Enento Group

2020 Board of Directors' Report and Financial Statements

This publication includes the Board of Directors' Report including a report on non-financial information, the Financial Statements including Notes to the Financial Statements, the Auditor's Report and the Corporate Governance Statement.

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Business Overview

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

The Annual General Meeting of 12 June 2020 resolved to amend the Company's Articles of Association regarding the trade name. The Annual General Meeting resolved to amend the trade name of the company to be Enento Group Plc.

Enento Group did not make any acquisitions during the financial year 1 January–31 December 2020. Enento 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 Enento Group Plc's consolidated balance sheet and income statement starting from 1 July 2019.

Enento 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.

Enento 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. The Group has a strong track record of developing and launching new products and services.

Enento 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.

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

Enento Group's net sales in the financial year 2020 amounted to EUR 151,3 million (EUR 146,0 million) and increased by 3,7 % compared with corresponding period of the previous year. Net sales from new products and services were EUR 8,5 million (EUR 5,9 million), which was 5,6 % (4,0 %) of the total net sales for the financial year. Net sales growth was mainly attributable to the strong development of the SME and Consumers business area, driven by the Proff acquisition and online consumer services in Sweden, and the rapid growth of the Digital Processes business area in both markets. The negative development of the demand for consumer-related risk management services in the Risk Decisions business area due to effects related to the COVID-19 pandemic in both Finland and Sweden had a substantial negative impact on the development of net sales for the Group as a whole.

Financial Results

Enento Group's operating profit (EBIT) for the financial year 2020 amounted to EUR 27,8 million (EUR 27,8 million). Operating profit included items affecting comparability of EUR 4,9 million (EUR 3,3 million), mainly arising from an arbitration institute decision regarding an additional payment related to the Proff acquisition, costs associated with the arbitration process and other M&A related expenses as well as amortisation from fair value adjustments related to acquisitions of EUR 12,3 million (EUR 11,6 million).

The adjusted EBIT margin for the financial year 2020 increased year-on-year. The development of profitability during the financial year was significantly supported by cost synergies as well as the implementation of the fixed cost adjustment programme planned for the financial year and announced by the Group in March. The growth of profitability was tempered by the acquired Proff business having a diluting effect on the EBIT margin, the marketing investments made in growing the sales of continuous subscription services and the Group's brand renewal. 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 2020 amounted to EUR 21,3 million (EUR 20,5 million). Of the depreciation and amortisation, EUR 12,3 million (EUR 11,6 million) resulted from amortisation from fair value adjustments related to the acquisitions.

Net financial expenses for the financial year 2020 were EUR 2,7 million (EUR 2,9 million).

The tax amount booked by the Group as expense for the financial year 2020 was EUR -5,6 million (EUR -5,2 million)

The Group's profit for the financial year 2020 was EUR 19,4 million (EUR 19,7 million).

Cash Flow

Cash flow from operating activities in the financial year 2020 amounted to EUR 40,9 million (EUR 41,9 million). The effect of the change in the Group's working capital on cash flow was EUR 0,4 million (EUR 1,6 million). The impact of items affecting comparability on operating cash flow was EUR -4,4 million (EUR -2,7 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 -0,5 million (EUR -1,1 million) during the review period.

The Group paid EUR 5,7 million (EUR 4,9 million) in taxes in the financial year 2020.

Cash flow from investing activities for the review period amounted to EUR -10,3 million (EUR -19,4 million). The cash flow from investing activities consisted of acquisitions of intangible assets and property, plant and equipment.

Cash flow from financing activities for the financial year 2020 amounted to EUR -24,9 million (EUR -35,0 million). The cash flow from financing activities for the review period consisted of capital repayment and repayments of lease liabilities (IFRS 16).

Statement of financial position

On 31 December 2020, the Group's total assets were EUR 552,5 million (EUR 543,3 million), total equity amounted to EUR 315,1 million (EUR 310,7 million) and total liabilities to EUR 237,5 million (232,6 million). Of the total liabilities, EUR 167,0 million (EUR 166,2 million) were non-current interest-bearing liabilities, EUR 23,2 million (EUR 24,1) deferred tax liabilities, EUR 8,5 million (EUR 7,9) non-current pension liabilities, EUR 2,2 million (EUR 2,3 million) current interest-bearing lease liabilities and EUR 36,6 million (EUR 32,1 million) current, non-interest-bearing liabilities. Goodwill amounted to EUR 358,2 million (EUR 351,4 million) at the end of the financial year.

Enento Group's cash and cash equivalents at the end of the financial year 2020 were EUR 26,2 million (EUR 20,4 million), and net debt was EUR 143,0 million (EUR 148,1 million).

Capital expenditure

The majority of Enento 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 capital expenditure in 2020 totalled EUR 12,0 million (EUR 12,4 million). Capital expenditure on intangible assets in 2020 was EUR 11,1 million (EUR 11,6 million) and capital expenditure on tangible assets was EUR 0,9 million (EUR 0,8 million).

Research and Development

The product development activities of Enento Group involve development of the product and service offering. In 2020, the capitalised development and software costs of the Group amounted to EUR 11,1 million (EUR 11,6 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 2020.

Personnel

At the end of the financial year, Enento Group had a total of 425 (422) employees, of whom 173 (172) were employed by the Group companies in Finland, 205 (210) by the Swedish subsidiary, 45 (39) by the Norwegian subsidiary and 2 (1) by the Danish subsidiary. Of the Group's personnel, 3 (6) worked in management, 170 (115) in business areas, 120 (167) in Sales Units and Marketing and Communications, 94 (95) in IT and Technology and 38 (39) in Finance and HR. The table below presents Enento Group's number of employees as well as wages and salaries for 2018–2020.

Key figures describing the Group's personnel

Personnel	2020	2019	2018
Average number of personnel	430	428	315
Full time	417	417	305
Part time and temporary	13	11	10
Geographical distribution			
Finland	176	162	162
Sweden	207	246	153
Norway	45	19	–
Denmark	2	1	–
Wages and salaries for the financial year (EUR million)	27,4	28,5	20,2

The Group's personnel expenses for the financial year 2020 amounted to EUR 36,8 million (EUR 38,6 million). This figure includes an accrued cost of EUR 0,7 million (EUR 0,9 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.

Enento Group Plc and UC Affärsfakta AB signed an agreement regarding the outsourcing of Affärsfakta's telesales operations on 14 May 2019. Enento 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.

Shares and shareholders

Enento Group Plc 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 13 769 new shares were subscribed for in Enento 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.

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 24 007 061 (23 993 292).

The Company did not hold any of its own shares at the end of the financial year. The Annual General Meeting of Shareholders on 12 June 2020 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 28 March 2019. The maximum amount corresponds to approximately 6,2 % 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 6 757 380 (2 509 597) shares were traded, and the total value of the exchanged shares was EUR 215,1 million (EUR 66,6 million). The highest share price during the financial year was EUR 40,30 (EUR 34,70), the lowest price was EUR 24,20 (EUR 22,00), the average price was EUR 31,83 (EUR 26,56) and the closing price was EUR 33,60 (EUR 31,50). Market capitalisation measured at the closing price of the financial year was EUR 806,6 million (EUR 755,8 million).

Shareholders

According to the book-entry securities system, the Company had 3 070 (2 726) shareholders, including 8 (8) nominee-registered shareholders, on 31 December 2020. A list of the largest shareholders is available on the Company's investor pages at enento.com/investors.

Significant shareholders on 31 December 2020

	Shareholder	Number of shares	% of shares
1	Skandinaviska Enskilda Banken AB (Publ) Helsinki Branch[1]	6 931 368	28,87
2	Sampo Plc	2 920 000	12,16
3	Skandinaviska Enskilda Banken AB (Publ)	2 441 920	10,17
4	Nordea Bank ABP	2 303 315	9,59
5	Nordea Bank ABP[1]	2 096 317	8,73
6	Fjarde AP-Fonden	678 132	2,82
7	Mutual Pension Insurance Company Ilmarinen	655 000	2,73
8	SR Danske Invest Finland Equity	546 624	2,28
9	Mutual Pension Insurance Company Elo	461 455	1,92
10	Mutual Fund Nordea Nordic Small Cap	404 561	1,69
11	Mutual Pension Insurance Company Kaleva	370 907	1,54
12	Mutual Pension Insurance Company Elo	345 000	1,44
13	Mutual Fund Evli Finnish Small Cap	248 500	1,04
14	Clearstream Banking S.A.[1]	212 659	0,89
15	Church Pension Fund	199 308	0,83
16	Föreningen Konstsamfundet r.f.	190 000	0,79
17	Danske Bank A/S Finnish branch[1]	165 044	0,69
18	SEB Finland Small Cap	156 848	0,65
19	OP-Finland Mutual Fund	154 842	0,64
20	Mutual Fund Säästöpankki Kotimaa	143 262	0,60
	20 largest shareholders total	**21 625 062**	**90,08**
	All shares	**24 007 061**	**100,00**

[1] Nominee-registered.

Shareholder structure by sector, 31 December 2020

Sector	Number of shareholders	% of shareholders	Number of shares	% of shares
Finance and insurance institutions	38	1,24 %	8 659 466	36,07 %
Foreign shareholders	11	0,36 %	11 867 109	49,43 %
General government	9	0,29 %	1 569 445	6,54 %
Households	2 639	85,96 %	952 195	3,97 %
Companies and housing companies	282	9,19 %	661 733	2,76 %
Non-profit organisations	91	2,96 %	297 113	1,24 %
Total	**3 070**	**100 %**	**24 007 061**	**100 %**

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 2020

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
Parhiala Minna	0
Related party's ownership	0
Total	**18 000**

Management	Number of shares
Ruuska Jukka, CEO	82 356
Related party's ownership	0
Hane Siri	2 095
Related party's ownership	0
Karemo Mikko	10 590
Related party's ownership	0
Koivula Heikki	16 029
Related party's ownership	0
Olofsson Jörgen	1 144
Related party's ownership	0
Preger Victoria	2 145
Related party's ownership	0
Stråhlman Elina	2 250
Related party's ownership	0
Werner Karl-Johan	2 145
Related party's ownership	0
Ylipekkala Heikki	4 250
Related party's ownership	0
Öhlander Eleonor	2 145
Related party's ownership	0
Total	**125 149**

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.

Enento Group Plc's Annual General Meeting held on 12 June 2020 confirmed the financial statements and discharged the Board members and CEO from liability for the financial year ended 31 December 2019. The Annual General Meeting resolved that the Chairperson of the Board of Directors be remunerated EUR 51 000 annually and that the members of the Board of Directors be remunerated EUR 36 000 annually. In addition, an attendance fee of EUR 500 is paid for attending a Board meeting. For attending the Board Committee meetings, the Chairpersons of the Committees will be remunerated EUR 500 per meeting and the Committee members will be remunerated EUR 400 per meeting.

In accordance with the proposal of the Shareholders' Nomination Board, the Annual General Meeting of 12 June 2020 re-elected Petri Carpén, Patrick Lapveteläinen, Carl-Magnus Månsson, Martin Johansson and Tiina Kuusisto as members of the Board of Directors. Minna Parhiala was elected as a new member of the Board of Directors. Following these elections, the Board of Directors consisted of six members. In its organisational meeting held on 12 June 2020, the Board of Directors elected Patrick Lapveteläinen as the Chairman of the Board. The Board of Directors met 10 times in 2020. In addition, on three occasions, 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 12 June 2020, the Board of Directors re-nominated Petri Carpén, Carl-Magnus Månsson and Martin Johansson as members of the Audit Committee. Petri Carpén continued as the Chairman of the Audit Committee.

The Nomination and Remuneration Committee consists of at least three members. On 12 June 2020, the Board of Directors decided not to appoint the Nomination and Remuneration Committee.

Authorisations of the Board of Directors

Share issue authorisation 12 June 2020

The Annual General Meeting of Shareholders held on 12 June 2020 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.

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 close of the Annual General Meeting, until 12 December 2021. The authorisation replaced the corresponding authorisation issued to the Board of Directors by the Annual General Meeting held on 28 March 2019.

Enento 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 13 769 new Enento 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 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.

Enento Group Plc's Board of Directors decided on 12 February 2021 on a directed share issue related to the reward payment from the performance period 2018–2020 of the Matching Share Plan 2018. In the share issue, approximately 28 000 new Enento 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 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 12 June 2020.

Authorisation for repurchasing own shares 12 June 2020

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. 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 12 December 2021. The authorisation replaced the corresponding share repurchase authorisation issued to the Board of Directors by the Annual General Meeting held on 28 March 2019. The authorisation has not been used as of 12 February 2021.

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 2020. At the end of the financial year 2020, 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).

Auditor

Authorised Public Accountants PricewaterhouseCoopers Oy served as the Company's auditor in 2020. The auditor in charge was Martin Grandell, Authorised Public Accountant.

Loans, Liabilities and Commitments to Third Parties

Enento Group Plc has 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. The agreement consists of a term loan of EUR 160 million and a revolving credit facility of EUR 20 million. The Company took out the term loan partly in EUR and partly in SEK in accordance with the terms of the loan agreement. At the end of the financial year, the Company had used EUR 0 (EUR 0 million) of its credit facility. The loans will mature in one instalment in October 2023.

To facilitate efficient cash management in the Group, a multi-currency cash pool arrangement has been implemented with Danske Bank A/S. An overdraft of EUR 15,0 million is included in the cash pool arrangement. The overdraft had not been utilised on 31 December 2020.

Enento Group's cash and cash equivalents on 31 December 2020 amounted to EUR 26,2 million (EUR 20,4 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, Enento Group consisted of Enento Group Plc, its wholly-owned subsidiaries Suomen Asiakastieto Oy, Emaileri Oy, Proff AS and Proff ApS as well as UC AB and its wholly-owned subsidiaries UC Affärsinformation AB and Proff AB.

Enento 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.

Enento Group's organisation consists of two types of units: business areas and functional units. 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 Enento Group. On 16 August 2019, Enento Group Plc announced it had received a claim for additional compensation from Eniro AB in relation to Enento's acquisition of Proff companies from Eniro's subsidiaries Eniro Sverige AB, Eniro Holding AS and Eniro Danmark A/S. Eniro presented 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 transaction was announced on 20 May 2019 and it entered into effect on 1 July 2019. Enento Group deemed the claim to be without any merit.

The dispute was settled by the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitration award was given on 1 October 2020 and, according to the award, Enento Group paid Eniro SEK 23,713,421 and interest until the payment date and costs relating to the arbitration for EUR 131,874. Enento Group presented the awarded payment in items affecting comparability in the fourth quarter of 2020.

Enento Group was not party to any other material litigation or administrative proceeding in 2020 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.

Events after the reporting date

On 14 January 2021, Enento Group Plc announced its plan of changing the business area structure and creating a new Data and Analytics unit. The change in the organisational structure is aimed at enabling faster and smoother strategy implementation and highlighting the importance of data and analytics.

Enento Group currently has four business areas: Risk Decisions, Customer Data Management, SME & Consumers and Digital Processes. The new organisational structure consists of three business areas: Business Insight, Consumer Insight and Digital Processes. These new business areas replace the current ones (Risk Decisions, Customer Data Management and SME and Consumers), with the Digital Processes business area remaining unchanged.

