SOLTEQ

Financial statements 2015

Annual general meeting of shareholders

Annual General Meeting of Shareholders will be held on March 16, 2016 at 12 p.m. in Sokos Hotel Ilves, Hatanpään Valtatie 1, Tampere. Each shareholder who latest on March 4, 2016 is registered in the shareholders' register held by Euroclear Finland Oy has the right to participate in the General Meeting.

A shareholder who wants to participate in the General Meeting shall register for the meeting no later than on Monday March 9, 2016 at 4 p.m.by giving a prior notice of participation. Such notice can be given by telephone +358 40 8444 202, by telefax +358 20 1444 222 or by e-mail to katiye.saadetdin@solteq.com.

SOLTEQ'S FINANCIAL REPORTING 2016

- Financial Statements 2015 on Friday February 19, 2016 at 8 am
- Interim Report 1-3/2016 on Thursday April 21, 2016 at 8 am
- Interim Report 1-6/2016 on Friday July 15, 2016 at 8 am
- Interim Report 1-9/2016 on Tuesday October 25, 2016 at 8 am

Stock exchange bulletins 2015

DATE	STOCK EXCHANGE BULLETIN
18.12.2015	SOLTEQ’S FINANCIAL REPORTING 2016
27.11.2015	CHANGE IN THE MANAGEMENT TEAM OF SOLTEQ PLC
26.11.2015	SOLTEQ PLC: DISCLOSURE OF CHANGE IN SHAREHOLDINGS UNDER CHAPTER 9, SECTION 10 OF THE SECURITIES MARKETS ACT
13.11.2015	SOLTEQ PLC: DISCLOSURE OF CHANGE IN SHAREHOLDINGS UNDER CHAPTER 9, SECTION 10 OF THE SECURITIES MARKETS ACT
4.11.2015	PAYING SOLTEQ PLC PREVIOUS BOARD MEMBERS´FEES IN THE FORM OF SHARES HELD BY THE COMPANY
30.10.2015	SOLTEQ PLC INTERIM REPORT 1.1.-30.9.2015 (IFRS)
19.10.2015	DECISIONS BY THE EXTRAORDINARY GENERAL MEETING OF SOLTEQ PLC
1.10.2015	NEW MANAGEMENT TEAM AND SEGMENTS
28.9.2015	SOLTEQ PLC: SOLTEQ PLC’S REGISTRATION DOCUMENT AND SECURITIES NOTES APPROVED
24.9.2015	NOTICE TO THE GENERAL MEETING
23.9.2015	SOLTEQ PLC: EXTRAORDINARY GENERAL MEETING PROPOSED BY SHAREHOLDERS
8.9.2015	SOLTEQ TO SIMPLIFY ITS GROUP STRUCTURE
12.8.2015	SOLTEQ TO TERMINATE LIQUITY PROVIDING AGREEMENT
17.7.2015	SOLTEQ PLC’S FINANCIAL INTERIM REPORT 1.1.-30.6.2015 (IFRS)
17.7.2015	CHANGE IN THE PUBLISHING DAY FOR SOLTEQ PLC'S INTERIM REPORT JANUARY-SEPTEMBER 2015
6.7.2015	SOLTEQ PLC: DISCLOSURE OF CHANGE IN SHAREHOLDINGS UNDER CHAPTER 9, SECTION 10 OF THE SECURITIES MARKETS ACT
6.7.2015	SOLTEQ PLC: DISCLOSURE OF CHANGE IN SHAREHOLDINGS UNDER CHAPTER 9, SECTION 10 OF THE SECURITIES MARKETS ACT
6.7.2015	SOLTEQ PLC: DISCLOSURE OF CHANGE IN SHAREHOLDINGS UNDER CHAPTER 9, SECTION 10 OF THE SECURITIES MARKETS ACT
3.7.2015	SOLTEQ PLC: ANNOUNCEMENT ACCORDING TO SECURITY MARKETS ACT, CHAPTER 9, SECTION 10
3.7.2015	DISCLOSURE OF CHANGE IN SHAREHOLDINGS UNDER CHAPTER 9, SECTION 10 OF THE SECURITIES MARKETS ACT
3.7.2015	THE NEW SHARES SUBSCRIBED IN SOLTEQ PLC'S DIRECTED SHARE ISSUE HAVE BEEN REGISTERED WITH THE TRADE REGISTER
2.7.2015	OLTEQ PLC: COMPLETION OF THE PURCHASE OF DESCOM GROUP OY'S STOCK CAPITAL AND CAPITAL LOANS, DIRECTED SHARE ISSUE
24.6.2015	SOLTEQ ISSUES A 27 MILLION EURO BOND
22.6.2015	SOLTEQ PLANS TO ISSUE A BOND AND PRESENTS PROVISIONAL PRO FORMA FINANCIAL AND OTHER INFORMATION RELATING TO THE ACQUISITION OF DESCOM GROUP
18.6.2015	SOLTEQ PLC: ANNOUNCEMENT ACCORDING TO SECURITY MARKETS ACT, CHAPTER 9, SECTION 5
17.6.2015	SOLTEQ AND DESCOM GROUP TO CREATE A PROVIDER FOR INTEGRATED DIGITAL COMMERCE SERVICES
24.4.2015	SOLTEQ PLC’S FINANCIAL INTERIM REPORT 1.1.-31.3.2015 (IFRS)
13.4.2015	SOLTEQ PLC: ANNOUNCEMENT ACCORDING TO SECURITY MARKETS ACT, CHAPTER 9, SECTION 10
19.3.2015	SOLTEQ PLC: ANNOUNCEMENT ACCORDING TO SECURITY MARKETS ACT, CHAPTER 9, SECTION 10
19.3.2015	SOLTEQ TO PURCHASE THE CAPITAL STOCKS OF ITS MANAGEMENT TEAM'S HOLDING COMPANIES - SHARE-BASED INCENTIVE SCHEME DISSOLVED
16.3.2015	DECISIONS BY THE ANNUAL GENERAL MEETING OF SOLTEQ PLC
9.3.2015	PAYING SOLTEQ OYJ BOARD MEMBERS´FEES IN THE FORM OF SHARES HELD BY THE COMPANY
13.2.2015	Solteq Plc’s Financial Statements has been published
13.2.2015	NOTICE TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
13.2.2015	SOLTEQ PLC’S FINANCIAL STATEMENTS BULLETIN 1.1.-31.12.2014 (IFRS)

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Report of the board of directors

BUSINESS ENVIRONMENT AND BUSINESS DEVELOPMENT

Solteq is a visionary expert in omnichannel and digital commerce. We offer partnership in supply management, store solutions and e-commerce. Solteq offers its clients superior know-how in commerce, services and industry.

Solteq Plc's reported segments are Grocery and special retail, HoReCa; Wholesale, Logistics and Services and Enterprise resource planning of services. The totally owned subsidiary Descom Group Ltd, acquired on 2 July 2015, is presented as one segment.

