

PRIVANET

ATTACHMENT TO PRIVANET GROUP OYJ'S FINANCIAL STATEMENT RELEASE 2018

Privanet Group (consolidated)	1-12/2018	1-12/2017	Change	7-12/2018	7-12/2017	Change
	12 months	12 months		6 months	6 months	
Turnover, 1000 EUR	8 292	13 971	-40.65 %	4 042	7 877	-48.69 %
Operating profit/loss, 1000 EUR	-3 368	4 797	-170.22 %	-1 645	2 471	-166.56 %
- share of turnover %	-40.62 %	34.34 %	-74.96	-40.70 %	31.37 %	-72.07
Profit/loss for the accounting period, 1000 EUR	-3 382	3 768	-189.77 %	-1 652	2 266	-172.93 %
- share of turnover %	-40.79 %	26.97 %	-67.76	-40.89 %	28.76 %	-69.65
Earnings per share, EUR	-0.24	0.27	-189.77 %	-0.12	0.16	-172.93 %
Book value of equity per share, EUR	0.77	1.25	-38.14 %	0.77	1.25	-38.14 %
Return on equity (ROE) %	-23.84 %	25.21 %	-49.05	-14.12 %	13.13 %	-27.24
Return on assets (ROA) %	-16.25 %	18.36 %	-34.61	-8.78 %	8.80 %	-17.58
Equity ratio %	63.07 %	71.79 %	-8.72	63.07 %	71.79 %	-8.72
Cost/income ratio	1.25	0.66	90.00 %	1.08	0.66	64.91 %
Average personnel during the accounting period	59	48	22.92 %	59	51	15.69 %
Number of shares at the end of the accounting period	14 054 317	14 054 317	0	14 054 317	14 054 317	0

THE PRINCIPLES FOR CALCULATING THE KEY FIGURES

Operating profit, % of the investment service income

Operating profit x 100

Income from investment services

Profit for the financial period, % of the investment service income

Profit for the period x 100

Income from investment services

Earnings per share, euros

Profit/loss for the period

Period's number of shares

Book value of equity per share, euros

Shareholders' equity at the end of the period

Period's number of shares

Return on equity, %

Operating profit/loss - direct taxes x 100

Average shareholders' equity

Return on assets, %

Operating profit/loss - direct taxes x 100

Average balance sheet total

Equity ratio, %

Shareholders' equity x 100

Balance sheet total

Cost/income ratio (before depreciation and reduction from consolidated goodwill), %

Commission expenses + Interest expenses + Administrative expenses + Depreciation and reduction + Other operating expenses

Income from investment services - Minority interest from the period's result

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INCOME STATEMENT	7-12/2018	7-12/2017	1-12/2018	1-12/2017
Fee and commission income	1 502 484	1 221 441	3 428 288	2 483 175
Net gains from securities and foreign currency transactions*	2 278 871	0	4 464 048	0
Income from equity investments	3 785	0	9 997	39 540
Interest income	119 460	42 201	218 454	85 064
Net income from financial assets at fair value*	0	6 593 230	0	11 306 592
Net income from investment property	70 200	8 570	84 630	-17 107
Other operating income	66 872	12 045	86 522	73 335
INCOME FROM INVESTMENT SERVICES	4 041 672	7 877 486	8 291 938	13 970 599
Fees and commission expenses	-394 854	-835 328	-1 078 099	-1 211 373
Interest expenses	-141 021	-101 776	-280 696	-151 343
Administrative expenses				
Personnel expenses				
Wages and salaries	-1 898 073	-1 835 844	-3 892 747	-3 487 152
Social security expenses				
Pension expenses	-353 082	-344 952	-706 486	-656 921
Other social security expenses	-41 901	-69 078	-93 523	-104 635
Other administrative expenses	-1 477 448	-1 293 293	-3 198 941	-2 364 209
Administrative expenses total	-3 770 503	-3 543 167	-7 891 696	-6 612 917
Depreciation, amortization and impairment of consolidated goodwill	-164 703	-23 687	-329 407	-47 373
Depreciation, amortization and impairment of tangible and intangible assets	-22 539	-29 013	-41 594	-43 663
Other operating expenses	-371 020	-873 072	-723 862	-1 106 961
Impairment losses from other financial assets	-822 016	0	-1 314 933	0
OPERATING PROFIT/LOSS	-1 644 986	2 471 444	-3 368 351	4 796 968
Direct taxes	-7 508	-569 924	-13 899	-1 029 136
Minority share of the profit/loss for the financial period	0	364 426	0	0
PROFIT/LOSS FOR THE FINANCIAL PERIOD	-1 652 494	2 265 946	-3 382 250	3 767 832

* Along with the IFRS 9 that came into effect on 1 January 2018, net income from financial assets is classified in "Net gains from securities and foreign currency transactions" instead of "Net income from financial assets at fair value".

