.1. – 31.12.2019
Profit attributable to:			
Owners of the parent company	5 419	4 800	19 710
Total comprehensive income attributable to:			
Owners of the parent company	-8 004	1 551	12 467
Earnings per share attributable to the owners of the parent during the period:			
Basic, EUR	0,23	0,20	0,82
Diluted, EUR	0,23	0,20	0,82

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
EUR thousand	31.3.2020	31.3.2019	31.12.2019
ASSETS			
Non-current assets			
Goodwill	341 308	346 445	351 368
Other intangible assets	126 769	135 072	135 460
Property, plant and equipment	2 292	2 776	2 356
Right-of-use assets	8 922	11 478	9 591
Deferred tax assets	436	1 040	740
Financial assets and other receivables	85	187	86
Total non-current assets	479 813	496 997	499 601
Current assets			
Account and other receivables	24 935	25 362	23 328
Cash and cash equivalents	26 096	39 630	20 361
Total current assets	51 031	64 992	43 688
Total assets	530 843	561 989	543 289
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	80	80	80
Invested unrestricted equity reserve	340 173	340 173	340 173
Translation differences	-13 045	1 514	407
Accumulated losses	-24 748	-42 657	-29 985
Equity attributable to owners of the parent	302 459	299 110	310 675
Share of equity held by non-controlling interest	0	0	0
Total equity	302 460	299 110	310 675
Liabilities			
Non-current liabilities			
Financial liabilities	162 166	178 340	166 225
Pension liabilities	7 473	4 356	7 915
Deferred tax liabilities	22 447	24 905	24 137
Total non-current liabilities	192 085	207 600	198 277
Current liabilities			
Financial liabilities	2 197	2 162	2 276
Advances received	11 089	7 690	10 247
Account and other payables	23 012	45 426	21 814
Total current liabilities	36 298	55 278	34 337
Total liabilities	228 384	262 878	232 614
Total equity and liabilities	530 843	561 989	543 289

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY							
<u>Attributable to owners of the parent</u>							
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 1.1.2020	80	340 173	407	-29 985	310 675	0	310 675
Profit for the period	-	-	-	5 419	5 419	-	5 419
Other comprehensive income for the period							
Hedging of net investments	-	-	3 518	-704	2 814	-	2 814
Defined benefit plans	-	-	-	-	-	-	-
Translation differences	-	-	-16 970	704	-16 266	-	-16 266
Total comprehensive income for the period	-	-	-13 452	5 419	-8 033	-	-8 033
Transactions with owners							
Distribution of funds	-	-	-	-	-	-	-
Management's incentive plan	-	-	-	-182	-182	-	-182
Equity at 31.3.2020	80	340 173	-13 045	-24 748	302 459	0	302 460
<u>Attributable to owners of the parent</u>							
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	-	321 290
Profit for the period	-	-	-	4 800	4 800	-	4 800
Other comprehensive income for the period							
Hedging of net investments	-	-	888	-172	716	-	716
Defined benefit plans	-	-	-	-	-	-	-
Translation differences	-	-	-3 966	-	-3 966	-	-3 966
Total comprehensive income for the period	-	-	-3 078	4 629	1 551	-	1 551
Transactions with owners							
Distribution of funds	-	-11 517	-	-11 277	-22 794	-	-22 794
Management's incentive plan	-	-	-	-938	-938	-	-938
Equity at 31.3.2019	80	340 173	1 514	-42 657	299 110	0	299 110

CONSOLIDATED STATEMENT OF CASH FLOWS			
EUR thousand	1.1. – 31.3.2020	1.1. – 31.3.2019	1.1. – 31.12.2019
Cash flow from operating activities			
Profit before income tax	6 726	5 838	24 906
Adjustments:			
Depreciation and amortisation	4 979	4 681	20 503
Finance income and expenses	396	818	2 875
Profit (-) / loss (+) on disposal of property, plant and equipment	-50	-21	-66
Management's incentive plan	284	201	-289
Other adjustments	-75	-52	-177
Cash flows before change in working capital	12 260	11 466	47 752
Change in working capital:			
Increase (-) / decrease (+) in account and other receivables	-2 522	-3 791	-618
Increase (+) / decrease (-) in account and other payables	2 207	3 763	2 191
Change in working capital	-316	-28	1 573
Interest expenses paid	-108	-78	-2 755
Interest income received	20	71	201
Income taxes paid	-1 743	-1 552	-4 852
Cash flow from operating activities	10 113	9 880	41 920
Cash flows from investing activities			
Purchases of property, plant and equipment	-299	-208	-779
Purchases of intangible assets	-2 574	-2 382	-11 638
Purchases of subsidiaries, net of cash acquired	-	-	-7 327
Proceeds from sale of property, plant and equipment	144	107	370
Cash flows from investing activities	-2 729	-2 484	-19 374
Cash flows from financing activities			
Proceeds from interest-bearing liabilities	-	-	-
Repayments of interest-bearing liabilities	-401	-579	-12 216
Dividends paid and other profit distribution	-	-	-22 794
Cash flows from financing activities	-401	-579	-35 010
Net increase / decrease in cash and cash equivalents	6 984	6 816	-12 464
Cash and cash equivalents at the beginning of the period	20 361	33 215	33 215
Net change in cash and cash equivalents	6 984	6 816	-12 464
Translation differences of cash and cash equivalents	-1 249	-402	-390
Cash and cash equivalents at the end of the period	26 096	39 630	20 361