Heikki Koivula, the Director of the current Risk Decisions business area, will be in charge of the new Business Insight business area. Siri Hane, the Director of the current SME and Consumers business area, will be in charge of the new Consumer Insight business area. During Siri Hane's parental leave, Gabriella Göransson (Head of Risk Decisions Sweden) will deputise for Siri Hane during the period 1 April – 1 October 2021. During this period, Gabriella Göransson will also be a member of Enento Group's Executive Team. Heikki Ylipekkala will remain in charge of the Digital Processes business area.

The new Consumer Insight business area will focus on customer-driven consumer information services, while the new Business Insight business area will focus on business information services.

The new Data and Analytics functional unit will be led by Chief Data & Analytics Officer Karl-Johan Werner. The current Customer Data Management business area led by Karl-Johan Werner will be included in the new business areas. Karl-Johan Werner will continue as a member of Enento Group's Executive Team.

The organisational change does not include any plans for personnel redundancies, but it does require statutory cooperation negotiations in Finland and Sweden. The negotiations will begin immediately. The new organisational structure will enter into effect on 1 April 2021.

Report on non-financial information

Enento Group's Board of Directors and management are responsible for the management of corporate responsibility. Enento Group complies with laws and regulations of 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. All the partners must also conform to the laws and agreements. The Code of Ethics, along with key Group-level policies and guidelines, is published online on the Company's investor pages.

Enento Group's business model and governance

Enento Group's mission is to maintain and build trust in the markets: in trading and the concluding of 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 Enento Group's Nordic databases of up-to-date information on companies and consumers. The digital services refined from this data improve the efficiency of customers' operations, increase responsibility and reduce the Group's carbon footprint.

The Group's operations are guided by

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

The quality management system of Suomen Asiakastieto Oy, a subsidiary of Enento Group Plc, has been certified since 2015 and the certificate has been subsequently renewed in 2018 and January 2021. In the certification audit, the system was found to be compliant with the 9001:2015 standard and the certificate is valid for three years. The key processes defined in the system are related to the customer-driven development and management of products and services. The performance indicators of the quality management system are the results of the audits, which monitor, for example, development measures, best practices, quality deviations and quality accidents. There were eight implemented development measures and six identified best practices in 2020. There were 11 quality deviations and seven quality accidents observed in the audits. Corrective measures and their follow-up measures have been prepared to remedy the above-mentioned defects.

Enento Group's strategy 2020–2023 and sustainability

Enento Group's Board of Directors approved the Group's new strategy for 2020–2023 on 8 May 2020. The Group aims for growth and increased profitability by strengthening its current position and seizing new opportunities within credit information, business information and the digitalisation of data-related processes. Focusing on innovation, building a future-fit innovative organisation and developing a Nordic IT platform will enable Enento to achieve these goals.

Enento has three main goals for the strategy period: to retain and strengthen its leading position in the credit information business, to become the number-one choice in data-driven business processes as a service, and to become the leader in business information.

Sustainability is at the core of Enento's business. The Group contributes to sustainability in society by, for example, preventing over-indebtedness and helping customers make responsible and sustainable decisions. The aim is to create a broad Nordic offering of sustainability services to support customers' decision-making. Enento has set a group-level target of zero net emissions by 2023.

Environmental issues

The Group's emission target is ambitious, and it can only be achieved by comprehensively specifying and calculating the Group's total carbon footprint. The carbon footprint calculation provides an understanding of the Group's emission sources and amounts. Based on the calculation, practical measures will be selected to achieve the net zero emission target and monitor progress. The specification and calculation effort has begun in partnership with the Sweden-based consulting company GoClimate. Enento Group will publish a separate sustainability report on 2020 by the end of the second quarter of 2021.

The carbon footprint of Enento Group's own operations is low. The Group's overall impact on society is very positive. Prior to the COVID-19 pandemic, the most significant environmental impacts arose from business travel, the energy consumption of offices and IT service production. There are no significant risks associated with the Group's environmental aspects.

Enento 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, district cooling and waste management on a monthly basis. More detailed figures comparing 2019 and 2020 will be published in Enento Group's separate sustainability report.

Due to the nature of Enento Group's digital service production, data processing accounts for part of the Group's overall emissions. The equipment in the data centre environment in Finland are mainly virtualised and placed in a large data centre complex, which makes it possible to minimise the overall energy consumption. The data centre complex in Finland switched to renewable energy at the beginning of 2021. All three of the Group's data centres in Sweden also use renewable energy, which means that their carbon dioxide (CO2) emissions are zero. More detailed annual comparison figures will be published in Enento Group's separate sustainability report.

Social and employee-related issues

In 2020, the number of people employed by Enento Group was 425, of whom 173 worked in the Finnish companies, 205 in the Swedish companies, 45 in the Norwegian company and two in the Danish company.

Enento Group emphasises competence development, community spirit as well as the development of leadership and management in its approach to social responsibility. The Group's goal is to be an attractive employer that offers interesting jobs for people representing various competence backgrounds. Enento Group offers opportunities for employees to develop their expertise or management skills and seek new roles inside the Group within its Nordic offices. Recruitment is a separate process supported by a separate recruitment system.

The Group ensures the fulfilment of its social responsibility through 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, Remote Work 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' commitment to work and well-being at work. In 2020, the Group established Learning Organisation guidelines with the aim of establishing a Nordic work community in which each employee receives encouragement and support to help them achieve professional growth and success together with their colleagues. In 2020, the HR team also worked on a Nordic competence and development model that will help the Group perform even better with respect to the recruitment of new talent as well as the development of employee competence.

The Group continued to implement the Nordic Supervisor Training Programme, which supports supervisors with regard to change management, self-awareness, a coaching style of management and team leadership. This programme has also played a significant role in building a unified team of supervisors. The Grow Talk discussion process is part of the supervisor training programme. Grow Talk discussions start with an annual personal 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 Enento Group continued to operate in 2020. The Nordic Activity Group consists of active employees who plan and implement activities that promote team spirit and well-being at work throughout the year.

The most recent Trust Index survey results showed that being a friendly workplace is one of Enento Group's biggest strengths. Furthermore, 86% of the employees felt that working at Enento has a positive impact on society. Suomen Asiakastieto Oy and UC AB are now Great Place to Work certified companies.

Ensuring information security and privacy protection

Respecting privacy and ensuring information security are at the very core of Enento Group's operations and services. The Group processes data with care and in full compliance with the law, and privacy protection is ensured in the processing of personal data. Information security, privacy and confidentiality are addressed in the Group's Code of Ethics, Information Security Policy and Safety Policy. Furthermore, the confidentiality obligation is included in the employment agreement.

Respect for human rights

Enento Group operates in the Nordic countries, where respect for human rights and equal treatment of people are generally at a very high level. At Enento 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 2020.

The Group has a whistleblowing channel to enable employees to report suspected violations anonymously.

Anti-corruption and bribery

Enento 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 2020.

Risks and uncertainties

Enento 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 Enento Group's business, financial situation, performance and future outlook.

Market and strategic risks

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 Enento 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.

Enento 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 digital 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 Enento 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 2020. 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 Enento 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 Enento 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 Enento 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, Enento 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 or the synergies and advantages expected of the acquisitions.

In the future, the Group may also seek growth through M&A transactions or provide 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.

Enento 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, Enento 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 Enento Group's ability to offer its products and services to its customers.

Enento 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.

Enento Group has invested and will continue to invest in its technical infrastructure, including equipment and software. If Enento 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 Enento 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 Enento 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 Enento 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. Enento 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 Enento 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.

Enento 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 Enento 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.

Enento 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.

Enento Group is exposed to various financial 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 Enento Group has adopted long-term financial targets and dividend policy for the Group. The long-term financial targets are:

- *Growth:* 5 to 10 per cent annual average net sales growth
- *Profitability:* Adjusted EBITDA growth rate exceeding net sales growth rate
- *Balance sheet structure:* Net debt to Adjusted EBITDA below 3x while maintaining 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 Enento Group's future earnings, financial condition, cash flows, investment needs, solvency and other factors.

Enento Group distributed funds to its shareholders totalling EUR 22 807 thousand for the financial year 2019 and EUR 22 794 for the financial year 2018. The dividend and capital repayment was EUR 0,95 per share for both the financial year 2019 and the financial year 2018.

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 2020, the distributable funds of the Group's parent company amounted to EUR 390 594 628,13, of which the profit for the financial year was EUR 23 332 702,86. The Board of Directors proposes to the Annual General Meeting convening on 29 March 2021 that funds amounting to EUR 0,95 per share, total EUR 22 806 707,95, 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 2020 as follows:

	EUR / share	EUR
From the invested unrestricted equity reserve as a repayment of capital	0,95	22 806 707,95
To be retained in unrestricted equity		367 787 920,18
Total		**390 594 628,13**

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 2021. The Board of Directors proposes that the funds be paid on 12 April 2021.

The remunerations to be paid on the basis of the Company's management's long-term incentive plan 2018–2020 are further expected to result in the issuance of approximately 28 000 new shares in Enento Group Plc, entitling to the distribution of funds from the financial year 2020. Thus, the proposed total amount of distributed funds would increase by approximately EUR 27 000.

Future outlook

- *Net Sales:* Enento Group expects its net sales growth in 2021 to be in the long-term target range (5-10%) but somewhat lower than the mid-point of the target range.
- *EBITDA:* Enento Group expects its adjusted EBITDA margin to improve somewhat in 2021 compared to previous year.
- *Capital Expenditure:* Enento Group expects its capitalised product development and software expenses in 2021 to exceed the previous year's level.

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

The future outlook is subject to risks related to, among other factors, the economic development of Enento Group's countries of operation and the development of the Group's business operations. The most significant risks related to business operations include, for example, risks related to the success of product and service development activities, launches of new products and services and risks related to competitive tenders and to losing significant customer accounts.

Key financial information for the Group

Key income statement and cash flow figures and ratios

EUR million (unless otherwise mentioned)	2020	2019	2018
Net sales	151,3	146,0	98,1
EBITDA	49,1	48,3	26,7
EBITDA margin, %	32,5	33,1	27,2
Adjusted EBITDA	54,0	51,5	36,1
Adjusted EBITDA margin, %	35,7	35,3	36,8
Operating profit (EBIT)	27,8	27,8	16,7
Operating profit (EBIT) margin, %	18,4	19,0	17,0
Adjusted EBIT[1]	45,0	42,6	32,0
Adjusted EBIT margin, %[1]	29,7	29,2	32,7
Free cash flow[3]	32,6	32,1	15,9
Cash conversion, %[4]	66,3	66,4	59,6
Net sales from new products and services[2]	8,5	5,9	8,6
New products and services of net sales, %[2]	5,6	4,0	8,8

Key balance sheet ratios

EUR million (unless otherwise mentioned)	2020	2019	2018
Balance sheet total	552,5	543,3	545,9
Net debt	143,0	148,1	137,0
Net debt to adjusted EBITDA, x4	2,6	2,9	n/a
Return on equity, %	6,2	6,2	5,4
Return on capital employed, %	5,8	5,8	5,2
Equity ratio, %	58,3	58,3	59,6
Gearing, %	45,4	47,7	42,6
Gross investments	12,0	12,4	5,6

[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.

[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. 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.

[4] Resulting from the effect of the UC acquisition on the Group'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.

Share-related key figures

EUR (unless otherwise stated)	2020	2019	2018
Earnings per share, basic	0,81	0,82	0,56
Earnings per share, diluted	0,81	0,82	0,56
Earnings per share, comparable[5]	1,21	1,20	0,78
Equity per share	13,12	12,95	16,39
Dividend per share	0,95	0,95	0,95
Dividend per earnings, %	117,3	115,9	170,6
Effective dividend yield, %	2,8	3,0	3,9
Price per earnings	41,5	38,4	44,2
Share price development			
Average price	31,83	26,56	27,82
Highest price	40,30	34,70	32,60
Lowest price	24,20	22,00	21,10
Closing price	33,60	31,50	24,60
Market capitalisation, EUR million	806,6	755,8	589,3
Trading volume, pcs	6 757 380	2 509 597	3 533 838
Trading volume, %	28,15	10,5	18,0
Adjusted number of shares			
Weighted average during financial year	24 004 917	23 986 073	19 603 022
At the end of the financial year	24 007 061	23 993 292	23 953 964
Number of shares adjusted for share issue, diluted			
Weighted average during financial year	24 029 391	24 013 292	19 649 487
At the end of the financial year	24 031 536	24 020 511	24 000 429

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

Alternative performance measures used in financial reporting

Enento 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 Measures[1].

Enento 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. 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

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

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 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*
  Net sales of new products and services include the total sales of products launched during the past 24 months. 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 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 to adjusted EBITDA
  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 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 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	2020	2019	2018
Operating profit	**27 816**	**27 782**	**16 704**
Amortisation from fair value adjustments related to acquisitions	12 252	11 572	5 915
Items affecting comparability			
M&A and integration related expenses	1 984	1 961	7 266
Redundancy payments	161	1 202	1 935
Additional payment for acquisition, arbitration institute decision	2 264	–	–
External expenses arising from significant regulatory changes	–	–	142
Compensation paid for damages	–	–	80
Legal actions	481	99	–
Total items affecting comparability	4 890	3 263	9 424
Adjusted operating profit	**44 958**	**42 616**	**32 042**

EBITDA and adjusted EBITDA

EUR thousand	2020	2019	2018
Operating profit	**27 816**	**27 782**	**16 704**
Depreciation and amortisation	21 311	20 503	9 995
EBITDA	**49 127**	**48 284**	**26 699**
Items affecting comparability			
M&A and integration related expenses	1 984	1 961	7 266
Redundancy payments	161	1 202	1 935
Additional payment for acquisition, arbitration institute decision	2 264	–	–
External expenses arising from significant regulatory changes	–	–	142
Compensation paid for damages	–	–	80
Legal actions	481	99	–
Total items affecting comparability	4 890	3 263	9 424
Adjusted EBITDA	**54 017**	**51 547**	**36 122**

Free cash flow

EUR thousand	2020	2019	2018
Cash flow from operating activities	**40 912**	**41 920**	**19 527**
Paid interest and other financing expenses	2 593	2 755	2 092
Received interest and other financing income	-50	-201	-7
Acquisition of tangible assets and intangible assets	-10 875	-12 417	-5 691
Free cash flow	**32 579**	**32 057**	**15 921**

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) external expenses arising from significant regulatory changes, iv) compensation paid for damages and (v) legal actions.
Adjusted EBITDA	Operating margin + items affecting comparability.
Adjusted operating profit (EBIT)	Operating profit excluding amortisation from fair value adjustments related to 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 24 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, %	$\frac{\text{Profit for the period attributable to the owners of the parent company divided by weighted average number of shares in issue taken into consideration the possible impact of the Group's management's long-term incentive plan}}{\text{Total assets – advances received}} \times 100$
Dividend / 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 / 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.–31.12.2020	1.1.–31.12.2019
Net sales	6	**151 317**	**145 957**
Other operating income	7	649	293
Materials and services	8	-25 442	-24 499
Personnel expenses	9	-36 815	-38 574
Work performed by the entity and capitalised		2 732	2 218
Total personnel expenses		-34 083	-36 356
Other operating expenses	10	-43 314	-37 111
Depreciation and amortisation	11	-21 311	-20 503
Operating profit		**27 816**	**27 782**
Finance income	12	271	154
Finance expenses	12	-2 998	-3 029
Finance income and expenses		-2 728	-2 875
Profit before income tax		**25 088**	**24 906**
Income tax expense	13	-5 640	-5 197
Profit for the financial year		**19 448**	**19 710**