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BALANCE SHEET

31 December 2018 31 December 2017

ASSETS

Receivables from credit institutions		
Payable on demand	461 106	5 627 080
Debt securities	465 014	1 099 038
Shares and participations	12 020 181	7 652 996
Shares and participations in associated companies	34 119	14 808
Intangible assets		
Consolidated goodwill	2 000 132	2 329 539
Other long-term expenses	112 384	121 924
Tangible assets		
Investment property and shares and participations in investment property	451 844	525 284
Other property and shares and participations in investment property corporations	296 259	296 259
Other tangible assets	26 393	32 358
Other assets	1 164 343	6 424 805
Accrued income and prepayments	164 931	299 288
Deferred tax assets	349	349
TOTAL ASSETS	17 197 054	24 423 728

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

Liabilities to credit institutions	489 331	33 200
Liabilities to the public and general government	4 005 361	2 960 000
Other liabilities	526 440	1 719 828
Accrued expenses and deferred income	1 170 050	2 016 962
Deferred tax liabilities	160 082	160 082
TOTAL LIABILITIES	6 351 263	6 890 073

SHAREHOLDERS' EQUITY

Share capital	80 000	80 000
Other restricted reserves		
Fair value reserve		
For valuing into fair value	0	638 930
Unrestricted reserves		
Unrestricted shareholders' invested equity reserve	11 892 958	11 892 958
Retained earnings/loss	5 503 979	4 290 912
Sales and purchases of parent company securities	-16 404	5 823
Distribution of dividend	-3 232 493	-3 142 800
Profit/loss for the financial period	-3 382 250	3 767 832
TOTAL EQUITY	10 845 791	17 533 655
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17 197 054	24 423 728

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CASH FLOW STATEMENT	7-12/2018	7-12/2017	1-12/2018	1-12/2017
Cash flow from business operations				
Operating profit	-1 644 986	2 471 444	-3 368 351	4 796 968
Adjustments to operating profit	228 853	58 431	371 002	91 036
Change in working capital	359 953	-1 921 668	248 844	-2 019 284
Taxes paid	-325 553	44 873	-694 977	-497 202
Cash flow from business operations	-1 381 732	653 079	-3 443 482	2 371 518
Cash flow from investments				
Investments in tangible and intangible assets	-73 110	-27 059	47 350	171 513
Investments in other investments	-23 271	191 192	-22 438	-14 808
Cash flow from investments	-96 381	164 133	24 913	156 705
Cash flow from financing				
Shareholders' equity increases with payment	0	2 002 445	0	2 002 445
Long-term loans raised	494 692	-21 000	4 494 692	2 960 000
Instalments of long-term loans	0	-3 600	-2 993 200	-2 822 200
Sales and purchases of parent company securities	-10 833	1 592	-16 404	5 823
Dividends paid and other profit distribution	0	0	-3 232 493	-3 142 800
Cash flow from financing	483 858	1 979 436	-1 747 405	-996 733
Change in cash and cash equivalents	-994 255	2 796 650	-5 165 975	1 531 491
Cash and cash equivalents on 1 July and 1 January	1 455 360	2 830 430	5 627 080	4 095 589
Cash and cash equivalents on 31 December	461 106	5 627 080	461 106	5 627 080

The change in working capital includes the changes in the balance sheet value of debt securities and shares and participations adjusted with fair value entries.

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CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Fair value reserve	Unrestricted shareholders' invested equity reserve	Retained earnings	Minority share	Total equity
Equity on 1 January 2017	80 000	127 158	7 418 083	4 626 613	102 406	12 354 260
Purchases of own securities				-836 324		-836 324
Sales of own securities				842 146		842 146
Increase in shareholders' equity			4 474 876	-335 702	-102 406	4 036 768
Change in fair value		511 773				511 773
Distribution of dividend				-3 142 800		-3 142 800
Profit/loss for the period				3 767 832		3 767 832
Equity on 31 December 2017	80 000	638 930	11 892 958	4 921 766	0	17 533 655

	Share capital	Fair value reserve	Unrestricted shareholders' invested equity reserve	Retained earnings	Minority share	Total equity
Equity on 1 July 2017	80 000	483 486	7 418 083	2 989 930	466 818	11 438 317
Purchases of own securities				-138 506		-138 506
Sales of own securities				140 097		140 097
Increase in shareholders' equity			4 474 876	-335 702	-466 818	3 672 356
Change in fair value		155 445				155 445
Distribution of dividend						0
Profit/loss for the period				2 265 946		2 265 946
Equity on 31 December 2017	80 000	638 930	11 892 958	4 921 766	0	17 533 655

	Share capital	Fair value reserve	Unrestricted shareholders' invested equity reserve	Retained earnings	Minority share	Total equity
Equity on 1 January 2018	80 000	638 930	11 892 958	4 921 766	0	17 533 655
Purchases of own securities				-679 902		-679 902
Sales of own securities				663 498		663 498
Increase in shareholders' equity				-56 717		-56 717
Change in fair value		-638 930		638 930		0
Distribution of dividend				-3 232 493		-3 232 493
Profit/loss for the period				-3 382 250		-3 382 250
Equity on 31 December 2018	80 000	0	11 892 958	-1 127 167	0	10 845 791

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	Share capital	Fair value reserve	Unrestricted shareholders' invested equity reserve	Retained earnings	Minority share	Total equity
Equity on 1 July 2018	80 000	0	11 892 958	592 876	0	12 565 835
Purchases of own securities				-422 692		-422 692
Sales of own securities				411 859		411 859
Increase in shareholders' equity				-56 717		-56 717
Change in fair value				0		0
Distribution of dividend				0		0
Profit/loss for the period				-1 652 493		-1 652 493
Equity on 31 December 2018	80 000	0	11 892 958	-1 127 167	0	10 845 791