2. Notes

2.1. Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies and methods applied in the Interim Report are the same as those applied in the financial statements for the financial year ended 31 December 2019.

The preparation of financial statements in accordance with IFRS requires Asiakastieto Group's management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the reported amounts of income and expenses for the review period. In addition, it is necessary to exercise judgment in applying the accounting policies. Because estimates and assumptions are based on the understanding as at the end of the interim period, they include risks and uncertainties. The actual results may differ from the estimates and assumptions made. Critical accounting estimates and judgments are disclosed in more detail under Note 3 to the consolidated financial statements for the year 2019.

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

The change in equity is recognised in other comprehensive income. The amounts presented in the interim report are consolidated figures. The amounts presented are rounded, so the sum of individual figures may thus differ from the sum reported. The figures presented in this interim report are unaudited.

Changes in accounting policies

There were no changes in accounting policies during the review period.

New standards and interpretations not yet adopted

Asiakastieto 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.

The IFRS standards and IFRIC interpretations that have already been published but are not yet in effect are not expected to have a material impact on Asiakastieto Group.

2.2. Net sales

NET SALES BY BUSINESS AREA			
EUR thousand	1.1. – 31.3.2020	1.1. – 31.3.2019	1.1. – 31.12.2019
Risk Decisions	23 621	23 382	95 486
SME and Consumers	9 857	7 134	33 931
Customer Data Management	1 885	2 018	8 127
Digital Processes	2 275	1 988	8 413
Total	37 638	34 522	145 957

Asiakastieto Group's organisation consists of two types of units: business areas and functional units.

2.3. Equity

CHANGES IN NUMBER OF SHARES		
	Number of shares	Total number of shares
1.1.2019		23 953 964
Shares issued to the management's incentive system	39 328	23 993 292
31.3.2019		23 993 292
1.1.2020		23 993 292
Shares issued to the management's incentive system	13 769	24 007 061
31.3.2020		24 007 061

A total of 13 769 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 26 February 2020. The new shares produce the right to dividends and other distribution of assets as well as other shareholder rights as of the registration date 26 February 2020. Trading in the new shares commenced on 27 February 2020. The issuance of shares related to share-based remuneration is disclosed in the notes to the condensed financial statements, in Note 2.6 Transactions with related parties. Transactions with related parties.

A total of 39 328 new shares were subscribed for in Asiakastieto Group Plc's share issue targeted at the company's key personnel without payment. The new shares were registered in the Trade Register on 8 March 2019 and they produced the right to dividends and other distribution of assets as well as other shareholder rights as of the registration date. Trading in the new shares commenced on 11 March 2019. The issuance of shares related to share-based remuneration is disclosed in the notes to the condensed interim report, in Note 2.6 Transactions with related parties.

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

2.4. Financial liabilities

FINANCIAL LIABILITIES OF THE GROUP			
EUR thousand	31.3.2020	31.3.2019	31.12.2019
Non-current			
Loans from financial institutions	155 313	168 994	158 797
Lease liabilities	6 853	9 346	7 428
Total	162 166	178 340	166 225
Current			
Lease liabilities	2 197	2 162	2 276
Total	2 197	2 162	2 276
Total financial liabilities	164 363	180 502	168 501

Of the loans from financial institutions, EUR 95,5 million (EUR 105,4 million) were EUR-denominated and EUR 59,8 million (EUR 63,6 million) were SEK-denominated on 31 March 2020.

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

with Danske Bank A/S and Pohjola Bank Plc on 28 November 2014 and to refinance the financing agreement entered into with Danske Bank A/S and OP Corporate Bank Plc on 31 May 2018, concerning a bridge loan of EUR 100 million.

