

SOLTEQ

FINANCIAL
STATEMENTS
2014



ANNUAL GENERAL MEETING OF SHAREHOLDERS

Annual General Meeting of Shareholders will be held on 16 March 2015 at 12 p.m. in the Company's premises, address Eteläpuisto 2, Tampere. Each shareholder who latest on 4.3.2015 is registered in the shareholders' register held by Euroclear Finland Oy has the right to participate in the General Meeting.

A shareholder who wants to participate in the General Meeting shall register for the meeting no later than on Monday 9.3.2015 at 4 p.m. by giving a prior notice of participation. Such notice can be given by telephone +358 40 8444 202, by telefax +358 20 1444 222 or by e-mail to katiye.saadetdin@solteq.com.

SOLTEQ'S FINANCIAL REPORTING 2014

- Financial Statements 2014 on Friday February 13, 2015 at 9 am
- Interim Report 1-3/2015 on Friday April 24, 2015 at 9 am
- Interim Report 1-6/2015 on Friday July 17, 2015 at 9 am
- Interim Report 1-9/2015 on Friday October 16, 2015 at 9 am

STOCK EXCHANGE BULLETINS 2014

DATE STOCK EXCHANGE BULLETIN

11.12.2014	SOLTEQ – INTERNAL ARRANGEMENT OF BUSINESS OPERATIONS
25.11.2014	DIVIDEND PAYMENT
25.11.2014	SOLTEQ'S FINANCIAL REPORTING 2015
19.11.2014	SOLTEQ PLC'S CO-OPERATION NEGOTIATIONS HAVE ENDED
6.11.2014	SOLTEQ AND KUNTAPRO AGREED ON SIGNIFICANT COLLABORATION
17.10.2014	SOLTEQ PLC'S INTERIM REPORT 1.1.-30.9.2014 (IFRS)
2.10.2014	SOLTEQ TO ADJUST PRODUCTION AND COST STRUCTURE
17.9.2014	SOLTEQ HAS CONCLUDED A SIGNIFICANT DEAL ON POS EQUIPMENT RENEWAL
11.8.2014	CHANGE IN THE MANAGEMENT GROUP OF SOLTEQ PLC
17.7.2014	SOLTEQ PLC'S INTERIM REPORT 1.1.-30.6.2014 (IFRS)
18.6.2014	SOLTEQ HAS CONCLUDED A SIGNIFICANT SOFTWARE DEAL WITH SOK CONSISTING OF HOSPITALITY SOLUTION
24.4.2014	SOLTEQ PLC'S INTERIM REPORT 1.1.-31.3.2014 (IFRS)
17.3.2014	DECISIONS BY THE ANNUAL GENERAL MEETING OF SOLTEQ PLC
14.3.2014	PROPOSAL OF ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS
10.3.2014	SOLTEQ PLC UPDATES ITS STRATEGY FOR 2014-2018
3.3.2014	NEW SALES DIRECTOR APPOINTED TO SOLTEQ
14.2.2014	SOLTEQ PLC'S ANNUAL REPORT HAS BEEN PUBLISHED
14.2.2014	NOTICE TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
14.2.2014	SOLTEQ PLC'S FINANCIAL STATEMENTS BULLETIN 1.1.-31.12.2013 (IFRS)
3.1.2014	SOLTEQ PLC: ANNOUNCEMENT ACCORDING TO SECURITY MARKETS ACT, CHAPTER 9, SECTION 10

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REPORT OF THE BOARD OF DIRECTORS

BUSINESS ENVIRONMENT AND BUSINESS DEVELOPMENT

Solteq is a leading retail and service industry software service company. We offer long-term partnership and the markets' widest range of retail and service industry software services, from the optimisation of the entire supply chain to the management of consumer-customer information. Our technology-independent solutions help our customers to guide their business operations as efficiently and profitably as possible.

Solteq PLC's reported segments are Grocery and special retail, HoReCa; Wholesale, Logistics and Services and Enterprise resource planning of services.

The aim of the segmentation is to respond to customer demand as a field total supplier and therefore to improve the availability of services and ease for our customers.

Solteq's turnover totalled 40.933 thousand euros in which contains increase of 7,4 per cent compared to corresponding period in 2013. Solteq's operating result for the fourth quarter increased to 2.490 thousand euros from 2.141 thousand euros that was the operating result in the corresponding period 2013. The company's operating margin was 6,1 % (5,6 % in 2013).

GROCERY AND SPECIAL RETAIL, HORECA

Solteq's Grocery and Special Retail Segment provides its clients with total solutions that they can utilise to improve efficiency in terms of logistics, store operations, customer

service, point of sale operations, as well as loyal customer management.

The grocery and special retail solutions help optimise the management of the product selection, space, deliveries, logistics and customer satisfaction while increasing sales and improving the result. The solutions speed up the basic operations, improve delivery reliability, reduce storage value, increase stock turnover and enhance predictability. The store always has the right products in the right place, at the right time, and at the right price.

During the review period the revenue of the Grocery and Special Retail segment totalled 20,5 million euros (18,0 million euros) and the operating result was 1,2 million euros (1,1 million euros).

Despite the weak market development in our client sectors, the revenue of the segment

grew significantly. During the financial period, we implemented and launched significant service expansion for our existing clients, but the development of our new client sales was also positive. The operating result of the segment improved, but we still need to utilize our improvement potential in order to reach our target level.

WHOLESALE, LOGISTICS AND SERVICES

Solteq's Wholesale, Logistics and Services Segment provides its clients with ERP and financial management systems, as well as optimisation, integration and reporting solutions that support these systems.

Solteq's solutions help clients manage their operations and enhance purchases, sales, stock management and reporting. The systems can be utilised to improve delivery

reliability, reduce storage value, increase stock turnover and enhance predictability. Materials flow management ensures that the right goods reach the right customers at the right time, packed in an optimal manner.

Solteq's wholesale, logistics and services systems improve the effectiveness of operations and enable more flexible and versatile customer service. At the same time, automated data management enhances the company's internal operations. Solteq's solutions are used daily by a large number of clients representing various industries and sectors, such as wholesale, retail and public administration.

During the review period the revenue of the Wholesale, Logistics and Services segment totalled 15,4 million euros (15,0 million euros) and the operating result was 0,6 million euros (0,3 million euros).

The business of the segment is based on systems that are in different phases of their life cycles and related services. During the financial period, we implemented and launched in-segment projects in which existing clients adopted technologically new systems. Therefore, the increase in the revenue remained on the general market growth level. The improved operating result was mainly due to the development of the quality of the system projects and enhanced resourcing. The aim is to improve the operating result level further by developing the production model of the software services.

ENTERPRISE ASSET & SERVICE BUSINESS MANAGEMENT

Solteq's Enterprise Asset & Service Business Management Segment provides its clients

with ERP and master data management solutions. The enterprise resource planning solutions developed for the optimisation of service processes help clients manage their operations in many ways, for instance enhance production plant reliability, task and resources management, field work, sales and customer service, partner network management and materials management. The solutions are utilised by a large number of clients representing various industries and sectors, such as energy production, maintenance services, life cycle services, engineering and technical services of cities and municipalities, property management services, and home and care services.

Enterprise Asset & Service Business Management Segment also provides client companies with services and products related to business critical data (master data) in the form of master data improvement projects, data maintenance services outsourced to master data service centres, software technologies for master data management, and consultation services. The aim of these services is to ensure that the data in the systems that support the clients' enterprise resource planning and decision making processes are of high quality, compatible and up-to-date. Solteq's master data management solutions are used by clients across industries and sectors.

During the review period the revenue of the Enterprise Asset & Service Business Management segment totalled 5,0 million euros (5,2 million euros) and the operating result was 0,7 million euros (0,7 million euros).

Unlike in other segments, the main business of the segment is based on the development, supply and marketing of the segment's own software products. During the review period,

we implemented in-segment client projects in which the clients adopted new product generations. The revenue development of the segment remained on the previous year's level, but the growth of new product generations within the segment was significant. The operating result of the segment remained on a good level. We will improve the growth and profitability of our operations by developing products that meet the needs of the client segments better and by looking for new market areas and channels. The incorporation of the business of the segment at the turn of the year will allow the development of a product area specific, specialised strategy during 2015.

REVENUE AND RESULT

Revenue increased by 7,4 % compared to the previous year and totalled 40.933 thousand euros (previous financial year 38.124 thousand euros).

Revenue consists of several individual customers. Exceptionally, one client corresponds to about ten percentages of the revenue.

The operating result for the financial year increased by 16,3 % and was 2.490 thousand euros (2.141 thousand euros). Result before taxes was 2.313 thousand euros (1.927 thousand euros) and result for the financial year 1.893 thousand euros (1.621 thousand euros).

During the last quarter of the financial year, we implemented one significant and several smaller client projects. The increased revenue and improved profitability in the last quarter are explained by the fact that we succeeded in these projects better than anticipated in the original plans.

BALANCE SHEET AND FINANCING

The total assets amounted to 25.038 thousand euros (25.386 thousand euros). Liquid assets totalled 2.530 thousand euros (2.367 thousand euros). In addition to liquid assets, the company has unused bank account limits amounting to a total of 1.500 thousand euros in the end of the financial year.

The Group's interest-bearing liabilities were 4.437 thousand euros (5.555 thousand euros).

Solteq Group's equity ratio was 48,0 per cent (43,5 per cent).

INVESTMENTS, RESEARCH AND DEVELOPMENT

Gross investment during the review period was 958 thousand euros (957 thousand euros). The investments of the financial period are mainly replacement investments. Investments in the reference year are mainly replacement investments.

RESEARCH AND DEVELOPMENT

Solteq's research and development costs consist mainly of personnel costs. When developing basic products, it is Solteq's strategy to cooperate with global actors such as SAP, Microsoft and Symphony EYC and utilize their resources and distribution channels. Own development efforts are focused on added value products and developing

tailored service concepts.

During the review period product development costs were not amortized (none in the reference year, either).

PERSONNEL

The number of permanent employees at the end of the review period was 279 (277). In the end of the review period the number of personnel could be divided as follows: Grocery and special retail, HoReCa segment: 109 people; Wholesale, Logistics and Services: 82 people; Enterprise Asset & Service Business Management; 39 people and 49 people in shared functions.

THE KEY FIGURES FOR GROUP'S PERSONNEL:

AVERAGE NUMBER OF THE PERSONNEL DURING THE YEAR	2014	2013	2012
	281	287	270
EMPLOYEE BENEFIT EXPENSES (1,000 €)	2014	2013	2012
	15,234	15,850	15,656

RELATED PARTY TRANSACTIONS

Solteq's related parties include the board of directors, managing director, the management team and the companies owned by the management.

SHARES, SHAREHOLDERS AND TREASURY SHARES

Solteq Plc's equity on 31.12.2014 was 1.009.154,17 euros which was represented by 14.998.061 shares. The shares have no nominal value. All shares have an equal entitlement to dividends and company assets. Shares are governed by a redemption clause.

At the end of the review period, the amount of treasury shares in Solteq Plc and the group companies Solteq Management Oy's and Solteq Management Team Oy's possessions were 866.242 shares. The amount of treasury shares represented 5,8 % of the total amount of shares and votes at the end of the review period. The equivalent value of acquired shares was 58.286 euros.

During the review period, one flagging announcement was made. The Mutual Insurance Company Pension Fennia and Local-Tapiola Mutual Pension Insurance Company announced a merger, in which they will form Elo Mutual Pension Insurance Company starting from 1.1.2014. The realization of the merger led to the change in ownership, which was announced on 3 January 2014. Elo Mutual Pension Insurance Company owns more than 10 % of the shares and votes in Solteq Plc.

EXCHANGE AND RATE

During the financial year, the exchange of Solteq's shares in the Helsinki Stock Exchange was 0,8 million shares (0,9 million shares) and 1,2 million euros (1,4 million euros). Highest rate during the financial year was 1,59 euros and lowest rate 1,33 euros. Weighted average rate of the share was 1,45 euros and end rate 1,33 euros. The market value of the company's

shares in the end of the financial year totalled 19,9 million euros (21,9 million euros).

OWNERSHIP

In the end of the financial year, Solteq had a total of 1.689 shareholders (1.758 shareholders). Solteq's 10 largest shareholders owned 11.267 thousand shares i.e. they owned 75,1 per cent of the company's shares and votes. Solteq Plc's members of the board owned a total of 5.574 thousand shares which equals 37,2 per cent of the company's shares and votes.

ANNUAL GENERAL MEETING

At Solteq Plc's Annual General Meeting on 17 March 2014 the 2013 financial statements were adopted and the members of the board and the managing director were discharged from liability for the 2013 review period.

The Board of Directors' proposal of to the General Meeting that a dividend of EUR 0.03 per share be paid from the financial year ended on 31.12.2013 was accepted. The Annual General Meeting accepted that the Board is authorized in accordance with the Finnish Companies Act 13 chapter 6§ 2 paragraph to decide on a maximum dividend of 0,05 euros per share or other distribution of funds from the distributable equity fund as well as to decide upon the timing of the distribution and other details was accepted. The authorization is valid until the beginning of the next Annual General Meeting.

The Annual General Meeting authorized the Board of Directors to decide on the purchase of the Company's own shares to

improve the capital structure, to be used as a part of remuneration of per-sonnel, to finance and execute business acquisitions and other business arrangements or to be further transferred or cancelled. The proposal includes authorization to take company's own shares as a pledge. According to the proposal, the total number of the shares purchased shall not exceed 10 percent of all shares of the Company and they can be purchased otherwise than in proportion to the shareholdings of the shareholders. The shares shall be purchased through public trading. The authorization includes that the Board of Directors may decide the terms and other matters concerning the purchase of own shares. The authorization is effective until the next Annual General Meeting.

