

M-BRAIN OY

FINANCIAL STATEMENTS 31.12.2014

(Translation from the Finnish original)

M-Brain Oy

FINANCIAL STATEMENTS

1.1.-31.12.2014

(Translation from the Finnish original)

CONTENTS	page
Board of Directors' Report	1-4
Consolidated Financial Statements (IFRS)	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7-8
Consolidated Statement of Cash Flow	9
Notes to the Consolidated Financial Statements	11
Parent Company Financial Statements (FAS)	
Statement of Profit or Loss	48
Statement of Financial Position	49
Statement of Cash Flow	51
Notes to the Financial Statements	52
Signatures	55
Auditor's Note	55
List of bookkeeping books, types of vouchers and their storage methods	56

Preparer of the balance book:

*Administer Oy
Itämerenkatu 5
00180 Helsinki
Business ID: 0593027-4
Tel. +358 (0)9 4542 680
Fax. +358 (0)9 4542 6860
www.administer.fi
administer@administer.fi*

Company information:

*M-Brain Oy
Kumpulantie 3
00520 HELSINKI
Business ID 1508015-4
Tel. +358 (0)20 7737 600*

M-Brain Group Board of Directors' Report the period 1.1.-31.12.2014

Significant events during the period

M-Brain is a global information services company with offices in twelve countries. Company's services combine the capacity of own big data technology with added value enabled by human intelligence. M-Brain offers market, media and business intelligence solutions, which consist of analysis- and consultation services, monitoring services, as well as tools and technology. The company produces information to support the decision making at its customers, and various users regardless of their organization, industry, job description or language benefit from these services.

M-Brain Oy acquired the entire share capital of Global Intelligence Alliance Group Oy (GIA) by a share purchase on September 4, 2014. GIA is a strategic market intelligence company established in 1995.

M-Brain Group includes M-Brain Oy, M-Brain Insight Oy with its subsidiaries, Global Intelligence Alliance Group Oy with its subsidiaries, M-Brain Media Oy and M-Brain Sverige AB. Group's parent company is M-Brain Oy. M-Brain Insight Oy and Global Intelligence Alliance Group Oy have both seven subsidiaries. M-Brain Media Oy, a company which specialized in monitoring of traditional media, was merged into its parent company M-Brain Insight Oy on December 31, 2014.

The company has 23 593 registered shares. As part of the company's financing arrangements the company decided on a share issue of 2 622 shares on June 3, 2014. The issue price was EUR 1 907,40 per share. The issue price was based on the fair value of the share of the company. In the share issue a total of 2.622 shares were subscribed, and they were registered on September 18, 2014. The purpose of the directed share issue was to strengthen the company's financial position and to broaden the Company's shareholder base and therefore the deviation from the shareholders' subscription rights was justified by a weighty financial reason for the Company.

In the financial year 2012 the Company authorized the Board of Directors to decide on the issuance of special rights entitling to shares. Under the authorization, a maximum of 1.100 shares can be issued, 440 option rights have not been allocated.

During the financial period the company has acquired and sold its own shares as follows:

Date	Subject	Trade date	Number of shares	Considerations	Share of votes
1.1.2014	Own shares at the beginning of the period		0		
31.12.2014	Purchases: Shares, Tuomo Räsänen	1.7.2014	100 100	116 828,00	0,42%

The consolidated financial statements of M-Brain Group have been prepared in accordance with IFRS standards. Additional information on the basis of preparation of the consolidated financial statements can be found in the notes to the consolidated financial statements.

The revenue of M-Brain Group in 2014 was EUR 23 518 thousand.

Key figures to describe the Group's financial position and profit (loss) for the period:

	IFRS		
	2014	2013	2012
Revenue (EUR thousands)	23 518	19 785	15 548
Operating profit (EUR thousands)	-26	1 937	483
Operating profit % from revenue	-0,1 %	9,8 %	3,1 %
Return on equity %	-7,9 %	17,2 %	-3,9 %
Equity ratio %	35,1 %	51,9 %	43,5 %

Key figures are calculated as follows:

Return on equity % = (Profit before extraordinary items - taxes) / Average shareholders' equity x 100

Equity ratio % = Shareholders' equity / (Total assets - prepayments received) x 100

The integration of acquisitions made and the improvement of operational efficiency were continued during the financial period. With these measures, significant cost savings were achieved by removing duplicate functions and improving the efficiency of the production. The impact of these operations as improved results will, however, only be visible in the year 2015 although the non-recurring costs impact the operating profit of 2014 unfavorably as compared to the previous year. Profitability in 2014 was weakened also by the unfavorable development of revenue from the Finnish markets. The total revenue was increased due to the acquisition of the GIA Group. GIA Group figures are consolidated into M-Brain Group starting from September.

M-Brain Oy issued a bond of EUR 15 000 thousand in summer 2014. In connection with the issue, the prior bank loans were repaid with the exception of the drawn bank overdraft. The bond was listed on the market place of First North Bond Market Finland.

Key ratios describing M-Brain Oy's financial position and profitability:

	FAS		
	2014	2013	2012
Revenue (EUR thousands)	1 372	1 593	1 730
Operating profit (EUR thousands)	-427	-24	51
Operating profit % from revenue	-31,1 %	-1,5 %	3,0 %
Return on equity %	5,4 %	-5,6 %	-15,2 %
Equity ratio %	41,5 %	44,9 %	42,6 %

Research and development activities

Group's research and development activities have been concentrated in M-Brain Insight and partly in GIA Group Oy. M-Brain has developed a production architecture, which combines human intelligence with a

scalable technology platform. The Company has expanded its services by developing SaaS-tools and new products which combine human intelligence with automation (BI+,MI+). M-Brain Insight Oy participated in a leading role in three significant Tivit/Tekes-financed Big Data -programs: Revolution of Knowledge Work, Everyday Sensing ja Data to Intelligence. In the latter of these M-Brain Insight Oy was also a business partner receiving support. Data to Intelligence-projects main goal is to develop intelligent methods and tools to further process data. Research and development expenses totaled EUR 1 339 thousand in 2014 which comprises 5,7% of the Group's revenue (EUR 803 thousand in 2013, comprising 4,1% of Group revenue and EUR 682 thousands in 2012, comprising 4,4% of group revenue).

Group's personnel

The average number of personnel during the period was 345 full-time employees. (302 in 2013 and 306 in 2012). The personnel expenses were EUR 14 710 thousands (EUR 11 716 thousands in 2013 and EUR 9 551 thousands in 2012). The parent company M-Brain Oy is in charge of Group Management. The average number of employees during the period in the parent company was 9 persons (11 persons in 2013 and 5 persons in 2012).

Company's administration

Kim Nyberg (Chairman of the Board), Marjukka Nyberg, Petri Laine, Pirjo Stähle, Robert Ingman and Tage Lindberg were members of the Board of Directors during the whole financial year. In addition, Matti Rusanen has been a member of the Board of Directors starting from June 30, 2014. Tuomo Räsänen was Managing Director of the parent company until June 30, 2014, after which Kimmo Valtonen has continued as the Managing Director.

M-Brain Oy's auditor is Deloitte & Touche Oy, principal auditor Authorized Public Accountant Hannu Mattila. Group's Finnish subsidiaries have the same auditor.

Board of Directors' proposal for profit distribution

Profit for the period of M-Brain Oy was EUR 1 406 992,42 and distributable funds EUR 13 371 562,28.

The Board of Directors proposes to the Annual General Meeting that the distributable funds are used as follows:

- dividends are not distributed
- profit for the period is recognized in the retained earnings

Significant events after the reporting period

The process to merge Global Intelligence Alliance Group Oy into its sister company M-Brain Insight Oy has been started.

Sirpa Ojala has been elected as the Managing Director of M-Brain Oy on March 16, 2015.

Outlook for the probable future development

Management forecasts that the revenue growths significantly compared to previous year as a result of GIA acquisition. Also the operating profit is estimated to increase significantly as a result of achieved synergies. This Management forecast is based on the current best estimate.

Major risks and uncertainties

Technological development in the Company's field of business is extremely fast. In accordance with its strategy, the Company has made significant investments in its own product development to improve its competitiveness compared to its competitors.

The core operations of the Group are insured against accidental damages and interruptions.

Accounts receivables are a significant balance sheet item. Credit risk related to accounts receivables is managed by consistent credit policy and efficient credit management. Credit risk is also reduced by the large number of clients and by the fact that the receivables are allocated to several industries.

