

SOLTEQ

FINANCIAL
STATEMENTS
2013



ANNUAL GENERAL MEETING OF SHAREHOLDERS

Annual General Meeting of Shareholders will be held on Monday 17 March 2014 at 12 p.m. in the Company's premises, address Eteläpuisto 2 C, Tampere. Each shareholder who latest on 5.3.2014 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 10.3.2014 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 and Annual Report 2013 on Friday February 14, 2014 at 9 am
- Interim Report 1-3/2014 on Thursday April 24, 2014 at 9 am
- Interim Report 1-6/2014 on Thursday July 17, 2014 at 9 am
- Interim Report 1-9/2014 on Friday October 17, 2014 at 9 am

STOCK EXCHANGE BULLETINS 2013

DATE STOCK EXCHANGE BULLETIN

18.12.2013	SOLTEQ'S FINANCIAL REPORTING 2014
18.11.2013	DIVIDEND PAYMENT
1.11.2013	SOLTEQ CONCLUDED AN AGREEMENT WITH SUOMEN LÄHIKAUPPA ON A SIGNIFICANT EXPANSION OF SERVICES
18.10.2013	SOLTEQ PLC'S INTERIM REPORT 1.1.-30.9.2013
2.10.2013	SOLTEQ PLC CONCLUDED A SIGNIFICANT SOFTWARE DEAL WITH VELJEKSET HALONEN LTD AND CARLSON LTD DEPARTMENT STORE CHAINS
17.7.2013	SOLTEQ PLC'S INTERIM REPORT 1.1.-30.6.2013
24.4.2013	SOLTEQ PLC'S INTERIM REPORT 1.1.-31.3.2013
2.4.2013	SOLTEQ PLC: ANNOUNCEMENT ACCORDING TO SECURITY MARKETS ACT, CHAPTER 2, SECTION 10, ABOUT AN ARRANGEMENT WHICH WILL, IF REALIZED, LEAD TO A CHANGE IN OWNERSHIP
15.3.2013	DECISIONS BY THE ANNUAL GENERAL MEETING OF SOLTEQ PLC
14.3.2013	PAYING SOLTEQ OYJ BOARD MEMBERS' FEES IN THE FORM OF SHARES HELD BY THE COMPANY
12.3.2013	PROPOSAL OF ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE AUDITOR
15.2.2013	NOTICE TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
15.2.2013	SOLTEQ PLC'S FINANCIAL STATEMENTS BULLETIN 1.1.-31.12.2012
15.2.2013	SOLTEQ PLC'S ANNUAL REPORT HAS BEEN PUBLISHED

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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 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.

Solteq's turnover totalled 38.124 thousand euros in which contains decrease of 2,3 per cent compared to corresponding period in 2012. Solteq's operating result decreased to 2.141 thousand euros from 2.731 thousand euros that was the operating result in the corresponding period 2012. The company's operating margin was 5,6 % (7,0 % in 2012).

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 18,0 million euros and the operating result was 1,1 million euros.

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 15,0 million euros and the operating result was 0,3 million euros.

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.

The 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 5,2 million euros and the operating result was 0,7 million euros.

REVENUE AND RESULT

Revenue decreased by 2,3 % compared to the previous year and totalled 38.124 thousand euros (previous financial year 39.016 thousand euros).

Revenue consists of several individual customerships. At the most, one client corresponds to less than ten percentages of the revenue.

The operating result for the financial year was 2.141 thousand euros (2.731 thousand euros), result before taxes was 1.927 thousand euros (2.433 thousand euros) and result for the financial year 1.621 thousand euros (1.697 thousand euros).

The partial realisation of financial risks in a single major project in the Wholesale, Logistics and Services Segment was the most significant individual factor that influenced the decrease in turnover and operating profit. According to Solteq's view the company has fully provided for these risks. Corrective measures were made in this area during the year to minimize the impacts on business operations.

On 22 March 2012, Solteq Plc and Aldata Solution Plc completed a transaction in which Solteq Plc acquired Aldata Solution Finland Ltd, the daughter company under 100% ownership of Aldata Solution Plc. During the financial year 2013 the revenue of the acquired business operations developed as expected and was 11,7 million euros (9,5

million euros in 2012, consolidated into the Solteq Group from 1.3.2012). Operating result of the acquired business was 0,9 million euros in 2013 (0,9 million euros in 2012).

As part of the corporate acquisition published on 20 March 2012, the company bought and re-leased its office space properties in Tampere. The balance sheet value of the office space properties at the time of sale was 1.590 thousand EUR. The sales profit relating to the sale of commercial property shares, 887 thousand EUR, is presented in other income in reference year.

BALANCE SHEET AND FINANCING

The total assets amounted to 25.386 thousand euros (27.096 thousand euros). Liquid assets totalled 2.367 thousand euros (1.242 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 5.555 thousand euros (6.430 thousand euros).

Solteq Group's equity ratio was 43,5 per cent (37,2 per cent).

INVESTMENTS, RESEARCH AND DEVELOPMENT

Gross investment during the review period was 957 thousand euros (7.439 thousand

euros). The investments of the financial period are mainly replacement investments. Of the investments during the reference year, 8.301 thousand EUR was connected to the corporate acquisition, and correspondingly, 1.590 thousand EUR of disinvestments was connected to the sale of the office space properties in Tampere. Otherwise, investments in the reference year are 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 277 (288). The average number of personnel during the review period was 287 (270). In the end of the review period the number of personnel could be divided as follows: Grocery and special retail, HoReCa segment: 118 people; Wholesale, Logistics and Services: 88 people;

Enterprise Asset & Service Business Management; 40 people and 31 people in shared functions.

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 31.12.2013 was 1.009.154,17 euros which was represented by 14.998.061 shares. The shares have no nominal value.