The Annual General Meeting authorized the Board of Directors to give new shares or convey company's own shares. The authorization would be executed by one or more share issues, maximum total amount being 3.000.000 shares. The authorization includes a right to deviate from the shareholders' pre-emptive right of subscription. The authorization includes that the Board of Directors may decide the terms and other matters concerning the share issue. The authorization is effective until the next Annual General Meeting.

BOARD OF DIRECTORS AND AUDITORS

Seven members were elected to the Board of Directors. Ali Saadetdin, Seppo Aalto, Markku Pietilä, Sirpa Sara-aho, Jukka Sonninen and

Matti Roininen continued as members of the board. Olli Välimäki was elected as a new member of the Board. The Board elected Ali Saadetdin to act as the Chairman of the Board.

KPMG Oy Ab, Authorized Public Accountants, was re-elected as Solteq's auditors. Lotta Nurminen, APA, acted as the chief auditor.

EVENTS AFTER THE REVIEW PERIOD

On December 11, Company's Board of Directors decided to execute an arrangement in which the business operations of Enterprise Asset & Service Business Management –segment is transferred to a new subsidiary which is completely owned by the company. The business transfer arrangement was executed on 1.1.2015.

The purpose of the arrangement is to enhance group's operations and controllability by dividing different business models to separate companies. New subsidiary concentrates strongly on research and development work and marketing of its own product branch while the parent company concentrates on providing software solutions to retail and logistics industries. The arrangement does not have impact on the reporting structure of the group.

RISKS AND UNCERTAINTIES

The key uncertainties and risks in short term are related to the timing and pricing of

business deals that are the basis for revenue, changes in the level of costs and the company's ability to manage extensive contract agreements and deliveries.

The key business risks and uncertainties of the company are monitored constantly as a part of the board of directors' and management team's duties. The company has not organized a separate internal audit organization or committee.

PROSPECTS

Group's operating result is expected to grow compared to financial year 2014.

PROPOSAL OF THE BOARD OF DIRECTORS ON THE DISPOSAL OF PROFIT FOR THE FINANCIAL YEAR

At the end of the financial period 2014, the distributable equity of the Group's parent company is 10 893 972,08 euros.

The Solteq Plc Board proposes to the Annual General Meeting that a dividend of EUR 0.03 per share will be paid for each share. In view of the current number of the shares, this would mean the distribution of approx. 450 thousand euros to the shareholders.

In addition to this is proposed that the Board be authorised, on the basis of Chapter

13, Section 6, Sub-section 2 of the Finnish Companies Act, to decide on the distribution of a dividend amounting to a maximum of 0,05 EUR per share or of other assets from the distributable equity reserve, as well as decide on the timing and other details concerning the possible distribution. In view of the current number of the shares, this would mean the distribution of approx. 750 thousand euros to the shareholders (The Annual General Meeting 2014 accepted the Board's proposal of a dividend of EUR 0,03 per share. The dividend was paid on 27 March 2014. In addition, the Board got an authorisation for a dividend, or other assets from the distributable equity reserve amounting to a maximum of EUR 0.05. The Board decided, based on this authorisation, on 25.11.2014 on a dividend payment of EUR 0.03).

No essential changes have taken place in the company's financial situation after the end of the financial period. The liquidity of the company is good, and in the Board's estimation the proposed distribution of dividend or other assets will not endanger the company's financial standing.

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement has been composed in accordance with Recommendation 51 of the new Corporate Governance Code and Chapter 2, Section 6 of the Finnish Securities Market Act.

GENERAL PRINCIPLES

Solteq Corporation is a public limited company registered in Finland and its head office is located in Tampere, Finland. Solteq Group (Solteq) is comprised of the parent company Solteq Corporation, its four Finnish subsidiaries and one Russian subsidiary. Solteq Management Ltd and Solteq Management Team Ltd, owned by the senior management, are included in the consolidated financial statements on the basis of a shareholders' agreement.

Decision-making and governance at Solteq comply with the company's Articles of Association, the Finnish Companies Act and other applicable legislation. In addition, the company complies with the recommendations of NASDAQ OMX Helsinki Ltd, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industries EK on corporate governance with the exceptions mentioned in these principles as well as NASDAQ OMX Helsinki Ltd's Guidelines for Insiders. The Russian subsidiary complies with local legislation.

Solteq complies with the Finnish Corporate Governance Code published by the Securities Market Association with the exception that Solteq's Board of Directors does not have separate committees as the extent of the company's operations and the size of the Board of Directors do not require matters to be prepared by a body smaller than the entire Board of Directors.

TASKS AND RESPONSIBILITIES OF BODIES

The General Meeting of Shareholders, Board of Directors and CEO are in charge of the management of Solteq Group and their tasks are determined as specified by the Finnish

Companies Act. The CEO is in charge of Group-level operative activity, assisted by the group's Executive Team.

GENERAL MEETING

The General Meeting is the highest decision-making body of the company. The Annual General Meeting is arranged once a year on the date determined by the Board of Directors within six months of the end of the financial period. Extraordinary General Meetings can be arranged during the year, if necessary. In accordance with the Articles of Association, the General Meeting is held in the company's registered office Tampere. A Summons to a General Meeting of Shareholders and the matters to be discussed in the meeting are issued in a newspaper announcement placed in at least one Finnish-language national daily newspaper and published as a stock exchange release and on the company's web site.

The Annual General Meeting each year resolves the following matters:

- approval of the income statement and balance sheet
- measures occasioned by the profit or loss shown in the approved balance sheet
- discharging members of the Board of Directors and the CEO from liability
- number of Board members and their appointment
- election of the auditor
- remuneration of the Board of Directors and auditors
- other matters mentioned in the summons to the meeting

BOARD OF DIRECTORS

The Board of Directors of Solteq Corporation is responsible for the Company's management and the appropriate arrangement of its operations. The Board of Directors is responsible of duties that are specified in the Articles of Association and the Finnish Companies Act. The main duty for the Board of Directors is to confirm company's strategy and budget, make decisions of financial agreements and make decisions of purchase and sale of significant assets. The Board of Directors follow company's financial development by monthly reports and other information that company's management provides to the Board.

The essential duties and responsibilities of the Board are defined primarily by the Articles of Association and the Finnish Companies Act. The Board annually ratifies a working order that specifies the meeting procedure of the Board of Directors and its tasks.

In accordance with the working order, the tasks of the Board of Directors are to:

- give instructions and orders for proper organization of management and functions
- appoint CEO and supervise CEO's actions,
- within the limits of the company's business, make decisions on all abnormal or significant issues in respect to the company's extent and quality of present operations,
- represent the company,
- give procuration by the Articles of Association
- act as an plaintiff or defendant on behalf of the company and make decisions of any compensation claims to be made,
- assume responsibility for company's operations, result and development,

- prepare subjects to the General Meeting,
- execute decisions made in the General Meeting,
- reinforce long term strategy,
- approve budget,
- decide on development of investment and significant single investments,
- decide on company and real estate purchases, decide on significant expansion of the business and decide on equity based investments,
- strengthen the Group's policy of controlling the financial risks,
- approve the principles for salaries and other benefits paid to personnel,
- take care of all the duties defined in the Finnish Companies Act, Articles of Association or any other specification that involves the company and are not instructed to other bodies.

In accordance with the Articles of Association, the Solteq Board of Directors has a minimum of five and a maximum of seven regular members. The Board members are elected by the Annual General Meeting for one term of office at a time. The term of office begins at the end of the General Meeting that elected the Board and expires at the end of the first Annual General Meeting of Shareholders following the election. The Articles of Association place no restrictions on the power of the General Meeting to elect members for the Board of Directors. The Board of Directors elects a Chair from its members and the Board of Directors is deemed to have a quorum present when half of its members are present. In addition to matters to be resolved,

the Board of Directors is given real-time information on the operation, financial standing and risks of the group in the meeting. The Board of Directors convenes 12 to 14 times a year according to an agreed schedule, in addition to which the Board of Directors convenes when necessary. Minutes are kept for all meetings.

The Annual General Meeting 2014 elected seven members to the Solteq Board of Directors: Ali Saadetdin (Chair), Seppo Aalto, Markku Pietilä, Sirpa Sara-aho, Jukka Sonninen, Matti Roininen and Olli Välimäki. From the Board of Directors independent members are Sara-aho, Pietilä, Sonninen, Roininen and Välimäki. In addition Sara-aho, Sonninen and Välimäki are independent from significant stock owners.

The Board of Directors convened 16 times and participation percentage was 92 %.

CEO

The Board of Directors appoints the CEO. The CEO is in charge of the management of the company's business operations and governance in accordance with the Articles of Association, the Finnish Companies Act and the instructions given by the Board. The CEO is assisted in the management of the group by the Executive Team.

Repe Harmanen acted as the CEO of the company in 2014.

EXECUTIVE TEAM

The Executive Team is appointed by Solteq's Board of Directors. The Executive Team assists the CEO in the operative management of the Company, prepares matters handled

by the Board and the CEO as well as plans and monitors the operations of the business units. The Executive Team convenes when necessary. The CEO acts as a chairman of the Executive Team.

Members of the Executive Team from January 1, 2014 to December 31, 2014 are Repe Harmanen (Chairman of the Executive Team), Kai Hinno (Continuity Services), Tiina Honkiniemi (Grocery and special retail, HoReCa), Mari Kuha (HR), on maternity leave from July 2014, Antti Kärkkäinen (Finance), Petri Lindholm (Wholesale, Logistics and Services), Matti Saastamoinen (Enterprise Asset & Service Business Management) and Riina Tervaoja (Project Services). Mika Sipilä acted as the Sales Director until February 21, 2014 and Joni Henkola acted as the Sales Director from March 3, 2014. Mikko Sairanen was appointed as a new member of the Executive Team starting September 1, 2014. His responsibilities include the company's legal and contractual matters.

INTERNAL AUDIT

The Group does not have any separate organization for the internal audit. The financial department is responsible for the internal audit in practice. The goal is to make sure that the whole group has similar administration and accountancy.

EXTERNAL AUDIT

Solteq Corporation has one auditor and if the auditor is not a firm accredited by the Central Chamber of Commerce (Authorized Public Accountants), the company has additionally one deputy auditor. The auditors are elected

until further notice. The primary function of audit is to verify that the Financial Statements give accurate and adequate information about Solteq Corporation's result and financial position for the financial period. In addition the Auditors report to the Board of Directors on the ongoing auditing of administration and operations.

In 2014 Solteq's auditor was KPMG Oy Ab, Authorized Public Accountants, with Lotta Nurminen, APA as the auditor in charge.

COMPENSATION

Management of compensation

The General Meeting decides on the remuneration paid to the Board of Directors and auditors. The Board decides on the service terms and conditions of the CEO, specified in writing. The compensation principles of the top management are decided by the Board. The Board annually approves the personnel incentive scheme.

Board of Directors

The General Meeting decides on the remuneration paid to the Board of Directors and auditors. The Annual General Meeting resolved on March 17, 2014 to compensate the members of the Board according to the following:

- Members EUR 15,000 per year
- Chairman EUR 4,000 per month
- Share incentive of 5,000 company's shares

According to share register maintained by Euroclear Finland Ltd, member of Board Seppo Aalto held 1 662 206 shares, Matti Roininen held 410 000 shares, Markku Pietilä held 5 000 shares, Sirpa Sara-aho held 5 000

shares and Jukka Sonninen held 10 000 shares of Solteq Corporation at December 31, 2014.

CHAIRMAN OF THE BOARD OF DIRECTORS

The salary of the Chairman of the Board was 50 360,40 EUR in 2014. The Chairman of Board is not included in the bonus program of the company.

According to share register maintained by Euroclear Finland Ltd, Chairman of the Board held 3 481 383 shares of Solteq Corporation at December 31, 2014.

CEO

The Board decides on the service terms and conditions of the CEO, specified in writing. Currently the CEO has:

- 3 months' period of notice and salary for the period of notice should the Company give notice, in addition to which he is entitled to severance pay equivalent of 9 months' fixed salary.

The CEO's remuneration consists of salary in money, fringe benefits, a possible annual bonus based on performance and of share-based incentive scheme.

In the financial year 2014 the CEO Repe Harmanen's total salary, including benefits, totaled 194 525,62 EUR.

Executive Team

The Executive Team's remunerations consists of salary in money, fringe benefits, a possible annual bonus based on performance and share-based incentive scheme. The compensation principles of the Executive Team members are decided by the Board.

Shares in Executive Team

According to the share register maintained by Euroclear Finland Ltd, CEO Repe Harmanen did not directly hold shares in Solteq Corporation on December 31, 2014. Other members of the Executive Team held directly 1 000 shares altogether.

In March 2011, Solteq's senior management (CEO and CFO) established a limited liability company called Solteq Management Oy, and in July 2012 the rest of Solteq's Management Team established a limited liability company called Solteq Management Team Oy. The companies hold a total of 750,000 shares in Solteq Plc.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS ASSOCIATED WITH FINANCIAL REPORTING

The ultimate responsibility for accounting and financial administration lies with Solteq Corporation's Board of Directors. The Board is responsible for internal control, and the CEO is responsible for the practical arrangements and monitoring of the control system. The steering and monitoring of business operations is based on the reporting and business planning system covering the entire Group. The CEO and CFO give both Board and Executive Team meetings presentations of the Group's situation and development based on monthly reports.

RISK MANAGEMENT SYSTEM

The Group's risk management is guided by legal requirements, business requirements set by the owners of the company as well as the expectations of the other important stakeholders. The goal of risk management is to



identify and acknowledge the risks involved in the company's operations as well as to make sure that the risks are appropriately managed when making business decisions. The company's risk management supports the attainment of strategic goals and ensures the continuity of business operations.

Solteq takes risks that are a natural part of its strategy and objectives. The company is not ready to take risks that might endanger the continuity of operations or that are uncontrollable or that can significantly harm the company's operations. Risks are divided into risks related to business operations, personnel, finance, legal and financial risks. In the process of risk management, the goal is to identify and evaluate the risks, after which a risk-specific plan is drawn up and concrete action is taken. Such actions may include, for example, avoiding the risk, diminishing the risk by different means or transferring the risk by insurance or agreements. When necessary the Board of Directors will be reported all material changes and new significant risks that are identified in the process of risk management.