The Group's loan financing involves special conditions that have been agreed with the lender and to which the Company is committed.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

000 euros	Note	1.1.-31.12.2014	1.1.-31.12.2013
Revenue	2	23 518,1	19 784,6
Other operating income	3	76,1	80,6
Materials and external services		-2 614,7	-1 640,5
Personnel expenses	4	-14 710,0	-11 715,6
Depreciation	9, 10	-948,8	-732,2
Other operating expenses	5	-5 347,0	-3 839,7
Operating profit		-26,3	1 937,1
Finance income	6	302,1	74,7
Finance costs	6	-1 055,3	-339,5
Finance costs (net)		-753,2	-264,8
Profit (loss) before income tax		-779,5	1 672,3
Income tax expense	7	10,8	-458,9
PROFIT (LOSS) FOR THE PERIOD		-768,7	1 213,4
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences	13	69,4	-3,3
Other comprehensive income for the period, net of tax		69,4	-3,3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-699,3	1 210,1
Profit attributable to:			
Owners of the company		-768,7	1 213,4
Total comprehensive income attributable to:			
Owners of the company		-699,3	1 210,1

The notes on pages 11 – 47 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

000 euros	Note	31.12.2014	31.12.2013
ASSETS			
Non-current assets			
Goodwill	8	21 976,5	9 845,3
Development costs	9	1 339,1	975,3
Other intangible assets	9	3 530,0	852,6
Tangible assets	10	719,9	547,6
Available-for-sale financial assets		26,9	24,5
Deferred tax asset	14	181,5	29,2
Total non-current assets		27 773,9	12 274,6
Current assets			
Trade and other receivables	11	5 948,6	2 658,5
Other shares		6,5	2,4
Cash and cash equivalents	12	1 601,0	1 573,1
Total current assets		7 556,0	4 234,1
TOTAL ASSETS		35 329,8	16 508,7
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital	13	215,5	215,5
Share premium	13	247,2	247,2
Reserve for invested non-restricted equity	13	12 292,2	7 495,4
Other reserves	13	0,0	0,0
Retained earnings		-126,7	-1 504,0
Net income		-768,7	1 213,4
Total equity		11 859,5	7 667,5
Non-current liabilities			
Borrowings	15	15 072,1	2 145,4
Deferred tax liability	14	684,1	144,4
Other liabilities	15	189,2	127,3
Total non-current liabilities		15 945,4	2 417,1
Current liabilities			
Borrowings	15	211,8	1 570,7
Advance payments	16	1 572,2	1 741,9
Trade payables		913,5	444,2
Other current liabilities		1 128,8	907,3
Accrued liabilities		3 698,6	1 760,1
Total current liabilities		7 524,9	6 424,1
Total liabilities		23 470,3	8 841,2
TOTAL EQUITY AND LIABILITIES		35 329,8	16 508,7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders					Total Shareholders's Equity
	Note	Share capital	Share premium	Reserve for invested non-restricted equity	Retained earnings	
Balance at January 1, 2013 (IFRS)		215,5	247,2	7 495,4	-1 534,6	6 423,5
Profit for the period					1 213,4	1 213,4
Other comprehensive income (+) / expense (-)						
Currency translation differences					-3,3	-3,3
Total comprehensive income for the year					1 210,1	1 210,1
Transactions with owners						
Dividends						0,0
Share-based payments, net of tax	20				33,9	33,9
Total transactions with owners					33,9	33,9
Balance at December 31, 2013		215,5	247,2	7 495,4	-290,6	7 667,5

M-Brain Oy
Consolidated IFRS Financial Statements

31.12.2014	Equity attributable to shareholders				Total Shareholders' Equity
	Share capital	Share premium	Reserve for invested non-restricted equity	Retained earnings	
Balance at January 1, 2014 (IFRS)	215,5	247,2	7 495,4	-290,6	7 667,5
Profit for the period				-768,7	-768,7
Other comprehensive income (+) / expense (-)					
Currency translation differences				69,4	69,4
Total comprehensive income for the year				-699,3	-699,3
Transactions with owners					
Share-based payments, net of tax	20			94,5	94,5
Share issue	13		5 001,2		5 001,2
Acquisition by the company of its own shares			-118,7		-118,7
Financial costs related to the share issue			-85,7		-85,7
Total transactions with owners, recognised directly in equity			4 796,8	94,5	4 891,3
Balance at December 31, 2014	215,5	247,2	12 292,2	-895,4	11 859,5

CONSOLIDATED STATEMENT OF CASH FLOWS

	1.1.- 31.12.2014	1.1.- 31.12.2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) for the period	-768,7	1 213,4
Adjustments for:		
Depreciation according to plan (+)	948,8	732,2
Other adjustments (income - / expenses +)	237,1	448,8
Financial income and expenses	753,2	264,8
	<u>1 170,4</u>	<u>2 659,2</u>
Changes in working capital:		
Non-current operative receivables		45,9
Current operative receivables	208,8	-65,2
Current operative payables	344,1	-413,4
	<u>552,9</u>	<u>-432,7</u>
Interes paid (-)	-1 087,6	-334,8
Dividends received	0,0	0,0
Interes received (+)	289,8	52,9
Income taxes paid	-452,2	-263,1
	<u>-1 250,0</u>	<u>-545,1</u>
NET CASH GENERATED BY OPERATING ACTIVITIES	473,3	1 681,4
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments on tangible and intangible assets	-1 137,0	-531,2
Net cash outflow on acquisition of subsidiaries (-)	-15 691,0	-4,5
NET CASH GENERATED BY INVESTING ACTIVITIES	-16 828,0	-535,7
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue (+)	4 913,7	0,0
Purchase of own shares (-)	-116,9	
Repayments of current debt (-)	-1 346,4	0,0
Repayments of non-current debt (-)	-1 805,5	-1 628,8
Withdrawals of non-current debt (+)	14 737,5	0,0
NET CASH USED IN CASH AND CASH EQUIVALENTS	16 382,4	-1 628,8
NET INCREASE IN CASH AND CASH EQUIVALENTS	27,8	-483,1
Cash and cash equivalents at the beginning of the period	1 573,1	2 056,2
Cash and cash equivalents at the end of the period	1 601,0	1 573,1

M-Brain Oy
IFRS Consolidated Financial Statements 31.12.2014
Notes the financial statements

Notes to the Consolidated Financial Statements	11
1. Significant Accounting policies	11
1.1. Basis of preparation	11
1.2. Basis of consolidation.....	11
1.3. Business combinations.....	12
1.4. Revenue recognition	12
1.5. Leasing.....	12
1.6. Foreign currencies	13
1.7. Borrowing costs	13
1.8. Government grants	14
1.9. Employee benefits.....	14
1.10. Share-based payment arrangements.....	14
1.11. Taxation.....	14
1.12. Intangible assets	15
1.13. Impairment of tangible and intangible assets other than goodwill	16
1.14. Provisions	17
1.15. Financial instruments	17
1.16. New and amended IFRSs adopted in 2014	20
1.17. Application of new and revised IFRSs in issue but not yet effective.....	21
1.18. Critical accounting judgements and key sources of estimation uncertainty.....	22
2. Revenue	24
3. Other operating income.....	24
4. Personnel expenses	24
5. Other operating expenses	25
6. Finance income and expenses.....	25
7. Income taxes	26
8. Goodwill.....	26
9. Other intangible assets	28
10. Property, plant and equipment	29
11. Trade and other receivables.....	30
12. Cash and cash equivalents	31
13. Equity	31
14. Deferred tax receivables and liabilities	32
15. Financial liabilities	34
16. Current liabilities	35
17. Financial instruments	35
18. Fair value.....	36
19. Financial risk management instruments.....	38
20. Share-based payments	40
21. Related party transactions.....	42
22. Subsidiaries	43
23. Contingent liabilities, contingent assets and commitments.....	44
24. Business combinations	45
25. Events after the reporting period	47

Notes to the Consolidated Financial Statements

General

M-Brain Group ("the Group") is an intelligence company in Europe with offices in 12 countries. The Group monitors and analyses social and editorial media online as well as traditional printed media and radio and television.

The Group's parent company is M-Brain Oy ("the Company"). The parent company is domiciled in Helsinki, Finland and its registered address is Kumpulantie 3, 00520 Helsinki. A copy of the consolidated financial statements can be obtained from the above mentioned address.

1. Significant Accounting policies

1.1. Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS and IFRS standards and SIC and IFRIC interpretations, effective on 31 December, 2014. In the Finnish Accounting Act and the statutes under it, International Financial Reporting Standards refer to the endorsed standards and their interpretations under the European Union regulation no. 1606/2002, regarding the adoption of the International Financial Reporting Standards applicable within the Community. The Notes to the Consolidated Financial Statements also comply with the requirements of the Finnish accounting and corporate legislation, which supplement the IFRS regulations.

The consolidated financial statements have been prepared on historical cost basis unless otherwise stated in the accounting policies below. They are presented in thousands and in euro, which is the parent company's functional currency.

The Company's fiscal year end is December 31. The Board of Directors of M-Brain Oy has authorized these financial statements for publication at its meeting on Mars 24, 2015. According to the Finnish Companies' Act, the shareholders' have right to either adopt or reject the financial statements in the annual general meeting to be held after their publication. The annual general meeting can also request changes to the financial statements.

1.2. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities where it has more than half of the voting powers or where it can exercise control based on other circumstances. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and are deconsolidated from the date that control ceases. All intra-group transactions, receivables, payables and internal distribution of profits are eliminated on consolidation. Unrealised losses are not eliminated in case they arise from impairment. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

1.3. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination and the identifiable assets and liabilities of the acquiree are measured at fair value at the acquisition date. Acquisition-related costs are recognised in profit or loss, except if they relate to issue of equity or debt instruments.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, the excess is recognised in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss. When the Group ceases to control a subsidiary, the remaining ownership interest is measured at fair value and the resulting difference is recognised in profit or loss.

Acquisitions made before January 1, 2012 are treated in accordance with the previous accounting principles.

1.4. Revenue recognition

Revenue

The Group produces media and information services for clients based on monthly service arrangements for longer time periods or based on one-time orders. Revenue is recognised when the services are delivered to the client. Revenue is measured at the fair value of the consideration received or receivable as a net of any value added taxes, exchange differences, rebates and other similar allowances.

