

Digia Plc
 Half Year Financial Report
 11 August 2017 at 8:00

Digia Plc Half Year Financial Report 2017

Net sales growth accelerates to 11 per cent in the second quarter

April-June 2017

- Net sales EUR 24.8 (22.4) million, increase 10.9%
- Operating result EUR 1.4 (1.8) million, 5.5% (7.9%) of net sales
- Earnings per share EUR 0.05 (0.07)

January-June 2017

- Net sales EUR 47.4 (43.8) million, increase 8.0%
- Operating result EUR 1.4 (2.7) million, 3.0% (6.2%) of net sales
- Earnings per share EUR 0.05 (0.11)
- Rights issue generates gross proceeds of about EUR 12.5 million
- Digia's guidance for 2017 remains unchanged: Digia's net sales growth is expected to accelerate in 2017 (2016: net sales up 6.8%). Operating profit in 2017 is estimated to remain on a par with the previous year.

KEY FIGURES

EUR 1,000	4-6/ 2017	4-6/ 2016	Change %	1-6/ 2017	1-6/ 2016	Change %	2016
Net sales	24,840	22,397	10.9%	47,356	43,829	8.0%	86,463
Operating result	1,374	1,777	-22.7%	1,441	2,714	-46.9%	5,419
- as a % of net sales	5.5%	7.9%		3.0%	6.2%		6.3%
Result for the period	1,050	1,543	-32.0%	961	2,242	-57.1%	4,064
- as a % of net sales	4.2%	6.9%		2.0%	5.1%		4.7%
Return on equity, %				5.0%	12.0%		11.0%
Return on investment, %				5.5%	13.1%		11.0%
Interest-bearing liabilities				16,959	12,228	38.7%	13,686
Cash and cash equivalents				13,630	1,752	678.0%	1,994
Net gearing, %				7.5%	33.9%		35.6%
Equity ratio, %				52.3%	50.6%		49.8%
Employees, end of period				973	791	23.1%	872
Employees, average	960	781	22.9%	928	775	19.7%	810
Total shareholders' equity				44,217	30,911	43.0%	32,814
Balance sheet total				84,830	61,586	37.7%	66,390
Earnings per share	0.05	0.07	-32.3%	0.05	0.11	-57.2%	0.20

DIGIA'S PRESIDENT AND CEO TIMO LEVORANTA COMMENTS ON THE SECOND QUARTER OF 2017

“The trend in Digia’s net sales developed positively. Second-quarter net sales saw year-on-year growth of 10.9 per cent. Growth was boosted by good demand for e-commerce solutions and the acquisition of Omni Partners Oy, a digital services company. The national Income Register project that Digia is implementing with the Tax Administration also contributed to Digia’s net sales growth. Outlays on growth are in line with our strategy.

Digia’s operating result was EUR 1.4 million and its EBIT% stood at 5.5 per cent. Profitability was impacted by restructuring and acquisition of EUR 0.3 million as well as investments in growth and recruitment. Our operating result was also impacted by several challenging projects and the investments they required. However, their impact was clearly lower than in the first quarter. June was a good month for both net sales and operating result.

In order to implement our growth strategy, we continued to recruit new experts and also acquired Omni Partners to bolster our expertise in digital services, especially with respect to tailored, open source-based online services as well as service design. 52 people joined Digia as a result of the acquisition. Digia employed 973 people at the end of June, which is 101 more employees than at the end of 2016.

Our customers have a strong need to harness the opportunities afforded by digitalisation in their businesses. We expect that the market will develop favourably during 2017 in comparison to the previous year. Demand for software as a service continues to become ever more commonplace. This model will reduce the cyclicity of business operations and changes the structure and scheduling of income flows, as a result of which one-off licence fees will account for a smaller relative share and income will accumulate over a longer period.

Digia has a strong offering to support the digitalisation of our customers’ business operations. We work every day to earn our position as a visionary partner to our customers in the development of their business operations. Our strength is our Digia team, which consists of expert and constantly developing professionals. We offer solutions for service design and development, as well as for integration and back-end systems. Customers reap the benefits of digitalisation only when the service package has been seamlessly integrated all the way into their back-end systems.