As from January 1 2016 Solteq Group's business is divided into two segments: Customer Solutions and Digital Solutions. The new business segment structure was adopted as part of the company's organisational restructuring which reflects growth as service house in digital commerce.

Solteq's Digital Solutions Segment offers its clients the following:

- Services and consultation related to digital commerce and supply chain management
- Digital marketing and analytics services
- Customer experience planning and implementation services
- Master data and master data integration services
- Customised continuous service packages

Solteq's Customer Solutions Segment offers its clients the following:

- Integrated total solutions related to logistics, store operations, restaurant operations, customer service, payments and management of loyal customer relationships to enhance business operations
- ERP and financial management systems and related optimisation, integration and application management services and reporting solutions.

Due to the nature of its business, Enterprise Asset & Service Business Management Segment, previously reported as its own segment, is now part of the Customer Solutions segment.

Segmentation reflects our customers' demand on different sectors of the services provided.

Solteq's turnover totalled 54.215 thousand euros in which contains increase of 32,5 per cent compared to corresponding period in 2014. Solteq's operating profit before non-recurring items related to the acquisition and integration process increased to 2.990 thousand euros from 2.490 thousand euros that was the operating result in the corresponding period 2014. The company's operating margin was 2,4 % (6,1 % in 2014). Non-recurring costs related to the acquisition and integration were 1.702 thousand euros and the operating profit including the non-recurring costs was 1.288 thousand euros (2.490 thousand euros), decrease 48,3 %.

Profit guidance 2016

Solteq Group's turnover is expected to grow significantly compared to financial year 2015. The operating result before non-recurring is expected to grow compared to financial year 2015.

The expected growth of revenue and operating profit is mainly related to the company acquisition completed in the middle of the review period. In addition the cost synergies arising from the integration work are expected to be realized during the year 2016.

Grocery and Special Retail, HoReCa

Solteq's Grocery and Special Retail Segment provides its clients with total solutions that they can utilise to improve efficiency in terms of logistics, store operations, customer service, point of sale operations, as well as loyal customer management.

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

During the review period the revenue of the Grocery and Special Retail segment totalled 19,3 million euros (20,5 million euros) and the operating result was 0,9 million euros (1,2 million euros).

The decrease in the net sales was mainly due to postponements in decision-making schedules in the early part of the review period. Towards the end of the review period, a large number of the projects were already underway. The result for the review period is affected by delays in schedules of customer projects.

Wholesale, Logistics and Services

Solteq's Wholesale, Logistics and Services Segment provides its clients with ERP and financial management systems, as well as optimisation, integration and reporting solutions that support these systems. Solteq's solutions help clients manage their operations and enhance purchases, sales, stock management and reporting. The systems can be utilised to improve delivery reliability, reduce storage value, increase stock turnover and enhance predictability. Materials flow management ensures that the right goods reach the right customers at the right time, packed in an optimal manner.

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

During the review period the revenue of the Wholesale, Logistics and Services segment totalled 12,0 million euros (15,4 million euros) and the operating result was 0,8 million euros (0,6 million euros).

The development of the revenue was due to the slowness in decision making related to trading of the significant customer projects. In addition the human resources of the segment were focused on the completion of the projects underway. The improvement in the operating result was mainly due to the development of the cost structure and improved resource utilisation.

Enterprise Asset & Service Business Management

Solteq's Enterprise Asset & Service Business Management Segment provides its clients with ERP and master data management solutions.

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

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

During the review period the revenue of the Enterprise Asset & Service Business Management segment totalled 4,9 million euros (5,0 million euros) and the operating result was 0,3 million euros (0,7 million euros).

Unlike other segments, the main business of the segment is based on the development, supply and marketing of the segment's own software products. Owing to the nature of its business, the segment is, however, more dependable on the new investments of the client industries than the other segments.

The growth and profitability of the operations will be improved by developing products that meet the needs of the client segments better and by looking for new markets and channels. The incorporation of the business of the segment at the turn of the year will allow the development of a product area specific, specialised strategy during 2015.

Descom

The segment includes the business of the Descom Group, acquired July 2, 2015. Solteq Plc has issued three stock exchange releases regarding the acquisition (17.6.2015, 22.6.2015 and 2.7.2015). The figures of the Descom Group have been included in Solteq Plc's figures as of 2.7.2015.

The main operations of the Descom segment focus on solutions for omnichannel commerce and the improvement of clients' digital marketing. Descom Group consists of the parent group Descom Group Oy and the subsidiary, Descom Oy, which includes the group's business in Finland as well as foreign subsidiaries in Sweden, Poland and Denmark.

In the omnichannel commerce area we provide omnichannel online and physical store sales systems as well as order and product information management solutions. The aim of omnichannel commerce is not only to combine brick-and-mortar with digital channels, but to create a totally new business and different ways to attend to the customer.

In the core Descom's digital marketing services are search engine optimization and marketing, conversion optimization as well as analytics and customer experience. Our digital marketing services help clients improve the findability of their website and gather and use customer data and analytics to make their online shopping basket bigger, among other things.

In addition, Descom offers its clients applications development, integration and maintenance services.

The revenue of the Descom segment on the period of 2.7.-31.12.2015 was 18,1 million euros, of which 2,8 million was made in the Swedish subsidiary. The operating profit of the segment was 1,1 million euros.

Integration

The integration work related to the acquisition of Descom was finished according to the original plans. The operational merger was finished by the end of the year and the implementation of the legal mergers were entered into Finnish Trade register on 1 January 2016.

The integration work was targeting to annual cost savings of 2 million euros. Savings were carried out by rationalizing the structures in administration, manager and support organizations, by centralizing and accelerating the basic purchases and by merging our office premises in Helsinki and Tampere during the first half year in 2016. The co-operation negotiations related to personnel changes were concluded on 20 November 2015 and all arrangements concerning the personnel changes are concluded as well.

Strategic outlines of the new merged company

Solteq has announced the strategic outlines of the new merged company in the interim report 1.1.-30.9.2015.

Preparing of strategy and strategy work has continued and will continue during the ongoing winter. The company will publish a separate stock exchange bulletin concerning the results of the strategy work in the spring 2016.

REVENUE AND RESULT

Revenue increased by 32,5 % compared to the previous year and totalled 54.215 thousand euros (previous financial year 40.933 thousand euros). Revenue consists of several individual customerships. At the most, one client corresponds to less than ten percentages of the revenue.
Solteq's operating profit decreased by 48,3 percent and was 1.288 thousand euros (2.490 thousand euros). Result before taxes was 305 thousand euros (2.313 thousand euros) and the result for the financial year was 102 thousand euros (1.893 thousand euros).

The figures of the financial year include 820 thousand euros non-recurring consulting and arrangement costs related to the acquisition of Descom Group Oy and 882 thousand euros non-recurring costs related to the employments that ended as a part of the integration process. Non-recurring costs are presented in personnel expenses and in other expenses for the financial period.