Dividend and interest income

Dividend income from investments is recognised when the right to receive payment is established. Interest income is recognised on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.5. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are initially recognised at fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the annual statement of financial position as a finance lease liability.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

1.6. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into euros using exchange rates prevailing at the end of each reporting period. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in profit or loss in the period in which they arise.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation. Exchange differences arising are recognised in other comprehensive income.

1.7. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are recognised to the cost of those assets until the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.8. Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to development of internally-generated intangible assets are recognised as deductions from the carrying amount of the assets in question in the consolidated statement of financial position.

1.9. Employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of employee incentives and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.10. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

1.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are

also recognised in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on taxable profit and statutory tax rate of each country. The Group's current income tax assets and liabilities are offset when, and only when, the Group has legally enforceable right to offset the recognised items and the Group has intention to settle the on net basis or to realize the asset and to settle the liability simultaneously.

Taxable profit differs from "Profit before tax" as reported in the annual statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the annual financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.12. Intangible assets

An intangible asset is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimates on residual value and on useful life are reviewed at the end of each reporting period. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The Group does not currently hold any such assets.

The most commonly applied useful lives are as follows:

<u>Item</u>	<u>Useful life</u>
Computer software	3 - 5 years
Customer Relationships	7-10 years
Development costs	5 years
Other intangible assets	3 - 5 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units that are expected to benefit from the synergies of the business combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognised in prior years for an other asset than goodwill is reversed if the estimates used in the determination of the recoverable amount are changed. Any impairment loss for goodwill is recognised directly in profit or loss and is never reversed in subsequent periods.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development is recognised, if completing the asset is considered technically feasible, there is intention and adequate technical, financial and other resources available to complete the asset and ability to use it, future economic benefits are probable and the expenditure attributable to the asset during development can be measured reliably. Development costs previously recognized as an expense are not recognized as an asset in subsequent periods.

Development costs are subsequently measured at cost less accumulated amortizations and impairments. The amortizations of the asset are started when the it is ready for its intended use.

1.13. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have suffered

an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. The used discount rate is a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

If the impairment loss is subsequently reversed, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.14. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions for restructuring costs, onerous contracts, and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

1.15. Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments and they are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss, "FVTPL") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of FVTPL financial assets or financial liabilities are recognised immediately in profit or loss.

The fair values of financial instruments have been determined using available market information or other appropriate valuation methodologies.

Financial assets

Financial assets are classified into the following specified categories: *fair value through profit or loss financial assets, held-to-maturity investments, available-for-sale financial assets and loans and receivables*. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group does not currently have any held-to-maturity investments.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets at FVTPL include derivatives that are not designated and effective as hedging instruments. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset which are included in the "finance income" or "finance costs" line items. Fair value is determined in the manner described in note 18.

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. Fair value is determined in the manner described in note 18. Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include trade and other receivables, bank balances and cash. They are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

Trade receivables are assessed for impairment on a collective basis even if they were assessed not to be impaired individually.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities

At initial recognition, financial liabilities are measured at fair value. For *financial liabilities measured at amortised cost*, the transaction costs are included into the carrying amount at initial recognition. Financial liabilities, excluding derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL include derivatives that are not designated and effective as hedging instruments. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the "other gains and losses" line item. Fair value is determined in the manner described in note 18.

1.16. New and amended IFRSs adopted in 2014

The following new and revised IFRSs have been adopted in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years unless specifically noted below but may affect the accounting for future transactions and events.

- IFRS 10 Consolidated Financial Statements. The standard establishes control as the base for consolidation. Additionally, the standard provides further guidance on how to apply principles of control when it is challenging to assess.
- IFRS 11 Joint Arrangements. The standard emphasizes the rights and obligations of the joint arrangement rather than its legal form in the accounting. The arrangements are divided into two: joint operations and joint ventures. The standard requires joint ventures to be accounted for using equity method of accounting. Proportional consolidation of joint ventures is no longer allowed.
- IFRS 12 Disclosure of Interests in Other Entities. The standard includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other, off balance sheet vehicles.
- IAS 27 (revised 2011) Separate Financial Statements. The revised standard includes the requirements for separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
- IAS 28 (revised 2011) Investments in Associates and Joint Ventures. The revised standard includes requirements for both joint operations and associates to be accounted by using equity method of accounting after IFRS 11 was issued.
- Amendment to IAS 32 Financial instruments: Presentation. The amendment clarifies the conditions for net presentation of financial assets and liabilities and introduces some additional application guidance.
- Amendment to IAS 36 Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets. The overall effect of the amendments is to clarify the disclosure requirements on those cash generating units which have been subject to impairment.
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement: Novation of Derivatives and Continuation of Hedge Accounting. The amendments allow the continuation of hedge accounting under IAS 39 when a derivative is novated to a clearing counterparty and certain conditions are met.
- Amendment to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendment provides additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period.
- Amendment to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements. The amendment provides

'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 or IAS 39.

1.17. Application of new and revised IFRSs in issue but not yet effective

IASB has published the following new or revised standards and interpretations which the Group has not yet adopted and which may have an effect on the consolidated financial statements of the Group. The Group will adopt each standard and interpretation as from the effective date, or if the effective date is other than the first day of the reporting period, from the beginning of the next reporting period after the effective date. The effects of these new and amended standards and interpretations are under investigation.

- IFRS 9 *Financial Instruments* (effective for reporting periods beginning on or after January 1, 2018). IFRS 9 is a several phase project which aims to replace IAS 39 with a new standard. According to the finalised classification and measurement part of IFRS 9, financial assets are classified and measured based on entity's business model and the contractual cash flow characteristics of the financial asset. Classification and measurement of financial liabilities is mainly based on the current IAS 39 principles. The new impairment model reflects an expected credit loss model, as opposed to incurred credit losses model under IAS 39. The finalised general hedge accounting model of IFRS 9 allows reporters to reflect risk management activities in the financial statements more closely as it provides more opportunities to apply hedge accounting. The standard has not yet been endorsed by EU.
- IFRS 15 *Revenue from Contracts with Customers* (effective for reporting periods beginning on or after January 1, 2017). IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Its core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations. The standard has not yet been endorsed by EU. The Group is currently assessing the possible impact of this new standard.
- Amendment to IAS 1 *Presentation of Financial Statements* (effective for reporting periods beginning on or after January 1, 2016). The amendment issued under the Disclosure Initiative clarifies the application of materiality and aggregation and principles of presenting the notes. The amendment has not yet been endorsed by EU.
- Amendment to IFRS 11 *Joint Arrangements* (effective for reporting periods beginning on or after January 1, 2016). The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 *Business Combinations*. The amendment has not yet been endorsed by EU.

M-Brain Oy
Consolidated IFRS Financial Statements

- Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures* (effective for reporting periods beginning on or after January 1, 2016). These amendments clarify the application of the investment entities exceptions. The amendments have not yet been endorsed by EU.
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Tangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation* (effective for reporting periods beginning on or after January 1, 2016). The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The amendments have not yet been endorsed by EU.
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture: Bearer Plants* (effective for reporting periods beginning on or after January 1, 2016). The amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The amendments have not yet been endorsed by EU.
- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* (effective for reporting periods beginning on or after 1 July 2014). The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties that are linked to services to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. Retrospective application is required.
- *Annual Improvements to IFRSs 2010-2012 and 2011-2013* (both effective for reporting periods beginning on or after 1 July 2014) and *Annual Improvements to IFRSs 2012-2014* (effective for reporting periods beginning on or after 1 January 2016). In the annual improvement process the non-urgent but necessary amendments to IFRS are collected and issued annually. The nature of the improvements depends on the standards, but they do not have material impact on the consolidated financial statements. The *Annual Improvements to IFRSs 2012-2014* have not yet been endorsed by EU.
- IFRIC 21 *Levies* (effective for reporting periods beginning on or after June 17, 2014). The interpretation provides guidance on when to recognise a liability for a levy imposed by a government. The interpretation has been endorsed by the EU on 14 June 2014.

1.18. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements, part from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements include:

- *Capitalisation of development costs*
In applying its accounting policy for costs incurred during the development phase for new or improved software, the Group must determine whether the criteria for capitalisation have been met. To support this judgement, the directors have established a procedure of selecting and approving development projects that proceed to the development phase. Each project is also reviewed on a monthly basis to identify possible risks and any changes affecting the assumptions made. More details on the capitalised development costs can be found in note 9.
- *Identification of intangible assets in business combinations*
The judgements required in accounting for business combinations relate mainly to the identification of unrecognised intangible assets and to the allocation of the consideration paid based on the fair values of all identified assets and liabilities. The group uses external advisors and benchmarking to support this process. Purchase price allocations of the Group's most recent acquisitions are presented in note 24.

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities comprise:

- *Recoverability of internally generated intangible assets*
The Group had capitalized internal development expenses relating to software development, which are included in the consolidated statement of financial position at 31 December 2014 with a carrying amount of € 1 339,1 thousand (31 December 2013: € 975,3 thousand). The most difficult and subjective estimate relating to the capitalisation of internally generated intangible assets is whether a project will generate probable future economic benefits. Management considers all appropriate facts and circumstances in making this assessment including historical experience, expected market demand, costs and future economic conditions.
- *Impairment of goodwill*
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of goodwill at 31 December 2014 was € 21 976,5 thousand (31 December 2013: € 9 845,3 thousand). Details of the impairment loss calculation are set out in note 8.