The new agreement consists of a term loan of EUR 160 million and a revolving credit facility of EUR 20 million. The company drew down the term loan on 25 October 2018, partially in euro and partially in Swedish krona in accordance with the terms of the loan agreement. The loans mature in October 2023. At the end of the financial year, the Company had used EUR 0 (EUR 10 million) of its credit facility.

To facilitate efficient cash management in the Group, a multi-currency cash pool arrangement was implemented in 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 March 2020.

The loans include a financial covenant reviewed on a quarterly basis, which is Net debt to EBITDA calculated in accordance with the financing agreement. The ratio of the Group's net debt, as defined in the financing agreement, to EBITDA adjusted according to the terms of the financing agreement was 2,6 (3,0) on 31 March 2020. The covenant limit in accordance with the financing agreement was 3,5 (4,5) on 31 March 2020.

2.5. Lease agreement commitments

LEASE AGREEMENT COMMITMENTS			
EUR thousand	31.3.2020	31.3.2019	31.12.2019
No later than 1 year	-	65	223
Total	-	65	223

Lease agreement commitments are not shown for the interim period, unless the lease period is 12 months or less or the value of the lease agreement is low. Group does not report low value agreements or IT service agreements as minimum rents.

2.6. Transactions with related parties

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

THE FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH RELATED PARTIES			
1.1.-31.3.2020 EUR thousand	Sales of goods and services	Purchases of goods and services	Finance income and expenses
Shareholders having a significant influence over the Group	2 675	-133	-168
Total	2 675	-133	-168
31.3.2020			
EUR thousand		Receivables	Liabilities
Shareholders having a significant influence over the Group		1 682	52 345
Total		1 682	52 345

1.1.-31.3.2019 EUR thousand	Sales of goods and services	Purchases of goods and services	Finance income and expenses
Shareholders having a significant influence over the Group	2 755	-155	-217
Total	2 755	-155	-217

31.3.2019 EUR thousand	Receivables	Liabilities
Shareholders having a significant influence over the Group	1 340	57 175
Total	1 340	57 175

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

Long-term incentive plans for the management

Long-term incentive plan for the management 2018–2021

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 award, the participant must purchase Asiakastieto Group Plc's shares or allocate previously held Asiakastieto shares to the programme in the number determined by the Board of Directors.

The possible award for the commitment period depends on the continuation of employment or service at the time of payment award and meeting of the shareholding requirement. The award for the commitment period will be paid after the end of the commitment period in 2020. Furthermore, the possible award for the performance period is based on total shareholder return (TSR) on Asiakastieto Group Plc share and the Group's adjusted EBITDA in 2020. The award for the performance period will be paid in two increments in 2021.

Awards payable under the plan will not total more than the value of approximately 300 000 Asiakastieto Group Plc shares, including also the amount paid in cash. For the review period, an accrued expense of EUR 253 thousand (EUR 175 thousand) has been recognised in personnel expenses.

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 Asiakastieto 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 Asiakastieto 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 Asiakastieto 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 Asiakastieto Group Plc shares, including the proportion to be paid in cash. For the review period, an accrued expense of EUR 31 thousand (EUR 0) has been recognised in personnel expenses.

NOTE 1. KEY FINANCIAL INFORMATION FOR THE GROUP

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

The alternative performance measures of this interim report have been calculated applying the same principles as presented in the Board of Directors' Annual Report for 2019.

KEY INCOME STATEMENT AND CASH FLOW FIGURES AND RATIOS			
EUR million	1.1. – 31.3.2020	1.1. – 31.3.2019	1.1. – 31.12.2019
Net sales	37,7	34,5	146,0
Net sales growth, %	9,0	128,8	48,7
EBITDA	12,1	11,3	48,3
EBITDA margin, %	32,2	32,8	33,1
Adjusted EBITDA	12,4	11,7	51,5
Adjusted EBITDA margin, %	33,0	34,0	35,3
Operating profit (EBIT)	7,1	6,7	27,8
EBIT margin, %	18,9	19,3	19,0
Adjusted operating profit (EBIT)	10,5	9,8	42,6
Adjusted EBIT margin, %	27,8	28,5	29,2
Free cash flow	7,3	7,3	32,1
Cash conversion, %	60,6	64,4	66,4
Net sales from new products and services	1,7	1,5	5,9
New products and services of net sales, %	4,4	4,4	4,0
Earnings per share, basic, EUR	0,23	0,20	0,82
Earnings per share, diluted, EUR	0,23	0,20	0,82
Earnings per share, comparable, EUR ¹	0,32	0,29	1,20