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 773.404 shares. The amount of treasury shares represented 5,2 % of the total amount of shares and votes at the end of the review period. The equivalent value of acquired shares was 52.039 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 0,9 million shares (1,9 million shares) and 1,4 million euros (2,1 million euros). Highest rate during the financial year was 1,77 euros and lowest rate 1,20 euros. Weighted average rate of the share was 1,49 euros and end rate 1,46 euros. The market value of the company's shares in the end of the financial year totalled 21,9 million euros (18,0 million euros).

OWNERSHIP

In the end of the financial year, Solteq had a total of 1.758 shareholders (1.804 shareholders). Solteq's 10 largest shareholders owned 11.211 thousand shares i.e. they owned 74,7 per cent of the company's shares and votes. Solteq Plc's members of the board owned a total of 5.524 thousand shares which equals 36,8 per cent of the company's shares and votes.

ANNUAL GENERAL MEETING

At Solteq Plc's Annual General Meeting on 15 March 2013 the 2012 financial statements were adopted and the members of the board and the managing director were discharged from liability for the 2012 review period.

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 0,04 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 personnel, 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

Six 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. 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

No events requiring reporting have taken place after the review period.

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

Both revenue and operating result are expected to grow compared to financial year 2013.

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

At the end of the financial period 2013, the distributable equity of the Group's parent company is 9 483 308,16 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 2013 accepted the Board's proposal of a dividend of EUR 0,04 per share. The dividend was paid on 27 March 2013. In addition, the Board got an authorisation for a dividend, or other assets from the distributable equity reserve amounting to a maximum of EUR 0.04. The Board decided, based on this authorisation, on 18.11.2013 on a dividend payment of EUR 0.02).

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 54 of the new Corporate Governance Code and Chapter 7, Section 7 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 three 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 manage-

ment 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 provide 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 2013 elected six members to the Solteq Board of Directors: Ali Saadetdin (Chair), Seppo Aalto, Markku Pietilä, Sirpa Sara-aho, Jukka Sonninen and Matti Roininen. From the Board of Directors independent members are Sara-aho, Pietilä, Sonninen and Roininen. In addition Sara-aho and Sonninen are independent from significant stock owners.

The Board of Directors convened 13 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 2013.

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. 2013 to December 31.2013 are Repe Harmanen (Chairman of the Executive Team), Kai Hinno (Continuity Services), Tiina Honkinie-mi (Wholesale, Logistics and Services), Mari Kuha (HR), Antti Kärkkäinen (Finance), Petri Lindholm (Grocery and special retail, HoReCa), Matti Saastamoinen (Enterprise Asset & Service Business Management), Mika Sipilä (Sales) and Riina Tervaoja (Project Services).

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 2013 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 15, 2013 to compensate the members of the Board according to the following:

- Members EUR 15,000 per year
- Chairman EUR 4,000 per month

According to share register maintained by Euroclear Finland Ltd, member of Board Seppo Aalto held 1 662 206 shares, Matti Roininen held 360 000 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, 2013.

CHAIRMAN OF THE BOARD OF DIRECTORS

The salary of the Chairman of the Board was 46 242,00 EUR in 2013. 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, 2013.

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 2013 the CEO Repe Harmanen's total salary, including benefits, totaled 244 097,59 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, 2013. Other members of the Executive Team held directly 2 000 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 2013 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.

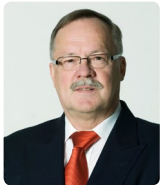
INSIDER ADMINISTRATION

Solteq's insider guidelines comply with the NASDAQ OMX Helsinki Guidelines for Insiders 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 31.12.2013



ALI U. SAAETDIN

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: Chain Sales Manager at Valio Oy
Work history: Valio Oy 2006 - , 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



SOLTEQ'S
EXECUTIVE TEAM
31.12.2013



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



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, Wholesale, Logistics and Services at Solteq Plc
Work history: PMP Tietojärjestelmät Oy 1989-1995, Solteq Plc 1995-
Executive Team Member since January 1, 2012



MARI KUHA

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, Grocery and Special Retail, HoReCa, B2C Solutions 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.



MIKA SIPILÄ

Born in 1973
Education: M.Sc. (Tech.)
Main position: Director, Sales at Solteq Plc
Work history: Flextronics 1997-2001, Elisa 2001-2006, Solteq Plc 2006-
Executive Team Member since October 15, 2010.



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 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Revenue	1,3	38,124	39,016	38,124	36,169
Other income	4	50	900	61	905
Materials and services		-9,151	-10,369	-9,151	-9,512
Employee benefit expenses	7	-19,386	-19,304	-19,386	-18,084
Depreciation and impairments	6	-1,228	-1,126	-810	-700
Other expenses	5,8	-6,268	-6,386	-6,252	-6,733
Operating result		2,141	2,731	2,585	2,044
Financial income	9	31	38	61	31
Financial expenses	10	-245	-336	-237	-325
Result before taxes		1,927	2,433	2,409	1,750
Income tax expense	11	-306	-735	-409	-622
Result for the financial period		1,621	1,697	2,000	1,128
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Cash flow hedges		27	-45	27	-45
Taxes related to cash flow hedge		-6	11	-6	11
Other comprehensive income, net of tax		21	-34	21	-34
Total comprehensive income		1,642	1,663	2,021	1 094
Earnings per share attributable to equity holders of the parent					
Earnings per share undiluted (EUR)				0.11	0.12

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 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
ASSETS					
Non-current assets					
Property, plant and equipment	13	1,399	942	1,399	942
Goodwill	14	12,730	12,728	2,393	2,393
Other intangible assets	14	2,853	3,590	11,836	12,156
Available-for-sales financial assets	15	546	538	568	560
Shares in subsidiaries	28	0	0	7	7
Trade receivables	18	32	63	32	63
		17,560	17,861	16,235	16,121
Current assets					
Inventories	17	156	126	156	126
Trade and other receivables	18	5,303	7,867	5,987	8,537
Cash and cash equivalents	19	2,367	1,242	2,382	1,213
		7,826	9,235	8,525	9,876
Total assets		25,386	27,096	24,760	25,997