2. Revenue

The company's revenue consists of business intelligence services.

Revenue split into geographical areas:

000 euros	2014	2013
Finland	12 956,7	13 240,1
EU countries	6 114,3	5 325,3
Other countries	4 447,1	1 219,2
Total	23 518,1	19 784,6

As the Group has only one operating segment, business intelligence services, separate segment information is not presented. Revenue from transactions with any single external customer do not exceed 10 % of Group's revenue.

3. Other operating income

000 euros	2014	2013
Government grants	66,2	74,2
Other	9,9	6,4
Total	76,1	80,6

4. Personnel expenses

Average number of personnel was 345 in 2014 (302 in 2013).

000 euros	2014	2013
Wages and salaries	12 104,8	9 486,7
Pensions – defined contribution plans	1 415,0	1 222,0
Other statutory employer costs	1 190,2	1 006,9
Total	14 710,0	11 715,6

5. Other operating expenses

000 euros	2014	2013
External services	1 409,4	1 063,4
Office and other rents	1 185,7	721,2
Advertising and marketing expenses	439,5	381,2
IT expenses	371,7	310,9
Personnel expenses	314,3	290,0
Travel expenses	369,1	233,1
Other operating expenses	1 257,2	839,9
Total	5 347,0	3 839,7

Other operating expenses consists mostly of office expenses, car expenses and expenses related to GIA acquisition.

Principal independent auditor's audit fees amounted to € 71,2 thousand (2013: € 52,6 thousand). Other fees of principal independent auditor amounted to € 133,5 thousand (2013: € 20,9 thousand).

6. Finance income and expenses

000 euros	2014	2013
Interest and other finance income	302,1	74,7
Interest and other finance expenses	-1 055,3	-339,5
Net finance costs	-753,2	-264,8

Interest expenses from a bond were € 600 thousand in 2014 (2013: € 0 thousand). Change in fair value of an interests rate swap, € 12,3 thousand in 2014 and € 21,8 thousand in 2013, are included in other financial income and expenses. Other financial expenses include guarantee provisions € 22,4 thousand (2013: € 60,9 thousand) and foreign exchange losses € 279,7 thousand (2013: € 116,8 thousand).

7. Income taxes

000 euros	2014	2013
Current tax	-184,4	-464,3
Deferred tax	195,2	5,5
Total tax expense	10,8	-458,9

Current income taxes recognised into equity	21,4	0,0
---	------	-----

000 euros	2014	2013
Profit before tax	-779,5	1 672,3
Income tax expense calculated at 20,0% (2013: 24,5%)	155,9	-409,7
Change in parent company tax rates	0,0	26,0
Tax deductible items not recognised in the consolidated financial statements	0,0	-25,5
Other	-145,1	-49,7
Income tax expense recognised in profit or loss	10,8	-458,9

8. Goodwill

Impairment of goodwill

Determining whether goodwill is impaired is estimated based on value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation includes cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. If the actual future cash flows are less than expected, a material impairment loss may arise.

000 euros	2014	2013
Balance at beginning of year	9 845,3	9 367,7
Additional amounts recognised from business combinations occurring during the year (note 25)	12 131,1	477,6
Effect of foreign currency exchange differences		

M-Brain Oy
Consolidated IFRS Financial Statements

Acquisition cost at 31.12.2014	21 976,5	9 845,3
Accumulated impairment 1.1.2014		
Impairment		
Accumulated impairment at 31.12.2014	0,0	0,0
Balance at 31.12.2014	21 976,5	9 845,3

The value-in-use impairment testing for all cash generating units was based on the following assumptions:

Value-in-use calculations were based on the following assumptions:

	31.12.2014	31.12.2013
Revenue growth, first year	46,4 %	8,8 %
Revenue growth, subsequent years	0,0 %	0,0 %
Operating profit-%	13,3 %	13,6 %
Terminal growth rate	0,0 %	0,0 %
Discount rate	7,6 %	8,0 %
Change in net working capital	0,0 %	0,0 %

The increase in revenue is driven by business acquisition made in 2014.

Based on the sensitivity analyses, the key assumptions of the calculations can change as follows in the testing calculation at the time of the testing without an impairment (assuming that other key assumptions are not changed):

Sensitivity analysis:

	31.12.2014	31.12.2013
Annual decrease in revenue	2,2 %	3,2 %
Annual increase in operating costs	2,4 %	3,4 %
Change in operating profit	63,9 %	93,6 %

The value-in-use is not especially sensitive to changes in discount rates. According to Management assessment, none of reasonably possible change in the key assumptions would not cause the recoverable amount to be lower than the carrying amount of the cash generating units.

However, the sustainability of calculated value-in-use levels requires the Group revenue to growth to the acceptable level in accordance with Group's strategy, maintenance of competitiveness, realization of synergy benefits and increased cost effectiveness.

There were no impairment of assets in 2014 and 2013.

9. Other intangible assets

31.12.2014				
000 euros	Development costs	Intangible rights	Other capitalised non-current assets	Total
Acquisition cost at 1.1.2014	1 588,2	1 004,9	162,1	2 755,2
Additions	786,3	8,5	3,2	798,0
Acquisitions through business combinations	0,0	2 920,0	34,9	2 954,9
Disposals	0,0	0,0	0,0	0,0
Effect of foreign currency exchange differences	0,0	0,0	0,0	0,0
Acquisition cost at 31.12.2014	2 374,6	3 933,5	200,1	6 508,1
Accumulated amortisation and impairment 1.1.2014	612,9	221,5	92,8	927,3
Disposals	0,0	0,0	0,0	0,0
Amortisation	422,5	254,7	34,4	711,6
Impairment	0,0	0,0	0,0	0,0
Accumulated amortisation and impairment at 31.12.2014	1 035,4	476,3	127,3	1 639,0
Balance at 31.12.2014	1 339,1	3 457,2	72,8	4 869,2
Balance at 1.1.2014	975,3	783,4	69,2	1 827,9

31.12.2013				
000 euros	Development costs	Intangible rights	Other capitalised non-current assets	Total
Acquisition cost at 1.1.2013	1 131,6	921,7	142,0	2 195,3
Additions	456,6	43,8	20,1	520,5
Acquisitions through business combinations	104,8	40,8	0,0	145,6
Disposals	-104,8	-1,4	0,0	-106,2
Acquisition cost at 31.12.2013	1 588,2	1 004,9	162,1	2 755,2
Accumulated amortisation and impairment 1.1.2013	264,9	75,2	43,2	383,3
Disposals	0,0	0,0	0,0	0,0
Amortisation	348,0	146,3	49,6	544,0
Impairment	0,0	0,0	0,0	0,0

M-Brain Oy
Consolidated IFRS Financial Statements

Accumulated amortisation and impairment at 31.12.2013	612,9	221,5	92,8	927,3
Balance at 31.12.2013	975,3	783,4	69,2	1 827,9
Balance at 1.1.2013	866,8	846,5	98,8	1 812,0

10. Property, plant and equipment

31.12.2014

000 euros	Machinery and equipment	Other tangible assets	Total
Acquisition cost at 1.1.2014	953,3	43,6	997,0
Additions	341,5	0,0	341,5
Acquisitions through business combinations	70,5	0,0	70,5
Disposals	-22,1	-29,9	-52,0
Effect of foreign currency exchange differences	5,6	0,3	5,9
Acquisition cost at 31.12.2014	1 348,8	14,0	1 362,8
Accumulated depreciations and impairment 1.1.2014	418,6	30,8	449,3
Disposals	-16,9	-29,9	-46,8
Depreciations	236,6	0,6	237,1
Impairment	0,0	0,0	0,0
Effect of foreign currency exchange differences	3,2	0,1	3,3
Accumulated depreciations and impairment at 31.12.2014	641,4	1,5	643,0
Balance at 31.12.2014	707,4	12,5	719,9
Balance at 1.1.2014	534,8	12,9	547,6

31.12.2013

000 euros	Note	Machinery and equipment	Other tangible assets	Total
Acquisition cost at 1.1.2013		747,1	44,2	791,3
Additions		177,5	0,0	177,5
Acquisitions through business combinations		35,8	0,0	35,8
Disposals		-2,7	0,0	-2,7
Effect of foreign currency exchange differences		-4,4	-0,5	-4,9

M-Brain Oy
Consolidated IFRS Financial Statements

Acquisition cost at 31.12.2013	953,3	43,6	997,0
Accumulated depreciations and impairment 1.1.2013	203,5	30,3	233,8
Disposals	28,7	0,0	28,7
Depreciations	187,6	0,6	188,2
Impairment	0,0	0,0	0,0
Effect of foreign currency exchange differences	-1,3	-0,1	-1,4
Accumulated depreciations and impairment at 31.12.2013	418,6	30,8	449,3
Balance at 31.12.2013	534,8	12,9	547,6
Balance at 1.1.2013	543,6	13,9	557,5

Property and equipment includes € 337,5 thousand assets acquired with finance leases (2013: € 176,7 thousand).