	Note	1.1.–31.12.2020	1.1.–31.12.2019
Items that may be reclassified to profit or loss:			
Translation differences on foreign units		9 878	-5 305
Hedging of net investments made in foreign units		-2 603	1 186
Income tax relating to these items		521	-237
		7 795	**-4 357**
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	22	-292	-3 634
Income tax relating to these items		60	749
		-232	**-2 885**
Other comprehensive income for the financial year, net of tax		**7 564**	**-7 242**
Total comprehensive income for the financial year		**27 012**	**12 467**
Profit attributable to:			
Owners of the parent company		19 448	19 710
Total comprehensive income attributable to:			
Owners of the parent company		27 012	12 467
Earnings per share attributable to the owners of the parent during the financial year:			
Basic, EUR	14	0,81	0,82
Diluted, EUR	14	0,81	0,82

Consolidated Statement of Financial Position

EUR thousand	Note	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Goodwill	15	358 233	351 368
Other intangible assets	15	132 972	135 460
Property, plant and equipment	16	2 084	2 356
Right-of-use assets	16	7 489	9 591
Deferred tax assets	24	486	740
Financial assets and other receivables	17	76	86
Total non-current assets		**501 339**	**499 601**
Current assets			
Account and other receivables	18	25 030	23 328
Cash and cash equivalents	20	26 164	20 361
Total current assets		**51 194**	**43 688**
Total assets		**552 533**	**543 289**

EUR thousand	Note	31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	21	80	80
Invested unrestricted equity reserve	21	317 367	340 173
Translation differences		8 202	407
Accumulated losses	21	-10 575	-29 985
Equity attributable to owners of the parent		**315 073**	**310 675**
Share of equity held by non-controlling interest		0	0
Total equity		**315 073**	**310 675**
Liabilities			
Non-current liabilities			
Financial liabilities	23	166 960	166 225
Pension liabilities	22	8 465	7 915
Deferred tax liabilities	24	23 213	24 137
Total non-current liabilities		**198 638**	**198 277**
Current liabilities			
Financial liabilities		2 458	2 276
Advances received	25	12 075	10 247
Account and other payables	25	24 289	21 814
Total current liabilities		**38 822**	**34 337**
Total liabilities		**237 459**	**232 614**
Total equity and liabilities		**552 533**	**543 289**

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 interests	Total equity
Equity at 1.1.2020	**80**	**340 173**	**407**	**-29 985**	**310 675**	**0**	**310 675**
Profit for the period	-	-	-	19 448	19 448	-	19 448
Other comprehensive income for the period							
Hedging of net investments	-	-	-2 082	-	-2 082	-	-2 082
Defined benefit plans	-	-	-	-232	-232	-	-232
Translation differences	-	-	9 878	-	9 878	-	9 878
Total comprehensive income for the period	-	-	7 795	19 216	27 012	-	27 012
Transactions with owners							
Distribution of funds	-	-22 807	-	-	-22 807	-	-22 807
Management's incentive plan	-	-	-	193	193	-	193
Equity at 31.12.2020	**80**	**317 367**	**8 202**	**-10 575**	**315 073**	**0**	**315 073**

	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 interests	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**

Consolidated Statement of Cash Flows

EUR thousand	Note	1.1.–31.12.2020	1.1.–31.12.2019
Cash flow from operating activities			
Profit before income tax		25 088	24 906
Adjustments:			
Depreciation and amortisation	11	21 311	20 503
Finance income and expenses	12	2 728	2 875
Profit (-) / loss (+) on disposal of property, plant and equipment		-149	-66
Management's incentive plan	27	-29	-289
Other adjustments		-206	-177
Cash flows before change in working capital		48 743	47 752
Change in working capital:			
Increase (-) / decrease (+) in account and other receivables		-1 108	-618
Increase (+) / decrease (-) in account and other payables		1 544	2 191
Change in working capital		436	1 573
Interest expenses paid	12	-2 593	-2 755
Interest income received	12	50	201
Income taxes paid	13	-5 725	-4 852
Cash flow from operating activities		**40 912**	**41 920**

EUR thousand	Note	1.1.–31.12.2020	1.1.–31.12.2019
Cash flows from investing activities			
Purchases of property, plant and equipment	16	-948	-779
Purchases of intangible assets	15	-9 928	-11 638
Purchases of subsidiaries, net of cash acquired	5	–	-7 327
Proceeds from sale of property, plant and equipment		621	370
Cash flows from investing activities		**-10 254**	**-19 374**
Cash flows from financing activities			
Proceeds from interest-bearing liabilities	23	–	-
Repayments of interest-bearing liabilities	23	-2 127	-12 216
Dividends paid and other profit distribution	21	-22 807	-22 794
Cash flows from financing activities		**-24 934**	**-35 010**
Net increase/decrease in cash and cash equivalents		**5 724**	**-12 464**
Cash and cash equivalents at beginning of the financial year		20 361	33 215
Net change in cash and cash equivalents		5 724	-12 464
Translation differences of cash and cash equivalents		79	-390
Cash and cash equivalents at end of the financial year		**26 164**	**20 361**

Notes to the Consolidated Financial Statements

1 General information

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

Enento 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.

Enento 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.

Enento 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 on the Group's website www.enento.com.

The Board of Directors of Enento Group Plc has approved these consolidated financial statements for publication on 12 February 2021. 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 is also entitled to amend the consolidated financial statements.

2 Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of Enento 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 2020. 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 Enento 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 2020

Enento Group did not adopt any new standards during the financial year 1 January–31 December 2020. The Group has assessed the amended standards and interpretations that entered into effect in 2020. The amended standards and interpretations did not have a material impact on the financial statements.

2.1.2 New standards and interpretations not yet adopted

Enento Group has not yet applied the following new and amended standard that has already been published. The Group will adopt it on the 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 objective of IFRS 17 Insurance Contracts is to improve the quality of the reporting of financial position and profitability of insurance companies and harmonise the valuation and reporting of insurance contracts falling under the standard. The new standard replaces IFRS 4 standard published in 2004. The standard's entry into effect was postponed by two years and it will be applied in financial years starting on or after 1 January 2023. The application of the standard will not have an impact on the Group's future financial statements.

Enento Group estimates that the IFRIC interpretations that have already been published but are not yet in effect will not have a material impact on the Group.

2.2 Consolidation

Subsidiaries

Subsidiaries are all such entities over which Enento Group has control. Enento 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 Enento Group. They are deconsolidated 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 acquisition 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 recognised as an expense.

Further information for business combinations of Enento Group is disclosed under 2.4 Goodwill and intangible assets and 5 Acquired businesses.

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 has been determined as the chief operating decision-maker. The CEO is responsible for resource allocation, evaluating the Group's result as well as strategic and operational decision-making.

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 as well as IT systems, 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 Asiakastieto Group business by the Group in 2008, purchase of share capital of Intellia Oy in 2016, the purchase of share capital of Emaileri Oy in 2017, the purchase of share capital of UC AB in 2018 and the purchase of share capital of the Proff companies and the Solidinfo.SE business in 2019. For internal monitoring and impairment testing purposes, goodwill is monitored at the Group's cash-generating unit level. The Group has three cash-generating units: Finland, Sweden, and Norway and Denmark. This also reflects the way the acquirer expected to realise the benefits of the acquisition.

Goodwill impairment test 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 on 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 Enento 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 acquisitions consist of, among other things, the value of customer agreements and related customer relations, the value of acquired IT systems, databases and technology 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 database	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 Enento 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. The capitalised costs are presented in the consolidated income statement under "Work performed by the entity and capitalised". 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 10 years.

2.5 Property, plant and equipment

Tangible right-of-use assets

Property, plant and equipment comprise machinery and equipment, 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.

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 equipment	3–10 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.

Financial assets at amortised cost

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

- the asset is held within a business model the objective of which 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 Enento Group's accounts receivable, other financial assets and cash and cash equivalents. These financial assets are included in current assets, expect for maturities greater than 12 months after the end of the reporting period, in which case they are classified as non-current assets.

Expected credit losses related to financial assets measured at amortised cost are calculated on the basis of the expected credit loss model pursuant to IFRS 9. The Group's credit losses may originate mainly from accounts receivable and contract assets. Accounting policies concerning these impairments is described in section 2.7 Accounts receivable.

Financial assets measured at fair value through profit or loss

In this category, the Group recognises derivatives not designated for hedge accounting and investments in unlisted securities.

Changes in the fair value of derivatives are recognised in other operating income, other operating expenses, financial income or financial expenses depending on the purpose of the derivatives. As Enento Group's currency derivative in effect on the reporting date hedges a probable monetary item, the change in the fair value of the related derivative is recognised in financial income or expenses.

Derivatives measured at fair value through profit or loss are presented as current assets if they mature within 12 months from the end of the reporting period. Derivatives with a maturity exceeding 12 months are included in non-current assets.

Investments in unlisted securities are included in non-current assets unless they mature, or the management intends to dispose of them, within 12 months from the end of the reporting period, in which case they are classified as current assets.

2.7 Accounts receivable

Accounts receivable 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. Accounts receivable 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 receivable and contract assets, according to 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 on the basis of 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 accounts receivable 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 months before 31 December 2019 and 1 January 2019 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. The amount of the loss-related deductible is presented in 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 the consolidated statement of financial position, cash and cash equivalents include cash in hand and bank accounts with banks.

2.9 Financial liabilities

Financial liabilities at amortised cost

Financial liabilities at amortised cost are recognised initially at fair value, net of transaction costs incurred. The 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 loan period using the effective interest rate 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 non-current and current financial liabilities. Financial liabilities can be interest-bearing or non-interest-bearing. Current 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, in which case the difference between the financial liability's balance sheet value and payment is recognised in the income statement.

Financial liabilities at fair value through profit or loss

In this category, the Group recognises derivatives not designated for hedge accounting.

Changes in the fair value of derivatives are recognised in other operating income, other operating expenses, financial income or financial expenses depending on the purpose of the derivatives. As Enento Group's currency derivative in effect on the reporting date hedges a probable monetary amount, the change in the fair value of the related derivative is recognised in financial income or expenses.

Derivatives measured at fair value through profit or loss are presented as current liabilities if they mature within 12 months from the end of the reporting period. Derivatives with a maturity exceeding 12 months are included in non-current liabilities.

2.10 Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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. 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 the balance sheet has been converted using the exchange rate issued by the European Central Bank on the end date of the financial year. Conversion of the profit for the financial year using different exchange rates for the income statement and balance sheet causes a translation difference in the balance sheet recognised in equity.

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 a case, the exchange rate differences are recognised in other comprehensive income and accumulated into translation differences in equity.

Foreign exchange gains and losses related to cash and cash equivalents, borrowings and interests related to borrowings are presented under 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 of, 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 from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

At the inception of a 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 the 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 on the basis of the tax laws of the Group's operating countries that have been enacted or substantively enacted at the balance sheet date. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It 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 Enento 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 utilised 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 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 consist of salaries including fringe benefits and vacation pay payable within 12 months. Short-term employee benefits are recognised 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 recognised for the amount expected to be paid under the short-term bonus plan if the criteria for paying such bonuses are met.

Post-employment obligations

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

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Enento 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 a partially funded defined benefit plan in Sweden (BTP 2) that is administered by SPP Konsult AB. The liability or asset recognised on 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 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 post-employment obligations. The fair value of any plan assets is remeasured on 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-based 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 on the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments, curtailments and the fulfilment of obligations 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 are 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 to which the tax relates and is therefore not included in the calculation of post-employment obligations. 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 Group recognises costs for restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured on the basis of 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 expenses 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 the 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 provisions due to the passage of time is recognised as an interest expense.

2.17 Share-based payments

The Group has share-based incentive plans which include incentives paid as shares as well as cash components related to the withholding tax obligations associated with the share incentives. The benefits granted in accordance with the incentive plan are measured at fair value on the grant date and expensed on a straight-line basis over the vesting period.

The fair value of the equity-settled incentives is the market value on the grant date. The share-based payments settled with equity instruments are not remeasured subsequently, and cost from these arrangements is recognised as an increase in equity. Compensation costs are recognised for such payments based on the entire scheme being an equity-settled payment. Compensation costs are recognised on the basis of the number of gross shares awarded, in spite of the employee ultimately only receiving the net shares and the Group paying the portion required to meet the withholding obligations to the tax authority in cash. The withholding tax paid by the Group to the tax authority is recognised directly from equity. The cash-settled share-based incentives are measured 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 date and recognises changes in estimates through the statement of profit or loss.

2.18 Revenue recognition

Enento 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 services.

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: 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 places an order. Order and delivery are usually performed simultaneously. Regardless of the physical form of a report that Enento Group delivers to a customer, Enento Group 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 of transactions of predetermined information services for the contract period delivered to the 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 enquiry-based services. Enento 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 that is recognised as revenue over time on a straight-line basis. Orders outside the service package, if any, are separate performance obligations. If a 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.

Enento 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 a 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 services. 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.

The Group's management has exercised judgement with regard to online services contracts that include 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 on the basis of 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 in a linear fashion over the term of the contract for the sake of clarity. As the volume of delivered online services (transactions) under these contracts does not vary significantly during the year, the recognition of revenue over time has been judged to be reasonable by the management.

Customer Data Management:

Customer management services help sales and marketing professionals improve the efficiency of their work and 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 for receiving alerts about changed information concerning selected entities or a service that enables the customer to perform searches of entities based on selected criteria, such as location or line of business. Revenue from these services is recognised over time on a straight-line basis. If a customer orders additional reports or information, the commitments associated with the additional orders are distinct performance obligations with stand-alone selling prices and are recognised as Customer Data Management 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 automate their collateral management processes and digitalise the administration of housing purchases. The services of the business area are also used for compliance purposes, such as 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 places an order. Order and delivery are usually performed simultaneously. Regardless of the physical form of the report that Enento Group delivers to a customer, Enento Group 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 a when-and-if-needed basis. The drafting service provides tools for using the public authorities' e-services effectively, such as contract templates. The 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 sale process. Revenue from these services is recognised over time on a straight-line basis.

SME and Consumers:
This area consists of 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 understand and better manage their finances while simultaneously protecting them from identity theft and fraud. The revenue streams of SME and Consumers consist of two main types of performance obligations.

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

Standardised service packages for online services include an 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. Enento Group has determined that it provides a series of distinct services (i.e. stand ready to deliver) which are accounted for as one performance obligation. Revenue from standardised service packages 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 that notify customers immediately if their credit information is queried or changed. These services are delivered continuously over time and recognised as revenue over time on a straight-line basis.

Enento Group provides advertising services by providing advertisement space on its websites. The performance obligation is to publish the advertisement on the Group's webpages during the contract period and the revenue is recognised over time on a straight-line basis during the advertisement period.

Enento Group sells corporate and governmental reports with market industry information and regional reports published for periods of three or four months. The revenue is invoiced and recognised at the point in time of publication and delivery of each report.