THOUSAND EUR	NOTE	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	20	1,009	1,009	1,009	1009
Share premium reserve	20	75	75	75	74
Hedging reserve	20	-28	-49	-28	-49
Reserve for own shares	20	-933	-933	0	0
Distributable equity reserve	20	6,392	6,368	7,187	7,163
Retained earnings	20	4,331	3,607	2,297	1,195
Total equity		10,846	10,077	10,540	9,392
Non-current liabilities					
Deferred tax liabilities	16	593	791	421	542
Financial liabilities	22	3,695	4,827	3,536	4,668
		4,288	5,618	3,957	5,210
Current liabilities					
Trade and other payables	23	7,735	8,800	7,746	9,010
Tax liabilities based on the taxable income for the period		24	257	24	41
Financial liabilities	22	1,861	1,603	1,861	1,603
Provisions	21	632	741	632	741
		10,252	11,401	10,263	11,395
Total liabilities		14,540	17,019	14,220	16,605
Total equity and liabilities		25,386	27,096	24,760	25,997



CONSOLIDATED STATEMENT OF CASH FLOWS

THOUSAND EUR	NOTE	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Cash flow from operating activities					
Result for the financial period		1,621	1,697	2,000	1,128
Adjustments for operating profit	25	1,228	239	810	579
Changes in working capital		1,197	645	1,242	19
Interest paid		-245	-336	-237	-304
Interest received		31	38	61	31
Net cash from operating activities		3,832	2,283	3,876	1,453
Cash flows from investing activities					
Acquisition of subsidiary reduced by cash in hand and at banks at the date of acquisition		0	-7,759	0	-7,517
Gain from divestment of tangible assets		0	2,490	0	2,490
Investments in tangible and intangible assets		-957	-684	-956	-205
Net cash used in investing activities		-957	-5,953	-956	-5,232
Cash flow in financing activities					
Dues paid for issue of shares		0	3,016	0	3,026
Withdrawal of non-current loans		0	5,060	0	5,000
Repayment of non-current loans		-1,333	-1,500	-1,333	-1,500
Short-term loans drawn, including financial leasing liabilities		480	204	480	0
Repayment of current loans		0	-1,596	0	-1,596
Acquisition of treasury shares		0	-100	0	-100
Selling of own shares		0	0	0	375
Dividend distribution		-898	0	-898	0
Refund of equity (paid)		0	-449	0	-449
Net cash used in financing activities		-1,750	4,635	-1,751	4,756
Changes in cash and cash equivalents					
Cash and cash equivalents 1.1.		1,242	277	1,213	236
Cash and cash equivalents 31.12.	19	2,367	1,242	2,382	1,213
Cash and cash equivalents in the cash flow statement consist of the following:					
THOUSAND EUR		THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Cash and bank accounts		2,367	1,242	2,382	1,213
Total		2,367	1,242	2,382	1,213



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THE GROUP

THOUSAND EUR	EQUITY BELONGING TO THE SHAREHOLDERS						
	SHARE CAPITAL	RESERVE FOR OWN SHARES	SHARE PREMIUM RESERVE	HEDGING RESERVE	DISTRIBUTABLE EQUITY RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Equity							
1.1.2012	1,009	-835	75	-14	3,800	1,910	5,945
Profit for the financial period						1,697	1,697
Other comprehensive income				-34			-34
Total comprehensive income for the financial period				-34		1,697	1,663
Transactions with owners							
Own shares acquired		-99					-99
Directed issue					3,017		3,017
Return of equity (paid)					-449		-449
Equity							
31.12.2012	1,009	-934	75	-48	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



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						
1.1.2012	1,009	74	-14	4,220	169	5,472
Profit for the financial period					1,126	1,126
Other comprehensive income			-34			-34
Total comprehensive income for the financial period			-34		1,126	1,092
Transactions with owners						
Acquiring of own shares					-100	-100
Selling of own shares				375		375
Directed issue				3,017		3,017
Return of equity (paid)				-449		-449
Equity						
31.12.2012	1,009	74	-49	7,163	1,195	9,392
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					-898	-898
Equity						
31.12.2013	1,009	75	-28	7,187	2,297	10,540

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 13.2.2014, 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 31.12.2013. 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 2013, the Group has applied the following new and amended standards and interpretations:

- Amendments to IAS 1 Presentation of Financial Statements
- Amendment to IAS 19 Employee Benefits
- IFRS 13 Fair Value Measurement
- Amendments to IFRS 7 Financial Instruments

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 buildings, 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
Buildings	40 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 2013 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 2013 and 2012.

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

The Company has not yet adopted the following new and amended standards 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. Based on the current assessment the new or amended standards will not have significant impact on the company's financial statements.

* = not yet endorsed for use by the European Union

In the EU, the new amended standards concerning the consolidation rules must be applied to financial periods beginning on or after January 1, 2014. They are estimated to affect mainly the Notes section of Solteq's Financial Statements.

- IFRS 10 Consolidated Financial Statements and subsequent amendments
- IFRS 11 Joint Arrangements and subsequent amendments
- IFRS 12 Disclosures of Interests in Other Entities and subsequent amendments
- IAS 27 Separate Financial Statements (revised 2011) and subsequent amendments
- IAS 28 Investments in Associates and Joint Ventures (revised 2011) and subsequent amendments

- IFRS 9 Financial Instruments* and subsequent amendments (effective-date of the standard has been postponed): IFRS 9 is the first step of the IASB's originally three-phase project to replace the current IAS 39 Financial Instruments: Recognition and Measurement. The amendments resulting from the first phase (published in November 2009) address the classification and measurement of financial assets. Based on measurement, financial assets are classified into two main groups: financial assets at amortised cost and financial assets at fair value. Classification depends on a company's business model and the characteristics of contractual cash flows. The amendments published in October 2010 deal with the classification and measurement of financial liabilities and the standard retains most of the related IAS 39 requirements. The amendments concerning the general hedge accounting phases were given in November 2013. The unfinished parts of IFRS 9, i.e. the impairment of financial assets are still a work in progress. Furthermore, the IASB is also considering limited amendments regarding the classification and measurement of financial assets. The macro hedge accounting phase has been taken apart from the IFRS 9 project as a separate project. As the IFRS 9 project is incomplete, the impacts of the standard on the consolidated financial statements cannot yet be assessed.