We are continually strengthening our offering and working with our customers to develop their businesses. One of the emerging customer needs is preparing for the requirements of the revised General Data Protection Regulation (GDPR). We have developed our offering to meet this customer need as well.

During 2017, we will continue to develop our competence structure. Our goal is to strengthen the company’s position, particularly in the growing markets for digital services, process digitalisation and the service business, as well as to accelerate the growth of net sales and boost efficiency to improve the profitability of our operations.”

BRIEFING INVITATION

Digia will hold a briefing for analysts on Friday 11 August 2017 at 11 am, in the Freda cabinet at Hotel Scandic Simonkenttä, Simonkatu 9, 00100 Helsinki, Finland. Welcome.

The material and presentation for the event will be available from about 11 am on 11 August 2017 in the Investors section of the company’s website: www.digia.com/en/investors/reports-and-presentations.

FURTHER INFORMATION

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DISTRIBUTION

Nasdaq Helsinki
Key media

www.digia.com

Digia is a profitably growing IT service company that helps its customers harness digital opportunities. As a visionary partner, Digia develops and innovates solutions that support business operations together with its customers. We adapt our expertise to their specific industries to help them develop digital services, manage operations and utilise information. We operate in Finland and Sweden with our team of nearly 1,000 experts. We are expanding our international presence together with our customers. Digia's net sales in 2016 totalled EUR 86.5 million. The company is listed on NASDAQ Helsinki (DIGIA). www.digia.com

Digia Plc Half Year Financial Report 2017

NET SALES

Net sales saw year-on-year growth of 10.9 per cent in the second quarter of 2017, totalling EUR 24.8 (22.4) million. June was a particularly strong month. Digital services' e-commerce implementations and the acquisition of Omni Partners Oy contributed to this net sales growth, which also received a boost from the national Income Register project that Digia is implementing with the Tax Administration.

Net sales for January–June 2017 totalled EUR 47.4 (43.8) million, up 8.0 per cent on the previous year. In Digital services, particularly the sales of Magento-based e-commerce solutions developed positively. Customers' development investments in their digital business and customer experience also contributed to growth in digital services. In addition, sales of Integration and information management service area and Microsoft Dynamics 365 as a service developed well.

Second-quarter net sales in the service business totalled EUR 11.4 (12.2) million, representing 45.8 (54.4) per cent of the company's net sales. The net sales of the project business totalled EUR 13.5 (10.2) million and accounted for 54.2 (45.6) per cent of net sales. The net sales of the service business totalled EUR 23.0 (24.3) million in January–June 2017, representing 48.6 (55.4) per cent of the company's net sales. The net sales of the Project business totalled EUR 24.3 (19.5) million and accounted for 51.4 (44.6) per cent of net sales.

The net sales of the product business totalled EUR 6.4 (7.3) million in the second quarter of 2017, representing 25.9 (32.6) per cent of the company's net sales. In January–June 2017, the net sales of the product business totalled EUR 12.3 (13.9) million and accounted for 25.9 (31.8) per cent of the company's net sales.

PROFIT AND PROFITABILITY

Digia's operating profit for the second quarter totalled EUR 1.4 (1.8) million with an operating margin (EBIT%) of 5.5 (7.9) per cent. Profitability was impacted by EUR 0.3 million restructuring and acquisition costs as well as investments in growth and recruitment. Operating result was also impacted by several challenging projects and the investments they required. However, their impact was clearly lower than in the first quarter. In Digital services, Digia continued to make investments to boost growth and bolster market position in e-commerce, e-services and online services, and also in service design and consulting. As anticipated, the profitability of the Integration and information management service area fell slightly on 2016.

Operating profit for January–June 2017 totalled EUR 1.4 (2.7) million with an operating margin of 3.0 (6.2) per cent. Other income arising from the demerger of Digia Plc and Qt Group Plc has been reported in the comparison figures for 2016.