In 2014 to the Board of Directors has been reported material risks concerning Company's financial result in the uncertain general financial situation, risks in projects, credit and finance risks and valuation of immaterial assets in the balance sheet.

CONTROL ENVIRONMENT

The goal of Solteq's internal control is to support the implementation of the Group strategy and ensure compliance with regulations. The system is based on Group-level policies, guidelines and processes and

controls of business operations and support processes. The operating culture is being built by the steering and control of the company's operations by the Board of Directors, the management methods of the company's management, the company's organizational structure and management system, effective utilization of global information system as well as the employees' competence.

The financial department operating under the CFO is responsible for the general controlling function in the financial reporting. The Group applies the International Financial Reporting Standards (IFRS).

RISK ASSESSMENT IN FINANCIAL REPORTING

The aim of financial reporting is to ensure that assets and liabilities belong to the company; all rights and liabilities of the company are presented in the financial statements; items in the financial statements have been classified, disclosed and described correctly; assets, liabilities, income and expenditure are entered in the financial statements at the correct amounts; all the transactions during the reporting period are included in the accounts; transactions entered in the accounts are factual transactions; and that the assets have been secured. The risk management process includes an annual identification and analysis of risks related to financial reporting. In addition, the aim is to analyze and report all new risks immediately after they have been identified. Taking into account the quality and extent of the Group's business operations, the most significant risks associated with the reliability of financial reporting are associated with revenue recognition, processing of bad

debt reservation, capitalization of product development expenses, impairment testing of assets (including goodwill, capitalized product development expenses and unfinished projects) and deferred tax.

CONTROL FUNCTIONS

The correctness and reliability of financial reporting are ensured through compliance with the Group guidelines. Controls that ensure the correctness of financial reporting include controls related to accounting transactions, controls related to the selection of and compliance with the accounting principles, information system controls and fraud controls.

Revenue recognition is based on the existence of obligatory sale documents. Goodwill is tested for impairment during the last quarter of the year. In addition indications of impairment are continuously monitored. Information systems support compliance with the Group's acceptance authorizations. Personnel expenses account for a majority of Solteq's expenditure. Actual and forecasted personnel expenses are monitored and the forecasts are updated at a very detailed level regularly. The result of business operations and attainment of annual goals is assessed monthly by Executive Team and Board meetings. Monthly management and Board reporting includes both actual and forecast data compared to the goals and actual results of previous periods.

Solteq has complemented its organic growth with acquisitions in accordance with its strategy. In making acquisitions, the company aims to follow due diligence and utilize its internal and external competence in the planning phase (e.g. due diligence), takeover phase.

COMMUNICATION AND INFORMATION

The purpose of the management's reporting is to produce aptly timed and essential information for making decisions. The financial department provides the guidelines on monthly reporting for the entire organization and is in charge of special reporting instructions associated with budgeting and forecasting. The Financial department internally distributes information on financial reporting-related processes and procedures on a regular basis and the personnel perform their internal control tasks according to such information. When necessary, financial department also arranges targeted training for the rest of the organization on the procedures associated with financial reporting and changes in them. The investor relations maintain the guidelines on the disclosure of financial information in cooperation with financial department.

MONITORING

Monitoring refers to the process to assess Solteq's internal control system and its performance. Solteq also continuously monitors its operations through various assessments, such as internal audits and external audits. Solteq's management monitors internal control as a part of routine management work. The business management is responsible for ensuring that all operations comply with applicable laws and regulations. The financial department monitors the compliance of the financial reporting process and control. The financial department also monitors the correctness of external and internal financial reporting. The Board of Directors assesses and ensures the



appropriateness and effectiveness of Solteq's internal control and risk management. Solteq's internal control is also assessed by the company's Auditor. The external auditor verifies the correctness of external annual financial reporting. Performed as part of continuous auditing process, auditing targets on typical controls that ensure the correctness of financial reporting. The most significant observations and recommendations of the audit process according to the auditing plan are reported to the Board of Directors.

INSIDER ADMINISTRATION

Solteq's insider guidelines comply with the NASDAQ OMX Helsinki Guidelines for Insid-

ers effective as of January 1, 2006. The insider guidelines forbid insiders, including persons under their guardianship and companies where they exercise control, to trade in shares or option rights of the company for a period of two weeks prior to the publication of an interim report or a financial statements bulletin (the so-called closed window).

By law, the Company's public insiders include members of the Board, CEO, Executive Team, auditors and the auditor in charge of the company of public accountants. In addition, the Company has a company-specific insider register that includes those who regularly receive insider information in their work. Persons who are involved in acquisitions or other projects

that have an effect on the valuation of the company's shares, are considered project-specific insiders and are subject to a temporary trading suspension. The Company CFO is in charge of the guidance and supervision of insider issues and also maintains the project-specific insider registers if necessary and permanent insiders register. The insider register of Solteq Corporation is maintained by Euroclear Finland Ltd (previously the Finnish Central Securities Depository Ltd.). The up-to-date shareholdings of the insiders can be seen in Euroclear Finland Ltd's customer service point in Helsinki, Finland, address Urho Kekkosen katu 5 C. The company also maintains a list of insiders on its website.



SOLTEQ'S
BOARD OF
DIRECTORS
31.12.2014



ALI U. SAADET DIN

Born in 1949
Education: M.Sc.(Tech.)
Main position: Chairman of Solteq Plc's Board of Directors
Work history: Employed by Solteq since 1982; Managing Director 1982-2001
Board Member since 1982



SEPPO AALTO

Born in 1953
Education: High School Graduate
Main position: -
Work history: Senior managerial tasks at Solteq Plc 1982-2010
Board Member since 1982



MARKKU PIETILÄ

Born in 1957
Education: M.Sc. (Tech.) Tampere University of Technology 1982, MBA Helsinki School of Business 1990
Main position: Managing Director of Profiz Business Solution Corp
Work history: Managing Director of Profiz Business Solution Corp 2001-, Senior managerial tasks at Componenta Oyj 1989-2001
Board Member since 2008



MATTI ROININEN

Born in 1956
Education: Vocational Qualification in Business Administration
Main position: Private Investor
Work history: Valio Oy 2006-2014 , Sales and senior managerial tasks at Tuko Oy and Tuko Logistics 1980-2005
Board Member since 2012



SIRPA SARA-AHO

Born in 1963
Education: Vocational Qualification in Business Administration
Main position: Senior Vice President of Russia Operations at Sponda Plc
Work history: Senior managerial tasks at Sponda Plc 2005 - , Senior managerial tasks at Nordea Oyj 1985-2005
Board Member since 2010



JUKKA SONNINEN

Born in 1958
Education: -
Main position: CEO of Fifth Element Ltd
Work history: CEO of SAP Finland Oy 1996 – 2004; Sales and Senior managerial tasks at DHL Oy, Unic Oy and IBM Oy
Board Member since 2005



OLLI VÄLIMÄKI

Born in 1962
Education: D.Sc.(Econ.)
Main position: Researcher at the University of Vaasa
Work history: Long experience at Nordea Bank and its predecessors and at Danske Bank
Board Member since 2014



SOLTEQ'S
EXECUTIVE TEAM
31.12.2014



REPE HARMANEN

Born in 1972
Education: M.Sc.
(Econ. & Bus. Adm.)
Main position: CEO of Solteq Plc
Work history: Director, Project and Application Services at Fujitsu Services Oy; Global Client Director at Hewlett-Packard, EMEA; Global Delivery Country Manager at Hewlett-Packard, Finland; Director, Business Development and International Operations at SysOpen Oyj
Executive Team Member since September 20, 2010



JONI HENKOLA

Born in 1975
Education: M.Sc.(Econ.)
Main position: Sales director, Solteq Plc
Work history: Dell Computer 1999-2001, Eera 2001-2003, WM-data 2003-2007, Logica 2007-2013, CGI 2013-2014, Solteq Plc 2014-
Executive team Member since March 3, 2014



KAI HINNO

Born in 1963.
Education: Vocational Qualification in Business Information Technology
Main position: Director of Continuity Services at Solteq Plc
Work history: Compaq 1995-2001, Hewlett-Packard 2001-2008, Fujitsu Services Oy 2008-2010, Solteq Plc 2010-
Executive Team Member since December 1, 2010.



TIINA HONKINIEMI

Born in 1966
Education: Vocational Qualification in Business Information Technology; Diploma in Marketing (Institute of Marketing)
Main position: Director, Grocery and Special Retail, HoReCa, B2C Solutions at Solteq Plc
Work history: PMP Tietojärjestelmät Oy 1989-1995, Solteq Plc 1995-
Executive Team Member since January 1, 2012



MARI KUHA

(on maternity leave)
Born in 1978
Education: M.Sc. (Education.)
Main position: HR Director at Solteq Plc
Work history: Pohto 2001-2004, University Consortium Chydenius 2004-2005, Pöyry Plc 2005-2008, Fujitsu Services Oy 2008-2011, Solteq Plc 2011-
Executive Team Member since January 17, 2011



ANTTI KÄRKKÄINEN

Born in 1970
Education: M.Sc.
(Econ. & Bus. Adm.)
Main position: CFO at Solteq Plc
Work history: KPMG Wideri Oy Ab 1995-2001, Solteq Plc 2001-
Executive Team Member since 2001



PETRI LINDHOLM

Born in 1959
Education: Vocational Qualification in Business Administration (Accounting)
Main position: Director, Wholesale, Logistics and Services at Solteq Plc
Work history: Modern Computers Oy 1990-2007, Aldata Solution Finland 2007-2012, Solteq Plc 2012-
Executive Team Member since July 1, 2012



MATTI SAASTAMOINEN

Born in 1979
Education: M.Sc. (Tech.)
Main position: Director, Enterprise Asset & Service Business Management at Solteq Plc
Work history: Andritz Oy 2003-2007, Solteq Plc 2008-Executive Team Member since December 1, 2010.



MIKKO SAIRANEN

Born in 1985
Education: Master of Laws
Main position: General Counsel, Solteq Plc
Work history: Peltonen LMR Attorneys Ltd
Executive Team Member since September 1, 2014



RIINA TERVAOJA

Born in 1976
Education: M.Sc.
(Econ. & Bus. Adm.)
Main position: Director, Project Services at Solteq Plc
Work history: VR Group 2003-2004, Hewlett-Packard 2005-2008, Fujitsu Services Oy 2008-2010, Solteq Plc 2010-
Executive Team Member since December 1, 2010



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

THOUSAND EUR	NOTE	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Revenue	1,3	40,933	38,124	40,933	38,124
Other income	4	0	50	0	61
Materials and services		-12,508	-9,151	-12,508	-9,151
Employee benefit expenses	7	-18,897	-19,386	-18,897	-19,386
Depreciation and impairments	6	-1,320	-1,228	-902	-810
Other expenses	5,8	-5,718	-6,268	-5,702	-6,252
Operating result		2,490	2,141	2,924	2,585
Financial income	9	38	31	44	61
Financial expenses	10	-215	-245	-192	-237
Result before taxes		2,313	1,927	2,776	2,409
Income tax expense	11	-420	-306	-504	-409
Result for the financial period		1,893	1,621	2,272	2,000
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Cash flow hedges		6	27	6	27
Taxes related to cash flow hedge		-1	-6	-1	-6
Other comprehensive income, net of tax		5	21	5	21
Total comprehensive income		1,898	1,642	2,277	2,021
Earnings per share attributable to equity holders of the parent					
Earnings per share undiluted (EUR)				0.13	0.11

Diluted result does not differ from the undiluted result for the financial year or the previous year.

Result for the financial period and total comprehensive income belong exclusively to the owners of the parent company.



CONSOLIDATED BALANCE SHEET

THOUSAND EUR	NOTE	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
ASSETS					
Non-current assets					
Property, plant and equipment	13	1,652	1,399	1,652	1,399
Goodwill	14	12,730	12,730	2,393	2,393
Other intangible assets	14	2,231	2,853	11,632	11,836
Available-for-sales financial assets	15	555	546	574	568
Shares in subsidiaries	28	0	0	10	7
Trade receivables	18	15	32	15	32
		17,183	17,560	16,276	16,235
Current assets					
Inventories	17	35	156	35	156
Trade and other receivables	18	5,291	5,303	5,964	5,987
Cash and cash equivalents	19	2,530	2,367	2,587	2,382
		7,856	7,826	8,586	8,525
Total assets		25,038	25,386	24,862	24,760



THOUSAND EUR	NOTE	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	20	1,009	1,009	1,009	1,009
Share premium reserve	20	75	75	75	75
Hedging reserve	20	-23	-28	-23	-28
Reserve for own shares	20	-1,069	-933	0	0
Distributable equity reserve	20	6,392	6,392	7,187	7,187
Retained earnings	20	5,328	4,331	3,730	2,297
Total equity		11,712	10,846	11,978	10,540
Non-current liabilities					
Deferred tax liabilities	16	512	593	232	421
Financial liabilities	22	2,590	3,695	2,431	3,536
		3,102	4,288	2,663	3,957
Current liabilities					
Trade and other payables	23	7,655	7,735	7,652	7,746
Tax liabilities based on the taxable income for the period		90	24	90	24
Financial liabilities	22	1,848	1,861	1,848	1,861
Provisions	21	631	632	631	632
		10,224	10,252	10,221	10,263
Total liabilities		13,326	14,540	12,884	14,220
Total equity and liabilities		25,038	25,386	24,862	24,760



CONSOLIDATED STATEMENT OF CASH FLOWS

THOUSAND EUR	NOTE	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Cash flow from operating activities					
Result for the financial period		1,893	1,621	2,272	2,000
Adjustments for operating profit	25	1,320	1,228	902	810
Changes in working capital		230	1,197	283	1,242
Interest paid		-215	-245	-192	-237
Interest received		38	31	44	61
Net cash from operating activities		3,266	3,832	3,309	3,876
Cash flows from investing activities					
Investments in tangible and intangible assets		-244	-96	-245	-95
Net cash used in investing activities		-244	-96	-245	-95
Cash flow in financing activities					
Repayment of non-current loans		-1,333	-1,333	-1,333	-1,333
Repayment of financial leasing liabilities		-495	-381	-495	-381
Acquisition of treasury shares		-135	0	-135	0
Dividend distribution		-896	-898	-896	-898
Net cash used in financing activities		-2,859	-2,612	-2,859	-2,612
Changes in cash and cash equivalents					
Cash and cash equivalents 1.1.		2,367	1,242	2,382	1,213
Cash and cash equivalents 31.12.	19	2,530	2,367	2,587	2,382

The cash flows related to finance leasing agreements are presented in more detail in 2014. The comparatives in the cash flow statement have been restated accordingly.