BALANCE SHEET AND FINANCING

The total assets amounted to 64.251 thousand euros (25.038 thousand euros). Liquid assets totalled 2.619 thousand euros (2.530 thousand euros). In addition to liquid assets, the company has unused bank account limits amounting to a total of 1.810 thousand euros in the end of the financial year and in addition the company has an unused standby credit limit amounting to a total of 4.000 thousand euros.

The Group's interest-bearing liabilities were 28.410 thousand euros (4.437 thousand euros).

Solteq Group's equity ratio was 24,4 per cent (48,0 per cent).

The financing methods used in the acquisition of the subgroup Descom Group (Descom) on 2 July 2015 changed significantly Solteq Group's balance sheet and financing structure. Information on the acquisition is presented in note 2 Business combinations.

On 1 July 2015 Solteq Plc (Solteq) issued an unsecured bond of 27 million euros which was used as the cash contribution payable as part of the purchase price for the entire share capital of Descom Group Oy (Descom) and the purchase of the capital loans of Descom and to refinance of the existing bank loans and other financial indebtedness of the groups of Solteq and Descom.

The bond carries a fixed annual interest of 6 per cent and its maturity is five years. The financial covenants concerning the distribution of funds and incurring financial indebtedness other than permitted in the terms of the Bond (Incurrence Covenant) require that at any agreed review date, the Equity Ratio exceeds 27.5 per cent, the Interest Coverage Ratio (EBITDA / net interest cost) exceeds 3.00:1 and that the Group's Net Interest Bearing Debt to EBITDA ratio does not exceed 3.50:1.

Upon completion of purchase of share capital approx. 4.6 million euro of purchase price of Descom Group was paid with Solteq's new shares based on a directed share issue to be paid by contribution in kind which was directed to to the shareholders of Descom Group. A total of 2,799,998 new shares of Solteq Plc were issued at a subscription price of EUR 1,65 per share which was determined based on volume-weighted average price of the shares during the period of May 4, 2015 – June 3, 2015. More information on the acquisition of Descom and the financing arrangements (e.g. prospectus, terms of the bond and the stock exchange bulletins concerning the acquisition) are available on company's website.

INVESTMENTS RESEARCH AND DEVELOPMENT

Gross investment during the review period was 23.259 thousand euros (958 thousand euros). 222 thousand euros of the gross investments of the financial period are mainly replacement investments and 23.037 thousand euros were related to the company acquisition. Investments in the reference year are mainly replacement investments.

Research and development

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

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

PERSONNEL

The number of permanent employees at the end of the review period was 500 (279). In the end of the review period the number of personnel could be divided as follows: Grocery and special retail, HoReCa segment: 97 people; Wholesale, Logistics and Services: 76 people; Enterprise Asset & Service Business Management; 41 people, Descom 211 people and 75 people in shared functions.

The key figures for Group's personnel:

Average number of the personnel during the review period	2015	2014	2013
	391	281	287

Employee benefit expenses (1,000 €)	2015	2014	2013
	21,484	15,234	15,850

RELATED PARTY TRANSACTIONS

Solteq's related parties include the board of directors, managing director, the management team. Information on related party transactions and the amounts are presented in note 28 Related party transactions.

SHARES, SHAREHOLDERS AND TREASURY SHARES

Solteq Plc's equity on 31.12.2015 was 1.009.154,17 euros which was represented by 17.798.059 shares. The shares have no nominal value. All shares have an equal entitlement to dividends and company assets. Shares are governed by a redemption clause.

At the end of the review period, the amount of treasury shares in Solteq was 825.881 shares. The amount of treasury shares represented 4,6 % of the total amount of shares and votes at the end of the review period. The equivalent value of acquired shares was 46.828 euros.

During the review period, thirteen flagging announcements were made. On March 19, 2015 Solteq Plc announced that the company would dissolve the share-based incentive scheme by purchasing the capital stocks of the Management Team's holding companies. The arrangement was implemented on 13 April 2015 and it led to a change in ownership, in which Solteq Plc and its subsidiaries hold more than 5% of Solteq Plc shares and votes.

On June 18, 2015 Solteq Plc received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act from Sentica Buyout III GP Oy ja Sentica Buyout III Ky. According to the notification Sentica Buyout III Ky and Sentica Buyout III Co-Investment Ky are parties to an agreement or other arrangement which, if completed, would cause the direct holdings of Sentica Buyout III Ky of the shares and voting rights in Solteq Plc to exceed the 5 per cent threshold. According to the notification, Sentica Buyout III GP Oy's indirect holding through the above mentioned companies of the shares and voting rights in Solteq Plc would at the same time exceed the 5 per cent threshold. The only general partner of Sentica Buyout III Ky and Sentica Buyout III Co-Investment Ky is Sentica Buyout III GP Oy. Sentica Buyout III GP Oy exercises the power of decision in the companies. The investment management functions of both the funds have been transferred to Sentica Partners Oy based on a separate investment management agreement. The change in the holdings results from an issue of new shares in Solteq Plc directed to Sentica Buyout III Ky and Sentica Buyout III Co-Investment Ky where Descom Group's shares will be transferred against the new shares of Solteq Plc based on the share purchase agreement signed on June 17, 2015 between Solteq Plc and the shareholders of Descom Group Oy regarding all the shares in Descom Group Oy. The arrangement was executed on July 2 2015 and Solteq Plc received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act concerning the changes in ownership caused by the arrangement on July 3 2015. According to the notification the direct holdings of Sentica Buyout III Ky of the shares and voting rights in Solteq Plc to exceed the 5 per cent threshold. According to the notification, Sentica Buyout III GP Oy's indirect holding through Sentica Buyout III Ky and Sentica Buyout III Co-Investment Ky of the shares and voting rights in Solteq Plc exceeds the 5% threshold.

On July 3, 2015 Solteq Plc received four notifications pursuant to Chapter 9, Section 5 of the Securities Markets Act related to the registration of the Solteq's new shares to trade register on July 3 2015. Due to the arrangement Ali U. Saadetdin's holdings and proportion of voting rights of Solteq Plc has fallen under the 20% threshold, Seppo Aalto's holdings and proportion of voting rights of Solteq Plc has fallen under the 10% threshold, Profiz Business Solution Corp.'s (Company ID number 0830732-2) holdings and proportion of voting rights of Solteq Plc has fallen under the 10% threshold and the share of ownership of holdings and proportion of voting rights of Solteq Plc controlled by the company has fallen under the 5% threshold.

On July 6 Solteq Plc received three notifications pursuant to Chapter 9, Section 5 of the Securities Markets Act. Due to disposal of shares on July 3 2015 Ali U. Saadetdin's holdings and proportion of voting rights of Solteq Plc has fallen under the 10% threshold. In addition due to disposal of shares on July 3 2015 Seppo Aalto's holdings and proportion of voting rights of Solteq Plc has fallen under the 5% threshold. Due to the acquisition of shares on July 3 2015 Sentica Buyout III Ky's share of ownership of shares and voting rights of Solteq Plc exceeded the 25% threshold on 3 July 2015 due to acquisition of shares and Sentica Buyout III GP Oy's indirect holding through Sentica Buyout III Ky and Sentica Buyout III Co-Investment Ky of the shares and voting rights in Solteq Plc exceeded the 25% threshold due to the acquisition.