Digia's earnings before taxes for the second quarter were EUR 1.2 (1.7) million, with earnings after taxes totalling EUR 1.1 (1.5) million. In January–June, earnings before taxes were EUR 1.2 (2.6) million and earnings after taxes EUR 1.0 (2.2) million.

Earnings per share were EUR 0.05 (0.07) in the second quarter of 2017 and EUR 0.05 (0.11) in January–June 2017.

Net financial expenses totalled EUR -0.1 (-0.1) million in the second quarter and EUR -0.3 (-0.1) million in January–June 2017.

FINANCING, CASH FLOW AND EXPENDITURE

At the end of June 2017, Digia's balance sheet total stood at EUR 84.8 (66.4) million and its equity ratio at 52.3 (50.6) per cent. Net gearing was 7.5 per cent (33.9 per cent), and liquid assets EUR 13.6 (1.8) million. The balance sheet was strengthened by a EUR 12.5 million rights issue.

At the end of June 2017, Digia had EUR 17.0 (12.2) million in interest-bearing liabilities. These consisted of EUR 7.0 million in long-term and EUR 8.0 million in short-term loans from financial institutions, and EUR 2.0 million in financial leasing liabilities. Digia has a long-term financing agreement with Danske Bank Plc. During the review period, bank financing was partly used to fund the acquisition of Omni Partners Oy.

Cash flow from operating activities in January–June 2017 totalled EUR 2.6 (1.3) million. Cash flow from investments came to EUR -4.7 (-0.9) million. The Omni Partners Oy acquisition is included in the cash flow from investments. Cash flow from financing rose to 13.7 (-2.0) million as a result of the rights issue.

Digia paid EUR 1.7 million in dividends in the first quarter.

Total investments in fixed assets amounted to EUR 1.2 (0.4) million during January–June 2017. The return on investment (ROI) was 5.5 (13.1) per cent, and return on equity (ROE) was 5.0 (12.0) per cent. These investments were mainly in IT and other equipment to develop and maintain Digia's production and service operations, and to improve working conditions and tools for employees.

PERSONNEL

The number of Digia employees totalled 973 at the end of June 2017, showing an increase of 101 employees, or 11.6 per cent, on year-end 2016. During the reporting period, the number of employees averaged 928, an increase of 153 employees, or 19.8 per cent, on the review period 2016 average. 52 people transferred into Digia's employ as a result of the Omni Partners Oy acquisition.

CHANGES IN THE GROUP STRUCTURE

On 27 April 2017, Digia Plc signed an agreement with Omni Partners Oy's owners by which Digia Plc will acquire the entire share capital of Omni Partners Oy and, at the same time, Omni Partners' wholly owned subsidiary Nord Software Oy Ltd. This strategic acquisition will bolster Digia's position in the digital services market. Omni Partners and Nord Software offer customised solutions, based on open source technologies, for online and mobile communications services and e-services.

CHANGES IN THE OPERATING MODEL AND GROUP MANAGEMENT TEAM

Digia Plc decided to revise and simplify its operating model to ensure growth. As part of this change, Digia also restructured its organisation and the make-up of its Group Management Team.

Digia strengthened its business in the financial sector by establishing a new business area, Financial Operations. The new organisation came into force on 1 June 2017. This change will support growth in product and service business in the financial sector. In order to boost efficiency, Digia also combined Horizontal services with functions reporting to the CTO.

The members of Digia Plc's Group Management Team as of 30 June 2017:

- Timo Levoranta, President & CEO
- Tuula Haataja, CFO
- Heikki Honkala, Vice President, Industry Solutions
- Juhana Juppo, CTO and Senior Vice President, Horizontal Solutions

- Mika Kervinen, General Counsel
- Tuomo Niemi, Senior Vice President, Financial Sector
- Ari Rikkilä, Senior Vice President, Sales and Marketing
- Marko Saarinen, Senior Vice President, Digital Services
- Teemu Virtanen, Vice President, Integration and Information Management

Kristiina Simola will start as Digia's CFO and member of the Management Team on 14 August 2017.

More information about Digia's corporate governance and management is available at www.digia.com/en/investors/governance.