Cash and cash equivalents presented in the cash flow statement consist of the following items:

THOUSAND EUR	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Cash and bank accounts	2,530	2,367	2,587	2,382
Total	2,530	2,367	2,587	2,382



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THE GROUP

EQUITY BELONGING TO THE SHAREHOLDERS

THOUSAND EUR	SHARE CAPITAL	RESERVE FOR OWN SHARES	SHARE PREMIUM RESERVE	HEDGING RESERVE	DISTRIBUTABLE EQUITY RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Equity							
1.1.2013	1,009	-933	75	-49	6,368	3,607	10,077
Profit for the financial period						1,621	1,621
Other comprehensive income				21			21
Total comprehensive income for the financial period				21		1,621	1,642
Transactions with owners							
The fees for the Board Members in the form of treasury shares					24		24
Dividend distribution						-898	-898
Equity							
31.12.2013	1,009	-933	75	-28	6,392	4,331	10,846
Profit for the financial period						1,893	1,893
Other comprehensive income				5			5
Total comprehensive income for the financial period				5		1,893	1,898
Transactions with owners							
Own shares acquired		-135					-135
Dividend distribution						-896	-896
Equity							
31.12.2014	1,009	-1,069	75	-23	6,392	5,328	11,712



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THE PARENT COMPANY

EQUITY BELONGING TO THE SHAREHOLDERS

THOUSAND EUR	SHARE CAPITAL	SHARE PREMIUM RESERVE	HEDGING RESERVE	DISTRIBUTABLE EQUITY RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Equity						
1.1.2013	1,009	75	-49	7,163	1,195	9,393
Profit for the financial period					2,000	2,000
Other comprehensive income			21			21
Total comprehensive income for the financial period			21		2,000	2,021
Transactions with owners						
The fees for the Board Members in the form of treasury shares				24		24
Dividend distribution					-898	-898
Equity						
31.12.2013	1,009	75	-28	7,187	2,297	10,540
Correction of prior periods					192	192
Profit for the financial period					2,272	2,272
Other comprehensive income			5			5
Total comprehensive income for the financial period			5		2,272	2,277
Transactions with owners						
Own shares acquired					-135	-135
Dividend distribution					-896	-896
Equity						
31.12.2014	1,009	75	-23	7,187	3,730	11,978

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

GROUP INFORMATION

Solteq is a leading retail and service industry software service company. We offer long-term partnership and the markets' widest range of retail and service industry software services, from the optimisation of the entire supply chain to the management of consumer-customer information. Our technology-independent solutions help our customers to guide their business operations as efficiently and profitably as possible.

Solteq Plc's reported segments are Grocery and special retail, HoReCa; Wholesale, Logistics and Services and Enterprise Asset & Service Business Management

The aim of the segmentation is to respond to customer demand as a field total supplier and therefore to improve the availability of services and ease for our customers.

In its meeting 12.2.2015, the Board of Directors of Solteq Plc has approved these financial statements to be published. According to the Finnish Companies act, the shareholders may adopt or reject the financial statements in the annual general meeting

held after the publication. The annual general meeting also has an option to make changes in the financial statements.

ACCOUNTING POLICIES

BASIS OF PREPARATION

Solteq's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) complying with the IAS and IFRS standards as well as the SIC and IFRIC interpretations valid as at 31.12.2014. International Financial Reporting Standards mean the standards and their interpretations that have been approved for adoption in the EU in accordance with the procedure No. 1606/2002 enacted in the Finnish Accounting Act and EU (EC) regulations laid down by the Act. The notes to the consolidated financial statements are also in accordance with the requirements of the Finnish Accounting and Companies legislation.

The Parent Company Solteq Oy adopted IFRS compliant financial statements as from 1

January 2011. The IFRS 1 Standard "First-time Adoption of International Financial Reporting" was applied in the transition. According to the Standard, when the parent company becomes a first time adopter of IFRS for the part of its Separate Financial Statements later than on the part of the Consolidated Financial Statements, the parent company shall measure its assets and liabilities to the same values as in the Consolidated Financial Statements, with the exception of adjustments based on the accounting policies applied to the Consolidated Financial Statements. The adoption of IFRS standards is presented in the financial statement 2012.

As from 1 January 2014, the Group has applied the following new and amended standards and interpretations:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Consolidated and Separate Financial Statements (amended in 2011)

- IAS 28 Investments in Associates and Joint Ventures (amended in 2011)

The new and amended standards have not, however, had a significant impact on the financial statements.

The Group accounting policies described here are applied to both the Group financial statement as well as to the parent company financial statement, unless otherwise mentioned. In addition to this, the term "company" refers to both the Group as well as the parent company.

The consolidated financial statements have been prepared on the historical cost basis of accounting, except for available-for-sale financial assets measured at fair value. The values are presented in thousand euros. As the values have been rounded, the total of the individual values may deviate from the presented totals.

The preparation of the financial statement in accordance with the IFRS standards requires the group management to make certain estimates and assumptions that affect the application of accounting policies.

Information of these considerations that the management has used in applying accounting policies and which have the most effect in the figures shown in the financial statement, have been presented in the section "Accounting policies requiring management judgement and significant uncertainties relating to accounting estimates".

ACCOUNTING POLICIES FOR THE CONSOLIDATED COMPANIES

SUBSIDIARIES

Consolidated financial statements include Solteq Plc and its subsidiaries, as well as Solteq Management Oy and Solteq Management Team Oy, which is included in the consolidated financial statements on the basis of a shareholders' agreement.

The aforementioned subsidiaries are companies where the group holds the right of control. Right of control is assumed when the group owns more than half of the votes or it otherwise has the right of control. Right of control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The group's mutual shareholdings have been eliminated using the acquisition method. Companies acquired are included in the consolidated financial statements from the date when the group has acquired right of control and subsidiaries sold until the date when the right of control ceases. All intra-group business transactions, receivables,

debts and unrealised profits as well as internal distribution of profit are eliminated in the preparation of the consolidated financial statements. Unrealised losses are not eliminated in the event that they are caused by impairment.

In March 2011, Solteq's senior management (CEO and CFO) established a limited liability company called Solteq Management Oy, and in July 2012 the rest of Solteq's Management Team established a limited liability company called Solteq Management Team Oy. A share-based incentive scheme for the management has been implemented through these companies. The companies hold a total of 750,000 shares in Solteq Plc. Further information on the arrangements in Note 28 "Related Party Disclosures". As Solteq Management Oy is controlled by the parent company on the basis of a shareholders' agreement, it is included in the consolidated financial statements. The shares that Solteq Management Oy and Solteq Management Team Oy holds in the parent company are deducted from the consolidated balance sheet and from the distributable equity of the Group. The deduction from equity is disclosed in the reserve for own shares.

FOREIGN CURRENCY ITEMS

Figures on the result and the financial position of the Group's entities are measured in the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated

financial statements are presented in euros, which is the parent company's functional and presentation currency.

Transactions in foreign currencies are translated to the presentation currency at the monthly average rate close to the date of the transaction. At the time of closing the annual accounts, receivables and debts in foreign currencies have been converted to functional currency at the exchange rate of that date. Any exchange rate gain or loss from transactions in foreign currencies has been recognised in the financial statements under financial income and expense.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist mainly of machines and equipment. They are measured at historical cost less accumulated depreciation and possible impairment losses.

Depreciation is calculated on a straight-line basis over their estimated useful life. The estimated useful lives are as follows:

Machinery and equipment	2-5 years
Other tangible assets consists of works of art which are not depreciated.	

The residual values and useful lives are reviewed at each reporting date and, when necessary, are corrected to reflect any possible changes in expected future economic benefit.

Gains and losses from disposal and divestment of tangible assets are recognised under other income or expenses.

INTANGIBLE ASSETS

An intangible asset is recognised in the balance sheet only if the asset's acquisition cost can be reliably measured and if it is probable that future economic benefits will flow to the entity. Intangible assets with a finite useful life are recognised in the balance sheet at historical cost and are amortised on a straight-line basis during their useful life. Estimated amortisation periods are as follows:

Development costs	5-10 years
Intangible rights	3-5 years
Other intangible assets	3-10 years

GOODWILL

The goodwill arising from business consolidations that occurred after 1/1/2010 is recorded to an amount whereby the sum of the released consideration, controlling interest in the acquiree and previously owned share exceed the group's share of the acquired net asset value.

The goodwill arising from business mergers is recorded in accordance with previous IFRS norm (IFRS 3 (2004)). Goodwill is the part of the acquisition cost that exceeds the group's share in the acquired company's net assets' fair value at the time of acquisition which has taken place before 1.1.2004. The classification of these acquisitions or their accounting treatment has not been adjusted in the group's opening IFRS balance sheet.

Goodwill is not amortised but is tested annually for impairment. For this purpose the goodwill is allocated to cash-generating units. The goodwill is valued at the original

acquisition cost less impairment losses.

In the parent company, the transaction is handled at book value as for companies under mutual control.

RESEARCH AND DEVELOPMENT COSTS

Research costs are recorded as expenses in the income statement. Development cost for new or substantially improved product or service processes are capitalised in the balance sheet as intangible assets from the date when the product is technically and commercially feasible and it is expected to bring financial benefit. Development costs previously expensed will not be capitalised at a later date. Assets are amortised from the date when they are ready for use. Assets that are not yet ready for use are tested annually for impairment. Development expenses that have been capitalised have a useful life of 5 to 10 years, during which capitalised assets are expensed on a straight-line basis.

GOVERNMENT GRANTS

Government grants, such as grants from public institutions for acquisition of intangible assets, are deducted from the carrying amount of the asset when it is reasonably certain that they will be received and the group fulfils the requirements to receive such grants. Grants are recognized in the form of lower depreciation expense during the useful life of the asset. Grants that compensate for expenses incurred are recognized in the income statement when the expenses are recognized. These grants are presented in

other income. No Government grants were received in the financial year 2014 or the previous year.

LEASES

GROUP AS A LESSEE

Lease contracts for tangible assets for which the group have a significant part of the risks and rewards incidental to ownership, are classed as financial leases. At the inception of the lease term, a finance lease is recognised on the balance sheet at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payment. Assets acquired by a finance lease are depreciated during the asset's useful life or, if shorter, the lease term. Lease payments are apportioned between financial expenses and loan repayments during the rental period so that the remaining debt at the end of a financial period has a constant periodic interest rate. Lease liabilities are included in the financial liabilities.

Lease agreements where the risks and rewards incidental to ownership remain with the lessor, are classified as other lease agreements. Lease payments under other lease agreements are recognised as expense in the income statement in equal amounts throughout the lease term.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The Company estimates at the end of each financial period whether or not there is any indication of impairment on any asset. In the event of any such indication, the recoverable amount of the asset is estimated. Recoverable amounts are also estimated annually on the following asset groups regardless of whether or not there is any indication of impairment: goodwill and intangible assets not yet available for use. Need for impairment is monitored at the cash-generating unit level, that is, at the level of units that are independent from other units and whose cash flows can be separated from other cash flows.

Recoverable amount is the greater of the asset's fair value less selling costs or its value in use. Value in use is defined as the present value of the future cash flows expected to be derived from an asset or a cash generating unit. In the calculation of present value, discounting percentage is pretax rate which reflects the market's view of time value of money and asset-specific risks.

Impairment loss is recognised when the asset's carrying amount is higher than its recoverable amount. Impairment loss is immediately recognised in the income statement. If the impairment loss is allocated to a cash-generating unit, it is first allocated to decrease the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Impairment loss is reversed, if circumstances change and the asset's recoverable value has changed from the time of the recognition of the impairment loss. Reversal amount cannot, however, be higher

than the asset's book value would be without the recognition of the impairment loss. Impairment loss on goodwill is not reversed under any circumstances.

EMPLOYEE BENEFITS

PENSION LIABILITIES

Pension arrangements are classed as defined benefit plans and defined contribution plans. The group has only defined contribution plans. Payments under the Finnish pension system and other contribution based pension schemes are recognised as expenses as incurred.

PROVISIONS AND CONTINGENT LIABILITIES

Provision is recognised when the group has a present legal or constructive obligation as a result of a past event, realisation of the payment obligation is probable and the amount of the obligation can be reliably estimated. Provisions are valued at the present value required to cover the obligation. Present values are determined by discounting the expected future cash flows at a pre-tax rate that reflects the market's view of that moment's time value and risks associated with the obligation. If part of the obligation is possible to be covered by a third party, the obligation is recognised as a separate asset, but only once this coverage is virtually certain.

The warranty provision is accumulated for the project business expenses while the

project proceeds. The amount of the warranty provision is an estimate of anticipated warranty work based on previous experiences. The Group recognises a provision for onerous contracts when the expected benefits from a contract are less than the unavoidable costs of meeting the obligations.

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group. Also present obligation that is not probable to cause liability to pay or the amount of obligation cannot be measured with sufficient reliability are considered contingent liabilities. Contingent liabilities are disclosed as notes to the financial statements. There were no contingent liabilities in financial periods 2014 and 2013.