Enento Group recognises as revenue the transaction price to which Enento Group expects to be entitled in exchange for transferring goods and services to the 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) that include penalties to be paid if the provided services are not in accordance with the agreed service level. As penalties have not been realised in the past, the 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 the transaction price. Telephone sales to small and micro companies have resulted in reversals of revenue in the past. The time between the issue of invoice and the 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 last two months' telephone sales. The accrued effect on revenue in the financial statements for the year 2020 is EUR -46 thousand (EUR 30 thousand).

Private customers and entities ordering one-off analyses and certificates through the Group's online services are typically charged directly through the customers' credit cards on the website when the order is placed. The corresponding service is provided immediately or within days of the payment. The majority of corporate customers are invoiced as services have been transferred to the customer or on a monthly basis. Typical payment terms are 14–30 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 prices for the effects of the 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 the timing differences between payments and revenue recognition do not typically exceed one year. Due to annual fees and milestone payments related to projects, the recognition of contract assets or liabilities depends on the timing of invoicing. The annual fees and milestone payments are invoiced either in advance, during the contract period or after providing the service. A contract asset is recognised if a fee is not invoiced as the services are provided. Contract assets are transferred to accounts receivable when the underlying services have been invoiced. Contract liabilities, i.e. advances received, are 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 or agent

Enento Group's revenue is generated from the sale of credit, business and market information that is collected by the Group from several data sources, e.g. its customers, the trade register, the population register and the real estate register. Most of the information is processed or refined by the Group and stored in the Group's databases. The management has analysed whether Enento Group acts as a principal or as an agent related to the information sold. For the 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 that the Group acts as a principal in most of its information services. However, within online services in the Digital Processes business, the Group also provides its customers with official reports derived from registers maintained by the authorities at the customer's request. The official reports are forwarded as is to customers as PDF files with no data input or modification by Enento Group and pricing is set by the authority in question. Enento 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 amounts.

Contract costs

Enento Group pays sales commissions to external and internal salespersons when obtaining a contract. Sales commissions are capitalised as assets and amortised on a 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 object of the lease) and a financial liability relating to payment of lease rents on 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 from 1 January 2019, right-of-use asset depreciation and interest expense relating to lease liabilities are recognised in the income statement instead of lease expenses. Lease expenses are divided into interest expense and repayment of the lease liability.

Enento Group leases office premises, IT equipment and cars. Lease agreements are usually made for fixed time period ranging from one year to nine years. Some lease agreements include options to extend the lease agreement. These options are described further below. The lease term is the time period during which the agreement is non-cancellable, also considering any extension and termination options if it is reasonably certain that such options will be exercised.

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:

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

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

Right-of-use assets

EUR thousand	31.12.2020	1.1.2020
Premises	7 254	9 318
Machinery and equipment	234	273
Total	**7 489**	**9 591**

Right-of-use assets recognised on lease agreements are subject to impairment testing. 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.

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 components that are based on an index or a rate, initially measured using the index or rate on 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
- penalty payments 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 the 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 the Group, and
- makes adjustments specific to the lease, e.g. 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.

The difference between the acquisition cost and carrying amount of 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 recognised 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 recognised in profit or loss relating to short-term leases were EUR 73 thousand (EUR 227 thousand) and expenses recognised in profit or loss relating to low-value assets were EUR 447 thousand (EUR 748 thousand) in the financial year 2020.

Extension and termination options are included in a 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 the 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 the 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.

The Group has received EUR 80 thousand (EUR 0) in public subsidies to mitigate the negative impacts of the COVID-19 epidemic. The subsidies consist of reductions in employer contributions. The received subsidies have been recognised as deductions of personnel expenses in the income statement for the months in which the personnel expenses were incurred.

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 Enento 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-generating units, allocating goodwill and assumptions used in goodwill impairment testing

The management of Enento Group has exercised judgement in defining the cash-generating units and the allocation of goodwill to those units. Based on the judgement, the Group's management has determined that goodwill is allocated for goodwill impairment testing purposes to the following cash-generating units: Finland, Sweden, and Norway and Denmark. The recoverable amounts of the Group's cash-generating units have been determined on the basis of value-in-use calculations which require the use of estimates including projected future cash flows, estimates of discount rate and the economic development of the Group's operating countries. On 31 December 2020, the Group's goodwill amounted to EUR 358,2 million (EUR 351,4 million). Enento 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. Also see note 15 Intangible assets.

3.2 Business combinations

Net assets acquired in business combinations are measured at fair value. The measurement of the fair value of the acquired net assets is based on market values of similar assets or estimates of expected cash flows (e.g. intangible assets such as customer relationships, technology, marketing and trademarks). The management of Enento Group has exercised judgement and made assumptions in determining the 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

Enento Group Plc is party to a shareholder agreement concerning the control of UC's credit register and credit register information, as the company owned jointly by the sellers of UC shares 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 their holders 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 to changes containing a risk that UC is, from time to time, not able to fulfil its legal obligations and/or contractual obligations concerning, among others, the use, availability or processing of the credit register or credit register information, secured distribution of credit register information and the interface used for the delivery of credit information. Enento Group Plc has further undertaken not to transfer UC's shares to any other party, unless such a party is in possession of sufficient capacities and unless the party does not commit to the same restrictions as Enento Group in relation to the credit register and credit register information. The purpose of these arrangements has been to ensure the maintenance of the credit register and the control of credit register information provided by the sellers. The management of Enento Group has exercised judgement in reporting the B shares with a 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.

Enento 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. Also see 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 486 thousand (EUR 740 thousand) and deferred tax liabilities amounted to EUR 23 213 thousand (EUR 24 137 thousand) after netting the deferred taxes on 31 December 2020. 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 recognised in connection with business combinations. See also note 24 Deferred tax assets and liabilities.

3.6 Defined benefit pension obligations

The recognition of defined benefit pension obligations and plan assets are based on actuarial calculations. The actuarial calculations require assumptions regarding 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 Post-employment obligations.

4 Financial risk management

4.1 Financial risk factors

Enento Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk and currency 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 position and 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

Enento Group's interest rate risk arises from non-current financial liabilities amounting to EUR 167,0 million (EUR 166,2 million) on 31 December 2020 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 EUR and SEK. The Group does not hedge against cash flow interest rate risk. See also note 23 Financial liabilities.

On 31 December 2020, if interest rates on interest-bearing liabilities had been 50 basis points higher with all other variables held constant, profit before tax for the year would have been EUR 765 thousand (EUR 516 thousand) lower as a result of higher interest expense on variable interest rate interest-bearing 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 operates in Finland, Sweden, Norway and Denmark. A significant proportion of the Group's sales and expenses are incurred in currencies other than the euro. 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. The Group is exposed to currency fluctuations, especially in relation to the Swedish krona.

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. 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 protects itself from transaction risks mainly by operational means. Currency derivatives (forward contracts) may be used if necessary to reduce or eliminate uncertainty arising from fluctuations in exchange rates.

For derivatives not designated for hedge accounting, changes in the fair values are recognised in other operating income, other operating expenses, financial income or financial expenses depending on the purpose of the derivatives.

The fair values of currency forward contracts are measured on the financial statements date using generally applied measurement methods. The counterparty bank also sends the Group a valuation report.

On the reporting date, 31 December 2020, the Group had one open currency forward contract, which is recognised at fair value through profit or loss in accordance with IFRS 9.

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 presentation currency of the Group's financial statements, which is the euro. The euro is also the functional currency of Enento Group Plc. The Group mainly uses operational means to minimise the negative impacts of exchange 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 a loan. In October 2018, Enento Group Plc took out a bank loan of EUR 63,6 million, which is denominated in Swedish kronas (SEK) and has a 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 recognised 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:

31.12.2020

EUR thousand (unless otherwise stated)	31.12.2020	31.12.2019
Net investment in foreign operation		
Carrying amount (bank loan)	65 923	63 320
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)	-2 603	1 186
Change in value of hedged item used to determine hedge effectiveness	2 603	-1 186
Weighted average hedged rate for the year (EUR/SEK)	10,4848	10,5891

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 fulfil their obligations.

Credit risk is managed in the Group's finance function, which is responsible for preparing the credit policy complied with in Enento Group. The Group assesses the creditworthiness of a new customer, taking into account mainly its financial position and past experience with the customer. When the credit risk is assessed to be 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 minor. See also note 2.7 Accounts receivable and note 18 Account and other receivables.

Accounts receivable 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.

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 are 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 2020 and 31 December 2019 was specified as follows for accounts receivable and contract assets:

31.12.2020

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	0,03 %	0,1 %	3,6 %	8,8 %	17,6 %	50,0 %	100,0 %	
Gross carrying amount – accounts receivable	15 217	1 895	458	150	335	445	472	18 972
Loss allowance	**5**	**2**	**17**	**13**	**59**	**222**	**481**	**800**

31.12.2019

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 – accounts receivable	14 859	1 386	451	73	352	177	91	17 389
Loss allowance	**9**	**9**	**14**	**9**	**59**	**102**	**154**	**355**

Reconciliation of the closing loss allowances for accounts receivable on 31 December 2020 with the opening loss allowances:

EUR thousand	31.12.2020	31.12.2019
1.1.	**355**	**126**
Increase in accounts receivable loss allowance recognised in connection with business combinations	–	71
Increase in accounts receivable loss allowance recognised in profit or loss during the year	566	296
Receivables written off during the year as uncollectible	-160	-153
Reversal of unused allowance	41	17
Translation differences	-1	-2
31.12.	**800**	**355**

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 a Group basis, taking the Group's net debt position into account. The Group finance function monitors Enento 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. On 31 December 2020, the Group had undrawn interest-bearing credit facilities amounting to EUR 20 million (EUR 20 million).

Enento Group has a term loan and revolving credit facility agreement with Danske Bank A/S, OP Corporate Bank Plc and Nordea Bank Plc for a total value of EUR 180,0 million, consisting of a term loan of EUR 160,0 million and a revolving credit facility of EUR 20,0 million. In accordance with the terms of the loan agreement, the Company took out the term loan partly in EUR and partly in SEK. The loans mature in October 2023. More information is provided in 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 terms of the financing agreement. The covenants are monitored on a quarterly basis. The ratio of the Group's net debt to EBITDA adjusted according to the terms of the financing agreement was 2,6 (2,8) on 31 December 2020. The covenant limit in accordance with the financing agreement was 3,5 (4,0) on 31 December 2020. The Group met all of the covenants in the months under review.

To facilitate efficient cash management in the Group, a multi-currency cash pool arrangement has been implemented with Danske Bank A/S. An overdraft of EUR 15,0 million is included in the cash pool arrangement. The overdraft had not been utilised on 31 December 2020.

Surplus cash is invested in bank accounts or short-term deposits with appropriate maturities providing sufficient liquidity. The Group has not made investments in short-term deposits in 2020 or 2019.

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.

31.12.2020

EUR thousand	Under 1 year	1–2 years	2–5 years	Over 5 years	Total
Loans from financial institutions	2 048	2 048	163 971	–	168 067
Lease liabilities	2 284	2 037	2 062	1 837	8 219
Accounts payable	7 906	–	–	–	7 906
Total	**12 238**	**4 085**	**166 033**	**1 837**	**184 192**

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
Accounts payable	6 572	–	–	–	6 572
Total	**10 998**	**4 162**	**168 076**	**2 025**	**185 260**

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 capital as including equity and loans from financial institutions. The capital ratios monitored by the Group are the equity ratio and net debt, with the latter being the most important ratio monitored 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	31.12.2020	31.12.2019
Loans from financial institutions	161 535	158 797
Lease liabilities	7 666	9 704
Cash in hand and banks	26 164	20 361
Net debt	**143 037**	**148 140**

The reconciliation of net debt, showing changes in cash flows and other changes, is presented below:

EUR thousand	Cash	Finance leases under 1 year	Finance leases over 1 year	Loans over 1 year	Total
Net debt 1.1.2019	**33 215**	**-130**	**-264**	**-169 849**	**-137 028**
Cash flow	-16 786	2 216	-	10 000	-4 569
Acquired through business combinations	4 322	-243	-127	-	3 952
Exchange rate adjustments	-390	-	-	1 186	795
Other changes	-	-4 119	-7 037	-133	-11 290
Net debt 31.12.2019	**20 361**	**-2 276**	**-7 428**	**-158 797**	**-148 140**
Cash flow	5 724	-2 127	0	0	3 597
Exchange rate adjustments	79	0	0	-2 603	-2 524
Other changes	0	2 162	2 003	-135	4 030
Net debt 31.12.2020	**26 164**	**-2 241**	**-5 425**	**-161 535**	**-143 037**

5 Acquisitions

Enento Group did not acquire any new businesses during the financial year 1 January–31 December 2020.

Proff acquisition

Enento 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 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 amortised 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 the acquired accounts receivable was EUR 0,8 million, which corresponded to their book value at the time of acquisition. The accounts receivable are expected to be collectable in their entirety. Goodwill in the amount of EUR 5,8 million was recognised in connection with the acquisition.

The figures from the Proff companies' balance sheet and income statement have been included in Enento 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.

The consolidated income statement includes EUR 4,9 million in the Proff companies' post-acquisition net sales and EUR 0,5 million in profit. The full-year net sales of the Group created by the acquisition would have amounted to EUR 150,7 million and profit for the period EUR 20,2 million if the business combination had taken effect at the beginning of the financial year 2019.

Acquisition of the business of Solidinfo.SE

On 12 February 2019, UC Affärsinformation AB, part of Enento 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, Enento 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 had no material effect on Enento Group's cash flow or financial position. The acquisition price was not disclosed.

6 Net sales

Net sales by market area

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Finland	60 239	58 424
Sweden	77 461	74 661
Norway	10 612	7 463
Denmark	536	400
Other EU countries	1 483	2 367
Other countries	986	2 641
Total	**151 317**	**145 957**

Net sales by products and services

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Risk Decisions	93 542	95 486
SME and Consumers	38 798	33 931
Customer Data Management	8 067	8 127
Digital Processes	10 910	8 413
Total	**151 317**	**145 957**

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

Net sales growth is mainly attributable to the inclusion of the Proff companies' figures in the consolidated financial statements for the full financial year as well as the strong development of the Digital Processes product area.

Net sales for the financial year 2020 included EUR 162 thousand (EUR 172 thousand) in revenue from long-term customer projects which is recognised under the percentage-of-completion method.

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

7 Other operating income

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Capital gains from the sale of property, plant and equipment	149	66
Rental income	421	159
Other items	80	68
Total	**649**	**293**

8 Materials and services

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Purchases during the financial year	-23 231	-22 562
External services	-2 211	-1 936
Total	**-25 442**	**-24 499**

9 Personnel expenses

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Salaries and benefits[1]	-27 422	-28 453
Pension costs - defined contribution plans	-4 279	-4 452
Pension costs - defined benefit plans[2]	-447	-472
Social security costs	-4 667	-5 196
Total	**-36 815**	**-38 574**

[1] For the financial year 2020, the personnel expenses include an accrued cost of EUR 660 thousand from the management's long-term incentive plan and, for the financial year 2019, EUR 850 thousand.
[2] More information on pension costs is presented in note 22 Pension obligations.

Salaries and benefits of the management

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Salaries and benefits	-2 523	-3 733
Pension costs – defined contribution plans	-9	-9
Total	**-2 532**	**-3 741**

The management's salaries and benefits are itemised in more detail in note 27 Related parties.