SHARE CAPITAL AND SHARES

As a result of the rights issue, the total number of Digia Plc shares rose to 26,823,723. The company had a total of 5,063 shareholders on 30 June 2017.

The weighted average number of shares during January–June 2017, adjusted for share issues, came to 20,797,112. There were 26,716,760 outstanding shares at the end of June 2017.

Digia Plc held a total of 57,372 treasury shares at the end of June 2017. The accounting counter value of these treasury shares is EUR 0.10 per share. The company held about 0.21 per cent of its capital stock on 30 June 2017.

At the end of the period, a total of 49,591 company shares, previously funded by Digia for use in the incentive system for key personnel and under the management of Evli Awards Management Ltd, remained undistributed.

Up-to-date information about the company's major shareholders and the distribution of their shareholdings can be found on Digia's website: www.digia.com/en/investors/shareholders.

TRADING ON THE HELSINKI STOCK EXCHANGE

Digia Plc changed its trading code (stock symbol) in the Nasdaq Helsinki trading system. The new trading code is DIGIA. The change was effective at the start of trading on Wednesday, 1 March 2017. The previous trading code was DIG1V.

Digia Plc's shares are listed on NASDAQ Helsinki under IT, IT Consulting & Other Services. The lowest reported share quotation in January–June 2017 was EUR 2.36 and the highest EUR 3.13. The share officially closed at EUR 2.40 on the last trading day of June 2017. The trade-weighted average was EUR 2.65. The company's market capitalisation totalled EUR 64,376,935 on 30 June 2017.

NEW LONG-TERM SHARE-BASED INCENTIVE SCHEME

Digia Plc's Board of Directors decided to establish a new long-term share-based incentive scheme on 3 February 2017. The Board shall confirm the target group of the long-term incentive scheme separately. In principle, the target group consists of the President and CEO and the management of the company. The scheme is designed to conjoin the goals of the company's owners and management in order to increase the value of the company and to commit the executive management to the company and its long-term objectives. This scheme shall replace the previously decided share bonus scheme intended to run until 2017. More information can be found in the stock exchange release dated 3 February 2017, www.digia.com.

BANK FINANCING AND RIGHTS ISSUE

On the basis of the share issue authorisation granted by the Annual General Meeting of 16 March 2017, the Board of Directors of Digia Plc decided to launch a rights issue for the company's present shareholders to finance its planned

growth strategy. Digia also signed an agreement on new long-term bank financing with Danske Bank Plc. This bank financing will be used to partly fund mergers and acquisitions that support Digia's growth strategy.

A total of 6,817,824 shares were subscribed for in Digia Plc's rights offering, which ended on 21 June 2017, which corresponded to approximately 114.6 per cent of the 5,948,078 shares offered.

The subscription price of the shares offered was EUR 2.10 per offered share, and Digia raised gross proceeds of approximately EUR 12.5 million through the offering. The Board of Directors of Digia accepted on 28 June 2017 all subscriptions of 5,948,078 offered shares and as a result of the offering, the total number of shares in Digia increased to 26,823,723 shares.

Trading in the offer shares on the official list of Helsinki Stock Exchange together with Digia's existing shares commenced on 29 June 2017.

THE NASDAQ HELSINKI DISCIPLINARY COMMITTEE'S WARNING AND FINE

The Nasdaq Helsinki Disciplinary Committee issued Digia Plc with a warning and a fine of EUR 40,000 for violating the rules of the Exchange on 31 March 2017. The decision relates to the Finnish Tax Administration's selection of a solution supplier for the Income Register and communications regarding this issue. According to the decision, Digia Plc breached the sections of the Exchange's rules relating to misleading communications, the management of insider information and the arrangement of corporate governance. Nasdaq Helsinki published the decision of the Disciplinary Committee in more detail. More information can be found in the stock exchange release dated 31 March 2017, www.digia.com.

THE DECISIONS OF DIGIA PLC'S ANNUAL GENERAL MEETING AND THE ORGANISING MEETING OF THE COMPANY'S BOARD OF DIRECTORS

Digia Plc's Annual General Meeting (AGM) held on 16 March 2017 adopted the company's annual accounts, including the consolidated annual accounts for 1 January - 31 December 2016, and discharged the members of the Board and the President and CEO from liability.