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

KEY BALANCE SHEET RATIOS

EUR million	1.1. – 31.3.2020	1.1. – 31.3.2019	1.1. – 31.12.2019
Balance sheet total	530,8	562,0	543,3
Net debt	138,3	140,9	148,1
Net debt to adjusted EBITDA, x	2,8	3,0	2,9
Return on equity, %	7,1	6,2	6,2
Return on capital employed, %	6,2	5,5	5,8
Gearing, %	45,7	47,1	47,7
Equity ratio, %	58,2	54,0	58,3
Gross investments	2,9	2,6	12,4

Matching of alternative key figures to the closest IFRS key figure

EBITDA AND ADJUSTED EBITDA			
EUR thousand	1.1. – 31.3.2020	1.1. – 31.3.2019	1.1. – 31.12.2019
Operating profit	7 122	6 656	27 782
Depreciation and amortisation	4 979	4 681	20 503
EBITDA	12 101	11 337	48 284
Items affecting comparability			
M&A and integration related expenses	189	224	1 961
Redundancy payments	27	184	1 202
Legal actions	89	-	99
Total items affecting comparability	305	408	3 263
Adjusted EBITDA	12 405	11 745	51 547

EBIT AND ADJUSTED EBIT			
EUR thousand	1.1. – 31.3.2020	1.1. – 31.3.2019	1.1. – 31.12.2019
Operating profit	7 122	6 656	27 782
Amortisation from fair value adjustments related to acquisitions	3 024	2 770	11 572
Items affecting comparability			
M&A and integration related expenses	189	224	1 961
Redundancy payments	27	184	1 202
Legal actions	89	-	99
Total items affecting comparability	305	408	3 263
Adjusted operating profit	10 450	9 834	42 616

FREE CASH FLOW			
EUR thousand	1.1. – 31.3.2020	1.1. – 31.3.2019	1.1. – 31.12.2019
Cash flow from operating activities	10 113	9 880	41 920
Paid interest and other financing expenses	108	78	2 755
Received interest and other financing income	-20	-71	-201
Acquisition of tangible assets and intangible assets	-2 873	-2 590	-12 417
Free cash flow	7 328	7 295	32 057

Calculation formulas for alternative performance measures

FORMULAS FOR KEY FIGURES

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

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

Purpose of use of alternative performance measures

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

Net sales from new products and services is presented as alternative performance measure, 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.

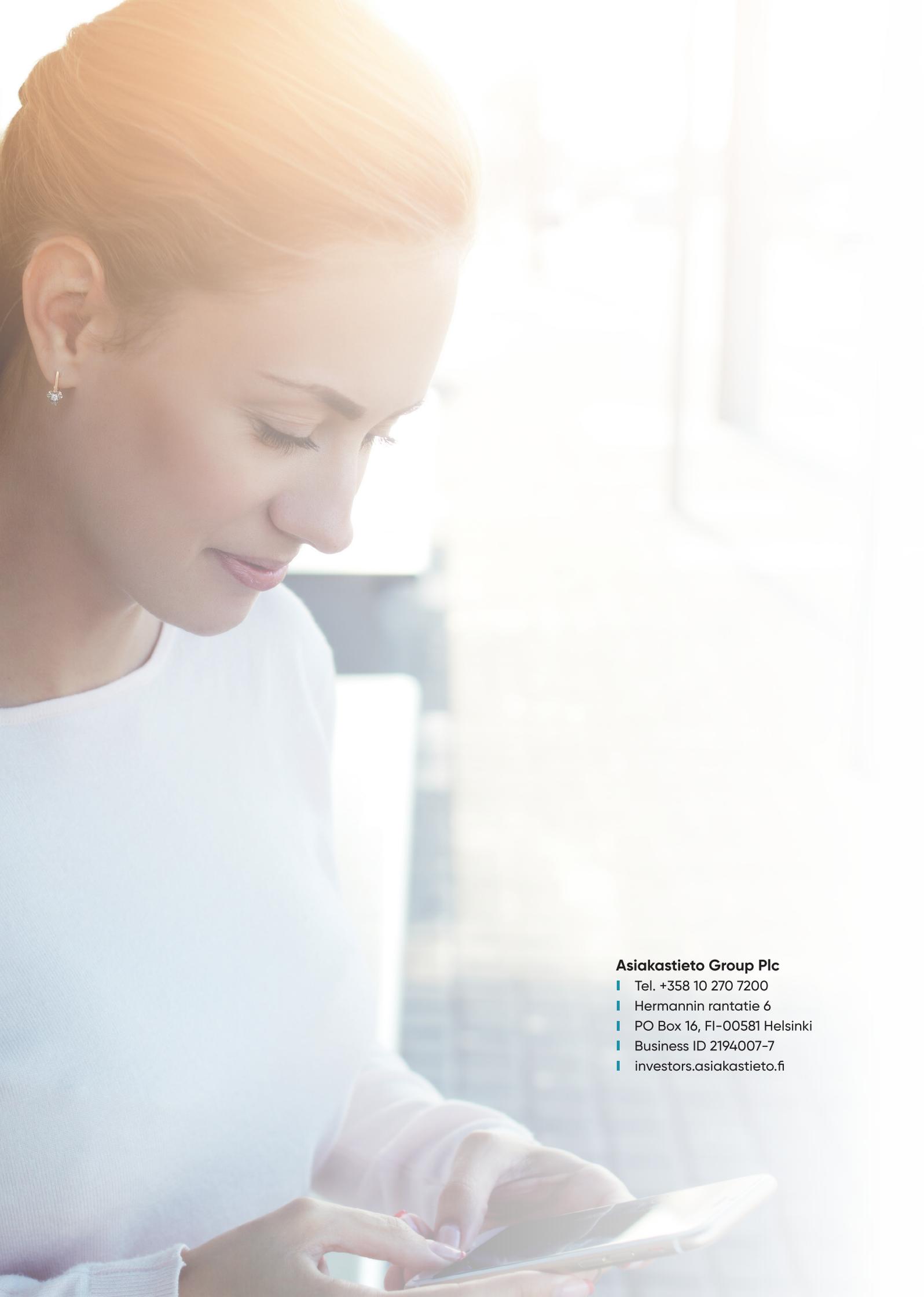
Net debt, net debt to adjusted EBITDA, return on equity and return on capital employed are presented as alternative performance measures, as they are, according to the company's view, useful measures of the Group's ability to obtain financing and pay its debts, and they are frequently used by analysts,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