INCOME TAXES

Tax expenses for the financial period comprise current tax based on the taxable income of the financial period and deferred taxes. Tax calculated from the taxable income of the financial period is based on the tax rate prevailing in each country. Taxes are adjusted with possible taxes relating to previous financial periods.

Deferred taxes are calculated from temporary differences between book value and taxable value. Deferred taxes are not recognised on temporary differences arising from goodwill impairment losses that are not

tax deductible. Deferred taxes are neither recognised on undistributed profit from subsidiaries when the differences are unlikely to reverse in the foreseeable future.

Deferred taxes are calculated using the tax rates enacted at the end of the financial period. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the temporary differences can be utilised.

The calculated tax receivables and liabilities are deducted from each other, only in the case that the company has a legally enforceable right to even the tax receivables and liabilities of the period, and these are related to the income taxes of the same tax holder.

REVENUE RECOGNITION

Income from the sale of goods, software licences and hardware is recognised at fair value excluding indirect taxes, discounts and exchange rate differences from sales in currencies.

SERVICES RENDERED AND SALE OF SOFTWARE LICENCES AND HARDWARE

Income from services is recognised when the service has been rendered. Maintenance income is recognized over the agreement period.

In order to recognise revenue from sales of software licences and hardware, there must be a binding agreement, delivery of product or equipment has taken place, the amount of revenue can be measured reliably, it is

probable that the economic benefits associated with the transaction will flow to the entity and the group has transferred to the buyer the significant risks and rewards of ownership of the software licence or hardware. When the sale of licence and hardware is included in a long-term project they are recognized as income and expense based on the stage on completion.

LONG-TERM PROJECTS

When the outcome of the project can be estimated reliably, income and expenses for long-term projects are recognised as income and expenses based on the stage of completion. A long-term project includes the services related to the project, software user rights as well as devices and costs related to them. For each project, the stage of completion is defined as a percentage share of the completed working days of the estimated total number of the working days. When it is likely that a project's completion costs are going to exceed the income from the project, the expected loss is immediately recognised in income statement.

When the final result of a long-term project cannot be reliably estimated, costs incurred are recognised as expense during the period when incurred. Revenue from the project is recognised only to the extent of contract costs incurred and when it is probable that it will be recoverable. Losses from the project will immediately be recognised as cost in income statement.

OTHER INCOME

Other income comprises gains from assets

and income not relating to actual sales, such as rental income and government grants. Government grants are recognised in the income statement at the same time with those expenses that the government grants were intended to cover.

INTEREST INCOME AND DIVIDENDS

Interest income is recognised using the effective interest method and dividends at the time the right for the dividend has been earned.

OPERATING PROFIT

IAS 1 Presentation of financial statements standard does not define operating profit. The group has defined it as follows: operating profit is the net sum that is calculated by adding other income to the revenue, deduct material and services, employee benefit expense, depreciation and amortisation expense, possible impairment losses and other expenses. Everything else, except the aforementioned items, is presented below the operating profit.

FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS

The group has classified its financial assets to the following classes: loans and receivables and available-for-sale financial assets. The classification is based on the purpose of purchasing financial assets and the classification is made at the time of the initial purchase.

Transaction costs are included in the

financial asset value at initial measurement. All purchases and sales of financial assets are recognised on the trade date.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the group has transferred substantially all the risks and rewards of ownership outside the group.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market and the group is not holding them for trading. They are valued at amortised cost. They are classified in the balance sheet under current assets due to their nature.

Available-for-sale financial assets are assets that are not designated to other categories. They are classified in non-current assets. Available-for-sale financial assets consist of shares. They are recognised at fair value or, if fair value can not be measured reliably, at cost.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and bank deposits that can be withdrawn on demand. Account with overdraft facility is included in current financial liabilities. Unused overdraft facility in the amount of 1,5 M€, has not been recognised in the balance sheet.

IMPAIRMENT OF FINANCIAL ASSETS

The group assesses at the end of the financial period whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the loss is recognised in the income statement.

Doubtful sales receivables are written down through profit or loss based on risk assessment.

FINANCIAL LIABILITIES

Financial liabilities are initially recognised at fair value. Transaction costs are included in the financial liability value at the initial measurement. Later all financial liabilities are valued at amortised cost using the effective interest method. Financial liabilities are classified under non-current and current liabilities which can be either interest-bearing or interest-free.

CASH FLOW HEDGES

For cash flow hedges, the effective portion of the change in fair value of the derivative that is determined to be an effective hedge shall be recognized in other comprehensive income and shall be disclosed in the hedging reserve in that case the hedging relationship qualifies the requirements for hedge accounting as set in IAS 39. The ineffective portion of the change in fair value of the derivative shall be recognised in profit or loss. Cumulative gain or loss of the effective portion of derivatives deferred to other comprehensive income is transferred to the profit and loss and classified as revenue or expense for the accounting period or periods when the hedged item is recognized in the profit and loss, e.g. when the interest expenses of a loan are accrued in the profit and loss. The group applies hedge accounting on an interest rate swap that is hedging cash flows. Interest rate swaps are used to hedge against interest rate risks arising from fluctuating rate loans.

DETERMINATION OF FAIR VALUE

When the Group measures an asset item or a liability at fair value, the measurement is based on as highly observable input in the market as possible. The fair values are categorised at various hierarchy levels, depending on the input data used as follows:

- Level 1: The fair values are based on the quoted prices (unadjusted) of identical asset items or liabilities in a well-functioning market.
- Level 2: The fair values of the instruments are mostly based on other inputs than the quoted prices included at Level 1, however, on inputs that are observable for the asset item or the liability concerned either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: The fair values of the instruments are based on such inputs for the asset item or liability that are not based on observable market inputs (other than observable inputs) but are mainly based on the estimates of the management and on their use in generally accepted measurement models.

BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they incur. If there is certain known criteria concerning qualifying asset, the borrowing costs are capitalized. Transaction costs directly attributable to acquisition of loans which clearly relate to a certain loan are included in the original

amortised cost of the loan and are expensed using effective interest method.

EQUITY

Costs relating to the acquisition of own shares are deducted from the equity. If Solteq PLC acquires its own shares, the acquisition costs are deducted from the equity.

ACCOUNTING POLICIES REQUIRING MANAGEMENT JUDGEMENT AND SIGNIFICANT UNCERTAINTIES RELATING TO ACCOUNTING ESTIMATES

In preparation of the consolidated financial statements, estimates and assumptions regarding the future must be made. The end results may deviate from these assumptions and estimates. In addition, some judgement must be exercised in the application of the policies of the financial statements.

MANAGEMENT JUDGEMENT REGARDING SELECTION AND APPLICATION OF ACCOUNTING POLICIES

The group management uses judgement regarding selection and application of



accounting policies. This applies especially to those cases where the IFRS standards and interpretations in effect have recognition, measurement and presentation alternatives.

UNCERTAINTIES RELATING TO ACCOUNTING ESTIMATES

Accounting estimates in preparation of the financial statements are based on management's best estimate at the end of the financial period. These estimates and assumptions are based on experience and other reasonable assumptions, which are believed to be appropriate in the circumstances that form the basis on which the consolidated financial statements are prepared. Uncertainties are related to, inter alia, existing uncertainty in the assessment of project outcomes, valuation of accounts receivable, the measuring and recognition of deferred tax assets and the development of the overall financial environment. Possible changes in estimates and assumptions are recognised in accounting during the financial year when the estimate or assumption is revised, and all the periods after that.

IMPAIRMENT TEST

The group carries out annual tests for the possible impairment of goodwill and intangible assets not yet available for use, and indications of impairment are evaluated in accordance with the principles described earlier in these financial statement. Recoverable amount of cash-generating units is defined with calculations based on value in use. These calculations require the use of estimates. Additional information about sensitivity

analyses regarding changes in assumptions relating to recoverable amount are disclosed under note 14 Intangible assets.

ADOPTION OF NEW AND AMENDED STANDARDS APPLICABLE IN FUTURE FINANCIAL YEARS

Solteq Plc has not yet adopted the following new and amended standards and interpretations already issued by the IASB. The Group will adopt them as of 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. Other new and amended standards and interpretations already issued are not considered to have any impact on the future financial statements of the group.

* = not yet endorsed for use by the European Union as of 31 December 2014.

- Amendment to IAS 1 Presentation of Financial Statements: Disclosure Initiative* (effective for financial years beginning on or after 1 January 2016). The amendments are designed to encourage companies to apply judgement in determining what information to disclose in the financial statements. For example, the amendments clarify the application of the materiality concept and judgement when determining where and in what order information is presented in the financial disclosures. The interpretation had no significant impact on Solteq Plc's consolidated financial statements.
- New IFRS 15 Revenue from Contracts with Customers* (effective for financial years

beginning on or after 1 January 2017): IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. Under IFRS 15 an entity shall recognise revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is currently assessing the impact of IFRS 15.

- New IFRS 9 Financial Instruments* (effective for financial years beginning on or after 1 January 2018): IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Group is assessing the impact of IFRS 9.

The Company estimates that the other published standards or interpretations will have no impacts on its Financial Statements.

1 OPERATING SEGMENT INFORMATION

In the Solteq Group, the highest operative decision maker is the CEO, who monitors the results and takes decisions on the allocation of the resources through four business segments. The Group has not combined the business segments in order to form reportable segments; the business segments as such also form reportable segments.

Solteq Plc's reported segments are

- Grocery and special retail, HoReCa
- Wholesale, Logistics and Services
- Enterprise Asset & Service Business Management

The aim of the segmentation is to respond to customer demand as a field total supplier and therefore to improve the availability of services and ease for our customers.

The highest operative decision maker monitors the result of each reportable segment through a profit/ loss figure based on IFRS reporting. The assets and liabilities of the reportable segments are not monitored as there is no realistic way of allocating them to the segments. The consolidated turnover is allocated to the segments; the segments have no significant mutual business transactions. The combined operating profit of the segments equals the consolidated operating profit. The reconciliation between the operating profit and the Group's profit before taxes consists of the financial items in the consolidated income statement that are not allocated to the segments.

2014, THOUSAND EUR REPORTED SEGMENTS	GROCERY AND SPECIAL RETAIL, HORECA	WHOLESALE, LOGISTICS AND SERVICES	ENTERPRISE ASSET & SERVICE BUSINESS MANAGEMENT	TOTAL
Revenue	20,545	15,398	4,989	40,932
Result for the financial period	1,226	566	698	2,490
Depreciation and asset write-downs	-662	-497	-161	-1,320
Expenses that do not include payment transactions *	-6	25	-19	0
2013, THOUSAND EUR REPORTED SEGMENTS	GROCERY AND SPECIAL RETAIL, HORECA	WHOLESALE, LOGISTICS AND SERVICES	ENTERPRISE ASSET & SERVICE BUSINESS MANAGEMENT	TOTAL
Revenue	17,958	14,998	5,168	38,124
Result for the financial period	1,110	297	734	2,141
Depreciation and asset write-downs	-578	-483	-167	-1,228
Expenses that do not include payment transactions *	54	31	25	110

* Warranty provisions and other provisions

The most essential products and service types of the Group are software services, licenses and hardware sales.

As the Group mainly operates in Finland, no Community-level geographical information on revenue from external sources or long-term assets has been presented separately. Exceptionally, income from one customer exceeds 10% of the Group's total revenue.



2 BUSINESS COMBINATIONS

The Group did not have any acquisitions of business during the financial year 2014 (none in the reference year, either).

3 REVENUE AND LONG-TERM PROJECTS

THOUSAND EUR	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Services	16,831	17,148	16,831	17,148
Income from construction contracts	12,277	9,916	12,277	9,916
Income from software licenses	9,795	9,215	9,795	9,215
Sales of hardware	2,030	1,845	2,030	1,845
Total	40,933	38,124	40,933	38,124

By the end of the year, actual expenses and profits (less losses) amounting to a total of 11.797 thousand EUR were recognised from ongoing long-term projects (EUR 10.767 in

31.12.2013). At 31 December 2014, receivables connected with ongoing long-term projects amounted to 743 thousand EUR (315 thousand EUR at 31 December 2013)

and advances amounting to 635 thousand euros received for long-term projects (429 thousand euros received advances at 31 Dec. 2013).

4 OTHER INCOME

THOUSAND EUR	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Other income	0	50	0	61
Total	0	50	0	61



5 OTHER EXPENSES

THOUSAND EUR	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Telephone and telecommunications costs	390	435	390	435
Rental expenses	1,262	1,286	1,262	1,286
Car and travel expenses	1,037	1,055	1,037	1,055
External services	1,997	1,860	1,997	1,860
Loss-making projects	35	-12	35	-12
Impairment losses	86	39	86	39
Warranty provisions	36	-98	36	-98
Other expenses	875	1,703	859	1,687
Total	5,718	6,268	5,702	6,252

Auditor's fee

THOUSAND EUR	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Auditing	35	34	35	34
Certificates and statements	0	0	0	0
Tax consulting	44	25	44	25
Other services	4	4	4	4
Total	83	63	83	63



6 DEPRECIATION, AMORTISATION AND IMPAIRMENT

THOUSAND EUR	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Depreciation by asset group				
Intangible assets				
Development costs	228	228	228	228
Intangible rights	448	470	30	52
Other intangible assets	73	58	73	58
Total	749	756	331	337
Tangible assets				
Machinery and equipment	571	472	571	472
Total	571	472	571	472

7 EMPLOYEE BENEFIT EXPENSES

THOUSAND EUR	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Salaries and wages	15,234	15,850	15,234	15,850
Pension expenses - defined contribution plan	2,751	2,657	2,751	2,657
Other personnel expenses	911	879	911	879
Total	18,896	19,386	18,896	19,386
Average number of employees in group during financial period	2014	2013	2014	2013
Grocery and Specialty Retail, HoReCa	115	120	115	120
Wholesale, Logistics and Services	86	90	86	90
Enterprise Asset & Service Business Management	39	44	39	44
Shared functions	41	34	41	34
Total	281	287	281	287

Information on management's employee benefits is presented in note 28 Related party transactions.