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

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
2012, THOUSAND EUR REPORTED SEGMENTS	GROCERY AND SPECIAL RETAIL, HORECA	WHOLESALE, LOGISTICS AND SERVICES	ENTERPRISE ASSET & SERVICE BUSINESS MANAGEMENT	TOTAL
Revenue	17,000	16,890	5,126	39,016
Result for the financial period	715	2,307	-291	2,731
Depreciation and asset write-downs	-491	-487	-148	-1,126
Expenses that do not include payment transactions *	-344	-312	-85	-741

* Warranty provisions and other provisions

not allocated to the segments.

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. Income from no one customer exceeds 10% of the Group's total revenue.

2 BUSINESS COMBINATIONS

The Group did not have any acquisitions of businesses during the financial year 2013.

On 22 March 2012, Solteq purchased the whole share capital of Aldata Solution Finland Oy, the Finnish subsidiary of Aldata Solutions Plc. The consideration transferred was 8,3 million euros. The acquired assets (5,2

million euros) and the liabilities assumed (3,4 million euros) formed the acquired net assets of 1,8 million euros. Consequently, a total of 6,5 million euros was recognised as goodwill representing expected synergy benefits (detailed information on the acquisition of Aldata Solutions Finland Oy can be found

in Solteq's Financial Statements for 2012). The acquired company is consolidated into the Solteq Group from 1.3.2012. The merger of the acquired company into the parent company was registered on 31 December 2012.

3 REVENUE AND LONG-TERM PROJECTS

THOUSAND EUR	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Services	17,148	16,171	17,148	14,621
Income from construction contracts	9,916	7,507	9,916	7,507
Income from software licenses	9,215	12,741	9,215	11,791
Sales of hardware	1,845	2,597	1,845	2,250
Total	38,124	39,016	38,124	36,169

By the end of the year, actual expenses and profits (less losses) amounting to a total of 10,767 thousand EUR were recognised from ongoing long-term projects (EUR 13,101 in

31.12.2012). At 31 December 2013, receivables connected with ongoing long-term projects amounted to 315 thousand EUR (119 thousand EUR at 31 December 2012)

and advances amounting to 429 thousand euros received for long-term projects at 31 Dec. 2013 (no received advances at 31 Dec. 2012).

4 OTHER INCOME

THOUSAND EUR	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Other income	50	900	61	905
Total	50	900	61	905

In Other Operating Income is reported the capital gain on the sales of property, 887 thousand euros.



5 OTHER EXPENSES

THOUSAND EUR	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Telephone and telecommunications costs	435	419	435	390
Rental expenses	1,286	1,212	1,286	1,286
Car and travel expenses	1,055	878	1,055	886
External services	1,860	1,577	1,860	2,204
Loss-making projects	-12	54	-12	54
Impairment losses	39	-5	39	-5
Warranty provisions	-98	5	-98	5
Other expenses	1,703	2,246	1,687	1,913
Total	6,268	6,386	6,252	6,733

Auditor's fee

THOUSAND EUR	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Auditing	34	55	34	55
Certificates and statements	0	35	0	35
Tax consulting	25	24	25	24
Other services	4	99	4	99
Total	63	213	63	213



6 DEPRECIATION, AMORTISATION AND IMPAIRMENT

THOUSAND EUR	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Depreciation by asset group				
Intangible assets				
Development costs	228	239	228	239
Intangible rights	470	406	52	48
Other intangible assets	58	56	58	42
Total	756	701	338	328
Tangible assets				
Machinery and equipment	472	404	472	372
Total	472	404	472	372
Impairment by commodity groups				
Other intangible assets	0	21	0	0
Total	0	21	0	0

7 EMPLOYEE BENEFIT EXPENSES

THOUSAND EUR	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Salaries and wages	15,850	15,656	15,850	14,648
Pension expenses - defined contribution plan	2,657	2,785	2,657	2,594
Other personnel expenses	879	863	879	842
Total	19,386	19,304	19,386	18,084
Average number of employees in group during financial period	2013	2012	2013	2012
Grocery and Specialty Retail, HoReCa	120	112	120	112
Wholesale, Logistics and Services	90	83	90	83
Enterprise Asset & Service Business Management	44	43	44	43
Shared functions	34	32	34	32
Total	287	270	287	270

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



8 RESEARCH AND DEVELOPMENT COSTS

Income statement for 2013 includes research and development costs in the amount of 933 thousand euros (1,088 thousand euros in 2012).

9 FINANCIAL INCOME

THOUSAND EUR	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Interest income	26	36	56	29
Dividend income from held-for-sale financial assets	5	2	5	2
Total	31	38	61	31

10 FINANCIAL EXPENSES

THOUSAND EUR	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Interest expenses from financial expenses at amortized costs	222	240	214	250
Other financial expenses	23	96	23	75
Total	245	336	237	325

Financial expenses include 31 thousand euros of variable rents relating to financial leasing contracts (21 thousand euros in 2012).