11. Trade and other receivables

000 euros	Note	31.12.2014	31.12.2013
Trade receivables		4 385,2	1 828,3
Loan receivables		2,5	3,4
Other receivables		266,8	143,6
Prepayments and accrued income		1 294,1	683,2
Total trade and other receivables		5 948,6	2 658,5

Age of trade receivables past due but not impaired

000 euros	Note	31.12.2014	31.12.2013
Current		2 894,3	1 318,2
less than 3 months		1 315,0	427,4
over 3 months, less than 6 months		117,9	82,7
Over 6 months		57,9	
Total trade receivables		4 385,2	1 828,3

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

12. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts.

13. Equity

Equity consists of share capital, share premium, reserve for invested non-restricted equity, other reserves and retained earnings.

Share capital

The share capital of M-Brain Oy comprise a single series of shares. The shares have no par value and are fully paid. Each share carries one vote and equal right to dividends.

000 euros	Number of shares	Share capital	Share premium
1.1.2013	20 971	215,5	247,2
31.12.2013	20 971	215,5	247,2
1.1.2014	20 971	215,5	247,2
31.12.2014	23 593	215,5	247,2

Share premium

The amount exceeding the par value of shares received by the company in connection with share subscriptions is recorded in share premium in cases where options have been granted under the old Limited Liability Companies Act (29 Sept. 1978/734).

Reserve for invested non-restricted equity

The reserve for invested non-restricted equity includes the other equity-related investments and share subscription prices to the extent not designated to be included in share capital. In 2014 M-Brain Oy issued 2 622 new shares in a share issue. The share issue was fully subscribed and paid. The subscription price was 1 907,40 euros per share. The share issue less transaction costs was fully recognized in the reserve for invested non-restricted equity.

Translation differences

Currency translation reserve in other reserves in equity contains exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. euro). Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

14. Deferred tax receivables and liabilities

000 euros	31.12.2014	31.12.2013
Deferred tax assets to be recovered after more than 12 months	181,5	29,2
Deferred tax assets to be recovered within 12 months		
Total deferred tax assets	181,5	29,2
Deferred tax liability to be recovered after more than 12 months	-684,1	-144,4
Deferred tax liability to be recovered within 12 months		
Total deferred tax liabilities	-684,1	-144,4
Deferred taxes (net)	-502,6	-115,3

000 euros	1.1.2014	Recognised in profit and loss	Acquisitions	31.12.2014
Deferred tax assets in relation to:				
Intangible assets	3,5	-3,2		0,3
Finance leases	0,7	1,0		1,7
Derivative financial instruments	2,5	-2,5		0,0
Tax losses and tax credits carried forward	22,5	157,0		179,5
Deferred tax assets	29,2	152,3		181,5
Deferred tax liabilities in relation to:				
PPA adjustments	-144,4	44,3	-584,0	-684,1
Other	0,0		0,0	0,0
Deferred tax liabilities	-144,4	44,3	-584,0	-684,1

000 euros	1.1.2013	Recognised in profit and loss	Acquisitions	31.12.2013
Deferred tax assets in relation to:				
Intangible assets	6,7	-3,2		3,5
Finance leases	0,8	-0,1		0,7
Derivative financial instruments	8,3	-5,9		2,5

M-Brain Oy
Consolidated IFRS Financial Statements

Tax losses and tax credits carried forward	47,8	-25,3		22,5
Deferred tax assets	63,6	-34,5		29,2
Deferred tax liabilities in relation to:				
PPA adjustments	-174,2	37,0	-7,2	-144,4
Other	-3,3	3,3	0,0	0,0
Deferred tax liabilities	-177,5	40,3	-7,2	-144,4

At 31 December 2014 M-Brain had € 897,7 thousand (2013: € 112,5 thousand) of tax losses carried forward, of which, € 112,5 thousand (2013: € 112,5 thousand) will expire within five years and € 785,2 thousand (2013: € 0 thousand) will expire thereafter.

15. Financial liabilities

Borrowings

Group's borrowings consist mainly of a bond. In addition, the Group has loans from financial institutions and bank overdrafts used.

Maturity of borrowings: 000 euros	31.12.2014	31.12.2013
less than 1 year	211,8	1 570,7
1 - less than 2 years	0,0	2 145,4
2 - 5 years	15 072,1	
Total	15 283,9	3 716,0

M-Brain listed on June 25, 2014 a bond in in the First North Bond Market Finland –market place. The issued unsecured euro 15 million bond has a fixed 8 % interest rate and it matures on June 17, 2017.

Before the issue of fixe rate bond in June 2014, groups short- and long-term financial institution loans exposed the Group to interest rate risk, which risk was mitigated by investments in cash and cash equivalents. During 2013 and still partly during 2014 Group's all money market investments and financial instution loans were based on variable rates. Interest rate risk was managed by an interst rate swap, which translated variable rate loans to fixed rate. The interest rate swap was terminated in June 2014 when bank loans were repaid. The Group did not apply hedge accounting to interest rate swaps.

The Group fixed most of its non-current debt interests to fixed level of 3,48% until June 2014. The interest rate swap used to fix the rate was terminated in June 2014 and subsequently the Group has not used interest rate swaps. The fair value of the interst rate swap was euro -13 thousand 31.12.2013. If the interest rate had been 50 basis points higher/lower, the profit before taxes for the period had been some euro 50 thousand lower/higher as a result of higher/lower interest costs of variable rate loans.

Finance lease liabilities

The Group has acquired IT equipmetn with finance lease agreemetns. The average lease term of agreements is 3 years (2013: 3 years). The Group has option to acquire the equipment at nominal value at the end of the lease term. The Group's obligation under finance leases are secured by the lessor's title to the leased assets.

Finance lease liabilities

000 euros	2014	2013
Minimum lease payments		
Less than 1 year	184,9	82,0

M-Brain Oy
Consolidated IFRS Financial Statements

1 – 5 years	236,9	139,0
Over 5 years	0,0	
Total	421,7	221,0
Future finance charges	-75,8	-39,7
Present value of finance lease liabilities	346,0	181,3
Present value of finance lease liabilities		
Less than 1 year	156,8	66,3
1 - 5 years	189,2	115,0
Over 5 years	0,0	
Total	346,0	181,3

16. Current liabilities

Current liabilities mainly include borrowings (see note 15 above) and advance payments. Advance payments amount to € 1 572 thousand in 2014 (2013: € 1 742 thousand).

17. Financial instruments

Derivatives

The Group does not have outstanding derivative instruments at the end of 2014. Before the issue of fixed rate bond in June 2014 the Group was exposed to interest rate risk as the borrowings were mostly tied to variable interest rates. The interest rate risk was managed by using interest rate swap which switched variable rate to fixed. The interest rate swap, with nominal value of € 3 500 thousand, was terminated in June 2014. € 12,3 thousand gain was recognised in the financial items relating to the interest rate swap (2013: € 21,8 thousand loss).

18. Fair value

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

31.12.2014						
000 euros	FVTPL financial assets/liabilities	Available- for-sale financial assets	Loans and receivables / Loans measured at amortized cost	Carrying amounts by balance sheet item	Fair value	Fair value hierarchy
Financial assets:						
Trade and other receivables			5 948,6	5 948,6	5 948,6	
Unlisted shares		33,4		33,4	33,4	
Cash and cash equivalents			1 601,0	1 601,0	1 601,0	
Total financial assets		33,4	7 549,5	7 582,9	7 582,9	
Financial liabilities:						
Borrowings:						
Bonds			14 732,2	14 732,2	15 048,7	2
Loans from financial institutions			881,7	881,7	881,7	
Trade and other payables			1 885,6	1 885,6	1 885,6	
Total financial liabilities			17 499,5	17 499,5	17 816,0	
31.12.2013						
000 euros	FVTPL financial assets/liabilities	Available- for-sale financial assets	Loans and receivables/Loans measured at amortized cost	Carrying amounts by balance sheet item	Fair value	
Financial assets						
Trade and other receivables			2 658,5	2 658,5	2 658,5	
Unlisted shares		27,0		27,0	27,0	
Cash and cash equivalents			1 573,1	1 573,1	1 573,1	
Total financial assets		27,0	4 231,7	4 258,6	4 258,6	
Financial liabilities						
Borrowings:						
Loans from financial institutions			3 897,4	3 897,4	3 897,4	
Derivatives	12,3			12,3	12,3	2
Trade and other payables			1 285,2	1 285,2	1 285,2	
Total financial liabilities	12,3	0,0	5 182,6	5 194,8	5 194,8	

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

There were no transfers between Level 1 and 2 in the period.

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Derivatives

Future cash flows of interest rate derivatives are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties. The fair values correspond to the amounts to be paid or received, if the agreement was terminated by the Group.

Available-for-sale financial assets

The unlisted equity investments have been recognized at acquisition cost because it is not possible to determine their fair values using valuation methods. The fair value of these investments is not reliably determinable and the estimates fluctuate significantly or the different valuations in the range have probabilities that are not reasonably determinable to determine their fair values.

The financial assets recognized at fair value are either marketable or the valuation is based on the counter-party purchase rate and tested with generally accepted pricing models based on obtainable price quotes.

Trade and other receivables

The fair value of other receivables than those based on derivative contracts corresponds to their acquisition costs due to the effect of discounting not being material considering the maturity of these receivables.