Payment of dividend

The AGM decided, in accordance with the Board's proposal, that based on the adopted balance sheet for the accounting period ended December 31, 2016 a dividend of EUR 0.08 per share will be paid. The dividend was paid to shareholders registered in the Register of Shareholders held by Euroclear Finland Ltd on the record date, 20 March 2017. The dividend was paid on 29 March 2017.

Composition of the Board of Directors

The AGM decided to elect five members to the Board. Re-elected as Board members were: Martti Ala-Härkönen, Päivi Hokkanen, Robert Ingman, Pertti Kyttälä and Seppo Ruotsalainen. At the organising meeting held after the AGM, Pertti Kyttälä was elected as Chairman of the Board and Robert Ingman was elected as Vice Chairman of the Board.

The Board decided on the composition of the Board's committees as follows:

Audit Committee: Pertti Kyttälä (chairman), Seppo Ruotsalainen and Martti Ala-Härkönen

Compensation Committee: Päivi Hokkanen (chairman), Robert Ingman and Martti Ala-Härkönen

Nomination Committee: Robert Ingman (chairman), Pertti Kyttälä and Seppo Ruotsalainen

Remuneration of the members of the Board

The AGM decided that the remuneration payable to the Board members to be elected for the term until the close of the Shareholders' Meeting 2018 shall be EUR 2,500, to the Vice Chairman of the Board EUR 3,500 and to the Chairman of the Board EUR 5,500. In addition, Chairmen will receive a meeting fee of EUR 1,000 for every meeting and other

members will receive a meeting fee of EUR 500 for every meeting, including the meetings of the committees set by the Board.

Remuneration of the auditor

The auditor will, in accordance with the AGM decision, be reimbursed for its fees and expenses in accordance with a reasonable invoice presented by the auditor and approved by the company.

Authorising the Board of Directors to decide on the buyback and/or acceptance as collateral of the company's own shares

The AGM authorised the Board to decide on the buyback and/or acceptance as collateral of a maximum of 2,000,000 of the company's own shares using the company's unrestricted equity. The Board shall decide on how the shares will be acquired. The shares may be bought back in disproportion to shareholders' holdings. The authorisation also includes the acquisition of shares through public trading organised by Nasdaq Helsinki Ltd in accordance with its and Euroclear Finland Ltd's rules and instructions, or through offers made to shareholders. The shares may be repurchased in order to improve the capital structure of the company, finance or carry out acquisitions or other arrangements, to carry out the company's share-based incentive schemes, to be transferred for other purposes, or to be cancelled. The shares shall be repurchased for a price based on the fair value quoted in public trading. The authorisation supersedes the authorisation granted by the Shareholders' Meeting on 16 March 2016 and shall be valid for 18 months from the issue date of the authorisation, i.e. until 16 September 2018.

Authorising the Board of Directors to decide on a share issue and granting of special rights entitling to shares

The AGM authorised the Board to decide on a share issue and granting of special rights prescribed in Chapter 10 Section 1 of the Companies Act, subject to or free of charge, in one or several instalments on the following terms: The maximum total number of shares to be issued by virtue of the authorisation is 6,000,000. The authorisation concerns both the issuance of new shares as well as the transfer of treasury shares. By virtue of the authorisation, the Board of Directors is also entitled to decide on share issues and granting of special rights waiving the pre-emptive subscription rights of the shareholders (directed issue); however, such directed issues shall not exceed 2,000,000 shares. The authorisation may be used in order to finance or carry out acquisitions or other arrangements, to carry out the company's share-based incentive schemes and to improve the capital structure of the company, or to be used for other purposes decided by the Board of Directors. The authorisation includes the Board of Directors' right to decide on all terms relating to the share issue and granting of special rights, including the subscription price, its payment and its entry into the company's balance sheet. The authorisation replaces the authorisation granted by the Shareholders' Meeting on 16 March 2016 and shall be valid for 18 months from the issue date of the authorisation, i.e. until 16 September 2018.