11 INCOME TAXES

THOUSAND EUR	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Tax based on the taxable income for the period	566	257	566	41
Taxes from previous periods	-37	0	-37	0
Deferred taxes	-223	478	-120	581
Total	306	735	409	622

Reconciliation between the tax expenses in the income statement and the taxes calculated at the tax rate valid in the Group's home country. The taxable income for the financial period has been calculated at a tax rate of 24,5%, but the tax rate of the deferred taxes is 20%:

THOUSAND EUR	THE GROUP 2013	THE GROUP 2012	THE PARENT COMPANY 2013	THE PARENT COMPANY 2012
Result before tax	1,927	2,433	2,409	1,750
Taxes based on domestic tax rate	472	596	590	429
Losses of the acquired company, before consolidation	0	-63	0	0
Non-deductible expenses	15	210	-24	193
Unrecognised losses in taxation relating to subsidiaries	7	3	0	0
Other differences	-18	-12	0	1
Taxes from previous periods	-37	0	-37	0
Impact of the change in the tax rate	-133	0	-120	0
Taxes in the income statement	306	735	409	622



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	2013	2012
Profit for the financial period attributable to equity holders of the parent company (thousand EUR)	1,621	1,697
Weighted average of the number of shares during the financial period (1000)	14,972	13,756
Undiluted EPS (EUR/share)	0.11	0.12
Dilutive effect has no influence on earnings per share (EPS)		



13 PROPERTY, PLANT AND EQUIPMENT

THE GROUP					
THOUSAND EUR	LAND	BUILDINGS	MACHINERY AND EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL
Acquisition cost 1.1.2013	0	0	5,007	21	5,027
Additions	0	0	929	0	929
Acquisition cost 31.12.2013	0	0	5,936	21	5,956
Accumulated depreciation and impairment 1.1.2013	0	0	4,085	0	4,085
Depreciation	0	0	472	0	472
Accumulated depreciation and impairment 31.12.2013	0	0	4,557	0	4,557
Book value 1.1.2013	0	0	922	21	944
Book value 31.12.2013	0	0	1,379	21	1,399
Acquisition cost 1.1.2012	151	1,438	4,083	21	5,692
Deductions	-151	-1,438	-91	0	-1,680
Additions	0	0	655	0	655
Acquisition of subsidiary	0	0	360	0	360
Acquisition cost 31.12.2012	0	0	5,007	21	5,027
Accumulated depreciation and impairment 1.1.2012	0	0	3,393	0	3,393
Acquisition of subsidiary	0	0	288	0	288
Depreciation	0	0	404	0	404
Accumulated depreciation and impairment 31.12.2012	0	0	4,085	0	4,085
Book value 1.1.2012	151	1,402	690	21	2,264
Book value 31.12.2012	0	0	922	21	942



THE PARENT COMPANY

THOUSAND EUR	LAND	BUILDINGS	MACHINERY AND EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL
Acquisition cost 1.1.2013	0	0	2,296	21	2,317
Additions	0	0	929	0	929
Acquisition cost 31.12.2013	0	0	3,225	21	3,246
Accumulated depreciation and impairment 1.1.2013	0	0	1,373	0	1,373
Depreciation	0	0	472	0	472
Accumulated depreciation and impairment 31.12.2013	0	0	1,845	0	1,845
Book value 1.1.2013	0	0	923	21	944
Book value 31.12.2013	0	0	1,378	21	1,399
Acquisition cost 1.1.2012	151	1,441	1,688	21	3,301
Deductions	0	0	-91	0	-91
Merger of subsidiaries	0	0	40	0	40
Selling of properties	-151	-1,441	0	0	-1,592
Additions	0	0	659	0	659
Acquisition cost 31.12.2012	0	0	2,296	21	2,317
Accumulated depreciation and impairment 1.1.2012	0	0	1,001	0	1,001
Depreciation	0	0	372	0	372
Accumulated depreciation and impairment 31.12.2012	0	0	1,373	0	1,373
Book value 1.1.2012	151	1,441	687	21	2,300
Book value 31.12.2012	0	0	921	21	942

EUR 1,319 thousand remained to be depreciated of the group's and parent company's machinery and equipment on 31.12.2013 (882 thousand euros 31.12.2012).



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
31.12.2013		
Acquisition cost	4,159	4,159
Accumulated depreciation	2,890	2,890
Book value	1,269	1,269
31.12.2012		
Acquisition cost	3,298	3,298
Accumulated depreciation	2,508	2,508
Book value	790	790

EUR 861 thousand worth of assets under financial leases is included in the additions in 2013 (467 thousand euros 2012).



14 INTANGIBLE ASSETS

THE GROUP					
THOUSAND EUR	GOODWILL	DEVELOPMENT COSTS	INTANGIBLE RIGHTS	OTHER INTANGIBLE ASSETS	TOTAL
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
Acquisition cost 1.1.2012	8,396	2,618	2,343	393	13,750
Acquisition of subsidiary	6,529	0	2,376	152	9,057
Additions	0	0	26	108	134
Acquisition cost 31.12.2012	14,925	2,618	4,745	653	22,941
Accumulated depreciation and impairment 1.1.2012	2,197	1,241	2,019	314	5,771
Acquisition of subsidiary	0	0	6	124	130
Impairment	0	0	21	0	21
Depreciation	0	229	384	88	701
Accumulated depreciation and impairment 31.12.2012	2,197	1,470	2,430	526	6,623
Book value 1.1.2012	6,199	1,605	400	88	8,292
Book value 31.12.2012	12,728	1,148	2,315	127	16,318



THE PARENT COMPANY

THOUSAND EUR	GOODWILL	DEVELOPMENT COSTS	INTANGIBLE RIGHTS	OTHER INTANGIBLE ASSETS	TOTAL
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
Acquisition cost 1.1.2012	4,751	2,618	6,828	237	14,434
Merger of subsidiaries	0	0	7,390	0	7,390
Additions	0	0	115	37	152
Acquisition cost 31.12.2012	4,751	2,618	14,333	274	21,976
Accumulated depreciation and impairment 1.1.2012	2,357	1,241	3,337	164	7,099
Depreciation	0	229	52	47	328
Accumulated depreciation and impairment 31.12.2012	2,357	1,470	3,389	211	7,427
Book value 1.1.2012	2,394	1,377	3,491	73	7,335
Book value 31.12.2012	2,394	1,148	10,944	63	14,549

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. As the result of the integration of Aldata Solution Finland Oy implemented in 2012 and as part of the implementation of the strategy, the organisational structure of the Company was altered in July 2012. The change also reflected the transfer from a product-based organisation to a structure based on client relationships. The new business segments were the following: Grocery and Special Retail, HoReCa; Wholesale, Logistics and Services; Enterprise Asset & Service Business Management.