On November 13, 2015 Solteq Plc received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act from Keskinäinen Työeläkevakuutusyhtiö Varma (Varma). According to the notification of major shareholding, Varma's holdings and proportion of voting rights of Solteq Plc has exceeded the 5% threshold on 13 November 2015 due to acquisition of shares. Before the acquisition Varma held 644.917 Solteq shares. After the acquisition Varma holds 1.050.697 Solteq shares which represent 5.90 per cent of all of the company's shares and votes.

On November 26, 2015 Solteq Plc received a notification based on chapter 9 section 5 of the Securities Market Act from Profiz Business

Solution Plc (Profiz). According to the notification of major shareholding, Profiz's holdings and proportion of voting rights of Solteq Plc has exceeded the 10% threshold on 26 November 2015 due to acquisition of shares. Before the acquisition Profiz held 1.756.180 Solteq shares. After the acquisition Profiz holds 1.781.790 Solteq shares which represent 10,01 per cent of all of the company's shares and votes.

Exchange and rate

During the financial year, the exchange of Solteq's shares in the Helsinki Stock Exchange was 5,0 million shares (0,8 million shares) and 11,5 million euros (1,2 million euros). Highest rate during the financial year was 1,97 euros and lowest rate 1,32 euros. Weighted average rate of the share was 1,71 euros and end rate 1,78 euros. The market value of the company's shares in the end of the financial year totalled 31,7 million euros (19,9 million euros).

Ownership

In the end of the financial year, Solteq had a total of 1.911 shareholders (1.689 shareholders). Solteq's 10 largest shareholders owned 13.377 thousand shares i.e. they owned 75,2 per cent of the company's shares and votes. Solteq Plc's members of the board own 15 thousand shares on 31 December 2015 (5.574 thousand shares 31 December 2014).

ANNUAL GENERAL MEETING

At Solteq Plc's Annual General Meeting on 16 March 2015 the 2014 financial statements were adopted and the members of the board and the managing director were discharged from liability for the 2014 financial period.

In the meeting was accepted the proposal by the board that for the financial year 2014, there will be paid a dividend of 0.03 euros per each share on the market. In addition to this, the annual general meeting authorized the board to decide, in accordance with the Finnish Companies Act 13 chapter 6§ 2 paragraph, on a distribution of dividend, or other distribution of funds from the equity trust, for an amount of maximum 0.05 euros. The board is also allowed to decide on the timing and other details of this. The authorization is valid until the beginning of the next Annual General Meeting.

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

The Annual General Meeting authorized the Board of Directors to give new shares or convey company's own shares. The authorization would be executed by one or more share issues, maximum total amount being 5.000.000 shares. The authorization includes a right to deviate from the shareholders' pre-emptive right of subscription. The authorization includes that the Board of Directors may decide the terms and other matters concerning the share issue. The authorization is effective until the next Annual General Meeting.

BOARD OF DIRECTORS AND AUDITORS

At Solteq Plc's Annual General Meeting on 16 March 2015, seven members were elected to the Board of Directors. Ali Saadetdin, Seppo Aalto, Markku Pietilä, Sirpa Sara-aho, Jukka Sonninen, Matti Roininen and Olli Välimäki. The Board elected Ali Saadetdin to act as the Chairman of the Board.

The General Meeting held on 19 October 2015 decided that The Board of Directors includes six (6) members for the term of office that expires at the end of the first Annual General Meeting of Shareholders. The General Meeting decided that Aarne Aktan, Eeva Grannenfelt, Kirsi Harra-Vauhkonen, Markku Pietilä, Mika Uotila and Olli Väätäinen are elected as Board members.

In the Board meeting, held after the Annual General Meeting, Mika Uotila was elected as the Chairman of the Board.

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

EVENTS AFTER THE REVIEW PERIOD

After the review period the implementation of the subsidiary mergers were entered into Finnish Trade register on 1 January 2016. The mergers were executed according to the merger plans announced on 8 September 2015. Descom Ltd, totally owned by Descom Group Ltd merged with Descom Group Ltd and Descom Group Ltd, totally owned by Solteq Plc, merged with Solteq Plc.

RISKS AND UNCERTAINTIES

The key uncertainties and risks in short term are related to the management of changes in financing and balance sheet structures, the timing and pricing of business deals that are the basis for revenue, changes in the level of costs and the company's ability to manage extensive contract agreements and deliveries.

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

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

At the end of the financial period 2015, the distributable equity of the Group's parent company is 12,824,317.24 euros.

The Solteq Plc Board proposes to the Annual General Meeting that no dividend will be paid from the financial period 2015.

The Board consideres that there are no proper economic conditions for dividend distribution or other distribution of funds. According to the terms and conditions of the bond and with current equity ratio, the distribution of funds would lead to the realization of maturity conditions of the bond.

No essential changes have taken place in the company's financial situation after the end of the financial period.

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement has been composed in accordance with Recommendation 54 of the new Corporate Governance Code (2010) and Chapter 7, Section 7 of the Finnish Securities Market Act.

General principles

Solteq Corporation is a public limited company registered in Finland and its head office is located in Tampere, Finland. Solteq Group consisted of the parent company Solteq Plc and its six Finnish and four foreign subsidiaries until December 31 2015. Subsidiaries Solteq Management Oy and Solteq Management Team Oy were merged to the parent company on December 31 2015 and Descom Group Oy was merged to the parent company on January 1 2016. After the mergers Solteq Group consists of the parent company Solteq Plc and its four Finnish subsidiaries and four foreign subsidiaries.

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

Solteq complies with the Finnish Corporate Governance Code (2010) published by the Securities Market Association with the exception that Solteq's Board of Directors does not have separate committees as the extent of the company's operations and the size of the Board of Directors do not require matters to be prepared by a body smaller than the entire Board of Directors

Tasks and responsibilities of bodies

The General Meeting of Shareholders, Board of Directors and CEO are in charge of the management of Solteq Group and their tasks are determined as specified by the Finnish Companies Act. The CEO is in charge of Group-level operative activity, assisted by the group's Executive Team.

General Meeting

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

The Annual General Meeting each year resolves the following matters:

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

Board of directors

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

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

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

- give instructions and orders for proper organization of management and functions
- appoint CEO and supervise CEO's actions,
- within the limits of the company's business, make decisions on all abnormal or significant issues in respect to the company's extent and quality of present operations,
- represent the company,
- give procuration by the Articles of Association
- act as an plaintiff or defendant on behalf of the company and make decisions of any compensation claims to be made,
- assume responsibility for company's operations, result and development,
- prepare subjects to the General Meeting,
- execute decisions made in the General Meeting,
- reinforce long term strategy,
- approve budget,
- decide on development of investment and significant single investments,
- decide on company and real estate purchases, decide on significant expansion of the business and decide on equity based investments,
- strengthen the Group's policy of controlling the financial risks,
- approve the principles for salaries and other

benefits paid to personnel,
- take care of all the duties defined in the Finnish Companies Act, Articles of Association or any other specification that involves the company and are not instructed to other bodies.