EVENTS AFTER THE REVIEW PERIOD

Jyrki Hallikainen informed Digia on 3 July 2017 that the number of Digia Plc's shares and votes under his control is under 5% of Digia Plc's shares and votes. Altogether Jyrki Hallikainen controls 1,275,995 shares in Digia, corresponding to 4.76% of all Digia shares and votes. On that day, the share capital of Digia Plc comprised in total 26,823,723 shares.

RISKS AND UNCERTAINTIES

Digia's short-term risks and uncertainties in the view of the company's management have remained unchanged with respect to continuing operations. Risks are described in more detail in the company's Annual Report 2016 at www.digia.com.

OUTLOOK 2017

Digia estimates that the market will develop favourably during 2017 in comparison to the previous year. Customers have a strong need to harness the opportunities afforded by digitalisation in their businesses, and this boosts demand for Digia's solutions and services. On the other hand, it is hard to predict when customers will make their decisions and when major customer projects will be approved.

During 2017, Digia will continue to develop its competence structure. Digia's goal is to strengthen the company's position, particularly in the growing markets for digital services, process digitalisation and the service business, as well as to accelerate the growth of net sales and boost efficiency to improve the profitability of operations.

Digia's guidance for 2017 remains unchanged: Digia's net sales growth is expected to accelerate in 2017 (2016: net sales up 6.8%). Operating profit in 2017 is estimated to remain on a par with the previous year (2016: EUR 5.4 million).

Helsinki, 11 August 2017

Digia Plc

Board of Directors

TABLES

The half year financial report was prepared in compliance with IFRS and the IAS 34 standard. The report has not been audited. The same accounting principles have been applied as in the 2016 financial statements. The amendments to and interpretations of IFRS standards effective as of 1 January 2017 had no material effect on this half year financial report, but the Digia has continued the introduction preparations of the IFRS 15 standard launched in 2016.

He continued preparations for the launch of the project

The demerger of Digia Plc and Qt Group Plc came into force on 1 May 2016. This financial statement bulletin presents the business operations of Digia Plc, the former Domestic segment (continuing operations). Qt Group's business operations are treated as discontinued operations. In addition to Qt's net result, the reported figures for discontinued operations include demerger expenses and the difference between the fair values and carrying amounts of net assets transferred to Qt.

CONSOLIDATED INCOME STATEMENT

EUR 1,000	4-6/ 2017	4-6/ 2016	Change %	1-6/ 2017	1-6/ 2016	Change %	2016
Continuing operations							
NET SALES	24,840	22,397	10.9%	47,356	43,829	8.0%	86,463
Other operating income	103	254	-59.4%	281	376	-25.3%	743
Materials and services	-3,225	-3,116	3.5%	-6,044	-5,804	4.1%	-11,195
Depreciation, amortisation and impairment	-370	-395	-6.2%	-729	-867	-16.0%	-1,442
Other operating expenses	-19,973	-17,364	15.0%	-39,423	-34,819	13.2%	-69,149
Operating result	1,374	1,777	-22.7%	1,441	2,714	-46.9%	5,419
Financial expenses (net)	-147	-38		-260	-96		-300
Earnings before tax	1,227	1,740	-29.5%	1,180	2,618	-54.9%	5,120
Income taxes	-177	-197	-10.0%	-219	-376	-41.8%	-1,056
RESULT FOR THE PERIOD	1,050	1,543	-32.0%	961	2,242	-57.1%	4,064
Other comprehensive income							
Items that may later be reclassified as profit or loss							
Exchange differences on the translation of foreign currency	19	-4	-528.4%	23	-187	-112.0%	-142
COMPREHENSIVE INCOME FOR THE PERIOD TOTAL	1,069	1,538	-30.5%	984	2,055	-52.1%	3,922
Distribution of income for the period							
Parent-company shareholders	1,050	1,543	-32.0%	961	2,242	-57.1%	4,064
Distribution of comprehensive income for the period, continuing operations							