8 RESEARCH AND DEVELOPMENT COSTS

Income statement for 2014 includes research and development costs in the amount of 1.050 thousand euros (933 thousand euros in 2013).

9 FINANCIAL INCOME

THOUSAND EUR	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Interest income from loans and receivable	35	26	41	56
Dividend income from held-for-sale financial assets	3	5	3	5
Total	38	31	44	61

10 FINANCIAL EXPENSES

THOUSAND EUR	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Interest expenses from financial expenses at amortized costs	193	222	170	214
Other financial expenses	22	23	22	23
Total	215	245	192	237

Financial expenses include 27 thousand euros of variable rents relating to financial leasing contracts (31 thousand euros in 2013).



11 INCOME TAXES

THOUSAND EUR	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Tax based on the taxable income for the period	536	566	536	566
Taxes from previous periods	-35	-37	-35	-37
Deferred taxes	-81	-223	3	-120
Total	420	306	504	409

THOUSAND EUR	THE GROUP 2014	THE GROUP 2013	THE PARENT COMPANY 2014	THE PARENT COMPANY 2013
Result before tax	2,313	1,927	2,776	2,409
Taxes based on domestic tax rate	463	472	555	590
Non-deductible expenses	25	15	25	-24
Unrecognised losses in taxation relating to subsidiaries	6	7	0	0
Other differences	-39	-18	-41	0
Taxes from previous periods	-35	-37	-35	-37
Impact of the change in the tax rate	0	-133	0	-120
Taxes in the income statement	420	306	504	409



12 EARNINGS PER SHARE

Undiluted EPS is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of shares outstanding.

When calculating the diluted earnings per share, the weighted average number of stocks takes into account the dilutive effect of

the reserve own shares held by the company. The Company had not ongoing share option programs or convertible bonds that would have had a diluting effect. The share's fair value is based on the average price of the shares over the financial period.

THOUSAND EUR	2014	2013
Profit for the financial period attributable to equity holders of the parent company (thousand EUR)	1,893	1,621
Weighted average of the number of shares during the financial period (1000)	14,934	14,972
Undiluted EPS (EUR/share)	0.13	0.11
Dilutive effect has no influence on earnings per share (EPS)		



13 PROPERTY, PLANT AND EQUIPMENT

THE GROUP	MACHINERY AND EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL
THOUSAND EUR			
Acquisition cost 1.1.2014	5,936	21	5,957
Additions	822	0	822
Acquisition cost 31.12.2014	6,758	21	6,779
Accumulated depreciation and impairment 1.1.2014	4,557	0	4,557
Depreciation	571	0	571
Accumulated depreciation and impairment 31.12.2014	5,128	0	5,128
Book value 1.1.2014	1,379	21	1,399
Book value 31.12.2014	1,630	21	1,651
Acquisition cost 1.1.2013	5,007	21	5,027
Additions	929	0	929
Acquisition cost 31.12.2013	5,936	21	5,956
Accumulated depreciation and impairment 1.1.2013	4,085	0	4,085
Depreciation	472	0	472
Accumulated depreciation and impairment 31.12.2013	4,557	0	4,557
Book value 1.1.2013	922	21	944
Book value 31.12.2013	1,379	21	1,399



THE PARENT COMPANY	MACHINERY AND EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL
THOUSAND EUR			
Acquisition cost 1.1.2014	3,225	21	3,246
Additions	821	0	821
Acquisition cost 31.12.2014	4,046	21	4,067
Accumulated depreciation and impairment 1.1.2014	1,845	0	1,845
Depreciation	571	0	571
Accumulated depreciation and impairment 31.12.2014	2,416	0	2,416
Book value 1.1.2014	1,378	21	1,399
Book value 31.12.2014	1,630	21	1,651
Acquisition cost 1.1.2013	2,296	21	2,317
Additions	929	0	929
Acquisition cost 31.12.2013	3,225	21	3,246
Accumulated depreciation and impairment 1.1.2013	1,373	0	1,373
Depreciation	472	0	472
Accumulated depreciation and impairment 31.12.2013	1,845	0	1,845
Book value 1.1.2013	923	21	944
Book value 31.12.2013	1,378	21	1,399

EUR 1.541 thousand remained to be depreciated of the group's and parent company's machinery and equipment on 31.12.2014 (1.319 thousand euros 31.12.2013).



FINANCIAL LEASES

Property, plant and equipment include property acquired by financial leases as follows:

THOUSAND EUR	THE GROUP MACHINERY AND EQUIPMENT	THE PARENT COMPANY MACHINERY AND EQUIPMENT
31.12.2014		
Acquisition cost	4,870	4,870
Accumulated depreciation	3,384	3,384
Book value	1,486	1,486
31.12.2013		
Acquisition cost	4,159	4,159
Accumulated depreciation	2,890	2,890
Book value	1,269	1,269

EUR 715 thousand worth of assets under financial leases is included in the additions in 2014 (861 thousand euros 2013).



14 INTANGIBLE ASSETS

THE GROUP					
THOUSAND EUR	GOODWILL	DEVELOPMENT COSTS	INTANGIBLE RIGHTS	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost 1.1.2014	14,925	2,618	4,747	669	22,959
Additions	0	0	25	102	127
Acquisition cost 31.12.2014	14,925	2,618	4,772	771	23,086
Accumulated depreciation and impairment 1.1.2014	2,197	1,698	2,906	578	7,379
Depreciation	0	228	448	72	748
Accumulated depreciation and impairment 31.12.2014	2,197	1,926	3,354	650	8,127
Book value 1.1.2014	12,730	920	1,841	91	15,582
Book value 31.12.2014	12,730	692	1,418	121	14,961
Acquisition cost 1.1.2013	14,925	2,618	4,745	653	22,941
Additions	0	0	2	16	18
Acquisition cost 31.12.2013	14,925	2,618	4,747	669	22,959
Accumulated depreciation and impairment 1.1.2013	2,197	1,470	2,430	526	6,623
Depreciation	0	228	476	52	756
Accumulated depreciation and impairment 31.12.2013	2,197	1,698	2,906	578	7,379
Book value 1.1.2013	12,730	1,148	2,315	127	16,320
Book value 31.12.2013	12,730	920	1,841	91	15,583



THE PARENT COMPANY

THOUSAND EUR	GOODWILL	DEVELOPMENT COSTS	INTANGIBLE RIGHTS	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost 1.1.2014	4,751	2,618	14,335	290	21,994
Additions	0	0	25	102	127
Acquisition cost 31.12.2014	4,751	2,618	14,360	392	22,121
Accumulated depreciation and impairment 1.1.2014	2,357	1,698	3,447	263	7,765
Depreciation	0	228	30	72	330
Accumulated depreciation and impairment 31.12.2014	2,357	1,926	3,447	335	8,095
Book value 1.1.2014	2,394	920	10,888	27	14,229
Book value 31.12.2014	2,394	692	10,883	57	14,026
Acquisition cost 1.1.2013	4,751	2,618	14,333	274	21,976
Additions	0	0	2	16	18
Acquisition cost 31.12.2013	4,751	2,618	14,335	290	21,994
Accumulated depreciation and impairment 1.1.2013	2,357	1,470	3,389	211	7,427
Depreciation	0	228	58	52	338
Accumulated depreciation and impairment 31.12.2013	2,357	1,698	3,447	263	7,765
Book value 1.1.2013	2,394	1,148	10,944	63	14,549
Book value 31.12.2013	2,394	920	10,888	27	14,229

No development projects were operating during the review period (none in the reference year, either).

IMPAIRMENT

The goodwill values related to business combinations are allocated to the cash-generating units which are based on the Group's budgeting and reporting structure and which are smaller independent entities with separate cash flows.

The book value of the goodwill in the Group at 31 December 2014 was 12,730 thousand euros (12,730 thousand euros 31.12.2013). At 31 December 2014, the financial statements did not include intangible assets in process (none in the reference year, either).

Impairment tests have been carried out at the cash-generating unit level. The recoverable amount has been determined by means of the value in use. The determined anticipated cash flows are based on the operating result budget for 2015 and operating result forecasts for the subsequent four years.

For the part of the development of cash flows in the forecast period, the cash-generating units are expected to grow at the inflation rate.

The discount rate of 9,1 % used in the calculations is the weighted average cost of capital after taxes (equals 11.4 % before taxes).

Based on testing performed in 2014, no need was found for recognising impairment losses: a clear margin was left for each tested unit. No impairment losses were recognised in 2014.

SENSITIVITY ANALYSIS

Based on the sensitivity analyses performed, it can be stated that a change in the operat-

GOODWILL

THOUSAND EUR

	THE GROUP		THE PARENT COMPANY *	
	2014	2013	2014	2013
Grocery and Special Retail, HoReCa	6,611	6,611	6,951	6,951
Wholesale, Logistics and Services	2,910	2,910	3,023	3,023
Enterprise Asset & Service Business Management	3,205	3,205	3,221	3,221
Total:	12,730	12,730	13,194	13,194

*The losses from mergers are included in the Parent Company

ing profit is the most critical factor in testing the goodwill values of the units. A summary of unit-specific sensitivities is below:

In the Grocery and Special Retail, HoReCa Unit, there will be need for write-downs, if the operating profit decreases by 3,3 percentage units or the discount rate increases by 8,1 percentage units. In the Wholesale, Logistics and Services Unit, there will be need for write-downs, if the operating profit decreases by 5,0 percentage units or the discount rate increases by 17,6 percentage units. In the Enterprise Asset & Service Business Management Unit, there will be need for write-downs, if the operating profit decreases by 8,0 percentage units or the discount rate increases by 9,2 percentage units.

There are no significant differences in the Group and the Parent Company in the impairment testing and sensitivity analysis results. Group and the Parent Company in the impairment testing and sensitivity analysis results.

15 AVAILABLE-FOR-SALE FINANCIAL ASSETS

The item includes unquoted shares that have been measured at acquisition value, as their fair value cannot be determined in a reliable manner.

16 DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes are recognised in full, except for the losses of the Russian subsidiary. The losses for the previous financial periods of the Russian subsidiary are EUR 271 000 and the loss for the financial period EUR 32 000. The tax losses are carried forward in accordance with the Russian legislation. No losses for deferred tax receivables are recognised as it is probable that during the time the losses are carried forward, no taxable income against which the losses could be set off will accrue for the company.

* Deferred tax assets for the previous financial period, 192 thousand euros, are recorded in the Parent Company's opening balance on 1.1.2014 as an improvement in retained earnings. Previously the item was presented only in the consolidated financial statements.

THOUSAND EUR	THE GROUP			THE PARENT COMPANY		
	2014		2013	2014		2013
Beginning of financial period	555	9	546	574	6	568
End of financial period	555	9	546	574	6	568

Changes in deferred taxes:

THOUSAND EUR	31.12. 2012	RECOGNIZED IN THE INCOME STATEMENT	31.12. 2013	RECOGNIZED IN THE INCOME STATEMENT	31.12. 2014
Deferred tax assets:					
Provisions	182	-56	126	0	126
Postponed depreciation	50	-18	32	7	39
Other items	42	-8	34	-10	24
Total	274	-82	192	-3	189
Deferred tax liabilities:					
Tax-deductible goodwill	516	-95	421	0	421
Allocated intangible assets	548	-184	364	-84	280
Total	1,064	-279	785	-84	701

THOUSAND EUR	31.12. 2012	RECOGNIZED IN THE INCOME STATEMENT	31.12. 2013/ 1.1. 2014 *	RECOGNIZED IN THE INCOME STATEMENT	31.12. 2014
Deferred tax assets:					
Provisions	0	0	160	-10	150
Postponed depreciation	0	0	32	7	39
Total	0	0	192	-3	189
Deferred tax liabilities:					
Tax-deductible goodwill	542	-120	421	0	421
Total	542	-120	421	0	421



17 INVENTORIES

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2014	2013	2014	2013
Finished products	35	156	35	156
Total	35	156	35	156

18 TRADE AND OTHER RECEIVABLES

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2014	2013	2014	2013
Loans and other receivables				
Trade receivables	3,425	4,136	3,425	4,136
Receivables from clients concerning long-term acquisitions	743	315	743	315
Prepayment and accrued income	1,113	871	1,114	871
Internal receivables	0	0	674	684
Other receivables	25	13	24	12
Total	5,306	5,335	5,980	6,018

Receivables from clients concerning long-term acquisitions are related to credited ongoing projects in accordance with the readiness degree. Significant items included in prepayments and accrued income relate to normal business accruals. The interest rate for loan receivable has been Euribor + 1,0 %.

The aging of accounts receivable and items recorded as impairment losses:

THE GROUP						
THOUSAND EUR	IMPAIRMENT			IMPAIRMENT		
	2014	LOSSES	NET 2014	2013	LOSSES	NET 2013
Not due	2,797	-70	2,727	3,141	-70	3,071
Due	717	-19	698	1,119	-54	1,065
Under 30 days	598	-	598	754	-	754
31-60 days	65	-	65	103	-	103
61-90 days	7	-	7	64	-	64
Over 90 days	47	-19	28	198	-54	144
Total	3,514	-89	3,425	4,260	-124	4,136

THE PARENT COMPANY						
THOUSAND EUR	IMPAIRMENT			IMPAIRMENT		
	2014	LOSSES	NET 2014	2013	LOSSES	NET 2013
Not due	2,797	-70	2,727	3,141	-70	3,071
Due	717	-19	698	1,119	-54	1,065
Under 30 days	598	-	598	754	-	754
31-60 days	65	-	65	103	-	103
61-90 days	7	-	7	64	-	64
Over 90 days	47	-19	28	198	-54	144
Total	3,514	-89	3,425	4,260	-124	4,136

All current receivables are denominated in euros. There are no significant concentrations of risk related to receivables. The balance sheet values correspond to the maximum amount of credit risk. Because the receivables are current their fair value is equivalent to carrying value.