In accordance with the Articles of Association, the Solteq Board of Directors has a minimum of five and a maximum of seven regular members. The Board members are elected by the Annual General Meeting for one term of office at a time. The term of office begins at the end of the General Meeting that elected the Board and expires at the end of the first Annual General Meeting of Shareholders following the election. The Articles of Association place no restrictions on the power of the General Meeting to elect members for the Board of Directors. The Board of Directors elects a Chair from its members and the Board of Directors is deemed to have a quorum present when half of its members are present. In addition to matters to be resolved, the Board of Directors is given real-time information on the operation, financial standing and risks of the group in the meeting. The Board of Directors convenes 12 to 14 times a year according to an agreed schedule, in addition to which the Board of Directors convenes when necessary. Minutes are kept for all meetings.

The Annual General Meeting 2015 elected seven members to the Solteq Board of Directors: Ali Saadetdin (Chair), Seppo Aalto, Markku Pietilä, Sirpa Sara-aho, Jukka Sonninen, Matti Roininen and Olli Välimäki. From the Board of Directors independent members are Sara-aho, Pietilä, Sonninen, Roininen and Välimäki. In addition Sara-aho, Sonninen and Välimäki are independent from significant stock owners. The Extraordinary General Meeting hel on October 19 2015 decided that The Board of Directors includes six (6) members for the term of office that expires at the end of the first Annual General Meeting of Shareholders. The General Meeting decided that Aarne Aktan, Eeva Grannenfelt, Kirsi Harra-Vauhkonen, Markku Pietilä, Mika Uotila and Olli Väätäinen are elected as Board members.

The Board of Directors convened 22 times and participation percentage was 96 %.

CEO

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

Repe Harmanen acted as the CEO of the company in 2015.

Executive team

The Executive Team assists the CEO in the operative management of the Company, prepares matters handled by the Board and the CEO as well as plans and monitors the operations of the business units. The Executive Team convenes regularly monthly. The CEO acts as a chairman of the Executive Team.

Members of the Executive Team from January 1. 2015 to September 30.2015 were Repe Harmanen (Chairman of the Executive Team), Joni Henkola (sales), Kai Hinno (Continuity Services), Tiina Honkiniemi (Grocery and special retail, HoReCa), Mari Kuha (HR), Antti Kärkkäinen (Finance), Petri Lindholm (Wholesale, Logistics and Services), Matti Saastamoinen (Enterprise Asset & Service Business Management), Mikko Sairanen (Legal and Contractual matters) and Riina Tervaoja (Project Services).

As a part of the integration process of Solteq Plc and its subgroup Descom Group the new Executive Team was elected on October 1 2015. Members of the Management team that focuses on operative issues of Solteq Group were Repe Harmanen (CEO), Tiina Honkiniemi (Grocery and Special Retail; HoReCa and Wholesale, Logistics and Services –segments), Harri Ilvonen (operations of Descom Group), Antti Kärkkäinen (CFO), Konsta Saarela (International accounts) and Riina Tervaoja (projects) from October 1 2015 to December 31 2015.

Joni Henkola acted as a VP, Sales and Virpi Hyytiä acted as a VP, Accounts until November 27 2015. Timo Rantanen was appointed as VP Sales and Accounts from November 27 2015.

In addition to above mentioned the members of extended management team are Kirsi Jalasaho (VP, IR and Marketing), Mari Kuha (VP, HR and culture) and Juha Luomala (VP, Services Development). Extended management team focuses on developing the operations of Solteq Group with longer time perspective.

Internal audit

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

External audit

Solteq Corporation has one auditor and if the auditor is not a firm accredited by the Central Chamber of Commerce (Authorized Public Accountants), the company has additionally one deputy auditor. The auditors are elected until further notice. The primary function of audit is to verify that the Financial Statements give accurate and adequate information about Solteq Corporation's result and financial position for the financial period. In addition the Auditors report to the Board of Directors on the ongoing auditing of administration and operations.

In 2015 Solteq's auditor was KPMG Oy Ab, Authorized Public Accountants, with Lotta Nurminen, APA as the auditor in charge.

Compensation

Management of compensation

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

Board of Directors

The General Meeting decides on the remuneration paid to the Board of Directors and auditors. The Annual General Meeting resolved on March 16, 2015 to compensate the members of the Board according to the following:

- Members EUR 15,000 per year
- Chairman EUR 4,000 per month
- Share incentive of 5.000 company's shares

The Extraordinary General Meeting held on October 19 2015 decided that a 7,500 euros remuneration will be paid to the Chairman of the Board and to each Board Member for the term of office that expires at the end of the first Annual General Meeting of Shareholders.

According to share register maintained by Euroclear Finland Ltd, members of the Board held 15,000 shares of Solteq Corporation at December 31, 2015.

Chairman of the board

The salary of the Chairman of the Board Ali Saadetdin (chairman of the board until 30 September 2015) was 80,533.01 EUR in 2015. The salary of the Chairman of the Board Mika Uotila (chairman of the board from 1 October 2015) was 7,500.00 EUR in 2015. The Chairman of Board is not included in the bonus program of the company.

According to share register maintained by Euroclear Finland Ltd, Chairman of the Board Mika Uotila does not hold shares of Solteq Corporation at December 31, 2015.

Toimitusjohtaja

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

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

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

In the financial year 2015 the CEO Repe Harmanen's total salary, including benefits, totaled 390.454,20 EUR.

Executive team

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

Shares in executive team

According to the share register maintained by Euroclear Finland Ltd, CEO Repe Harmanen did not directly hold shares in Solteq Corporation on December 31, 2015. Other members of the Executive Team held directly 42 608 shares altogether.

In March 2011, Solteq's senior management (CEO and CFO) established a limited liability company called Solteq Management Oy, and in July 2012 the rest of Solteq's Management Team established a limited liability company called Solteq Management Team Oy. The companies held a total of 750,000 shares in Solteq Plc. The incentive scheme was dissolved on March 19 2015 when Solteq Plc purchased the capital stocks of the Management Team's holding companies Solteq Management Oy and Solteq Management Team Oy from their shareholders. Solteq Management Oy ja Solteq Management Team Oy were merged to Solteq Plc on December 31 2015.

Internal control and risk management systems associated with financial reporting

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

Risk management system

The Group's risk management is guided by legal requirements, business requirements set by the owners of the company as well as the expectations of the other important stakeholders. The goal of risk management is to identify and acknowledge the risks involved in the company's operations as well as to make sure that the risks are appropriately managed when making business decisions. The company's risk management supports the attainment of strategic goals and ensures the continuity of business operations.