Number of personnel on average

Employees	1.1.–31.12.2020	1.1.–31.12.2019
Full time	417	417
Part time and temporary	13	11
Total	**430**	**428**

In July 2019, approximately 60 employees were transferred to the Group as a result of the acquisition of the Proff companies.

Enento Group Plc and UC Affärsfakta AB signed an agreement regarding the outsourcing of Affärsfakta's telesales operations on 14 May 2019. Enento 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.

10 Other operating expenses

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Other employment expenses	-929	-1 561
Expenses related to premises	-698	-1 320
Marketing expenses	-3 597	-3 241
Paid commissions on sales	-9 624	-4 606
Office expenses	-2 017	-1 497
IT expenses	-16 117	-15 195
Purchased services	-5 583	-6 576
Additional payment for acquisition, arbitration institute decision	-2 264	-
Other expenses	-2 484	-3 115
Total	**-43 314**	**-37 111**

Auditor's fees

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
PricewaterhouseCoopers		
Statutory fees	-243	-302
Tax advisory	-3	-13
Other services	-26	-43
Total	**-272**	**-358**

11 Depreciation and amortisation

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Amortisation on intangible assets	-17 940	-17 134
Depreciation of property, plant and equipment	-3 372	-3 369
Total	**-21 311**	**-20 503**

12 Finance income and expenses

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Finance income		
Interest income from loan and other receivables	24	35
Exchange rate gains	247	119
Total finance income	**271**	**154**
Finance expenses		
Impairment of financial liabilities at fair value through profit or loss	–	-100
Interest expenses from financial liabilities at amortised cost	-2 118	-2 436
Net interest expenses relating to defined benefit pension plans	-117	-92
Interest expenses for lease liabilities	-153	-185
Other interest expenses	-8	-25
Exchange rate losses	-488	-106
Other finance expenses	-114	-86
Total finance expenses	**-2 998**	**-3 029**
Total	**-2 728**	**-2 875**

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Exchange rate gains and losses in profit or loss		
Exchange rate gains and losses in net sales	10	-1
Exchange rate gains and losses in purchases	16	3
Exchange rate gains in financial income	247	119
Exchange rate losses in financial expenses	-488	-106
Total	**-215**	**15**

13 Income tax expenses

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Current tax on profits for the financial year	-6 564	-6 355
Change in deferred taxes	923	1 158
Total	**-5 640**	**-5 197**

Income taxes recognised in consolidated income statement differ from the income taxes calculated using the Finnish tax rate as follows:

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Result before income tax	25 088	24 906
Tax calculated at Finnish tax rate	-5 018	-4 981
Different tax rates of foreign subsidiaries	-128	-88
Other:		
Income not subject to tax	19	167
Non-deductible expenses	-515	-238
Tax losses for which deferred income tax asset was not recognised	–	–
Other items	1	-55
Total	**-5 640**	**-5 197**

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.–31.12.2020	1.1.–31.12.2019
Profit attributable to the owners of the Parent Company (EUR)	19 447 836	19 709 667
Weighted average number of shares (number of shares)	24 004 917	23 986 073
Basic earnings per share	**0,81**	**0,82**
Management's incentive plan (pcs)	24 475	27 219
Number of shares, weighted average, diluted	24 029 391	24 013 292
Diluted earnings per share	**0,81**	**0,82**

15 Intangible assets

EUR thousand	Goodwill	Trademarks	Customers	Technology	Product development and software costs	Work in progress and advances paid	Total
Cost at 1.1.2020	351 368	31 666	25 737	68 738	24 134	13 032	514 675
Additions	–	1	–	–	331	11 383	11 715
Disposals	–	–	–	–	-1 933	–	-1 933
Reclassifications	–	–	–	–	11 383	-11 383	–
Translation differences	6 864	1 254	773	2 583	316	102	11 893
Cost at 31.12.2020	**358 233**	**32 922**	**26 509**	**71 321**	**34 231**	**13 133**	**536 350**
Accumulated amortisation at 1.1.2020	–	-3 195	-3 601	-11 268	-9 782	–	-27 846
Disposals	–	–	–	–	1 933	–	1 933
Amortisation for the financial year	–	-2 180	-2 557	-7 515	-5 688	–	-17 940
Translation differences	–	-337	-248	-633	-73	–	-1 291
Accumulated amortisation at 31.12.2020	**–**	**-5 712**	**-6 405**	**-19 417**	**-13 610**	**–**	**-45 144**
Net book value at 1.1.2020	351 368	28 471	22 136	57 470	14 352	13 032	486 828
Net book value at 31.12.2020	**358 233**	**27 210**	**20 104**	**51 904**	**20 621**	**13 133**	**491 205**

EUR thousand	Goodwill	Trademarks	Customers	Technology	Product 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
Amortisation for the financial year	–	-2 108	-2 253	-7 294	-5 474	–	-17 129
Translation differences	–	-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**

Impairment test for goodwill

The management monitors business performance at Group level. The Group has three cash-generating units – Finland, Sweden, and Norway and Denmark. The Group monitors goodwill at these levels. Goodwill has been recognised in the Group's cash-generating units as follows: Finland EUR 175,8 million, Sweden EUR 179,0 million, Norway and Denmark EUR 3,4 million. 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, the general economic environment and 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 beyond the five-year period are extrapolated using the estimated long-term growth rates presented below.

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

	31.12.2020	31.12.2019
Finland		
Long-term growth rate	1,5 %	1,5 %
Discount rate	6,2 %	6,8 %
Sweden		
Long-term growth rate	1,5 %	1,5 %
Discount rate	5,6 %	7,0 %
Norway and Denmark		
Long-term growth rate	1,5 %	1,5 %
Discount rate	12,7 %	16,0 %

The discount rates used are pre-tax and reflect specific risks relating to the CGU. 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.

Changed parameters used in the sensitivity analysis were:

Finland:

- 10 %-point (10 %-point) decrease in annual net sales growth rate
- 7,5 %-point (5 %-point) decrease in annual EBITDA margin
- Pre-tax discount rate of 10,1 % (10,6 %)

Sweden:

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

Norway and Denmark:

- 10 %-point (10 %-point) decrease in annual net sales growth rate
- 8,5 %-point (7,5 %-point) decrease in annual EBITDA margin
- Pre-tax discount rate of 16,7 % (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 1.1.2020	9 337	361	11 498	–	157	21 353
Additions	815	129	126	–	104	1 175
Disposals	-516	-102	-54	–	–	-672
Translation differences	41	11	200	–	8	259
Cost at 31.12.2020	**9 676**	**399**	**11 770**	**-**	**269**	**22 114**
Accumulated amortisation at 1.1.2020	-7 099	-88	-2 180	–	-38	-9 406
Disposals	368	24	11	–	–	403
Amortisation for the financial year	-1 000	-96	-2 233	–	-42	-3 371
Translation differences	-46	-5	-114	–	-3	-168
Accumulated amortisation at 31.12.2020	**-7 778**	**-165**	**-4 516**	**-**	**-84**	**-12 542**
Net book value at 1.1.2020	2 238	273	9 318	–	118	11 947
Net book value at 31.12.2020	**1 899**	**234**	**7 254**	**-**	**185**	**9 572**

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 acquisition cost 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**

17 Financial instruments

Financial instruments by category

31.12.2020

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	76	0	76
Account and other receivables	18 172	–	18 172
Cash and cash equivalents	26 164	–	26 164
Total	**44 412**	**0**	**44 412**

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**

31.12.2020

EUR thousand	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Total
Liabilities as per balance sheet			
Financial liabilities	169 201	–	169 201
Accounts payable and other payables	8 162	–	8 162
Derivatives – non-hedge accounting	–	217	217
Total	**177 363**	**217**	**177 581**

31.12.2019

EUR thousand	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Total
Liabilities as per balance sheet			
Financial liabilities	168 501	–	168 501
Accounts payable and other payables	6 977	–	6 977
Derivatives – non-hedge accounting	–	–	–
Total	**175 478**	**–**	**175 478**

18 Accounts receivable and other receivables

EUR thousand	31.12.2020	31.12.2019
Accounts receivable	18 972	17389
Credit loss allowance	-800	-355
Net carrying value	18 172	17 033
Prepaid expenses and accrued income	6 638	5 860
Accrued income from long-term customer projects	114	120
Other receivables	105	314
Total	**25 030**	**23 328**

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.

On 31 December 2020, the Group had due accounts receivable amounting to EUR 3 755 thousand (EUR 2 530 thousand). These relate to a number of individual customers.

The aging analysis of account receivables is as follows:

EUR thousand	31.12.2020	31.12.2019
Not due	15 217	14 859
Overdue by		
Less than 1 month	1 895	1 386
1–3 months	608	524
3 months or more	1 252	620
Total	**18 972**	**17 389**
Credit loss allowance	**-800**	**-355**
Total	**18 172**	**17 033**
Amount recognised as actual credit los	160	153

During the financial year, accounts receivable of EUR 160 thousand (EUR 153 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.

On 31 December 2020, the carrying amounts of the Group's account and other receivables were denominated in EUR, SEK, NOK and DKK.

19 Assets and liabilities based on contracts with customers

EUR thousand	31.12.2020	31.12.2019
Assets based on contracts	831	833
Assets recognised on expenses based on contracts	114	120
Total	**946**	**953**
Advances received from contracts with customers	-12 075	-10 247
Total	**-12 075**	**-10 247**

Changes in contract assets and liabilities

EUR thousand	Assets 2020	Liabilities 2020	Assets 2019	Liabilities 2019
Opening balance 1 January	953	-10 247	1 162	-6 375
Acquired through business combinations	-	-	-	-3 415
Reclassifications from contract assets to trade receivables	-5 849	-	-2 800	-
Reclassifications from assets based on settlements to expenses	-	-	-	-
Advances for expenses recognised for the financial year relating to performance obligations	-6	-	-41	-
Recognised sales proceeds from contract liabilities during the financial year	-	26 448	-	14 034
Sales proceeds not yet invoiced recognised for the period	5 817	-	2 623	-
Advances received during the period relating to unfulfilled performance obligations	-	-28 139	-	-14 583
Translation differences	30	-136	10	92
Total net changes	**-7**	**-1 828**	**-209**	**-3 872**
Closing balance 31 December	**946**	**-12 075**	**953**	**-10 247**

Of the opening balance for contract liabilities, EUR 10 247 thousand (EUR 6 375 thousand) has been recognised as revenue during the financial year 2020.

Transaction price allocated to remaining performance obligations

EUR thousand	31.12.2020	31.12.2019
Transaction price allocated to remaining performance obligations	17 152	6 714

The Group has applied the practical expedient allowed by IFRS 15 and presented the transaction price allocated to remaining performance obligations, which is based on fixed monthly charges, only for customer contracts continuing for more than 12 months. Of the transaction price allocated to remaining performance obligations, EUR 6 263 thousand will be recognised as revenue in 2021 and EUR 10 888 thousand in 2022 and 2023.

20 Cash and cash equivalents

EUR thousand	31.12.2020	31.12.2019
Cash at bank and in hand	26 164	20 361
Cash and cash equivalents	**26 164**	**20 361**

21 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 number of shares was 24 007 061 on 31 December 2020 and 23 993 292 on 31 December 2019. In the financial year 2020 and 2019, the share capital of the Company amounted to EUR 80 000.

Invested unrestricted equity reserve

EUR thousand	
1.1.2019	**351 690**
Return of capital	-11 517
31.12.2019	**340 173**
Return of capital	-22 807
31.12.2020	**317 367**

On 25 June 2020, the Company paid EUR 14 644 thousand from the invested unrestricted equity reserve as a capital return based on the resolution of the Annual General Meeting held on 12 June 2020. On 26 November 2020, the Company paid EUR 8 162 thousand from the invested unrestricted equity reserve based on a decision by the Board of Directors pursuant to an authorisation granted by the Annual General Meeting held on 12 June 2020.

Accumulated losses

EUR thousand	
1.1.2019	**-35 071**
Distribution of dividend	-11 277
Management's incentive plan	-289
Profit for the financial year	19 710
Other comprehensive income for the period	-2 885
Restatement of translation differences	-172
31.12.2019	**-29 985**
Management's incentive plan	193
Profit for the financial year	19 448
Other comprehensive income for the period	-232
31.12.2020	**-10 575**

Long-term incentive plans for the management are described in note 27 Related parties. An accrued expense of EUR 660 thousand (EUR 850 thousand) for the financial year 2020 has been recognised as an increase in equity. In addition, equity has been adjusted with the amount of awards paid, EUR 466 thousand (EUR 1 139 thousand), previously recognised as expense.

22 Post-employment obligations

As a result of defined benefit pension plans, the Group is exposed to plan asset volatility risk, life expectancy risk and inflation risk materialising in the rate of salary increases. Post-employment obligations are described in the accounting policies of the consolidated financial statements under item 2.15 Employee benefits.

Liabilities related to defined benefit obligations

EUR thousand	31.12.2020	31.12.2019
Current value of defined benefit obligations	30 250	28 073
Fair value of plan assets	-21 785	-20 158
Net amount of current value of obligations and fair value of assets	8 465	7 915
Effect of minimum funding requirement / asset item	-	-
Recognised net obligation	**8 465**	**7 915**

Change in current value of defined benefit obligations

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Current value of defined benefit obligations on 1 January	28 073	24 969
Acquired through business combinations	-	-
Benefits paid	-691	-565
Current service cost	294	269
Interest expenses recognised in profit or loss	416	527
Actuarial gains (-) and losses (+):		
Changes in financial assumptions	1 565	3 937
Experience adjustments	-605	-653
Translation differences	1 198	-412
Current value of defined benefit obligations on 31 December	**30 250**	**28 073**

Change in fair value of plan assets

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Fair value of plan assets on 1 January	20 158	20 524
Acquired through business combinations	-	0
Employer contributions	479	455
Interest income recognised in profit or loss	299	434
Income on plan assets excluding items included in interest income	677	-314
Benefits paid	-691	-565
Translation differences	863	-377
Fair value of plan assets on 31 December	**21 785**	**20 158**

Plan assets consist of the following items:

	31.12.2020	31.12.2019
Shares	13,0 %	11,0 %
Debt investments		
Government bonds	22,0 %	25,0 %
Mortgage loans	9,0 %	12,0 %
Corporate bonds	27,0 %	26,0 %
Real estate	17,0 %	12,0 %
Other investments	12,0 %	14,0 %
Total	**100,0 %**	**100,0 %**

Items recognised in profit or loss

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Current service cost	-294	-269
Interest expenses/income	-117	-92
Net expense recognised in profit or loss	**-411**	**-362**

Items recognised in other comprehensive income

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Remeasurements		
Actuarial gains (-) and losses (+)	960	3 317
Income on plan assets excluding items included in interest income	-677	317
Net amount recognised in other comprehensive income	**283**	**3 634**

Actuarial assumptions and sensitivity analysis

	2020	2019
Discount rate	1,2 %	1,5 %
Salary increase rate	2,0 %	2,0 %
Inflation	2,0 %	2,0 %
Lifetime	DUS 14	DUS 14

Sensitivity analysis of the effect of changes

EUR thousand	2020	2019
Discount rate, +1,0 %	-6 153	-5 671
Discount rate, -1,0 %	8 195	7 555

23 Financial liabilities

EUR thousand	31.12.2020	31.12.2019
Non-current		
Loans from financial institutions	161 535	158 797
Lease liabilities	5 425	7 428
Total non-current financial liabilities	**166 960**	**166 225**
Current		
Lease liabilities	2 241	2 276
Total current financial liabilities	**2 241**	**2 276**
Total financial liabilities	**169 201**	**168 501**

Of the loans from financial institutions, EUR 95,6 million (EUR 95,5 million) were EUR-denominated and EUR 65,9 million (EUR 63.3 million) were SEK-denominated on 31 December 2020.