EUR 1,000	4-6/ 2017	4-6/ 2016	Change %	1-6/ 2017	1-6/ 2016	Change %	2016
Parent-company shareholders	1,069	1,538	-30.5%	984	2,055	-52.1%	3,922
Discontinued operations							
Income for the period	0	75,740		0	75,266		75,842
Parent-company shareholders	0	75,740		0	75,266		75,842
Continuing and discontinued operations, total							
Comprehensive income for the period	1,069	77,278		984	77,321		79,764
Parent-company shareholders	1,069	77,278		984	77,321		79,764
Earnings per share, EUR, continuing operations (basic and diluted EPS)	0.05	0.07		0.05	0,11		0.20
Earnings per share, EUR, discontinued operations (basic and diluted EPS)	0.00	3.64		0.00	3.65		3.63
Earnings per share, EUR, continuing and discontinued operations (basic and diluted EPS)	0.05	3.72		0.05	3.76		3.83

CONSOLIDATED BALANCE SHEET

EUR 1,000	30 Jun 2017	30 Jun 2016	31 Dec 2016
Assets			
Non-current assets			
Goodwill	43,934	38,112	40,559
Other intangible assets	2,418	302	1,286
Tangible assets	2,788	1,573	2,387
Investments	624	627	624
Inventories	0	0	0
Long-term receivables	161	53	214
Deferred tax assets	141	287	194
Total non-current assets	50,067	40,954	45,264
Current assets			
Current receivables	21,134	18,880	19,132
Available-for-sale financial assets	334	331	334
Cash and cash equivalents	13,295	1,421	1,661
Total current assets	34,763	20,632	21,126
Total assets	84,830	61,586	66,390
Shareholders' equity and liabilities			

EUR 1,000	30 Jun 2017	30 Jun 2016	31 Dec 2016
Share capital	2,088	2,088	2,088
Other reserves	5,204	5,204	5,204
Unrestricted shareholders' equity reserve	42,091	30,050	30,050
Translation difference	-247	-200	-224
Retained earnings	-5,880	-84,243	-84,210
Net profit of the review period	961	78,013	79,907
Equity attributable to parent-company shareholders	44,217	30,911	32,814
Total shareholders' equity	44,217	30,911	32,814
Liabilities			
Non-current interest-bearing liabilities	8,100	9,646	8,975
Other non-current liabilities	1,234	0	0
Deferred tax liabilities	312	27	181
Total long-term liabilities	9,647	9,672	9,156
Current interest-bearing liabilities	8,858	2,583	4,711
Other short-term liabilities	22,108	18,420	19,709
Total short-term liabilities	30,966	21,003	24,420
Total liabilities	40,613	30,675	33,576
Shareholders' equity and liabilities	84,830	61,586	66,390

CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	1 Jan 2017–30 Jun 2017	1 Jan 2016–30 Jun 2016
Cash flow from operations:		
Net profit	961	78,013
Adjustments to net profit	1,389	481
Change in working capital	1,025	763
Interest paid	-166	-78
Interest income	0	0
Taxes paid	-564	-1,341
Discontinued operations	0	-76,535
Cash flow from operations	2,646	1,303
Cash flow from investments:		
Purchases of tangible and intangible assets	-1,216	-662
Acquisition of shares in subsidiaries	-3,449	0
Discontinued operations	0	-217
Cash flow from investments	-4,665	-879
Cash flow from financing:		
Proceeds from share issue	12,041	0
Change in finance lease liabilities	272	-243

EUR 1,000	1 Jan 2017–30 Jun 2017	1 Jan 2016–30 Jun 2016
Repayments of current loans	0	-10,900
Repayments of non-current loans	-1,000	0
Withdrawals of current loans	4,000	2,000
Withdrawals of non-current loans	0	9,925
Dividends paid and other profit distribution	-1,658	-1,878
Discontinued operations	0	-951
Cash flow from financing	13,655	-2,047
Change in liquid assets	11,635	-2 592
Cash and cash equivalents at beginning of period	1,994	6,710
Effects of changes in foreign exchange rates		-64
Cash and cash equivalents transferred in the demerger		-2,301
Change in liquid assets	11,635	-2 592
Cash and cash equivalents at end of period	13,630	1,752

CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	a	b	c	d	e	f	g
Shareholders' equity, 1 Jan 2016	2,088	7,899	31,370	5,204	492	-6,166	40,887
Net profit						78,013	78,013
Other comprehensive income					-692		-692
Dividends paid						-1,659	-1,659
Share-based payments recognised in shareholders' equity						6	6
Demerger consideration, fair value						-85,771	-85,771
Dissolution of share premium fund		-7,899	7,899				0
Transfers between items			-9,220			9,220	0
Other items						128	128
Shareholders' equity, 30 Jun 2016	2,088	0	30,050	5,204	-200	-6,230	30,911
	a	b	c	d	e	f	g
Shareholders' equity, 1 Jan 2017	2,088	0	30,050	5,204	-224	-4,303	32,814
Net profit						961	961
Other comprehensive income					-23		-23
Transactions with shareholders							
Dividends paid						-1,658	-1,658
Rights Issue			12,491				12,491
Costs of issuing equity			-450				-450
Share-based payments recognised in shareholders' equity						81	81
Shareholders' equity, 30 Jun 2017	2,088	0	42,091	5,204	-247	-4,919	44,217

a = share capital
 b = share premium fund
 c = unrestricted shareholders' equity reserve
 d = other reserves
 e = currency translation differences
 f = retained earnings
 g = total shareholders' equity

ACQUIRED BUSINESS OPERATIONS

The purchase price of Omni Partners Oy is estimated to be about EUR 4.9 million. This estimate includes any additional purchase prices. Purchase price allocation is still ongoing. If the acquired business had been included in Digia's consolidated accounts from the beginning of the financial year, the acquired business would have accounted for about EUR 2.5 million in net sales. The acquired business would not, therefore, have had a substantial impact on the Group's result.

DIGIA'S INCOME STATEMENT BY QUARTER

EUR 1,000	4-6/2017	1-3/2017	10-12/2016	7-9/2016	4-6/2016
Net sales	24,840	22,516	23,694	18,939	22,397
Other operating income	103	177	282	86	254
Materials and services	-3,225	-2,819	-2,964	-2,341	-3,202
Depreciation, amortisation and impairment	-370	-359	-372	406	-371
Other operating expenses	-19,973	-19,449	-19,067	-15,147	-17,301
Operating result	1,374	66	1,573	1,132	1,777
Financial expenses (net)	-147	-113	-110	-94	-38
Earnings before tax	1,227	-47	1,463	1,038	1,740
Income taxes	-177	-42	-461	-220	-197
Income for the period	1,050	-88	1,002	818	1,543
Distribution of income for the period					
Parent-company shareholders	1,050	-88	1,002	818	1,543
Earnings/share, EUR (basic and diluted EPS)	0.05	0.00	0.05	0.04	0.07

CONSOLIDATED KEY FIGURES (CONTINUING OPERATIONS UNLESS OTHERWISE STATED)

EUR 1,000	1-6/2017	1-6/2016
Extent of business		
Net sales	47,356	43,829
Average capital invested	54,010	46,450
Number of personnel	973	791
Average number of personnel	928	775
Profitability		
Operating result	1,441	2,714
- as a % of net sales	3.0%	6.2%
Earnings before tax	1,180	2,618
- as a % of net sales	2.5%	6.0%
Income for the period	961	2,242
as a % of net sales	2.0%	5.1%
Return on equity, %	5.0%	12.0%
Return on investment, %	5.5%	13.1%
Financing and financial standing		
Interest-bearing liabilities	16,959	12,228
Cash and cash equivalents	13,630	1,752
Net gearing	7.5%	33.9%
Equity ratio	52.3%	50.6%
Cash flow from operations	2,646	1,303
Earnings per share, EUR, undiluted (continuing operations)	0.05	0,11
Earnings per share, EUR, diluted (continuing operations)	0.05	0,11
Equity/share, EUR	1.65	1.48
Lowest share trading price, EUR	2.36	2.81
Highest share trading price, EUR	3.13	7.40
Average share price, EUR	2.65	5.16
Market capitalisation	64,377	72,021