Quarterly consolidated statements of income

CONSOLIDATED STATEMENT OF INCOME						
EUR thousand	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Net sales	37 638	39 188	36 681	35 565	34 522	35 910
Other operating income	186	161	99	8	25	-11
Materials and services	-6 097	-6 305	-6 435	-6 150	-5 609	-5 912
Personnel expenses	-9 627	-9 486	-8 778	-10 481	-9 828	-9 965
Work performed by the entity and capitalised	689	650	492	510	566	492
<i>Total personnel expenses</i>	<i>-8 938</i>	<i>-8 835</i>	<i>-8 286</i>	<i>-9 972</i>	<i>-9 263</i>	<i>-9 473</i>
Other operating expenses	-10 688	-11 377	-8 735	-8 660	-8 339	-9 111
Depreciation and amortisation	-4 979	-5 070	-4 981	-5 771	-4 681	-4 276
Operating profit	7 122	7 762	8 343	5 021	6 656	7 126
Finance income	250	41	13	90	10	-107
Finance expenses	-646	-808	-692	-701	-827	-686
Finance income and expenses	-396	-767	-679	-611	-818	-793
Profit before income tax	6 726	6 995	7 664	4 410	5 838	6 333
Income tax expense	-1 308	-1 596	-1 686	-877	-1 038	-1 406
Profit for the period	5 419	5 399	5 978	3 533	4 800	4 926
Items that may be reclassified to profit or loss:						
Translation differences on foreign units	-16 237	6 402	-3 491	-4 256	-3 960	717
Hedging of net investments in foreign units	3 518	-1 474	776	996	888	-858
Income tax relating to these items	-704	295	-155	-199	-178	172
	-13 423	5 222	-2 870	-3 460	-3 249	31
Items that will not be reclassified to profit or loss						
Remeasurements of post-employment benefit obligations	-	-3 634	-	-	-	-687
Income tax relating to these items	-	749	-	-	-	142
	-	-2 885	-	-	-	-546
Other comprehensive income for the period, net of tax	-13 423	2 337	-2 870	-3 460	-3 249	-515
Total comprehensive income for the period	-8 004	7 736	3 108	73	1 551	4 411
Profit attributable to:						
Owners of the parent company	5 419	5 399	5 978	3 533	4 800	4 926
Total comprehensive income attributable to:						
Owners of the parent company	-8 004	7 736	3 108	73	1 551	4 411
Earnings per share attributable to the owners of the parent during the period:						
Basic, EUR	0,23	0,23	0,25	0,15	0,20	0,21
Diluted, EUR	0,23	0,22	0,25	0,15	0,20	0,21



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