Loans from financial institutions
Enento Group has 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.

The unsecured financing 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. The Group's revolving credit facility was unused on 31 December 2020 (EUR 0).

To facilitate efficient cash management in the Group, a multi-currency cash pool arrangement has been implemented with Danske Bank A/S. An overdraft of EUR 15,0 million is included in the cash pool arrangement. The overdraft had not been utilised on 31 December 2020.

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.

Derivatives – non-hedge accounting
On 31 December 2020, Enento Group had one outstanding forward exchange contract with a nominal value of EUR 11,7 million and the change in its fair value was EUR -217 thousand. The remaining maturity of the contract is 3 months and the change in fair value is presented in current non-interest-bearing financial liabilities.

24 Deferred tax assets and liabilities

The net changes in deferred income taxes were as follows:

EUR thousand	2020	2019
1.1.	**-23 397**	**-24 355**
Charged to balance sheet	-	-1 200
Charged to income statement	1 463	921
Recognised in comprehensive income	58	749
Translation differences	-852	488
31.12.	**-22 727**	**-23 397**

The Group's deferred tax receivables amounted to EUR 486 thousand (EUR 740 thousand) and deferred tax liabilities amounted to EUR 23 213 thousand (EUR 24 137 thousand) at the end of the financial year. 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
1.1.2019	**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**
Charged to balance sheet	–	–	–	–	–	–	–
Charged to income statement	56	-14	52	-458	39	12	-313
Recognised in comprehensive income	–	58	–	–	–	–	58
Translation differences	–	69	-8	–	–	-2	59
31.12.2020	**180**	**1 744**	**236**	**650**	**237**	**33**	**3 080**

Deferred tax liabilities

EUR thousand	Financial instruments	Change in depreciation method	Allocation of acquisitions	Capitalised development costs	Depreciation difference	Other	Total
1.1.2019	**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**
Charged to balance sheet	–	–	0	–	–	0	0
Charged to income statement	-27	0	-2 610	810	21	30	-1 776
Translation differences	0	0	711	202	0	-3	910
31.12.2020	**78**	**0**	**20 439**	**5 027**	**215**	**49**	**25 807**

The Group has recognised deferred tax assets amounting to EUR 650 thousand (EUR 1 109 thousand) from non-deductible net interest expenses, which amounted to EUR 3 251 thousand (EUR 5 543 thousand) on 31 December 2020. Non-deductible net interest expenses can be deducted from the taxable income in future periods within the limits of interest deduction limitation rules for each year. Net interest expense carryforwards do not expire.

25 Other current liabilities

EUR thousand	31.12.2020	31.12.2019
Advances received from unrecognised net sales	11 611	10 002
Advances received from long-term customer projects	463	245
Total	**12 075**	**10 247**

EUR thousand	31.12.2020	31.12.2019
Accounts payable	7 906	6 572
Other liabilities	3 334	2 692
Accrued expenses	13 048	12 550
Total	**24 288**	**21 814**

Accrued liabilities consist mainly of accruals of personnel expenses.

26 Contingent liabilities

Own guarantees

EUR thousand	31.12.2020	31.12.2019
Pledges	116	196

Minimum rent commitments for short-term lease agreements

EUR thousand	31.12.2020	31.12.2019
No later than 1 year	14	223
Total	**14**	**223**

The minimum rent commitments for short-term lease agreements are presented for leases with a term of 12 months or less.

Low value lease agreement commitments

EUR thousand	31.12.2020	31.12.2019
Due within the next financial year	211	694
Due later	126	1 044
Total	**338**	**1 738**

The minimum lease payments for the Group's office equipment lease agreements are presented for the financial year 2020 as low value lease commitments.

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 in the Company's Board of Directors are considered 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.–31.12.2020

EUR thousand	Sales of goods and services	Purchases of goods and services	Finance income and expenses
Shareholders having a significant influence over the Group	11 753	-356	-681
Total	**11 753**	**-356**	**-681**

31.12.2020

EUR thousand	Receivables	Liabilities
Shareholders having a significant influence over the Group	1 301	54 065
Total	**1 301**	**54 065**

1.1.–31.12.2019

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

31.12.2019

EUR thousand	Receivables	Liabilities
Shareholders having a significant influence over the Group	1 188	53 268
Total	**1 188**	**53 268**

Liabilities to related parties include a loan on market terms and conditions and loan-related accrued interest with Nordea Bank Oyj. The loan is on market terms and is described in more detail in note 23 Loans from financial institutions.

Transactions with related parties have been carried out on an arm's length basis. During the financial year, 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 2018–2020

The target group of the share-based long-term incentive plan decided on by the Board of Directors in August 2018 includes approximately 23 key persons of Enento Group, including the members of the Executive Team. In order to participate in the plan and receive an award, the participant must purchase Enento Group Plc's shares or allocate previously held Enento Group 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 of the 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 the total shareholder return (TSR) of Enento Group Plc's share and the Group's adjusted EBITDA in 2020.

Awards payable under the plan will not total more than the value of approximately 300 000 Enento Group Plc shares, including also the amount paid in cash. Any award shall be paid in net amount of shares after deducting the tax-related costs. The accrued expense of EUR 401 thousand (EUR 823 thousand) for the financial year 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	21.9.2018	21.9.2018	21.9.2018
Performance period begins	1.9.2018	1.9.2018	1.9.2018
Performance period ends	31.12.2019	31.12.2020	31.12.2020
Vesting conditions	Shareholding, employment until payment	Shareholding, employment until payment, EBITDA and TSR	Shareholding, employment until payment. EBITDA and TSR
Vesting date	31.5.2020	31.5.2021	30.11.2021
Maximum duration, years	1,7	2,7	3,2
Time to maturity, years	0	0,4	0,9
Persons at the end of the financial year	0	23	23
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
1.1.2020				
Outstanding at beginning of period	29 000	120 600	120 600	270 200
Changes during period				
Granted	–	–	–	–
Forfeited	–	6 300	6 300	12 600
Shares awarded	29 000	–	–	29 000
31.12.2020				
Outstanding at end of period	–	114 300	114 300	228 600

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 Enento Group. The target group of the plan includes approximately 29 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 Enento 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 Enento 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.

Rewards payable under the plan will not total more than the value of approximately 90 000 Enento Group Plc shares, including the amount paid in cash. The maximum reward is defined as the gross amount of shares before the deduction of the applicable taxes. The accrued expense of EUR 258 thousand (EUR 0 thousand) for the financial year has been recognised in personnel expenses.

	Performance-based share plan 2020–2022
Original allocation date	25.2.2020
Performance period begins	1.1.2020
Performance period ends	31.12.2022
Vesting conditions	Shareholding, employment until payment
Vesting date	31.5.2023
Maximum duration, years	3,4
Time to maturity, years	2,4
Persons at the end of the financial year	29
Implementation method	Shares

Changes in the plan during the period

Number	Performance-based share plan 2020–2022
1.1.2020	
Outstanding at beginning of period	-
Changes during period	
Granted	90 000
Forfeited	4 500
31.12.2020	
Outstanding at end of period	85 500

Long-term incentive plan for the management 2021–2023

In December 2020, the Board of Directors decided on a new share-based incentive plan for key persons. The target group of the plan includes approximately 40 key persons, including the members of the Executive Team. This performance-based share incentive plan is based on the corresponding plan launched the previous year. The Group intends to launch a new long-term incentive plan annually, but the start of each individual plan is subject to a separate decision by the Board of Directors.

The incentive plan consists of one performance period covering the calendar years 2021–2023. The potential rewards from the plan will be paid partly in Enento Group shares and partly in cash after the end of the performance period. The purpose of the cash payment is to cover taxes and tax-like charges incurred by the participant for the reward. As a rule, no reward will be paid if the employment or service contract terminates before the payment of the reward.

The plan offers the participants the opportunity to earn rewards if the performance targets set by the Board of Directors are achieved. The performance targets are based on Enento Group's Total Shareholder Return (TSR) for 2021–2023 and Enento Group's cumulative adjusted EBITDA for 2021–2023. If the performance targets are met, the rewards will be payable in the first half of 2024.

Rewards payable under the plan will not total more than the value of approximately 110 000 Enento Group Plc shares, including also the amount paid in cash.

The remuneration of Board of Directors

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Patrick Lapveteläinen	56	40
Petri Carpén	43	28
Bo Harald (member until 28 March 2019)	–	25
Nicklas Ilebrand (member 29 June 2018–28 March 2019)	–	19
Martin Johansson	–	–
Tiina Kuusisto	41	–
Carl-Magnus Månsson	43	27
Petri Nikkilä (member 28 March 2019–12 June 2020)	40	–
Minna Parhiala (member from 12 June 2020)	–	–
Anni (Anna-Maria) Ronkainen (member until 28 March 2019)	–	27
Total	**222**	**167**

Remuneration of the Executive Team members (excluding the CEO)

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Salaries and benefits	1 348	1 462
Long-term incentive bonus	412	900
Performance-based incentives paid in cash[1]	201	161
Termination benefits	–	41
Stay-on bonus	–	88
Total	**1 960**	**2 653**

Remuneration of the CEO

EUR thousand	1.1.–31.12.2020	1.1.–31.12.2019
Salaries and benefits	264	259
Long-term incentive bonus	134	718
Performance-based incentives paid in cash[1]	165	104
Pension costs – defined contribution plans	9	9
Total	**572**	**1 089**

[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 2020. The Group had no shared functions as at 31 December 2020. All group companies are related parties of the Group.

Parent company	Nature of activities	Country of incorporation
Enento Group Plc	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	99,9[1]	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

[1] Enento 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.

29 Events after the reporting date

On 14 January 2021, Enento Group Plc announced its plan of changing the business area structure and creating a new Data and Analytics unit. The change in the organisational structure is aimed at enabling faster and smoother strategy implementation and highlighting the importance of data and analytics.

Enento Group currently has four business areas: Risk Decisions, Customer Data Management, SME & Consumers and Digital Processes. The new organisational structure consists of three business areas: Business Insight, Consumer Insight and Digital Processes. These new business areas replace the current ones (Risk Decisions, Customer Data Management and SME and Consumers), with the Digital Processes business area remaining unchanged.

Heikki Koivula, the Director of the current Risk Decisions business area, will be in charge of the new Business Insight business area. Siri Hane, the Director of the current SME and Consumers business area, will be in charge of the new Consumer Insight business area. During Siri Hane's parental leave, Gabriella Göransson (Head of Risk Decisions Sweden) will deputise for Siri Hane during the period 1 April – 1 October 2021. During this period, Gabriella Göransson will also be a member of Enento Group's Executive Team. Heikki Ylipekkala will remain in charge of the Digital Processes business area.

The new Consumer Insight business area will focus on customer-driven consumer information services, while the new Business Insight business area will focus on business information services.

The new Data and Analytics functional unit will be led by Chief Data & Analytics Officer Karl-Johan Werner. The current Customer Data Management business area led by Karl-Johan Werner will be included in the new business areas. Karl-Johan Werner will continue as a member of Enento Group's Executive Team.

The organisational change does not include any plans for personnel redundancies, but it does require statutory cooperation negotiations in Finland and Sweden. The negotiations will begin immediately. The new organisational structure will enter into effect on 1 April 2021.

Parent Company Income Statement (FAS)

EUR	Note	1.1.–31.12.2020	1.1.–31.12.2019
Net sales	2	**862 305,31**	**1 154 457,45**
Personnel expenses	3	-1 798 733,28	-2 153 844,98
Other operating expenses	4	-3 121 327,62	-1 510 235,38
Operating loss		**-4 057 755,59**	**-2 509 622,91**
Finance income and expenses			
Income from group undertakings	5	11 035 497,60	12 441 977,60
Other interest and finance income	5	62 173,36	1 293 853,73
Reduction in value of investments held as non-current assets	5	–	-101 330,00
Interest expenses and other finance expenses	5	-5 217 488,70	-2 554 313,04
Total finance income and expenses		5 880 182,26	11 080 188,29
Profit (loss) before appropriations and taxes		**1 822 426,67**	**8 570 565,38**
Appropriations			
Group contributions	6	24 662 075,97	24 566 647,00
Income tax expense	7	-3 151 799,81	-4 137 978,50
Profit for the financial year		**23 332 702,86**	**28 999 233,88**

Parent Company Balance Sheet (FAS)

EUR	Note	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Investments	8	544 896 936,41	543 299 197,52
Total non-current assets		**544 896 936,41**	**543 299 197,52**
Current assets			
Long-term receivables	9	895 542,92	1 490 594,18
Short-term receivables	10	24 866 226,10	25 069 397,44
Cash in hand and at banks		22 076 474,63	11 394 520,44
Total current assets		**47 838 243,65**	**37 954 512,06**
Total assets		**592 735 180,06**	**581 253 709,58**

EUR	Note	31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	11	80 000,00	80 000,00
Invested unrestricted equity reserve	11	335 063 219,42	357 869 927,37
Retained profit	11	32 198 705,85	3 199 471,97
Profit for the financial year		23 332 702,86	28 999 233,88
Total equity		**390 674 628,13**	**390 148 633,22**
Liabilities			
Non-current liabilities			
Loans from financial institutions		161 923 002,46	159 319 981,67
Total non-current liabilities		161 923 002,46	159 319 981,67
Current liabilities			
Accounts payable	12	69 748,46	188 955,62
Payables to Group companies	12	38 585 416,80	30 245 033,40
Other liabilities	12	250 773,62	34 580,72
Accrued expenses	12	1 231 610,59	1 316 524,95
Total current liabilities		**40 137 549,47**	**31 785 094,69**
Total liabilities		**202 060 551,93**	**191 105 076,36**
Total equity and liabilities		**592 735 180,06**	**581 253 709,58**

Parent Company Statement Of Cash Flows (FAS)

EUR	Note	1.1.–31.12.2020	1.1.–31.12.2019
Cash flow from operating activities			
Loss before appropriations and taxes		1 822 426,67	8 570 565,38
Adjustments:			
Finance income and expenses	5	-5 880 182,26	-11 080 188,29
Cash flows before change in working capital		-4 057 755,59	-2 509 622,91
Change in working capital:			
Increase (-) / decrease (+) in account and other receivables		226 534,68	303 480,78
Increase (+) / decrease (-) in account and other payables		-180 810,43	88 693,47
Change in working capital		45 724,24	392 174,25
Paid interest and other financing expenses		-2 300 889,17	-2 444 581,23
Dividends received		11 035 497,60	12 441 977,60
Interest and other finance income received		26 202,00	13 470,43
Income taxes paid		-2 644 908,85	-2 450 262,62
Cash flow from operating activities		**2 103 870,23**	**5 443 155,52**
Cash flows from investing activities			
Acquisition of subsidiary	8	-1 597 738,89	-8 942 697,82
Cash flows from investing activities		**-1 597 738,89**	**-8 942 697,82**
Cash flows from financing activities			
Proceeds from short-term borrowings		8 415 883,77	14 273 508,25
Proceeds from long-term borrowings		-	-
Repayment of long-term borrowings		-	-10 000 000,00
Group contributions received	6	24 566 647,00	23 342 888,00
Dividends paid and other profit distribution	11	-22 806 707,95	-22 793 627,40
Cash flows from financing activities		**10 175 822,82**	**4 822 768,85**
Net increase (+) / decrease (-) in cash and cash equivalents		**10 681 954,19**	**1 323 226,55**
Cash and cash equivalents at beginning of the financial year		11 394 520,44	10 071 293,89
Cash and cash equivalents at end of the financial year		**22 076 474,63**	**11 394 520,44**

Notes to the Parent Company Financial Statements

1 Accounting principles

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

Enento 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 discharged 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 entered as expenses.