19 CASH AND CASH EQUIVALENTS

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2014	2013	2014	2013
Cash and bank accounts	2,530	2,367	2,587	2,382
Total	2,530	2,367	2,587	2,382

20 NOTES TO EQUITY

The maximum number of shares is 28.539.504 (28.539.504 in 2013). The shares have no nominal value. The Group's maximum share capital according to the articles of association is 2.4 million euros (2.4 million euros in 2013).

The reserves included in equity are as follows:

SHARE PREMIUM RESERVE

A reserve to be used in accordance with the old Companies Act § 12:3a.

HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

DISTRIBUTABLE EQUITY RESERVE

In accordance with the Companies Act 8:2 §, the proportion of payments received from shares that is not recognised as share capital is recognised in this reserve.

Below is the reconciliation of the number of shares:

THOUSAND EUR	NUMBER OF SHARES (1 000)	SHARE CAPITAL	RESERVE FOR OWN SHARES	SHARE PREMIUM RESERVE	HEDGING RESERVE	DISTRIBUTABLE EQUITY RESERVE	TOTAL
1.1.2013	14,998	1,009	-934	75	-48	6,368	6,471
The fees for the Board Members in the form of treasury shares	0	0	0	0	0	24	24
Valuation of hedging instruments	0	0	0	0	21	0	21
31.12.2013	14,998	1,009	-934	75	-27	6,392	6,516
Own shares acquired	0	0	-135	0	0	0	-135
Valuation of hedging instruments	0	0	0	0	5	0	5
31.12.2014	14,998	1,009	-1,069	75	-23	6,392	6,384

RESERVE FOR OWN SHARES

Reserve for own shares consists of acquisition cost of own shares acquired by the group. At the end of the financial year Solteq Plc had 866.242 own shares in its possession (2013: 773.404 shares). The amount of acquired shares corresponded to 5,8 percent of the shares and votes at the end of the financial

year. The equivalent value of acquired shares was 58.286 euros.

DIVIDENDS

After the balance sheet date the Board proposes to the Annual General Meeting that a dividend of EUR 0.03 per share will be paid for each share. In addition to this is proposed

that the Board be authorised, on the basis of Chapter 13, Section 6, Sub-section 2 of the Finnish Companies Act, to decide on the distribution of a dividend amounting to a maximum of EUR 0.05 per share or of other assets from the distributable equity reserve, as well as decide on the timing and other details concerning the possible distribution.



21 PROVISIONS

THOUSAND EUR	WARRANTY PROVISIONS	OTHER PROVISIONS	TOTAL
31.12.2013	577	54	631
Additional provisions	0	52	52
Deducted provisions	-52	0	-52
31.12.2014	525	106	631

WARRANTY PROVISIONS

Warranty provision is recorded for long term projects based on anticipated warranty work.

During the financial period, a provision was made for anticipated warranty-based work in each project. The general warranty period is 6 – 12 months. The warranty provisions are based on the historical information on the amount of warranty obligations. The warranty

provisions are expected to be used during the next financial period.

OTHER PROVISIONS

Other provisions are connected with long-term projects in which the total expenses of completing the project are expected to exceed the total income from the project.



22 FINANCIAL LIABILITIES

THE GROUP

THOUSAND EUR	2014 BOOK VALUE	2014 FAIR VALUE	2013 BOOK VALUE	2013 FAIR VALUE
Financial liabilities at amortized cost				
Non-current				
Loans from financial institutions	1,607	1,607	2,945	2,945
Finance lease obligations	983	983	750	750
	2,590	2,590	3,695	3,695
Current				
Loans from financial institutions	1,333	1,333	1,334	1,334
Finance lease obligations	514	514	527	527
	1,847	1,847	1,861	1,861

THE PARENT COMPANY

THOUSAND EUR	2014 BOOK VALUE	2014 FAIR VALUE	2013 BOOK VALUE	2013 FAIR VALUE
Financial liabilities at amortized cost				
Non-current				
Loans from financial institutions	1,448	1,448	2,786	2,786
Finance lease obligations	983	983	750	750
	2,431	2,431	3,536	3,536
Current				
Loans from financial institutions	1,333	1,333	1,333	1,333
Finance lease obligations	514	514	527	527
	1,847	1,847	1,860	1,860

As interests are tied to short-term reference rates, the fair value of the financial liabilities is mainly the same as the book value. The impact of the interest rate swap has been recognised as added financial liabilities. Financial liabilities, including finance lease liabilities and the interest rate swap are categorised at fair value level 2.

DUE DATES OF FINANCIAL LIABILITIES:

THE GROUP

2014

THOUSAND EUR	2015	2016	2017	2018–2020
Loans from financial institutions	1,333	1,159	448	0
Finance lease obligations	514	589	322	73
Long-term debt total	1,847	1,748	770	73

THE GROUP

2013

THOUSAND EUR	2014	2015	2016	2017–2019
Loans from financial institutions	1,361	1,393	1,100	425
Finance lease obligations	526	418	321	11
Long-term debt total	1,887	1,811	1,421	436

THE PARENT COMPANY

2014

THOUSAND EUR	2015	2016	2017	2018–2020
Loans from financial institutions	1,333	1,000	448	0
Finance lease obligations	514	589	322	73
Long-term debt total	1,847	1,589	770	73

THE PARENT COMPANY

2013

THOUSAND EUR	2014	2015	2016	2017–2019
Loans from financial institutions	1,361	1,333	1,000	425
Finance lease obligations	526	418	321	11
Long-term debt total	1,887	1,751	1,321	436

The credit limit of the account with overdraft facility has been presented annually as an item that matures in the following year. In 2014, the average interest rate of the loans was 2,3 percent (2.9 percent in 2013). All financial liabilities are denominated in euros.



DUE DATES FOR FINANCIAL LEASE OBLIGATIONS:

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2014	2013	2014	2013
Financial lease obligations - present value of future minimum lease payments				
Within 12 months	514	526	514	526
Between 1 and 5 years	984	750	984	750
	1,498	1,276	1,498	1,276
Finance lease obligations - total amount of minimum lease payments				
Within 12 months	492	565	492	565
Between 1 and 5 years	1,052	746	1,052	746
	1,544	1,311	1,544	1,311
Future financing expenses	-46	-35	-46	-35
Total financial lease obligations	1,498	1,276	1,498	1,276



23 TRADE AND OTHER PAYABLES

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2014	2013	2014	2013
Financial liabilities at amortized cost				
Current				
Trade payable	1,085	778	1,085	778
Advances received from customers, long-term projects	635	429	635	429
Accruals and deferred income	4,518	5,095	4,501	5,092
Other liabilities	1,417	1,433	1,417	1,433
Internal liabilities	0	0	14	14
Total	7,655	7,735	7,652	7,746

Current liabilities are denominated in euros and their fair values equal their book values. Significant items included in accruals and deferred income relate to usual accruals for business operations. Withheld taxes for paid wages and salaries, social security payments and other social security related items to be accounted for in connection with tax withholding, as well as VAT liability are disclosed in other payables.

24 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The Company is subject to a number of financial risks in its business operations. The Company's risk management aims to minimize the adverse effects of the finance markets to the Company's result. The general principles of the Company's risk management are approved by the board and their implementation is the responsibility of the accounting department together with the operating segment units.

CREDIT RISK

The Company's operating style defines the customers' and investment transactions' credit-worthiness demands and investment principles. The Company does not have any significant credit risk concentrations in its receivables, because it has a wide customer-base and it gives credit only to companies who have an unblemished credit rating. During the financial period, the effect of credit losses has not been significant. The Company's credit risk's maximum amount

is the carrying value of financial assets as at 31.12.2014.

LIQUIDITY RISK

The Company monitors and estimates continuously the amount of funds needed to run the business operations, so that the group will, at all times, retain enough liquid assets to fund the operation and repay debts that fall due. The availability of funding and its flexibility is ensured by unused credit limits and by using a number of different banks and financing methods in the procurement of funding. The amount of unused credit limits as at 31.12.2014 totalled 1.500 thousand euros.

INTEREST RATE RISK

The Company's income and operative cash flows are mainly free from market rate fluctuation effects. Company is able to take out either fixed-rate or fluctuating rate loans and to use interest rate swaps to achieve its objective relating to the financial principles.

The Company is partly exposed to cash flow interest rate risk. The Group is partially subject to fair value interest rate risk relating to the portion of the loan portfolio that is not subject to hedging. A one percentage

change in the interest rate of loans with floating interest has an effect on the company's interest expenses in the amount of approximately +/- 10 thousand euros.

Significant events are listed in the cash flow statement. Significant adjustments to cash flow from business operations are due to scheduled depreciation and asset write-downs, 1.320 thousand euros (1.228 thousand

change in the interest rate of loans with floating interest has an effect on the company's interest expenses in the amount of approximately +/- 10 thousand euros.

In the end of the reporting period the Company had one interest rate swap denominated in euros. Based on the interest swap contract the Company receives approximately Euribor 1 month variable interest rate and pays approximately 1,15 % fixed interest rate. The Company has entered in to an interest rate swap to hedge the cash flows a fluctuating rate loan with a nominal contract amount of 1.750 thousand euros. The interest rate swap has been classified as an effective cash flow hedge and the correlation to interest cash flows is 100 % for both the value and timing.

The fair value of interest rate swap is verified quarterly by means of a confirmation from 3rd party.

CAPITAL MANAGEMENT

The objective for the Group's capital management is to secure the continuance of activities (going concern) and increase in shareholder value. The capital structure can be managed among other things through decisions regarding dividend distribution and return of equity,

euros) in the Group and 902 thousand euros (810 thousand euros) in the Parent Company.

purchase of own shares as well as share issues.

The covenants concerning one of the company's loans from financial institutions (EUR 1.750 thousand at the closure of accounts) and the account with overdraft facility (EUR 1,500 thousand at the closure of accounts, of which none is in use) are normal conditions reviewed quarterly. The finance provider has the right to call in the loans if the company's equity ratio, interest-bearing net liabilities / EBITDA, or the key figure that indicate the cash flow available for loan repayment deviate from the target values determined in advance. The pricing of bank loans also depends on the development of the interest-bearing net liabilities / EBITDA ratio. The margin level of financing may vary between 1.50–4.00% when the interest-bearing net liabilities / EBITDA ratio changes.

At the time of preparing the Financial Statements, no realisation risk is anticipated concerning financial or other covenants. The management regularly monitors the development of the loan covenants.

Equity ratio and net gearing -% are characteristic key figures for capital structure. Equity ratio in 2014 was 48,0 % (43,5 % in 2013). Net gearing percentage in 2014 was 16,3 % (29,4 % in 2013).

25 ADJUSTMENTS TO CASH FLOW FROM BUSINESS OPERATIONS

26 OTHER LEASE AGREEMENTS

COMPANY AS A LESSEE

Non-cancellable other lease agreements carry the following minimum lease amounts to be paid:

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2014	2013	2014	2013
Within a year	850	848	850	848
One to five years	2,838	1,710	2,838	1,710
More than five years	1,362	972	1,362	972
Total	5,050	3,530	5,050	3,530

The Company has leased most of the cars and copiers in its use. The lease agreements include the possibility to continue the agreement after the expiration of the original. The agreements differ in terms of index, renewal and other conditions. Lease liability for premises in Helsinki and Tampere has been presented for the set lease period. As the lease agreement of the current premises in Helsinki will expire in spring 2016, the lease

liability of the new premises is included in the lease liabilities. The operations of the Helsinki Office will be transferred to new premises in spring 2016. The income statement for 2014 includes lease expenses based on other lease agreement 1.261 thousand euros (1.286 thousand euros in 2013).

27 CONTINGENT LIABILITIES AND COLLATERAL

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2014	2013	2014	2013
Collateral given on our own behalf				
Business mortgages	10,000	10,000	10,000	10,000
Total	10,000	10,000	10,000	10,000

The business mortgages as well as the pledged shares are given as collateral by the parent company for credit limits and long-term loans.

28 RELATED PARTY TRANSACTIONS

Group's related parties consist of the parent company and its subsidiaries. The related parties also include the key persons, i.e. members of the Board of Directors and Executive Team, including the CEO and companies owned by him as well as his family members.

Group's parent and subsidiary relations are as follows:

COMPANY	DOMICILE	SHARE OF OWNERSHIP (%)	SHARE OF VOTES (%)
Solteq Oyj			
EAM & Service Management Oy	Finland	100 %	100 %
Solteq Finance Oy	Finland	100 %	100 %
Qetlos Oy	Finland	100 %	100 %
Solorus Holding Oy	Finland	100 %	100 %
OOO Solteq Russia	Russia	100 %	100 %
Solteq Management Oy *	Finland	0 %	100 %
Solteq Management Team Oy *	Finland	0 %	100 %

* Solteq Plc has control over the company on the basis of a shareholders' agreement

Solteq has a share-based incentive scheme for the senior management. The scheme is implemented through the companies owned by the management.

SOLTEQ MANAGEMENT OY

Solteq Management Oy owns a total of 400,000 shares in Solteq Plc. The shares were subscribed for through a private offering to the holding company. The acquisition of Solteq shares was financed by a long-term bank loan of EUR 100,000.00 and a loan of EUR 335,000.00 granted by the parent company. The shares will remain in the

possession of the holding company until the arrangement is dissolved. The holding company owned by the senior management will operate until the publication of the company's statement of accounts for 2014, after which the holding company will be wound up in a manner to be decided on later. The arrangement can be dissolved e.g. by merging Solteq Management Oy with Solteq Plc or by selling

the shares held by Solteq Management Oy in another way. The arrangement will be continued by one year at a time if after the publication of the company's financial statements, the stock exchange quotation of the company's share is less than the average price of the shares acquired in the arrangement.