Bonds and bank loans

The fair values of borrowings are based on discounted cash flows. The discount rate used corresponds to the rate obtainable for similar bank loans by the Group at the reporting date. The interest rate includes a risk-free rate and a company specific risk premium. The pricing date of loans

is 31 December each year, which means that the carrying amounts of the loans correspond to their fair values.

Trade and other payables

The original acquisition cost of the trade and other payables corresponds to their fair value due to the effect of discounting not being material considering the maturity of these payables.

19. Financial risk management instruments

Risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks in co-operation with the operations. The Group's overall risk management approach seeks to minimize potential adverse effects on the Group's financial performance.

Foreign currency risk management

The foreign currency risk exposure of the Group is very limited. The Group operates through subsidiaries that all have operations only within their domicile countries (mainly United Kingdom, Sweden, Russia, Malaysia, Canada, China and the US outside the euro zone). This leads to transactions within each subsidiary in all material respects being carried out in a single currency. Currently, translation differences only result from consolidation of foreign subsidiaries and the Group does not engage in any currency risk management activities.

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The functional currency of the Group is Euro. Foreign exchange risk arises when future recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group is mainly exposed to the currency of the United States (USD), the currency of Sweden (SEK) and the currency of the United Kingdom (GBP), and to a lesser extent the currency of Russian. The risk is mainly attributable to the exposure outstanding on foreign exchange receivables and payables in the Group at the end of the reporting period. The company does not hedge foreign currency exposures.

Interest rate risk management

Group's long-term financing is mainly based on an unsecured euro 15 million bond issued on June 25, 2014, which has fixed 8 % interest rate. The mentioned bond is listed in the First North Bond Market Finland –market place and it matures on June 17, 2017.

Before the issue of fixe rate bond in June 2014, groups short- and long-term financial institution loans exposed the Group to interest rate risk, which risk was mitigated by investments in cash and cash equivalents. During 2013 and still partly during 2014 Group's all money market investments and financial instution loans were based on variable rates. Interest rate risk was managed by an interst rate swap, which translated variable rate loans to fixed rate. The interest rate swap was terminated in June

2014 when bank loans were repaid. The Group did not apply hedge accounting to interest rate swaps.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have significant credit risk exposure to single counterparty. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group did not have significant receivables overdue at the end of the reporting period.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group's liquidity level was good during the year 2014. The company acquired new long-term financing by issuing a € 15 million bond and € 5 million by a share issue. The proceeds were used mainly for financing of GIA acquisition. The Group's management has not identified significant risks to the Groups liquidity position.

The following table presents the maturity analysis of the company's liabilities. The figures are undiscounted:

31.12.2014						
000 euros	Balance sheet value	Total cash flows	Less than 1 year	1 to 2 years	2-5 years	5+ years
Bond	14 732,2	18 000,0	1 200,0	1 200,0	15 600,0	0
Borrowings	551,7	551,7	211,8	339,9		
Finance lease liabilities	346,0	421,7	184,9	184,9	52,0	
Payables and other liabilities	1 878,2	1 878,2	1 878,2			
Total	17 508,1	20 851,6	3 474,9	1 724,8	15 652,0	0,0

Capital management

The main objective of the capital management activities of the Group is to maintain an optimal capital structure to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders in the long-term. The capital structure is managed principally through dividends, subordinated loans and share issues. The Group's overall strategy has remained the same compared to the previous period.

M-Brain Oy
Consolidated IFRS Financial Statements

The covenants related to the Groups issued bond set requirements on certain key ratios starting from 31 December 2015.

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings).

000 euros	31.12.2014	31.12.2013
Interest-bearing liabilities	15 629,9	3 897,4
Interest-bearing receivables	2,5	3,4
Cash and cash equivalents	1 601,0	1 573,1
Net debt	14 026,4	2 320,9
Equity	11 859,5	7 667,5
Net debt to equity ratio (gearing)	118,3 %	30,3 %

The capital structure is followed by the Group's management. The Group does not have a target range for the gearing ratio that it would strive to maintain. Availability of capital to fund continuing growth is one of the targets of capital management activities.

Group's borrowings include covenant clauses agreed with the lenders which oblige the group companies. These covenants do not have a significant impact on the Group's current financial position according to the opinion of the Group management.

20. Share-based payments

The Group has granted share-options to some key employees on 18 October 2012. A second grant was made in 4 September 2013. The option rights were transferred free of charge and each option gives right to subscribe to one share between 1 January 2016 and 28 February 2016. The exercise price is 750 €, which corresponds to the share price at both dates of grant. The options do not provide any rights to dividends before exercised. Options are returned, if the employee leaves the Group unless otherwise decided by the Board of Directors.

In 2014, 220 options were returned to the company. There have been no other changes in the number of options outstanding since the grant dates.

M-Brain Oy
Consolidated IFRS Financial Statements

The fair value of the share options granted in 2012 was € 110 thousand and in 2013 € 226 thousand, and they are recognized in the profit and loss as part of personnel expenses during the vesting period. Fair value was determined using the Black-Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 3 years of a group of listed peer companies.

Inputs to the model:

	18 October 2012	4 September 2013
Expected volatility	35 %	31 %
Option life	3 years	2 years
Risk-free interest rate	0,5 %	0,17 %
Dividend yield	-	-
Grant date fair value	189,68 €	457,17 €

The remaining contractual life of the options was 1,3 years on 31 December 2014 (2013: 2,3 years).

21. Related party transactions

Balances and transactions between the parent and its subsidiaries, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

The following transactions were carried out with related parties:

000 euros	2014	2013
Transactions with companies related to significant owners:		
Purchases of services	467,3	452,0
Receivables	27,4	49,8
Payables	0,0	15,1

Compensation of key management personnel

Key management of the Group includes members of the Executive Committee and Board of Directors.

000 euros	2014	2013
Salaries and other short-term employee benefits		
Executive Committee including the CEO	525,6	643,0
Board of Directors	79,2	72,0
Total	604,8	715,0
Share-based payments		
Executive Committee including the CEO	94,5	33,9
Total	94,5	33,9
Total compensation of key management personnel	699,3	749,0

22. Subsidiaries

Name of subsidiary		Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group 31 December 2014
M-Brain Insight Oy	Includes Whitevector Oy*** from January 2014	Finland	100 %
M-Brain Media Oy**		Finland	100 %
M-Brain Ab		Sweden	100 %
M-Brain Inc.		USA	100 %
M-Brain GmbH		Germany	100 %
M-Brain Ltd		United Kingdom	100 %
M-Brain Information Sdn. Bhd.		Malaysia	100 %
M-Brain SARL		France	100 %
OOO M-Brain		Russia	100 %
M-Brain Sverige Ab		Sweden	100 %
Global Intelligence Alliance Group Oy*		Finland	100 %
Global Intelligence Alliance North America Inc.*		Canada	100 %
Global Intelligence Alliance UK Ltd.*		United Kingdom	100 %
Global Intelligence Alliance USA Inc.*		USA	100 %
Continental Group Services Ltd.*		British Virgin Islands	100 %
Global Intelligence Alliance Greater China LTD*		Hong Kong	100 %
Global Intelligence Alliance Asia-Pacific Pte. LTD*		Singapore	100 %
Global Intelligence Alliance Germany GmbH*		Germany	100 %
Global Intelligence Alliance Benelux BV*		Netherlands	100 %
Global Intelligence Alliance Estratégia e Consultoria em Marketing Ltda*		Brazil	100 %
GIA Business Consulting (Shanghai) Co. Ltd.*		China	100 %

* Subsidiary was acquired during. Prior ownership as at 1.1.2014 was 0 %.

** The company was merged into M-Brain Insight Oy on December 31, 2014.

***The subsidiary was acquired during year 2013. Prior ownership as at 1 January 2012 and 31 December 2012 was 28%. The Company was merged into M-Brain Insight Oy on December 31, 2013.

23. Contingent liabilities, contingent assets and commitments

The group has leased office premises and vehicles, as well as office furniture and equipment with operating lease arrangements. A new lease of new head office premises has been agreed with the current lessor in 2014 and they will be taken into use in April 2015. In connection with the new lease, the old lease and related lease commitments were terminated. The end date of the new head office lease is June 30, 2020, at the earliest. These lease agreements do not provide the Group with any special purchase or continuance options.

The group has leased office premises and vehicles, as well as office furniture and equipment with operating lease arrangements.

Minimum lease payments payable based on the non-cancellable lease agreements:

000 euros	2014	2013
Not later than 1 year	960,0	726,5
Later than 1 year and not longer than 5 years	2 041,5	505,5
Later than 5 years	216,6	0,0
Total	3 218,1	1 232,0

The Group has paid prepayments as guarantees for lease agreements at the amount of € 4,2 thousand both in 2014 and 2013. In addition, the Group paid lease guarantee payments at an amount of € 52,9 thousand in 2014 and 2013.

The Group has drawn a bank overdraft from the lender bank € 211,2 thousand and the unused overdraft facility is € 1 288,8 thousand.

The Group introduced in 2013 a cash pool arrangement in the lender bank, the arrangement also includes the bank overdraft limit mentioned above. The cash balances in the subaccounts of the subsidiaries of M Brain- Oy which are part of the cash pool, are collateralised as a general guarantee to cover all current and future liabilities and commitments of the company for which it alone, and together with other parties, is liable against the lender bank.

The parent company has given a corporate mortgage of € 5,4 million and pledged all shares of M-Brain Insight Oy as collateral for its obligations for the benefit of the lender bank.