As the organisational structure and internal reporting changed, the above segments were recognised in the 2013 impairment testing as separate independent cash-generating units to which goodwill can be allocated in accordance with the below table. In 2012, the cash generating units used in impairment testing were based on the previous reporting structure. Some of the previous cash generating units have been allocated to one segment as such, and some of them have been divided between several segments. The most essential shared asset item is Aldata's goodwill value. Its allocation to each segment has been based on the forecast gross margin on sales created through synergies.

GOODWILL

THOUSAND EUR

	THE GROUP		THE PARENT COMPANY *	
	2013	2012	2013	2012
SAP	0	1,491	0	1,416
Microsoft Dynamics	0	1,169	0	1,168
Solteq Solutions	0	335	0	0
EAM	0	2,399	0	2,414
Store	0	0	0	0
Data	0	807	0	806
Aldata	0	6,529	0	7,390
Grocery and Special Retail, HoReCa	6,611	0	6,951	0
Wholesale, Logistics and Services	2,910	0	3,023	0
Enterprise Asset & Service Business Management	3,205	0	3,221	0
Total:	12,730	12,728	13,194	13,194

*The losses from mergers are included in the Parent Company

The book value of the goodwill in the Group at 31 December 2013 was 12,730 thousand euros (12,728 thousand euros 31.12.2012).

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 2014 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 9,0 % used in the calculations is the weighted average cost of capital after taxes (equals 11.2% before taxes).

Based on testing performed in 2013, no need was found for recognising impairment losses: a clear margin was left for each tested unit. No impairment losses were recognised in 2013.

SENSITIVITY ANALYSIS

Based on the sensitivity analyses performed, it can be stated that a change in the operating 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 2.8 percentage units or the discount rate increases by 5.6 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 19.1 percentage units. In the Enterprise Asset & Service Business Management Unit, there will be need for write-downs, if the operating profit decreases by 6.5 percentage units or the discount rate increases by 7.7 percentage units.

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

15 AVAILABLE-FOR-SALE FINANCIAL ASSETS

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2013	2012	2013	2012
Beginning of financial period	546	538	568	560
End of financial period	546	538	568	560

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

Changes in deferred taxes:

THE GROUP	RECOGNIZED IN THE INCOME STATEMENT		ACQUIRED BUSINESSES	RECOGNIZED IN THE INCOME STATEMENT		
THOUSAND EUR	31.12. 2011			31.12. 2012		31.12. 2013
Deferred tax assets:						
Carryforward of unused tax losses	519	-519	0	0	0	0
Provisions	178	4	0	182	-56	126
Booked depreciation in excess of tax depreciation	46	4	0	50	-18	32
Other items	62	-20	0	42	-8	34
Total	805	-531	0	274	-82	192
Deferred tax liabilities:						
Tax-deductible goodwill	464	52	0	516	-95	421
Allocated intangible assets	61	-105	574	548	-184	364
Total	525	-53	574	1,064	-279	785

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 251,000 and the loss for the financial period EUR 20,000. 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.

In the valuation at current value of the intangible assets from the acquisition of Aldata Solution Finland Oy, a calculated tax of 574 thousand euros derived.

THE PARENT COMPANY	RECOGNIZED IN THE INCOME STATEMENT		RECOGNIZED IN THE INCOME STATEMENT		
THOUSAND EUR	31.12. 2011		31.12. 2012		31.12. 2013
Deferred tax assets:					
Carryforward of unused tax losses	519	-519	0	0	0
Depreciation of shares of the office	9	-9	0	0	0
Total	528	-528	0	0	0
Deferred tax liabilities:					
Tax-deductible goodwill	489	53	542	-120	421
Total	489	53	542	-120	421



17 INVENTORIES

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2013	2012	2013	2012
Finished products	156	126	156	126
Total	156	126	156	126

18 TRADE AND OTHER RECEIVABLES

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2013	2012	2013	2012
Loans and other receivables				
Trade receivables	4,136	6,257	4,136	6,258
Receivables from clients concerning long-term acquisitions	315	119	315	119
Prepayment and accrued income	871	1,476	871	1,476
Internal receivables	0	0	684	670
Other receivables	13	78	12	77
Total	5,335	7,930	6,018	8,600

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		
	2013	LOSSES	NET 2013	2012	LOSSES	NET 2012
Not due	3,141	-70	3,071	4,735	-70	4,665
Due	1,119	-54	1,065	1,592	-	1,592
Under 30 days	754	-	754	1,118	-	1,118
31-60 days	103	-	103	75	-	75
61-90 days	64	-	64	20	-	20
Yli 90 days	198	-54	144	379	-	379
Total	4,260	-124	4,136	6,327	-70	6,257

THE PARENT COMPANY						
THOUSAND EUR	IMPAIRMENT			IMPAIRMENT		
	2013	LOSSES	NET 2013	2012	LOSSES	NET 2012
Not due	3,141	-70	3,071	4,796	-70	4,726
Due	1,119	-54	1,065	1,532	-	1,532
Under 30 days	754	-	754	1,118	-	1,118
31-60 days	103	-	103	75	-	75
61-90 days	64	-	64	20	-	20
Yli 90 days	198	-54	144	319	-	319
Total	4,260	-124	4,136	6 328	-70	6,258

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 and they are categorised at fair value level 2.

19 CASH AND CASH EQUIVALENTS

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2013	2012	2013	2012
Cash and bank accounts	2,367	1,242	2,382	1,213
Total	2,367	1,242	2,382	1,213

20 NOTES TO EQUITY

The maximum number of shares is 28,539,504 (28,539,504 in 2012). 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 2012).