The interest rate of the bank loan is fixed 4.21% for three years, negotiable at the end of the term. The whole capital of the bank loan shall be paid off on 23 September 2016. The interest rate of the loan granted by Solteq Plc is fixed 4.20%. The loan granted by Solteq Plc shall be paid off by 30 April 2015 at the latest. If the validity of the arrangement is extended on the basis of the terms by one year at a time in 2014 and 2015, the repayment period of the loan granted by Solteq Plc will be extended accordingly. The transfer of Solteq Management Oy shares is restricted during the validity period of the arrangement.

SOLTEQ MANAGEMENT TEAM OY

Solteq Management Team Oy owns a total of 350,000 shares in Solteq Plc. The shares were subscribed for through a private offering to the holding company. The acquisition of Solteq shares was financed by an equity investment of EUR 60,000.00 and a loan of EUR 315,000.00 granted by the parent company. The shares will remain in the possession of

the holding company until the arrangement is dissolved. The holding company owned by the senior management will operate until the publication of the company's statement of accounts for 2014, after which the holding company will be wound up in a manner to be decided on later. The arrangement can be dissolved e.g. by merging Solteq Management Team Oy with Solteq Plc or by selling the shares held by Solteq Management Team Oy in another way. The arrangement will be continued by one year at a time if after the publication of the company's financial statements, the stock exchange quotation of the company's share is less than the average price of the shares acquired in the arrangement.

The interest rate of the loan granted by Solteq Plc is fixed 4.20%. The loan granted by Solteq Plc shall be paid off by 30 April 2015 at the latest. If the validity of the arrangement is extended on the basis of the terms by one year at a time in 2014 and 2015, the repayment period of the loan granted by Solteq Plc will be extended accordingly. The transfer of Solteq Management Oy shares is restricted during the validity period of the arrangement.



THE FOLLOWING RELATED PARTY TRANSACTIONS TOOK PLACE:

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2014	2013	2014	2013
Sales to Group Company	0	0	0	11
Interest income from Group Company	0	0	12	31
Renting expenses	85	83	85	83
Outsourcing expenses	0	2	0	2
Total	85	85	97	127

Transactions with the insiders have been done at market price and are part of the company's normal software service business. At the closure of accounts, there are no significant receivables from or payables to related parties.

MANAGEMENT EMPLOYEE BENEFITS

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2014	2013	2014	2013
Salaries and other short-term employment benefits	1,212	1,314	1,212	1,314
	1,212	1,314	1,212	1,314

The compensations of managing director, board of directors and management group are included in the management employee benefits.

29 EVENTS AFTER THE BALANCE SHEET DATE

On December 11, 2014 Company's Board of Directors decided to execute an arrangement in which the business operations of Enterprise Asset & Service Business Management –segment is transferred to a new subsidiary which is completely owned by the company. The

WAGES AND SALARIES OF THE MEMBERS OF THE BOARD AND THE CEO

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2014	2013	2014	2013
CEO Repe Harmanen	195	244	195	244
Members of the board:				
Saadetdin Ali U., Chairman of the board	50	46	50	46
Aalto Seppo	15	15	15	15
Pietilä Markku	15	28	15	28
Roininen Matti	15	15	15	15
Sara-aho Sirpa	15	29	15	29
Sonninen Jukka	15	32	15	32
Välimäki Olli	15	0	15	0

The CEO's accrual-based pension costs amount to 42 thousand euros. The CEO's pension plan complies with the employment pension legislation. The Managing Director's notice period is three months. If terminated, nine months salaries are to be paid as termination compensation.

The members of the Board and the CEO owned 5,573,589 shares at the end of 2014 (2013: 5,523,589 shares). At the end of 2014, the senior management of the company held indirectly additional 750,000 shares through Solteq Management Oy and Solteq Management Team Oy (2013: 750,000 shares). In accordance with the decision of the Annual General Meeting of 17 March 2014, a part of the Board Member's fees are paid in the form of treasury shares (total 35,000 shares).

business transfer arrangement was executed on 1.1.2015. The purpose of the arrangement is to enhance group's operations and controllability by dividing different business models to separate companies. New subsidiary concentrates strongly on research and

development work and marketing of its own product branch while the parent company concentrates on providing software solutions to retail and logistics industries. The arrangement does not have impact on the reporting structure of the group.

30 FIVE YEAR FIGURES

KEY FIGURES OUTLINING THE GROUP'S FINANCIAL DEVELOPMENT

(MILLION EUR)	FINANCIAL PERIOD 1.1.–31.12. 1.1.–31.12.				
	2014	2013	2012	2011	2010
Revenue	40.9	38.1	39.0	27.1	27.0
Increase in revenue	7.4 %	-2.3 %	43.7 %	0.5 %	-5.4 %
Operating profit/-loss	2.5	2.1	2.7	1.5	-4.3
% of revenue	6.1 %	5.6 %	7.0 %	5.4 %	-16.0 %
Profit/loss before taxes	2.3	1.9	2.4	1.3	-4.5
% of revenue	5.7 %	5.1 %	6.2 %	4.7 %	-16.6 %
Return on equity, %	16.8 %	15.5 %	21.2 %	16.0 %	-48.7 %
Return on investment, %	15.5 %	13.2 %	20.8 %	13.1 %	-29.3 %
Equity ratio, %	48.0 %	43.5 %	37.2 %	34.2 %	30.6 %
Gross investments in non-current assets	1.0	1.0	7.4	0.5	0.2
% of revenue	2.3 %	2.5 %	19.1 %	1.7 %	0.6 %
Research and development costs	1.1	0.9	1.1	0.8	1.6
% of revenue	2.7 %	2.4 %	2.8 %	2.9 %	5.9 %
Net Gearing	16.3 %	29.4 %	51.5 %	65.4 %	132.8 %
Average number of employees over the financial period	281	287	270	211	233

*After the balance sheet date the Board proposes to the Annual General Meeting that a dividend of EUR 0.03 per share will be paid for each share. In addition to this is proposed that the Board be authorised, on the basis of Chapter 13, Section 6, Sub-section 2 of the Finnish Companies Act, to decide on the distribution of a dividend amounting to a maximum of EUR 0.05 per share or of other assets from the distributable equity reserve, as well as decide on the timing and other details concerning the possible distribution.

When calculating the number of shares, the number of own shares retained by the company has been deducted from the number of shares.

GROUP'S KEY FIGURES PER SHARE

	FINANCIAL PERIOD 1.1.–31.12.				
	2014	2013	2012	2011	2010
Earnings per share, EUR	0.13	0.11	0.12	0.08	-0.32
Equity attributable to the equity holders of the parent, EUR	0.79	0.72	0.67	0.52	0.45
Dividends per share, EUR	0.03 *	0,06	0.06	0.00	0.00
Dividend from result, %	23.7 % *	55,4 %	49.7 %	0.0 %	0.0 %
Effective dividend yield, %	2.3 % *	4,1 %	5.0 %	0.0 %	0.0 %
Price/earnings (P/E)	10.2	13.3	10.0	12.6	result negat.
Highest share price, EUR	1.59	1.77	1.39	1.20	1.56
Lowest share price, EUR	1.33	1.20	0.99	0.95	1.01
Average share price, EUR	1.45	1.49	1.16	1.07	1.20
Market value of the shares, 1,000 EUR	19 947	21,897	17,998	11,905	12,634
Shares trade volume, 1,000 pcs	795	929	1,885	1,614	1,270
Shares trade volume, %	5.3 %	6.2 %	13.7 %	14.0 %	10.8 %
Weighted average of the share issue corrected number of shares during the financial period, 1,000 pcs	14,933	14,972	13,756	11,546	11,766
Number of shares corrected by share issue at the end of the financial period, 1,000 pcs	14,882	14,974	14,960	11,448	11,644



CALCULATION OF FINANCIAL RATIOS

Return on equity (ROE) %:	$\frac{\text{net result}}{\text{equity (average)}} \times 100$
Return on investment %:	$\frac{\text{result after the financial items + financial expenses}}{\text{total assets - interest-free liabilities (average)}} \times 100$
Equity ratio:	$\frac{\text{equity}}{\text{total assets - advances received}} \times 100$
Net gearing:	$\frac{\text{interest bearing liabilities - cash, bank and securities}}{\text{equity}} \times 100$
Diluted earnings per share:	$\frac{\text{net result -/+ ownership share of the non-controlling interest}}{\text{average number of shares added with number of shares at the end of the period}}$
Earnings per share:	$\frac{\text{net result -/+ ownership share of the non-controlling interest}}{\text{average number of shares}}$
Equity per share:	$\frac{\text{equity}}{\text{number of shares}}$
Dividend per share:	$\frac{\text{Dividend for the period}}{\text{number of shares at the time of payment}}$
Dividend from result %:	$\frac{\text{dividend per share}}{\text{earnings per share}} \times 100$
Effective dividend yield:	$\frac{\text{dividend per share}}{\text{share price at the year-end}} \times 100$
Price/earnings:	$\frac{\text{share price at the year-end}}{\text{earnings per share}}$

31 DISTRIBUTION OF OWNERSHIP AND SHAREHOLDER INFORMATION

DISTRIBUTION OF OWNERSHIP BY SECTOR 31.12.2014

	NUMBER OF OWNERS	SHARES AND VOTES	
		%	PCS
Companies	67	19.5 %	2,922,272
Financier and insurance institutions	8	1.8 %	265,945
Public organisations	2	17.6 %	2,644,917
Households	1,602	61.0 %	9,156,114
Not for profit organisations	3	0.0 %	2,231
Outside Finland	7	0.0 %	6,582
Total	1,689	100.0 %	14,998,061
of which nominee registered	7	1.3 %	190,509

DISTRIBUTION OF OWNERSHIP BY SIZE 31.12.2014

NUMBER OF SHARES	NUMBER OF OWNERS	SHARES AND VOTES	
		%	PCS
1 - 100	323	0.2 %	24,551
101 - 1 000	936	3.0 %	449,167
1 001 - 10 000	359	7.7 %	1,161,046
10 001 - 100 000	55	9.3 %	1,399,762
100 001 - 1 000 000	12	20.4 %	3,063,766
1 000 000 -	4	59.3 %	8,899,769
Total	1,689	100.0 %	14,998,061
of which nominee registered	7	1.3 %	190,509

MAJOR SHAREHOLDERS 31.12.2014

	SHARES AND VOTES	
	PCS	%
1. Saadetdin Ali	3,481,383	23.2 %
2. Keskinäinen Työeläkevakuutusyhtiö Elo	2,000,000	13.3 %
3. Profiz Business Solution Oyj	1,756,180	11.7 %
4. Aalto Seppo	1,662,206	11.1 %
5. Keskinäinen Työeläkevakuutusyhtiö Varma	644,917	4.3 %
6. Roininen Matti	410,000	2.7 %
7. Pirhonen Jalo	405,780	2.7 %
8. Solteq Management Oy	400,000	2.7 %
9. Solteq Management Team Oy	350,000	2.3 %
10. Saadetdin Katiye	156,600	1.0 %
10 largest Total	11,267,066	75.1 %
Nominee registered total	190,509	1.3 %
Others	3,540,486	23.6 %
Total	14,998,061	100.0 %



PROPOSAL FOR DISTRIBUTION OF PROFITS AND SIGNATURES

The distributable equity of the parent company Solteq Plc as at 31.12.2014 is:

Distributable equity reserve	7 186 570,79 euros
Result for previous financial periods	1 458 037,38 euros
Result for the financial period.	2 272 363,91 euros
Total	10 916 972,08 euros

Of this amount 10 893 972,08 euros are distributable funds.

The Solteq Plc Board proposes to the Annual General Meeting that a dividend of EUR 0.03 per share will be paid for each share. In addition to this is proposed that the Board be authorised, on the basis of Chapter 13, Section 6, Sub-section 2 of the Finnish Companies Act, to decide on the distribution of a dividend amounting to a maximum of EUR 0.05 per share or of other assets from the distributable equity reserve, as well as decide on the timing and other details concerning the possible distribution. The board proposes that the result for the period be transferred to the retained earnings account.

No essential changes have taken place in the company's financial situation after the end of the financial period. The liquidity of the company is good, and in the Board's estimation the proposed distribution of dividend or other assets will not endanger the company's financial standing. No significant changes have taken place in the company's financial situation after the balance sheet date.

SIGNATURES OF FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS:

Helsinki, 12. February 2015

Ali U. Saadetdin
Chairman of the Board

Seppo Aalto
Member of the Board

Markku Pietilä
Member of the Board

Matti Roininen
Member of the Board

Sirpa Sara-aho
Member of the Board

Jukka Sonninen
Member of the Board

Olli Välimäki
Member of the Board

Repe Harmanen
CEO

THE AUDITOR'S NOTE

Our auditors' report has been issued today.

Tampere, 12 February 2015

KPMG Oy Ab

Lotta Nurminen
Authorised Public Accountant



AUDITORS REPORT

TO THE ANNUAL GENERAL MEETING OF SOLTEQ PLC

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Solteq Plc for the year ended 31 December, 2014. The financial statements comprise both the consolidated and parent company statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements.

RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation

of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability

Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

OPINION

In our opinion,

- the financial statements give a true and fair view of the financial position, financial performance, and cash flows of both the parent company and group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland.
- the information in the report of the Board of Directors is consistent with the information in the financial statements.

Tampere 12 February 2015
KPMG Oy Ab

Lotta Nurminen
Authorised Public Accountant



LIST OF ACCOUNTING RECORDS, DOCUMENT TYPES AND METHOD OF FILING

Accounting records

Journal and general ledger
Financial statements and related material

Method of filing

In electronic format
Book printed on paper and bound

Document types

Purchase ledger vouchers
Sales ledger vouchers
Salary vouchers
Memorial vouchers

In electronic format
In electronic format
In electronic format
On paper

SOLTEQ

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