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

In 2015 to the Board of Directors has been reported material risks concerning Company's financial result in the uncertain general financial situation, risks in projects, credit and finance risks and valuation of immaterial assets in the balance sheet.

Control environment

The goal of Solteq's internal control is to support the implementation of the Group strategy and ensure compliance with regulations. The system is based on Group-level policies, guidelines and processes and controls of business operations and support processes. The operating culture is being built by the steering and control of the company's operations by the Board of Directors, the management methods of the company's management, the company's organizational structure and management system, effective utilization of global information system as well as the employees' competence.

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

Risk assessment in financial reporting

The aim of financial reporting is to ensure that assets and liabilities belong to the company; all rights and liabilities of the company are presented in the financial statements; items in the financial statements have been classified, disclosed and described correctly;

assets, liabilities, income and expenditure are entered in the financial statements at the correct amounts; all the transactions during the reporting period are included in the accounts; transactions entered in the accounts are factual transactions; and that the assets have been secured. The risk management process includes an annual identification and analysis of risks related to financial reporting. In addition, the aim is to analyze and report all new risks immediately after they have been identified. Taking into account the quality and extent of the Group's business operations, the most significant risks associated with the reliability of financial reporting are associated with revenue recognition, processing of bad debt reservation, capitalization of product development expenses, impairment testing of assets (including goodwill, capitalized product development expenses and unfinished projects) and deferred tax.

Control functions

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

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

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

Communication and information

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

Monitoring

Monitoring refers to the process to assess Solteq's internal control system and its performance. Solteq also continuously monitors its operations through various assessments, such as internal audits and external audits. Solteq's management monitors internal control as a part of routine management work. The business management is responsible for ensuring that all operations comply with applicable laws and regulations. The financial department monitors the compliance of the financial reporting process and control. The financial department also monitors the correctness of external and internal financial reporting. The Board of Directors assesses and ensures the appropriateness and effectiveness of Solteq's internal control and risk management. Solteq's internal control is also assessed by the company's Auditor. The external auditor verifies the correctness of external annual financial reporting. Performed as part of continuous auditing process, auditing targets on typical controls that ensure the correctness of financial reporting. The most significant observations and recommendations of the audit process according to the auditing plan are reported to the Board of Directors.

Insider administration

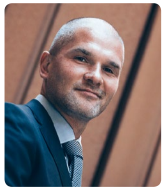
Solteq's insider guidelines comply with the NASDAQ OMX Helsinki Guidelines for Insiders effective as of December 1, 2015. The insider guidelines forbid insiders, including persons under their guardianship and companies where they exercise control, to trade in shares or option rights of the company for a period of two weeks prior to the publication of an interim report or a financial statements bulletin (the so-called closed window).

By law, the Company's public insiders include members of the Board, CEO, Executive Team, auditors and the auditor in charge of the company of public accountants. In addition, the Company has a company-specific insider register that includes those who regularly receive insider information in their work. Persons who are involved in acquisitions or other projects that have an effect on the valuation of the company's shares, are considered project-specific insiders and are subject to a temporary trading suspension. The Company CFO is in charge of the guidance and supervision of insider issues and also maintains the project-specific insider registers if necessary and permanent insiders register. The insider register of Solteq Corporation is maintained by Euroclear Finland Ltd (previously the Finnish Central Securities Depository Ltd.). The up-to-date shareholdings of the insiders can be seen in Euroclear Finland Ltd's customer service point in Helsinki, Finland, address Urho Kekkosen katu 5 C. The company also maintains a list of insiders on its website.

SOLTEQ'S BOARD OF DIRECTORS 31.12.2015

Mika Uotila
Chairman of the Board of Directors

Born in 1971
Education: M.Sc. (Econ.)
Member of the Board of Directors since 19 October 2015
Main Occupation: Managing Partner, Sentica Partners Oy
Career history: Senior management positions, Sentica Partners Oy, Sentio Invest Oy and Sonera Oy
Key positions of trust: Chairman of the Board, Pihlajalinna Oyj; Board chairmanships and memberships in companies administered by Sentica Partners Oy



Aarne Aktan

Born in 1973
Education: B.Sc. (Econ.)
Member of the Board of Directors since 19 October 2015
Main occupation: CEO, Talentum Oyj
Career history: CEO, Quartal Oy; Account Manager, Kauppamainos Bozell Oy
Key positions of trust: Chairman of the Board, Trainer's House Oyj; Member of the Board, Pihlajalinna Oyj; Member of the Board, Quartal Oy; Member of the Board, Kuiri Mobile Oy.

Eeva Grannenfelt

Born in 1958
Education: M.Sc. (Econ.), CFEA
Member of the Board of Directors since 19 October 2015
Main Occupation: Independent Financial Industry Professional, SME and Growth Company Financial Consulting
Career history: Thirty-five years' senior management experience in banking and mutual insurance company investments, latest Mutual Insurance Company Elo
Key positions of trust: Member of the Board, Aina Group Oyj; Member of the Board, Nanten Oy; Member of the Board, Fountain Park Oy

Kirsi Harra-Vauhkonen

Born in 1967
Education: M.Sc. (Econ.)
Member of the Board of Directors since 19 October 2015
Main Occupation: Managing Director, CEO, Sanoma Pro Oy
Career history: Industry Head (retail, branded goods and technology industries), Google; Senior management positions, Nokia Oyj
Key positions of trust: Member of the Board, Finnish Book Publishers Association; Member of the Board, Federation of the Finnish Media Industry

Markku Pietilä

Born in 1957
Education: M.Sc. (Tech.), MBA
Member of the Board of Directors since 28 March 2008
Main Occupation: Professional Board Member
Career history: CEO, Profiz Business Solution Oyj; Senior management positions, Componenta Oyj
Key positions of trust: Chairman of the Board, Profiz Business Solution Oyj, Several Board memberships in e.g. motor sports organisations

Olli Väätäinen

Born in 1966
Education: M.Sc. (Econ.)
Member of the Board of Directors since 19 October 2015
Main Occupation: COO, Kotipizza Group Oyj
Career history: Industrial Advisor, Sentica Partners; Chairman of the Board, atBusiness Oy; Chairman of the Board, Descom Oy; Member of the Board, FrankisGroup Oyj (at present Kotipizza Group Oyj
Key positions of trust: Member of the Board, Silta Oy; Chairman of the Board, Sofia Digital Oy

SOLTEQ'S EXECUTIVE TEAM 31.12.2015

Members of the Management team that focuses on operative issues of Solteq Group are:

Repe Harmanen

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

Tiina Honkiniemi

Born in 1966
Education: Vocational Qualification in Business Information Technology; Diploma in Marketing (Institute of Marketing)
Main position: VP, Client Technologies Solteq Plc (responsible for operations of Grocery and Special Retail; HoReCa; Wholesale, Logistics and Services –segments until 31.12.2015)
Work history: PMP Tietojärjestelmät Oy 1989-1995, Solteq Plc 1995-
Executive Team Member since January 1, 2012