The subsidiary M-Brain Insight Oy has given a € 0,4 million corporate mortgage as collateral for all current and future obligations of the group companies for the benefit of the lender bank.

The bond financing of the Group contains covenants tied to additional indebtedness and financial key figures. The covenants related to key figures are assessed first time as per December 31, 2015.

24. Business combinations

Acquisition of the Group GIA in 2014

In September 2014, M-Brain Oy acquired 100 % of Global Intelligence Alliance Group Oy's share capital. GIA is in 1995 established strategic market intelligence company. Company's headquarters is located in Finland and branch offices in Canada, United States, Great Britain, Germany, Hong Kong, Singapore, China and Brasil. The acquisition of GIA increases further the Group's global accessibility.

Assets acquired and liabilities recognised at the date of acquisition:

	000 euroa
Property, Plant and equipment	70,5
Technology	150,0
Trademarks	20,0
Customer relationships	2 750,0
Other intangible assets	34,9
Investments	2,4
Trade and other receivables	3 498,8
Cash and cash equivalents	2 009,0
Total assets	8 535,4
Deferred tax liabilities	584,0
Borrowings	0,0
Trade and other payables	2 382,6
Total liabilities	2 966,6
Net assets	5 568,9

Goodwill arising on acquisition

	000 euroa
Consideration transferred (in cash)	17 700
Previously held equity interest	0
Identifiable net assets acquired	5 568,9
Goodwill	12 131,1

Transaction costs total € 391 thousand related to the acquisition are included in "Other expenses" in profit or loss in 2014.

The acquisition of GIA Oy resulted goodwill related to expected synergy effect, increase of revenue, future market development and GIA's personnel. As a result of the acquisition, the Group has access to new geographical areas. These benefits are recognized as goodwill, because they do not qualify for separate recognition as assets. The goodwill arisen from the acquisition is not expected to be tax deductible.

M-Brain Oy
Consolidated IFRS Financial Statements

Group's 2014 result includes euro 622 thousands profit due to GIA's additional business. GIA's impact on 2014 Group revenue was euro 5 175 thousands. If GIA's consolidation had been done starting from January 1, 2014, Group's revenue from continuing operations had been euro 33 234 thousands and result from continuing operations euro 44 thousands.

Acquisition of Whitevector Oy in 2013.

In July 2013, M-Brain Oy acquired the remaining 72 % of Whitevector Oy's share capital. M-Brain has been a minority holder with ownership of 28 % in Whitevector and the two companies have collaborated in the past. The acquisition complements Company's customer base especially in the communications and media agency sector, as well as enhances Company's expertise in the SaaS business and its development. Whitevector's core market is Finland, with accounts and a distributor network spanning the Nordic countries.

Assets acquired and liabilities recognised at the date of acquisition

	000 euroa
Tangible assets	35,8
Intangible assets	41,3
Non-current receivables	2,4
Trade and other receivables	23,6
Cash and cash equivalents	0,7
Total assets	103,8
Deferred tax liabilities	7
Non-current liabilities	340,4
Current liabilities	234,1
Total liabilities	581,5
Net assets	-477,6
Goodwill arising on acquisition	
	000 euroa
Consideration transferred (in cash)	0,0
Previously held equity interest	0,0
Identifiable net assets acquired	-477,6
Goodwill	477,6

After renegotiations of the liabilities of Whitevector, the net asset value of the company was still negative at the acquisition date. This led to recognition of goodwill in the acquisition. The value of goodwill includes benefits of expected synergies, and the assembled workforce of Whitevector. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

M-Brain Oy
Consolidated IFRS Financial Statements

The revenue and profit numbers due to the additional business generated by Whitevector were not significant in 2013. The effect of the acquisition to the revenues and profit of the group in 2013 is not material.

25. Events after the reporting period

There have been no significant events after the balance sheet date and before these consolidated financial statements were approved to be published.

STATEMENT OF PROFIT OR LOSS

	Parent company 1.1. - 31.12.2014	Parent company 1.1. - 31.12.2013
REVENUE	1 372 288,41	1 592 648,14
Materials and external services		
Raw materials and consumables		
Purchases during the period	-50 924,43	-11 879,17
External services	-2 536,07	-1 055,25
Total	<u>-53 460,50</u>	<u>-12 934,42</u>
Staff expenses		
Wages and salaries	-732 994,81	-760 154,24
Social security expenses		
Pension expenses	-133 742,89	-135 758,58
Other social security expenses	-19 546,83	-25 603,72
Total	<u>-886 284,53</u>	<u>-921 516,54</u>
Depreciation		
Depreciation according to plan	-84 388,66	-23 161,89
Total	<u>-84 388,66</u>	<u>-23 161,89</u>
Other operating expenses	-774 927,99	-658 730,61
OPERATING PROFIT / -LOSS	-426 773,27	-23 695,32
Finance income and -costs		
Income from group undertakings	1 795 473,58	
Other interest income and other financial income	1 133,53	1 204,98
Interest and other financial expenses	-788 264,36	-211 987,96
Total	<u>1 008 342,75</u>	<u>-210 782,98</u>
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	581 569,48	-234 478,30
Extraordinary income	830 000,00	1 000 000,00
PROFIT (LOSS) BEFORE INCOME TAX	1 411 569,48	765 521,70
Income tax expense	-4 577,06	-169 775,07
PROFIT (LOSS) FOR THE PERIOD	<u>1 406 992,42</u>	<u>595 746,63</u>

STATEMENT OF FINANCIAL POSITION

	Parent company 31.12.2014	Parent company 31.12.2013
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development costs	23 942,50	51 485,82
Other long-term expenses	<u>267 772,50</u>	<u>0,00</u>
Total	291 715,00	51 485,82
Tangible assets		
Machinery and equipment	18 187,07	21 477,91
Other tangible assets	<u>9 397,22</u>	<u>9 397,22</u>
Total	27 584,29	30 875,13
Investments		
Holdings in group companies	<u>30 696 101,94</u>	<u>15 981 661,78</u>
Total	30 696 101,94	15 981 661,78
TOTAL NON-CURRENT ASSETS	31 015 401,23	16 064 022,73
CURRENT ASSETS		
Receivables		
Non-current receivables		
Receivables from group companies	<u>205 942,03</u>	<u>205 942,03</u>
Total	205 942,03	205 942,03
Receivables		
Current receivables		
Trade receivables	3 582,49	11 420,33
Receivables from group companies	2 047 468,65	73 124,55
Loan receivables	984,05	28 403,43
Other receivables	4 209,62	4 212,57
Prepayments and accrued income	<u>18 887,11</u>	<u>12 231,44</u>
Total	2 075 131,92	129 392,32
Current investments		
Other investments	1,00	1,00
Other shares	<u>2 410,67</u>	<u>2 410,67</u>
Total	2 411,67	2 411,67
Cash and cash equivalents	0,00	404 982,80
TOTAL CURRENT ASSETS	2 283 485,62	742 728,82
TOTAL ASSETS	<u>33 298 886,85</u>	<u>16 806 751,55</u>

STATEMENT OF FINANCIAL POSITION

	Parent company 31.12.2014	Parent company 31.12.2013
EQUITY AND LIABILITIES		
EQUITY		
Share capital	215 500,00	215 500,00
Share premium	247 169,13	247 169,13
Reserve for invested non-restricted equity	12 377 921,55	7 495 416,00
Retained earnings	-413 351,69	-1 009 098,32
Profit (loss) for the period	1 406 992,42	595 746,63
TOTAL EQUITY	13 834 231,41	7 544 733,44
LIABILITIES		
Non-current liabilities		
Bonds	15 000 000,00	0,00
Loans from financial institutions	0,00	1 805 499,94
Total	15 000 000,00	1 805 499,94
Current liabilities		
Loans from financial institutions	211 830,09	1 500 033,36
Trade payables	106 366,47	82 143,74
Amounts owed to group companies	3 665 484,05	5 452 857,54
Other liabilities	54 034,97	58 977,00
Accrued liabilities	426 939,86	362 506,53
Total	4 464 655,44	7 456 518,17
TOTAL LIABILITIES	19 464 655,44	9 262 018,11
TOTAL EQUITY AND LIABILITIES	33 298 886,85	16 806 751,55

STATEMENT OF CASH FLOW

	Parent company 1.1.-31.12.2014	Parent company 1.1.-31.12.2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before extraordinary items	581 569,18	-234 478,30
Adjustments:		
Depreciation according to plan (+)	84 388,66	23 161,89
Financial income and -expenses	-1 008 342,45	210 782,98
	<u>-342 384,61</u>	<u>-533,43</u>
Change in net working capital:		
Current operative receivables	2 056 051,04	-56 177,45
Current operative payables	466 115,61	2 277 862,05
	<u>2 522 166,65</u>	<u>2 221 684,60</u>
Interest paid (-)	-788 264,66	-211 987,96
Interest received (+)	1 133,53	1 204,98
Income taxes paid	-174 352,13	0,00
	<u>-961 483,26</u>	<u>-210 782,98</u>
NET CASH GENERATED BY OPERATING ACTIVITIES	1 218 298,78	2 010 368,19
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-321 327,00	-45 027,30
Net cash outflow on acquisition of subsidiaries (-)	-18 090 756,92	0,00
NET CASH GENERATED BY INVESTING ACTIVITIES	-18 412 083,92	-45 027,30
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue (+)	5 001 202,80	0,00
Purchase of own shares (-)	-118 697,25	0,00
Withdrawals of current debt (+)	211 000,00	0,00
Repayments of current debt	-1 499 203,27	-1 560 358,09
Withdrawals of non-current debt (+)	15 000 000,00	0,00
Repayments of non-current debt (-)	-1 805 499,94	0,00
NET CASH GENERATED BY FINANCING ACTIVITIES	16 788 802,34	-1 560 358,09
NET INCREASE IN CASH AND CASH EQUIVALENTS	-404 982,80	404 982,80
Cash and cash equivalents at the beginning of the period	404 982,80	0,00
Cash and cash equivalents at the end of the period	0,00	404 982,80

GENERAL

During financial period 2014 the main activities of the Company were acting as a parent company and providing group services.