Deferred tax assets

Deferred tax assets are calculated on the temporary differences between taxation and the financial statement 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 facilitate efficient cash management in the Group, Enento Group Plc has implemented a multi-currency cash pool arrangement with Danske Bank A/S. The subsidiaries' bank accounts in Danske Bank have been included as member accounts in the arrangement. The positive balances of the subsidiaries' member accounts are shown in the balance sheet item "Payables to Group companies" and negative balances in the balance sheet item "Receivables from Group companies".

2 Net sales

Net sales by market area

EUR	1.1.–31.12.2020	1.1.–31.12.2019
Finland	392 243,79	605 478,63
Sweden	432 626,05	521 540,25
Other countries	37 435,47	27 438,57
Total	**862 305,31**	**1 154 457,45**

Net sales consist of management fees from Group companies.

3 Personnel expenses

EUR	1.1.–31.12.2020	1.1.–31.12.2019
Salaries and benefits	-1 553 136,53	-1 898 376,97
Pension expenses	-215 008,05	-233 693,50
Other social security expenses	-30 588,70	-21 774,51
Total	**-1 798 733,28**	**-2 153 844,98**

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

Salaries and benefits of the management

EUR	1.1.–31.12.2020	1.1.–31.12.2019
Board members and CEO	-784 836,00	-1 246 885,68
Total	**-784 836,00**	**-1 246 885,68**

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

Number of personnel on average

Employees	1.1.–31.12.2020	1.1.–31.12.2019
Full time	11	11
Part time and temporary	1	1
Total	**12**	**12**

4 Other operating expenses

EUR	1.1.–31.12.2020	1.1.–31.12.2019
Other employment expenses	-41 710,71	-129 308,01
Expenses related to premises	-56 377,29	-73 270,89
Marketing expenses	-205 519,41	-80 779,86
Office expenses	-682 796,95	-290 331,81
IT expenses	-138 344,54	-101 128,76
Purchased services	-1 900 959,47	-672 115,60
Other expenses	-95 619,25	-163 300,45
Total	**-3 121 327,62**	**-1 510 235,38**

Auditor's fees

EUR	1.1.–31.12.2020	1.1.–31.12.2019
PricewaterhouseCoopers Oy		
Statutory fees	-75 000,00	-128 264,50
Tax advisory	–	-12 556,00
Other services	–	-30 112,50
Total	**-75 000,00**	**-170 933,00**

5 Finance income and expenses

EUR	1.1.–31.12.2020	1.1.–31.12.2019
Income from group undertakings		
Dividends	11 035 497,60	12 441 977,60
Other interest and finance income		
Interest income		
From Group companies	26 122,16	10 528,78
From parties outside the Group	79,84	2 941,65
Other finance income		
From parties outside the Group	35 971,36	1 280 383,30
Total finance income	**11 097 670,96**	**13 735 831,33**
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
to parties outside the Group	-2 232 133,96	-2 314 027,23
Other finance expenses		
to parties outside the Group	-2 985 354,74	-228 065,09
Total finance expenses	**-5 217 488,70**	**-2 655 643,04**
Total	**5 880 182,26**	**11 080 188,29**

6 Appropriations

EUR	1.1.–31.12.2020	1.1.–31.12.2019
Group contributions received	24 662 075,97	24 566 647,00
Total	**24 662 075,97**	**24 566 647,00**

7 Income tax expenses

EUR	1.1.–31.12.2020	1.1.–31.12.2019
On business operations	-2 693 429,55	-3 483 026,17
Change in deferred tax asset	-458 370,26	-654 952,33
Total	**-3 151 799,81**	**-4 137 978,50**

8 Investments

EUR	31.12.2020	31.12.2019
Shares in Group companies		
Cost at 1.1.	543 299 197,52	534 605 961,14
Additions	1 597 738,89	8 693 236,38
Cost at 31.12.	**544 896 936,41**	**543 299 197,52**
Other shares		
Cost at 1.1.	-	101 330,00
Disposals	-	-101 330,00
Cost at 31.12.	**-**	**-**
Net book value at 1.1.	543 299 197,52	534 707 291,14
Net book value at 31.12.	**544 896 936,41**	**543 299 197,52**
	Ownership (%)	Ownership (%)
Group companies		
Suomen Asiakastieto Oy, Helsinki	100,00	100,00
Emaileri Oy, Turku	100,00	100,00
UC AB, Stockholm	99,99	99,99
UC Affärsinformation AB, Stockholm	100,00	100,00
Proff AB, Stockholm	100,00	100,00
Proff AS, Oslo	100,00	100,00
Proff ApS, Frederiksberg	100,00	100,00

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

9 Long-term receivables

EUR	31.12.2020	31.12.2019
Deferred tax assets		
From non-deductible net interest expenses	650 266,06	1 108 636,32
Total deferred tax assets	**650 266,06**	**1 108 636,32**
Prepaid expenses and accrued income		
Financial expenses periodised	245 276,86	381 957,86
Total prepaid expenses and accrued income	**245 276,86**	**381 957,86**
Total	**895 542,92**	**1 490 594,18**

10 Short-term receivables

EUR	31.12.2020	31.12.2019
Receivables from Group companies		
Accounts receivable	5 820,84	215 374,47
Prepaid expenses and accrued income		
Group contribution	24 662 075,97	24 566 647,00
Total receivables from Group companies	**24 667 896,81**	**24 782 021,47**
Other receivables	**20 756,49**	**49 723,68**
Prepaid expenses and accrued income		
Financial expenses periodised	143 146,76	143 041,65
Other periodised expenses	34 426,04	94 610,64
Total prepaid expenses and accrued income	**177 572,80**	**237 652,29**
Total	**24 866 226,10**	**25 069 397,44**

11 Equity

EUR	31.12.2020	31.12.2019
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.	357 869 927,37	369 386 707,53
Capital repayment	-22 806 707,95	-11 516 780,16
Total invested unrestricted equity reserve at 31.12.	335 063 219,42	357 869 927,37
Retained profit at 1.1.	32 198 705,85	14 476 319,21
Distribution of dividend	–	-11 276 847,24
Total retained profit at 31.12.	32 198 705,85	3 199 471,97
Profit for the financial year	23 332 702,86	28 999 233,88
Total unrestricted shareholders' equity	**390 594 628,13**	**390 068 633,22**
Total equity	**390 674 628,13**	**390 148 633,22**

Distributable funds

EUR	31.12.2020	31.12.2019
Invested unrestricted equity reserve	335 063 219,42	357 869 927,37
Retained profit	32 198 705,85	3 199 471,97
Profit for the financial year	23 332 702,86	28 999 233,88
Total	**390 594 628,13**	**390 068 633,22**

12 Current liabilities

Payables to Group companies

EUR	31.12.2020	31.12.2019
Accounts payable	133 516,19	209 016,56
Other liabilities	38 451 900,61	30 036 016,84
Accrued expenses	–	–
Total	**38 585 416,80**	**30 245 033,40**

Other current liabilities

EUR	31.12.2020	31.12.2019
Accrued expenses		
Holiday pay liabilities	162 802,86	164 389,20
Other accrued personnel expenses	336 435,37	453 667,68
Interest expenses	243 094,33	388 726,54
Taxes	340 578,03	292 057,33
Other	148 700,00	17 684,20
Total accrued expenses	**1 231 610,59**	**1 316 524,95**
Other liabilities		
Derivatives payable	217 370,74	–
Other	33 402,88	34 580,72
Total other liabilities	**250 773,62**	**34 580,72**
Accounts payable	69 748,46	188 955,62
Total other current liabilities	**1 552 132,67**	**1 540 061,29**
Total	**40 137 549,47**	**31 785 094,69**

Board's proposal for the distribution of funds

At the end of the financial year 2020, the distributable funds of the Group's parent company amounted to EUR 390 594 628,13, of which the profit for the financial year was EUR 23 332 702,86. The Board of Directors proposes to the Annual General Meeting convening on 29 March 2021 that funds amounting to EUR 0,95 per share, totalling EUR 22 806 707,95 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 2020 as follows:

	EUR / share	EUR
From the invested unrestricted equity reserve as a repayment of capital	0,95	22 806 707,95
To be retained in unrestricted equity		367 787 920,18
Total		**390 594 628,13**

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 2021. The Board of Directors proposes that the funds be paid on 12 April 2021.

The remunerations to be paid on the basis of the Company's management's long-term incentive plan 2018–2020 are further expected to result in the issuance of approximately 28 000 new shares in Enento Group Plc, entitling to the distribution of funds from the financial year 2020. Thus, the proposed total amount of distributed funds would increase by approximately EUR 27 000.

After the financial year there are no material changes in the Company's financial position. The Company's liquidity is good and, based on the Board of Directors' view, the proposed distribution of profits does not compromise the Company's liquidity.

Signatures to the Financial Statements

Helsinki, 12 February 2021

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

Minna Parhiala
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, 12 February 2021

PricewaterhouseCoopers Oy
Authorised Public Accountants

Martin Grandell
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of Enento 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 Enento Group Oyj (business identity code 2194007-7) for the year ended 31 December 2020. 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

- Overall group materiality:
  € 1,2 million, which represents approximately 5% of profit before tax
- The group audit scope:
  The group audit scope includes all significant legal entities in Finland and Nordic countries, covering the vast majority of revenues, assets and liabilities of the group.
- Goodwill:
  Goodwill in Enento Group's consolidated statement of financial position was € 358 233 thousand which is approximately 65% of the total assets of € 552 533 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:
  Enento Group's net sales in the financial year 2020 amounted to € 151 317 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 € 1,2 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 € 358 233 thousand as at 31 December 2020 which is approximately 65% of total assets € 552 533 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 2021-2024 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 reasonabless 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* Enento 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 Enento 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 13 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 4 years. Enento 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 12 February 2021

PricewaterhouseCoopers Oy
Authorised Public Accountants

Martin Grandell
Authorised Public Accountant (KHT)

Corporate Governance Statement 2020

Enento Group Plc (the "Company" or "Enento") is a Finnish public limited liability company. The parent company of the Group is Enento 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, Enento 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 Enento'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 Enento'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.

Enento 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 Enento 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 12 June 2020. When arranging the meeting Enento followed temporary changes in Finnish Company Act made for COVID-19 pandemic which allowed the meeting to be arranged without shareholders presence.

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 remuneration 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 Enento 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.

Realisation of diversity of the Board of Directors

At the moment (2020), 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. One person have been nominated by the general meeting in 2019 and one in 2020. Both genders are represented in the Company's Board of Directors.

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

Report of the actions of the Shareholders' Nomination Board in 2020

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 2020 were Sampo Plc, Skandinaviska Enskilda Banken Ab (publ.) and Nordea Bank Abp.

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 Carpèn 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 Niemisvrta	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 2020. All members of the Nomination Board participated to these meeting.

Shareholders' Nomination Board's proposal to Annual General Meeting 2021

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

The Board proposes that Petri Carpén, Patrick Lapveteläinen, Martin Johansson, Minna Parhiala and Tiina Kuusisto be reelected as members of the Board of Directors. The Board proposes Erik Forsberg to be elected as a new member.

The Board proposes that the remuneration payable to the Board of Directors Chairperson be EUR 52 000 per year and to other Board members EUR 36 750 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.

The Board proposes that the Charter of the Shareholders' Nomination Board (point 2.) to be amended as follows:

The Nomination Board consists of four members, three of which represent 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. The Chairperson of the Board of Directors shall, as expert member, be member of the Nomination Board.

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 Enento, 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.

Enento'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. Independency from the Company is determined based on the fact whether a person has been employed by any of the Enento Group companies within the last 5 years. Independency from the major shareholders is determined for example based on the fact whether a person has either directly or through controlling interest company owned Enento's shares during the last year or whether the or person has an employment relationship or service contract with significant shareholder.

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 12 June 2020, Petri Carpén, Martin Johansson, Tiina Kuusisto, Patrick Lapveteläinen, Carl-Magnus Månsson and Minna Parhiala, 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.

Personal details of 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	–
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	1968	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: Mandatum Life Insurance Company Limited, Leviathan Oy Member of the Board of Directors: If P&C Insurance Holding Ltd, If P&C Insurance Ltd (publ.), Saxo Bank A/S
Månsson Carl-Magnus	1966	Board member (from 1 April 2016)	Master's Degree in Science (Eng.)	CEO of Iver Group	Chairman of the Board in several companies in Iver Group. Member of the Board: Kindred Group Plc Deputy member of the Board: Jarlelyd Consulting AB
Nikkilä Petri	1971	Board member (from 28 March 2019 until 12 June 2020)	Master's Degree in Science (Econ.)	During the Board membership: Director (Chief Commercial and Digital Officer) of Nordea Group	Member of the Board of Directors: Nordea Funds Oy (until 25 February 2020), Automatia Pankkiautomaatit Oy (until 21 April 2020)
Parhiala Minna	1967	Board member (from 12 June 2020)	Master of Laws	Head of Business Area, Nordea Personal Banking	Member of the Board of Directors: Limelight Horses Oy, J&M Parhiala Oy

2/6 of the Members of the Board are women at the end of year 2020. The age distribution is 48-62 years. Members present two nationalities and they have gained experience from various industries.

The performance of the Board is evaluated annually. In 2020 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. Most of the Board meetings were kept virtually. This was considered to have had some effect on the effectiveness of the meetings.

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 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 Council Juuso Jokela.

Board meetings 2020

The Board of Directors convened altogether 10 times during year 2020. Nine out of 10 meetings were held virtually due to COVID-19 situation. Average attendance was 97 per cent. In addition, the Board made three 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 organisation meeting following the Annual General Meeting. The Board did not appoint Nomination and Remuneration Committee in its organisational meeting 12 June 2020. 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 2020. Average attendance was 100 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 also reviewed financial actual amounts and forecasts for the financial year, budget for the next financial year and impairment testing.