Harri Ilvonen

Born in 1972
Education: Restonomi
Main position: VP Digital Customer-ship Solteq Plc (responsible for operations of Descom Group until 31.12.2015)
Work history: TeliaSonera 1993 - 2007, Descom 2007 - 2015
Executive Team Member since October 1 2015

Antti Kärkkäinen

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

Timo A. Rantanen

Born in 1960
Education: M.Sc. (Econ.)., MBA, ins.
Main position: VP Sales and Accounts, Solteq Plc
Work history: Digia Oyj 2000-2009, Nortal Oy 2009-2015, Solteq Plc 2015-
Executive Team Member since December 1 2015

Konsta Saarela

Born in 1981
Education: M.Sc. (Econ.)
Main position: VP, International Accounts, Solteq Plc
Work history: IBM 2006-2009, Descom 2010-2015
Executive Team Member since October 1 2015

Riina Tervaoja

Born in 1976
Education: M.Sc. (Econ.)
Main position: VP, Projects, Solteq Plc
Work history:VR-Yhtiöt 2003-2004, Hewlett-Packard 2005-2008, Fujitsu Services Oy 2008-2010, Solteq Plc 2010-
Executive Team Member since December 1 2010

In addition, Members of the extended management team that focuses on developing the operations of Solteq Group with longer time perspective are:

Kirsi Jalasaho

Born in 1974
Education: M.Sc. (Econ.)
Main position: VP, IR and Marketing, Solteq Plc
Work history: Finndomo Financial Manager 2004-2012, CFO Descom Group 2012-2015
Executive Team Member since October 1 2015

Mari Kuha

Born in 1978
Education: M.Sc. (Education.)
Main position: VP, HR and culture, Solteq Plc
Work history: Pohto 2001-2004, Yliopistokeskus Chydenius 2004-2005, Pöyry Oyj 2005-2008, Fujitsu Services Oy 2008-2011, Solteq Oyj 2011-
Executive Team Member since January 17 2011

Juha Luomala

Born in 1971
Education: M.Sc. (Econ.)
Main position: VP, Services Development
Work history: Descom 2011 – 2015, Solteq 2015
Executive Team Member since October 1 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

THOUSAND EUR	NOTE	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Revenue	1,3	54,215	40,933	31,425	40,933
Other income	4	125	0	0	0
Materials and services		-15,153	-12,508	-8,636	-12,508
Employee benefit expenses	7	-26,374	-18,897	-16,176	-18,897
Depreciation and impairments	6	-1,782	-1,320	-725	-902
Other expenses	5,8	-9,744	-5,718	-6,277	-5,702
Operating result		1,288	2,490	-389	2,924
Financial income	9	45	38	509	44
Financial expenses	10	-1,029	-215	-960	-192
Result before taxes		305	2,313	-840	2,776
Income taxe expenses	11	-203	-420	-28	-504
Result for the financial period		102	1,893	-868	2,272
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Cash flow hedges		29	6	29	6
Taxes related to cash flow hedge		-6	-1	-6	-1
Other comprehensive income, net of tax		23	5	23	5
Total comprehensive income		125	1,898	-845	2,277
Earnings per share attributable to equity holders of the parent					
Earnings per share undiluted (EUR)		0,01	0,13	-0,06	0,15

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

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

CONSOLIDATED BALANCE SHEET

THOUSAND EUR	NOTE	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
ASSESTS					
Non-current assets					
Property, plant and equipment	13	2,032	1,652	1,053	1,652
Goodwill	14	35,235	12,730	1,416	2,393
Other intanglible assets	14	4,958	2,231	8,625	11,632
Available-for-sales financial assets	15	987	555	577	574
Shares in subsidiaries	28	0	0	14,406	10
Trade receivables	18	207	15	12,260	15
		43,419	17,183	38,337	16,276
Current assets					
Inventories	17	23	35	23	35
Trade and other receivables	18	18,190	5,291	11,777	5,964
Cash and cash equivalents	19	2,619	2,530	370	2,587
		20,832	7,856	12,170	8,586
Total assets		64,251	25,038	50,507	24,862

THOUSAND EUR	NOTE	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	20	1,009	1,009	1,009	1,009
Share premium reserve	20	75	75	75	75
Hedging reserve	20	0	-23	0	-23
Reserve for own shares	20	-1,109	-1,069	0	0
Distributable equity reserve	20	10,449	6,392	10,449	7,187
Retained earnings	20	4,983	5,328	2,375	3,730
Total equity		15,407	11,712	13,908	11,978
Non-current liabilities					
Deferred tax liablilities	16	1,019	512	174	232
Financial liabilities	22	27,385	2,590	27,345	2,431
		28,404	3,102	27,519	2,663
Current liabilities					
Trade and other payables	23	18,282	7,655	8,080	7,652
Tax liabilities based on the taxable income for the period		0	90	0	90
Financial liabilities	22	1,025	1,848	471	1,848
Provisions	21	1,133	631	529	631
		20,440	10,224	9,080	10,221
Total liabilities		48,844	13,326	36,599	12,884
Total equity and liabilities		64,251	25,038	50,507	24,862

CONSOLIDATED STATEMENT OF CASH FLOWS

THOUSAND EUR	NOTE	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Cash flow from operating activities					
Result for the financial period		102	1,893	-868	2,272
Adjustments for operating profit	25	576	1,320	582	902
Changes in working capital		705	230	-2,022	283
Interest paid		-1,029	-215	-960	-192
Interest received		45	38	509	44
Net cash from operating activities		399	3,266	-2,759	3,309
Cash flows from investing activities					
Acquisition of the Group companies		-15,891	0	-16,123	0
Loand granted		0	0	-700	0
Investments in tangible and intangible assets		-608	-244	-426	-245
Net cash used in investing activities		-16,499	-244	-17,249	-245
Cash flow in financing activities					
Long-term loans, increase		27,000	0	27,000	0
Long-term loans, decrease		-9,184	-1,333	-7,606	-1,333
Payment of finance lease liabilities		-751	-495	-727	-495
Acquisition of own shares		-430	-135	-430	-135
Dividend payment		-446	-896	-446	-896
Net cash used in financing activities		16,189	-2,859	17,791	-2,859
Changes in cash and cash equivalents		89	163	-2,217	205
Cash and cash equivalents 1.1.		2,530	2,367	2,587	2,382
Cash and cash equivalents 31.12.	19	2,619	2,530	370	2,587

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

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Cash and bank accounts	2,619	2,530	370	2,587
Total	2,619	2,530	370	2,587