Ownership interests in other group companies	%
M-Brain Insight Oy, Helsinki	100
M-Brain Media Oy, Helsinki	10 Indirect ownership via a subsidiary 100%
M-Brain Ab, Tukholma, Ruotsi	100

M-Brain Media merged 31.12.2014 into M-Brain Insight Oy.

PREPARATION OF FINANCIAL STATEMENTS

Recognition and measurement principles

Accounting policies

Property, plant and equipment owned by the Company is depreciated in accordance with a plan.

The cost of of tangible and intangible assets in the balance sheet is reduced by accumulated depreciations in accordance with a plan. The carrying amounts include variable costs related to the acquisition.

The items are depreciated starting from the month when the item is taken into use.

Development costs are normally expensed when they are incurred. Delevopment costs which generate benefits during 3 to 5 years are recognised in the balance sheet as development costs and are depreciated in 3-5 years.

Company's development costs have been capitalized under the principle of specific prudence. With its development costs, the Company generates new products and services. The most significant development efforts during the recent years have been related to crystallization, elaboration, classification and enrichment of BI-driven media data.

<u>Property, plant and equipment:</u>	<u>Useful life</u>	<u>Depreciation method / percentage</u>
Software	5	Straightline depreciation
Development costs	3-5	Straightline depreciation
Intangible rights	5	Straightline depreciation
Other long-term expenses	3	Straightline depreciation
Machinery and equipment	8-10	Straightline depreciation

NOTES TO THE PROFIT OR LOSS

Company's revenue consists of management services to its subsidiaries.

Financial income and expenses	2014	2013
Dividend income	1 795 473,58	0,00
Other intrest and financial income	1 133,53	1 204,98
Interest expense to group companies	-2,30	-15 906,00
Interest and other financial expenses	-788 262,06	-196 081,96
Total	1 008 342,75	-210 782,98

Extraordinary items		
Group contribution	830 000,00	1 000 000,00
	830 000,00	1 000 000,00

NOTES TO THE ASSETS

Development costs	2014	2013
Carrying amount at the beginning of the period	51 485,82	27 366,64
Additions	0,00	43 950,00
Depreciations according to plan	-27 543,32	-19 830,82
Carrying amount at the end of the period	23 942,50	51 485,82

Other long-term expenses	2014	2013
Carrying amount at the beginning of the period	0,00	0,00
Depreciations according to plan	-53 554,50	0,00
Additions	321 327,00	0,00
Carrying amount at the end of the period	267 772,50	0,00

Machinery and equipment	2014	2013
Carrying amount at the beginning of the period	21 477,91	23 731,68
Additions	0,00	1 077,30
Depreciations according to plan	-3 290,84	-3 331,07
Carrying amount at the end of the period	18 187,07	21 477,91

Other tangible assets	9 397,22	9 397,22
	9 397,22	9 397,22

Accrued income		
Intrest expenses	1 103,88	0,00
Purchase accruals	17 783,23	12 231,44
Total	18 887,11	12 231,44

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

31.12.2014

NOTES TO THE EQUITY AND LIABILITIES

Specifications to the changes in equity	2014	2013
<i>Restricted equity</i>		
Share capital		
At the beginning of the period	<u>215 500,00</u>	<u>215 500,00</u>
At the end of the period	215 500,00	215 500,00
Share premium		
At the beginning of the period	<u>247 169,13</u>	<u>247 169,13</u>
At the end of the period	247 169,13	247 169,13
Total restricted equity	462 669,13	462 669,13
<i>Non-restricted equity</i>		
Reserve for invested non-restricted equity		
At the beginning of the period	7 495 416,00	7 495 416,00
Additions	5 001 202,80	0,00
Disposals	<u>-118 697,25</u>	<u>0,00</u>
At the end of the period	12 377 921,55	7 495 416,00
Retained earnings	-413 351,69	-1 009 098,32
Profit (loss) for the period	<u>1 406 992,42</u>	<u>595 746,63</u>
Retained earnings	993 640,73	-413 351,69
Total non-restricted equity	13 371 562,28	7 082 064,31
Distributable funds	13 371 562,28	7 082 064,31
Intercompany receivables and payables		
	2014	2013
<i>Non-current loan receivables from group companies</i>		
Other receivables	<u>205 942,03</u>	<u>205 942,03</u>
	205 942,03	205 942,03
<i>Current receivables from group companies</i>		
Trade receivables	0,00	58 280,00
Other receivables	<u>2 022 468,65</u>	<u>14 844,55</u>
	2 022 468,65	73 124,55
<i>Current liabilities to group companies</i>		
Loans	0,00	3 998 412,29
Other payables	<u>3 665 484,05</u>	<u>1 454 445,25</u>
	3 665 484,05	5 452 857,54
<i>Accrued payables</i>		
Holiday accrual	100 739,42	100 046,07
Statutory pension (TYEL) accrual	8 992,33	54 078,73
Other statutory employer payments	4 840,55	3 856,96
Interest expenses	27,95	787,37
Current tax payable	0,00	169 775,07
Other accrued payables	<u>312 339,61</u>	<u>33 962,33</u>
	426 939,86	362 506,53

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

31.12.2014

OFF-BALANCE SHEET COMMITMENTS

Liabilities and related collaterals by balance sheet item and collateral type

Specification of liabilities	2014 Collateral	2013 Collateral
Loans from financial institutions	0,00	3 305 533,30
Drawn bank overdraft	211 169,91	0,00
Undrawn bank overdraft	1 288 830,09	637 000,00
Total	1 500 000,00	3 942 533,30
	Corporate mortgage 5.400.000€	Corporate mortgage 5.400.000€

M-Brain Oy has pledged all shares of M-Brain Insight Oy to Nordea.

M-Brain Oy has eur 2.337.894,96 of lease commitments.

M-Brain compansis introduced in 2013 a cash pool arrangement in Nordea Pankki Suomi Oyj, which also includes the bank overdraft limit mentioned above. The cash balances in the subaccounts of the subsidiaries of M-Brain Oy which are part of the cash pool, which are presented internal loan payables in the parent company balance sheet, are collateralaralised as a general guarantee to cover all current and future liabilities and commitments of the it alone, and together with other parties, is liable against Nordea Pankki Suomi Oyj.

Other commitments

The bond financing of the Group contains covenants tied to additional indebtbnss and financial key figures. The covenants related to key figures are assessed first time as per December 31, 2015.

Lease commitments	2014	2013
Payable within one year	11 686,22	69 437,01
Payable later	29 216,76	131 041,67
Total	40 902,98	200 478,68

Lease commitments related to lease facilities	2014	2013
Payable within one year	99 128,01	30 118,09
Payable later	127 385,59	21 592,82
Total	226 513,60	51 710,91

Other commitments	2014	2013
Paid lease collaterals	4 209,62	4 209,62
Lease guarantee IVG Polar Oy	52 916,28	52 916,28

INFORMATION ON PERSONNEL AND MANAGEMENT COMPENSATION

	2014	2013
Average number of employees	9	11

Remuneration of the Chairman of the Board and Managing Director	248 197,50	211 091,70
---	------------	------------

M-Brain Oy
Company ID 1508015-4

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

Helsinki ___/ ___.2015

Sirpa Ojala
CEO

Kim Nyberg
Chairman

Pirjo Ståhle
Member of the Board

Petri Laine
Member of the Board

Tage Lindberg
Member of the Board

Robert Ingman
Member of the Board

Marjukka Nyberg
Member of the Board

Matti Rusanen
Member of the Board

The Auditor's Note

A report on the audit performed has been issued today.

Helsinki ___/ ___.2015

Deloitte & Touche Oy
Authorized Public Accountants
Hannu Mattila, Authorized Public Accountant

LIST OF BOOKEEPING BOOKS, TYPES OF VOUCHERS AND THEIR STORAGE METHODS

31.12.2014

BOOKKEEPING BOOKS

Balance book and balance specifications	Tied
Charter of accounts	cd-rom
Journal	cd-rom
General ledger	cd-rom
Accounts receivable ledger	cd-rom
Accounts payable ledger	cd-rom

LIST OF TYPES OF VOUCHERS AND THEIR STORAGE METHODS

Type	Numbering starting from	Method of storage
LA Purchase invoices	1	paper and cd-rom
MY Sales invoices	10000	cd-rom
T1 Bank vouchers	30000	paper
Bank statements		cd-rom
PA Salaries	50000	paper
MU Other	60000	paper
JA Accruals	70000	paper