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
1.1.2012	12,148	1,009	-835	75	-14	3,800	4,036
Acquisition of own shares	0	0	-99	0	0	0	-99
Directed issue	2,850	0	0	0	0	3,017	3,017
Refund of equity (paid)	0	0	0	0	0	-449	-449
Valuation of hedging instruments	0	0	0	0	-34	0	-34
31.12.2012	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

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 773,404 own shares in its possession (2012: 788,404 shares). The amount of acquired shares corresponded to 5.16 percent of the shares and votes at the end of the financial

year. The equivalent value of acquired shares was 52,039 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
31.12.2012	675	66	741
Additional provisions	115	0	115
Deducted provisions	-213	-12	-225
31.12.2013	577	54	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	2013 BOOK VALUE	2013 FAIR VALUE	2012 BOOK VALUE	2012 FAIR VALUE
Financial liabilities at amortized cost				
Non-current				
Loans from financial institutions	2,945	2,945	4,300	4,300
Finance lease obligations	750	750	527	527
	3,695	3,695	4,827	4,827
Current				
Loans from financial institutions	1,334	1,334	1,333	1,333
Finance lease obligations	527	527	270	270
	1,861	1,861	1,603	1,603

THE PARENT COMPANY

THOUSAND EUR	2013 BOOK VALUE	2013 FAIR VALUE	2012 BOOK VALUE	2012 FAIR VALUE
Financial liabilities at amortized cost				
Non-current				
Loans from financial institutions	2,786	2,786	4,141	4,141
Finance lease obligations	750	750	527	527
	3,536	3,536	4,668	4,668
Current				
Loans from financial institutions	1,333	1,333	1,333	1,333
Finance lease obligations	527	527	270	270
	1,860	1,860	1,603	1,603

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

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 GROUP

2012

THOUSAND EUR	2013	2014	2015	2016–2018
Loans from financial institutions	1,382	1,333	1,334	1,584
Finance lease obligations	270	333	194	0
Long-term debt total	1,652	1,666	1,528	1,584

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 PARENT COMPANY

2012

THOUSAND EUR	2013	2014	2015	2016–2018
Loans from financial institutions	1,382	1,333	1,334	1,425
Finance lease obligations	270	333	194	0
Long-term debt total	1,652	1,666	1,528	1,425

The credit limit of the account with overdraft facility has been presented annually as an item that matures in the following year. In 2013, the average interest rate of the loans was 2.9 percent (2.9 percent in 2012). All financial liabilities are denominated in euros.



DUE DATES FOR FINANCIAL LEASE OBLIGATIONS:

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2013	2012	2013	2012
Financial lease obligations - present value of future minimum lease payments				
Within 12 months	526	527	526	527
Between 1 and 5 years	750	270	750	270
	1,276	797	1,276	797
Finance lease obligations - total amount of minimum lease payments				
Within 12 months	565	543	565	543
Between 1 and 5 years	746	278	746	278
	1,311	821	1,311	821
Future financing expenses	-35	-24	-35	-24
Total financial lease obligations	1,276	797	1,276	797



23 TRADE AND OTHER PAYABLES

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2013	2012	2013	2012
Financial liabilities at amortized cost				
Current				
Trade payable	778	1,587	778	1,588
Advances received from customers, long-term projects	429	0	429	0
Accruals and deferred income	5,095	5,525	5,092	5,990
Other liabilities	1,433	1,688	1,433	1,418
Internal liabilities	0	0	14	14
Total	7,735	8,800	7,746	9,010

Current liabilities are denominated in euros and their fair values equal their book values. They are categorised at fair value level 2.

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 31.12.2013.

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 31.12.2013 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, 1.228 thousand euros (1.126 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 2,450 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 810 thousand euros (700 thousand euros) in the Parent Company. In financial year 2012, there is also as an adjustment the capital gain on the sales of the real estate company, 887 thousand euros, which is shown in investment cash flow.

purchase of own shares as well as share issues.

The covenants concerning one of the company's loans from financial institutions (EUR 2,450 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 2013 was 43.5 % (37.2 % in 2012). Net gearing percentage in 2013 was 29.4 % (51.5 % in 2012).

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	
	2013	2012	2013	2012
Within a year	848	804	848	804
One to five years	1,710	2,099	1,710	2,099
More than five years	972	1,272	972	1,272
Total	3,530	4,175	3,530	4,175

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. To Helsinki premises has been moved in on March 2006, and the rental of the Tampere premises

started in April 2012 when the company, as part of the financing arrangements for the acquisition of Aldata Solutions Finland Oy, did a sale-and-leaseback agreement for the Tampere premises.

The income statement for 2013 includes lease expenses based on other lease agreement 1.286 thousand euros (1.212 thousand euros in 2012).

27 CONTINGENT LIABILITIES AND COLLATERAL

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2013	2012	2013	2012
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 the management as well as their family members.

Group's parent and subsidiary relations are as follows:

COMPANY	DOMICILE	SHARE OF OWNERSHIP (%)	SHARE OF VOTES (%)
Solteq Oyj			
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 or 2015, 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 or 2015, 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	
	2013	2012	2013	2012
Sales to Group Company	0	0	11	26
Purchases from Group Company	0	0	0	892
Interest income from Group Company	0	0	31	0
Renting expenses	83	76	83	76
Outsourcing expenses	2	3	2	3
Total	85	79	127	997

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	
	2013	2012	2013	2012
Salaries and other short-term employment benefits	1,314	1,043	1,314	1,043
	1,314	1,043	1,314	1,043

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

No events requiring reporting have taken place after the review period.

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

THOUSAND EUR	THE GROUP		THE PARENT COMPANY	
	2013	2012	2013	2012
CEO Repe Harmanen	244	195	244	195
Members of the board:				
Saadetdin Ali U., Chairman of the board	46	46	46	46
Aalto Seppo	15	15	15	15
Pietilä Markku	28	15	28	15
Roininen Matti	15	15	15	15
Sara-aho Sirpa	29	15	29	15
Sonninen Jukka	32	15	32	15

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 5,523,589 shares at the end of 2013 (2012: 5,501,789 shares). At the end of 2013, the senior management of the company held indirectly additional 750,000 shares through Solteq Management Oy and Solteq Management Team Oy (2012: 750,000 shares). In accordance with the decision of the Annual General Meeting of 14 March 2012, some of the Board members received part of their fees in the form of treasury shares (total 15,000 shares).