Attendance to Board and Committee Meetings

	Board meeting	Audit committee
Carpén Petri	10/10	6/6
Johansson Martin	10/10	6/6
Kuusisto Tiina	10/10	
Lapveteläinen Patrick	10/10	
Månsson Carl-Magnus	9/10	6/6
Nikkilä Petri	2/3	
Parhiala Minna	7/7	

Chief Executive Officer

The Chief Executive Officer ("CEO") of Enento 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 Enento 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, Proff Aps and Nordic Morning Oyj and as a member of the board Suomen Kansallisteatterin Osakeyhtiö. He has served as a member of the Board of Enento 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 2020 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	1984	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 2020

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	82 356
CEO	
Related party's ownership	0
Stråhlman Elina	2 250
Related party's ownership	0
Hane Siri	2 095
Related party's ownership	0
Karemo Mikko	10 590
Related party's ownership	0
Koivula Heikki	16 029
Related party's ownership	0
Olofsson Jörgen	1 144
Related party's ownership	0
Preger Victoria	2145
Related party's ownership	0
Werner Karl-Johan	2145
Related party's ownership	0
Ylipekkala Heikki	4 250
Related party's ownership	0
Öhlander Eleonor	2 145
Related party's ownership	0
Total	125 149

Auditor

The main function of the statutory audit is to verify that the financial statements provide true, accurate and sufficient information on the Enento Group's performance and financial position for the financial year. The Enento 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 Enento'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 12 June 2020 has appointed Pricewaterhouse-Coopers Oy, Authorised Public Accountants as its auditor. PricewaterhouseCoopers Oy has appointed Martin Grandell, Authorised Public Accountant, as the principal responsible auditor.

In 2020 auditor Company was paid EUR 243 thousand for auditing and for other services EUR 29 thousand.

Risk management and Internal control

Risk management

Enento 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 Enento's business, financial condition, results of operations and future prospects.

The objective of Risk Management is to secure profitable performance of the Enento 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 Enento's strategic and operative planning, daily decision-making process and internal control.

Main Principles for Organising 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.

Enento'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 Enento 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 Enento 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 organisation 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. Enento 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.

Enento'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, Enento 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 Enento

Enento'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

Enento 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 2020 for internal control development

Areas of focus for the internal control in 2020 were to finalise the development action points from 2019 upgrade and benchmarking project of Nordic processes and to continuously improve 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. Enento 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 Enento to comply throughout the organisation 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 Enento 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 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 Enento's Board of Directors, the CEO, the Deputy CEO and the CFO. Enento has no company-specific permanent insider register. The Company maintains project specific insider registers itself.

According to Enento'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 5.3.2021 its report for financial year 2020. 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:
Mandatum Life Insurance Company Limited,
Leviathan Oy
Member of the Board of Directors:
If P&C Insurance Ltd, If P&C Insurance Holding Ltd,
Saxo Bank A/S

Independent of the company but non-independent of its significant shareholders.

Shareholding in Enento Group Plc on 31 December 2020: 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 Enento Group Plc on 31 December 2020: 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 Enento Group Plc on 31 December 2020: 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 Enento Group Plc on 31 December 2020: 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: Chairman of the Board of Directors of several companies in Iver Group
Member of the Board of Directors: Kindred Group Plc
Deputy member of the Board: Jarlelyd Consulting AB

Independent of the company and independent of its significant shareholders.

Shareholding in Enento Group Plcon 31 December 2020: 0 shares, no holdings of interest parties.

Minna Parhiala
b. 1967

Education: Master of Laws (LL.M.)
Board member from 12 June 2020

Main duty: Head of Business Area, Nordea Personal Banking

Positions of trust: Member of the Board of Directors: Limelight Horses Oy, J&M Parhiala Oy

Independent of the company and independent of its significant shareholders.

Shareholding in Enento Group Plc on 31 December 2020: 0 shares, no holdings of interest parties.

Executive Management Team

Jukka Ruuska
b. 1961

CEO

Master of Laws (LL.M.), MBA

Employed by Enento Group since 2011. Executive Management Team Member since 2011 and Enento 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 Enento Group Plc on 31 December 2020: 82 356 shares, no holdings of interest parties.

Elina Stråhlman
b. 1979

CFO

M.Sc. (Econ.)

Employed by Enento Group and Executive Management Team Member since 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 Enento Group Plc on 31 December 2020: 2 250 shares, no holdings of interest parties.

Siri Hane
b. 1984

Director, SME and Consumers

M.Sc. (Econ.)

Employed by Enento 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 Enento Group Plc on 31 December 2020: 2 095 shares, no holdings of interest parties.

Mikko Karemo
b. 1971

Director, Sales and Customers

Master of Laws (LL.M.)

Employed by Enento Group and Executive Management Team Member since 2012. He has previously acted as Sales and Marketing Director at Enento Group, Regional Direc-tor at If P&C Company and in expert and leading positions in finance and service sector in Finland, Sweden and China.

Shareholding in Enento Group Plc on 31 December 2020: 10 590 shares, no holdings of interest parties.

Heikki Koivula
b. 1974

Director, Risk Decisions

eMBA

Employed by Enento 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 Enento Group and Vice President at OP Group.

Shareholding in Enento Group Plc on 31 December 2020: 16 029 shares, no holdings of interest parties.

Jörgen Olofsson
b. 1965

CIO

Bachelor of Computer Science and Electronics, KTH

Employed by Enento Group and Executive Management Team Member since 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 Enento Group Plc on 31 December 2020: 1 144 shares, no holdings of interest parties.

Victoria Preger
b. 1976

Director, Marketing and Communications

B.Sc. in Economics and in Communications

Employed by Enento 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 Enento Group Plc on 31 December 2020: 2 145 shares, no holdings of interest parties.

Karl-Johan Werner
b. 1973

Director, Customer Data Management

M.Sc. (Econ.)

Employed by Enento Group and Executive Management Team Member since 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 Enento Group Plc on 31 December 2020: 2 145 shares, no holdings of interest parties.

Heikki Ylipekkala
b. 1967

Director, Digital Processes

B.Pol.Sc., eMBA

Employed by Enento Group and Executive Management Team Member since 2016. He has previously acted as Head of Real Estate and Collateral Information at Enento Group and in the executive teams of the national central securities depositories of Finland and Sweden (Euroclear Finland and Euroclear Sweden).

Shareholding in Enento Group Plc on 31 December 2020: 4 250 shares, no holdings of interest parties.

Eleanor Öhlander
b. 1970

Director, HR

B.Sc. in Business Administration and Economics

Employed by Enento 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 Enento Group Plc on 31 December 2020: 2 145 shares, no holdings of interest parties.

Other changes in the Executive Management Team during the financial year

Siri Hane will be on parental leave between 18 December 2020 and 30 September 2021. Victoria Preger will replace Siri Hane between 18 December 2020 and 31 March 2021 and Gabriella Göransson between 1 April 2021 and 30 September 2021.

Shares and Shareholders

Enento Group Plc 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 13 769 new shares were subscribed for in Enento 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.

The Company did not hold any of its own shares at the end of the financial year. The Annual General Meeting of Shareholders on 12 June 2020 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 28 March 2019. The maximum amount corresponds to approximately 6,2 % 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 24 007 061.

Share price and volume

During the financial year, a total of 6 757 380 shares were traded, and the total value of the exchanged shares was EUR 215,1 million. The highest share price during the financial year was EUR 40,30, the lowest price was EUR 24,20 the average price was EUR 31,83 and the closing price was EUR 33,60. Market capitalisation measured at the closing price of the financial year was EUR 806,6 million.

Shareholders

According to the book-entry securities system, the Company had 3 070 shareholders, including 8 nominee-registered shareholders, on 31 December 2020. A list of the largest shareholders is available on the Company's investor pages at enento.com/investors. 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 31.12.2020

Omistaja	Number of shares	% of share capital	Nominee registered
Skandinaviska Enskilda Banken Ab (publ) Helsinki Branch	6 931 368	28,870	x
Sampo Plc	2 920 000	12,160	
Skandinaviska Enskilda Banken Ab (publ)	2 441 920	10,170	
Nordea Bank Abp	2 303 315	9,590	
Nordea Bank Abp	2 096 317	8,730	x
Fjarde AP-Fonden	678 132	2,820	
Ilmarinen Mutual Pension Insurance Company	655 000	2,730	
Danske Invest Finnish Equity Fund	546 624	2,280	
Elo Mutual Pension Insurance Company	461 455	1,920	
Nordea Nordic Small Cap Fund	404 561	1,690	
Kaleva Mutual Insurance Company	370 907	1,540	
Varma Mutual Pension Insurance Company	345 000	1,440	
Evli Finnish Small Cap Fund	248 500	1,040	
Clearstream Banking S.A.	212 659	0,890	x
Church Pension Fund	199 308	0,830	
Föreningen Konstsamfundet r.f.	190 000	0,790	
Danske Bank A/S Finnish branch	165 044	0,690	x
SEB Finland Small Cap Fund	156 848	0,650	
OP-Finland Mutual Fund	154 842	0,640	
Säästöpankki Finland Mutual Fund	143 262	0,600	
20 largest shareholders total	21 625 062	90,080	
All shares	24 007 061	100,000	

Shareholder structure by sector 31.12.2020

Sector	Number of shareholders	% of shareholders	Number of shares	% of share capital
Foreign shareholders	11	0,360	11 867 109	49,430
Finance and insurance institutions	38	1,240	8 659 466	36,070
General government	9	0,290	1 569 445	6,540
Households	2 639	85,960	952 195	3,970
Companies and housing companies	282	9,190	661 733	2,760
Non-profit organisations	91	2,960	297 113	1,240
Total	3 070	100,000	24 007 061	100,000

Ownership distribution by number of shares 31.12.2020

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of share capital
1–100	1 376	44,821	72 987	0,304
101–500	1 198	39,023	293 939	1,224
501–1 000	258	8,404	199 156	0,830
1 001–5 000	167	5,440	340 818	1,420
5 001–10 000	23	0,749	181 745	0,757
10 001–50 000	17	0,554	439 368	1,830
50 001–100 000	9	0,293	639 529	2,664
100 001–500 000	14	0,456	3 266 843	13,608
500 001–999 999 999 999	8	0,261	18 572 676	77,363
Total	3 070	100,000	24 007 061	100,000
Of which nominee registered	8		9 423 721	39,254

The information is based on the list of the company's shareholders maintained by Euroclear Finland Ltd.

Information for Shareholders

Annual General Meeting

Enento Group Plc's Annual General Meeting will be held on Monday, 29 March 2021, starting at 10:00 a.m. EET at Rantatie Business Park, Tutka & Plotteri Meeting Room (Hermannin rantatie 8, Main entrance: Verkkosaarenkatu 5, 00580 Helsinki, Finland). The notice to the Annual General Meeting will be published separately at a later date on the Company's website (enento.com/investors) and as a stock exchange release. Due to the COVID-19 pandemic the participation and exercise of shareholder rights in the Annual General Meeting will only be possible by voting in advance and by submitting counterproposals and asking questions in advance in accordance with the instructions to be given in the notice and otherwise by the Company. It is not possible to attend the meeting in person.

Board of Directors' proposal to the Annual General Meeting

The Board of Directors proposes to the Annual General Meeting convening on 29 March 2021 that from the financial year ended 31 December 2020, 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 2021. The Board of Directors proposes that the funds be paid on 12 April 2021.

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 2021

Each year, Enento 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 2020	week 10 / 2021
Interim Report 1.1.–31.3. (Q1)	29.4.2021
Half Year Financial Report 1.1.–30.6.	21.7.2021
Interim Report 1.1.–30.9. (Q3)	29.10.2021

Basic share information

Market	Nasdaq Helsinki
List	Mid cap
Sector	Financials
Trading code	ENENTO
Votes / share	1
Number of shares on 31 December 2020	24 007 061
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 Enento 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. Enento Group publishes all investor information on its Investors site in Finnish and English. Enento Group Plc observes a 30-day period of silence before the publishing of financial reports. During this period, the company does not arrange or partici-pate in any one-on-one meetings with investors, analysts or the media.

IR contact information

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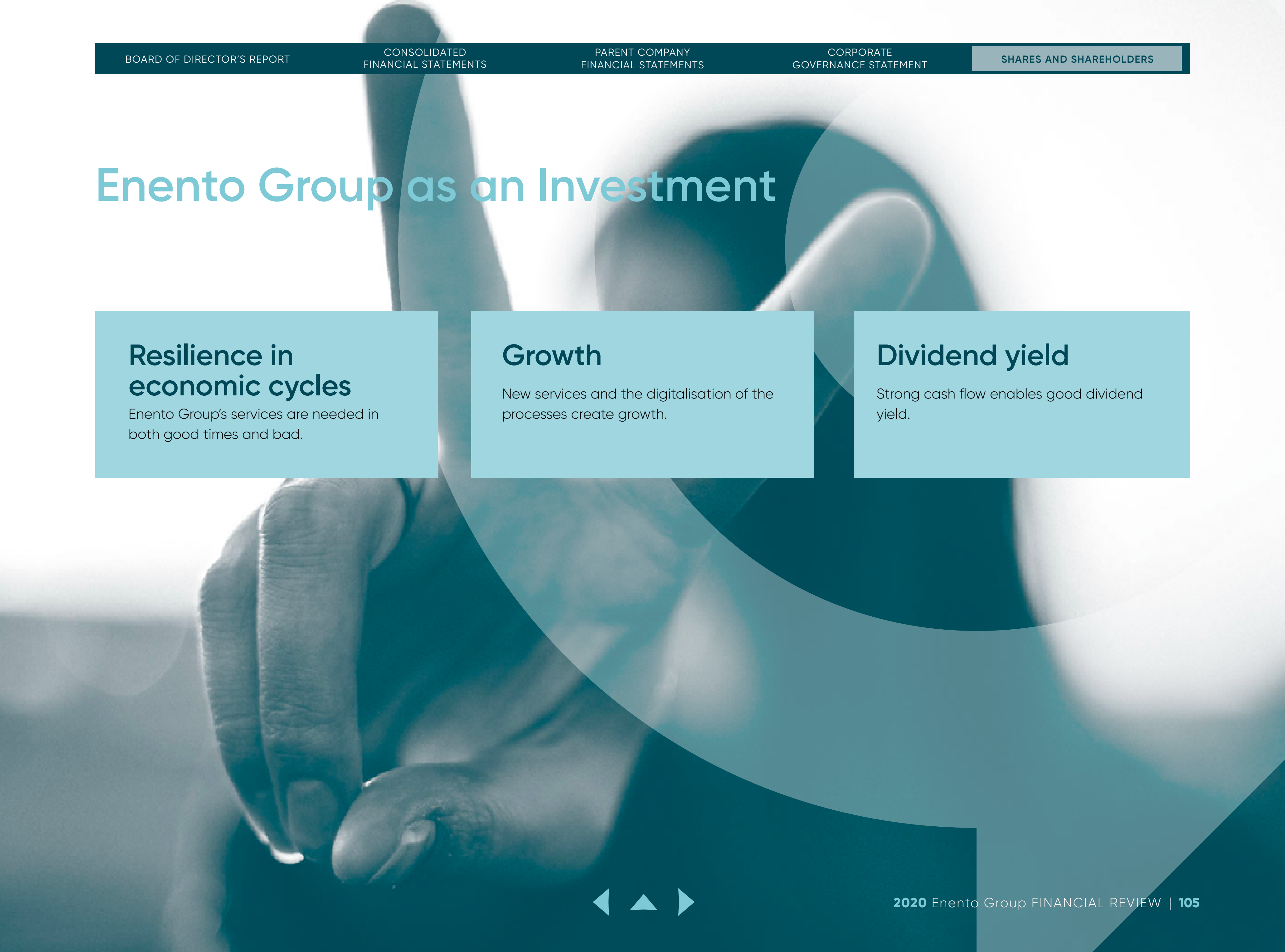

Enento Group as an Investment

Resilience in economic cycles

Enento 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.

Enento Group

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