30 FIVE YEAR FIGURES

KEY FIGURES OUTLINING THE GROUP'S FINANCIAL DEVELOPMENT

(MILLION EUR)	FINANCIAL PERIOD 1.1.–31.12. 1.1.–31.12.				
	2013	2012	2011	2010	2009
Revenue	38.1	39.0	27.1	27.0	28.6
Increase in revenue	-2.3 %	43.7 %	0.5 %	-5.4 %	-6.0 %
Operating profit/-loss	2.1	2.7	1.5	-4.3	1.5
% of revenue	5.6 %	7.0 %	5.4 %	-16.0 %	5.1 %
Profit/loss before taxes	1.9	2.4	1.3	-4.5	1.3
% of revenue	5.1 %	6.2 %	4.7 %	-16.6 %	4.7 %
Return on equity, %	15.5 %	21.2 %	16.0 %	-48.7 %	9.6 %
Return on investment, %	13.2 %	20.8 %	13.1 %	-29.3 %	9.1 %
Equity ratio, %	43.5 %	37.2 %	34.2 %	30.6 %	47.2 %
Gross investments in non-current assets	1.0	7.4	0.5	0.2	0.7
% of revenue	2.5 %	19.1 %	1.7 %	0.6 %	2.3 %
Research and development costs	0.9	1.1	0.8	1.6	1.6
% of revenue	2.4 %	2.8 %	2.9 %	5.9 %	5.7 %
Net Gearing	29.4 %	51.5 %	65.4 %	132.8 %	66.7 %
Average number of employees over the financial period	287	270	211	233	240

*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.				
	2013	2012	2011	2010	2009
Earnings per share, EUR	0.11	0.12	0.08	-0.32	0.08
Equity attributable to the equity holders of the parent, EUR	0.72	0.67	0.52	0.45	0.84
Dividends per share, EUR *	0.03 *	0.06	0.00	0.00	0.06
Dividend from result, % *	27.7 % *	49.7 %	0.0 %	0.0 %	76.5 %
Effective dividend yield, % *	2.1 % *	5.0 %	0.0 %	0.0 %	4.5 %
Price/earnings (P/E)	13.3	10.0	12.6	result negat.	17.0
Highest share price, EUR	1.77	1.39	1.20	1.56	1.39
Lowest share price, EUR	1.20	0.99	0.95	1.01	1.02
Average share price, EUR	1.49	1.16	1.07	1.20	1.25
Market value of the shares, 1,000 EUR	21,897	17,998	11,905	12,634	16,157
Shares trade volume, 1,000 pcs	929	1,885	1,614	1,270	532
Shares trade volume, %	6.2 %	13.7 %	14.0 %	10.8 %	4.5 %
Weighted average of the share issue corrected number of shares during the financial period, 1,000 pcs	14,972	13,756	11,546	11,766	11,925
Number of shares corrected by share issue at the end of the financial period, 1,000 pcs	14,974	14,960	11,448	11,644	11,890



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 31.12.2013

	NUMBER OF OWNERS	SHARES AND VOTES	
		%	PCS
Companies	68	19.2 %	2,728,911
Financier and insurance institutions	8	1.2 %	53,341
Public organisations	2	17.6 %	2,658,719
Households	1,668	61.9 %	9,548,089
Not for profit organisations	5	0.1 %	4,381
Outside Finland	7	0.0 %	4,620
Total	1,758	100.0 %	14,998,061
of which nominee registered	7	0.8 %	124,952

DISTRIBUTION OF OWNERSHIP BY SIZE 31.12.2013

NUMBER OF SHARES	NUMBER OF OWNERS	SHARES AND VOTES	
		%	PCS
1 - 100	332	0.2 %	25,510
101 - 1 000	975	3.2 %	474,663
1 001 - 10 000	378	8.1 %	1,209,844
10 001 - 100 000	58	10.2 %	1,532,459
100 001 - 1 000 000	11	19.1 %	2,864,816
1 000 000 -	4	59.3 %	8,890,769
Total	1,758	100.0 %	14,998,061
of which nominee registered	7	0.8 %	124,952

MAJOR SHAREHOLDERS 31.12.2013

	SHARES AND VOTES	
	%	PCS
1. Saadetdin Ali	3,481,383	23.2 %
2. Eläke-Fennia Keskinäinen vakuutusyhtiö	2,000,000	13.3 %
3. Profiz Business Solution Oyj	1,747,180	11.6 %
4. Aalto Seppo	1,662,206	11.1 %
5. Keskinäinen Työeläkevakuutusyhtiö Varma	644,917	4.3 %
6. Pirhonen Jalo	408,480	2.7 %
7. Solteq Management Oy	400,000	2.7 %
8. Roininen Matti	360,000	2.4 %
9. Solteq Management Team Oy	350,000	2.3 %
10. Saadetdin Katiye	156,600	1.0 %
10 largest Total	11,210,766	74.7 %
Nominee registered total	124,952	0.8 %
Others	3,662,343	24.4 %
Total	14,998,061	100.0 %



PROPOSAL FOR DISTRIBUTION OF PROFITS AND SIGNATURES

The distributable equity of the parent company Solteq Plc as at 31.12.2013 is:

Distributable equity reserve	7,186,570.79 euros
Result for previous financial periods	296,804.78 euros
Result for the financial period.	1,999,932.59 euros
Total	9,483,308.16 euros

Of this amount 9,483,308.16 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, 13. February 2014

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

Repe Harmanen
CEO

THE AUDITOR'S NOTE

Our auditors' report has been issued today.

Tampere, 13 February 2014

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, 2013. 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 13 February 2014
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

IT lists on paper print-outs
Book printed on paper and bound

Document types

Purchase ledger vouchers
Sales ledger vouchers
Salary vouchers
Memorial vouchers

As paper documents and CDs
As paper documents and CDs
On paper
On paper

SOLTEQ

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