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THE GROUP	EQUITY BELONGING TO SHAREHOLDERS						
THOUSAND EUR	SHARE CAPITAL	RESERVE FOR OWN SHARES	SHARE PREMIUM RESERVE	HEDGING RESERVE	DISTRIBUTABLE EQUITY RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Equity 1.1.2014	1,009	-933	75	-28	6,392	4,331	10,846
Profit for the financial period						1,893	1,893
Other comprehensive income				5			5
Total comprehensive income for the financial period				5		1,893	1,898
Transactions with owners							
Own shares acquired		-135					-135
Dividend distribution						-896	-896
Transactions with owners		-135				-896	-1,031
Equity 31.12.2014	1,009	-1,069	75	-23	6,392	5,328	11,712
Profit for the financial period						102	102
Other comprehensive income				23			23
Total comprehensive income for the financial period				23		102	125
Transactions with owners							
Own shares acquired		-40					-40
Directed issue					4,242		4,242
Fees for the board members in the form of treasury shares					127		127
Dividend distribution						-447	-447
Management incentives					-312		-312
Transactions with owners		-40			4,057	-447	3,570
Equity 31.12.2015	1,009	-1,109	75	0	10,449	4,983	15,407

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY	EQUITY BELONGING TO SHAREHOLDERS					
THOUSAND EUR	SHARE CAPITAL	SHARE PREMIUM RESERVE	HEDGING RESERVE	DISTRIBUTABLE EQUITY RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Equity 1.1.2014	1,009	75	-28	7,187	2,297	10,540
Correction of prior periods					192	192
Profit for the financial period					2,272	2,272
Other comprehensive income			5			5
Total comprehensive income for the financial period			5		2,272	2,277
Transactions with owners						
Own shares acquired					-135	-135
Dividend distribution					-896	-896
Transactions with owners						
Equity 31.12.2014	1,009	75	-23	7,187	3,730	11,978
Profit for the financial period					-868	-868
Other comprehensive income			23			23
Total comprehensive income for the financial period			23		-868	-845
Transactions with owners						
Own shares acquired				-718	-40	-758
Directed issue				4,242		4,242
The fees for the board members in the form of treasury shares				127		127
Dividend distribution					-447	-447
Management incentives				-389		-389
Transactions with owners				3,262	-487	2,775
Equity 31.12.2015	1,009	75	0	10,449	2,375	13,908

Notes to consolidated financial statements

GROUP INFORMATION

Solteq Plc's reported segments are Grocery and special retail, HoReCa; Wholesale, Logistics and Services and Enterprise Asset & Service Business Management. The totally owned subsidiary Descom Group Ltd, acquired on 2 July 2015, is presented as one segment. The aim of the segmentation is to respond to customer demand as a field total supplier and therefore to improve the availability of services and ease for our customers.

In its meeting February 18, 2016, the Board of Directors of Solteq Plc has approved these financial statements to be published. According to the Finnish Companies act, the shareholders may adopt or reject the financial statements in the annual general meeting held after the publication. The annual general meeting also has an option to make changes in the financial statements.

ACCOUNTING POLICIES

Basis of preparation

Solteq's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) complying with the IAS and IFRS standards as well as the SIC and IFRIC interpretations valid as at 31.12.2015. International Financial Reporting Standards mean the standards and their interpretations that have been approved for adoption in the EU in accordance with the procedure No. 1606/2002 enacted in the Finnish Accounting Act and EU (EC) regulations laid down by the Act. The notes to the consolidated financial statements are also in accordance with the requirements of the Finnish Accounting and Companies legislation.

The Parent Company Solteq Oy adopted IFRS compliant financial statements as from 1 January 2011. The IFRS 1 Standard "First-time Adoption of International Financial Reporting" was applied in the transition. According to the Standard, when the parent company becomes a first time adopter of IFRS for the part of its Separate Financial Statements later than on the part of the Consolidated Financial Statements, the parent company shall measure its assets and liabilities to the same values as in the Consolidated Financial Statements, with the exception of adjustments based on the accounting policies applied to the Consolidated Financial Statements.

As from 1 January 2015, the Group has applied the following new and amended standards and interpretations:

- Amendments to IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions (effective for financial years beginning on or after 1 July 2014): The amendments clarify the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. The amendments are not assessed to have an impact on Group's consolidated financial statements.
- Annual Improvements to IFRSs (2011-2013 cycle and 2010-2012 cycle) (effective for financial years beginning on or after 1 July 2014): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total four (2011-2013 cycle) and seven

(2010-2012 cycle) standards. Their impacts vary standard by standard but are not significant.

- IFRIC 21 Levies (effective for financial years beginning on or after 1 January 2014; in the EU to be applied at the latest, as from the commencement date of its first financial year starting on or after 17 June 2014): The interpretation clarifies the accounting treatment of levies. A liability for a levy is recognised when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation is applicable to all levies other than income taxes, fines, penalties and outflows that are in scope of other standards. The interpretation had no significant impact on Group's consolidated financial statements.

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

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

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

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

ACCOUNTING POLICIES FOR THE CONSOLIDATED COMPANIES

Subsidiaries

Consolidated financial statements include Solteq Plc and its subsidiaries.

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

The group's mutual shareholdings have been eliminated using the acquisition method. Companies acquired are included in the consolidated financial statements from the date when the group has acquired right of control and subsidiaries sold until the date when the right of control seizes. All intra-group business transactions, receivables, debts and unrealised profits as well as internal distribution of profit are eliminated in the preparation of the consolidated financial statements. Unrealised losses are not eliminated in the event that they are caused by impairment.

In March 2011, Solteq's senior management (CEO and CFO) established a limited liability company called Solteq Management Oy, and in July 2012 the rest of Solteq's Management Team established a limited liability company called Solteq Management Team Oy. A share-based incentive scheme for the management has been implemented through these companies. The companies hold a total of 750,000 shares in Solteq Plc. Further information on the arrangements in Note 28 "Related Party Disclosures". Solteq Management Oy and Solteq Management Team Oy have merged to Solteq Plc on December 31 2015.

FOREIGN CURRENCY ITEMS

Figures on the result and the financial position of the Group's entities are measured in the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in euros, which is the parent company's functional and presentation currency.

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

PROPERTY, PLANT AND EQUIPMENT

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

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

Machinery and equipment	2-5 years

Other tangible assets consists of works of art which are not depreciated.

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

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

INTANGIBLE ASSETS

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

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

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

The goodwill arising from business mergers is recorded in accordance with previous IFRS norm (IFRS 3 (2004)). Goodwill is the part of the acquisition cost that exceeds the group's share in the acquired company's net assets' fair value at the time of acquisition which has taken place before January 1, 2004. The classification of these acquisitions or their accounting treatment has not been adjusted in the group's opening IFRS balance sheet.

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

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

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

GOVERNMENT GRANTS

Government grants, such as grants from public institutions for acquisition of intangible assets, are deducted from the carrying amount of the asset when it is reasonably certain that they will be received and the group fulfils the requirements to receive such grants. Grants are recognized in the form of lower depreciation expense during the useful life of the asset. Grants that compensate for expenses incurred are recognized in the income statement when the expenses are recognized. These grants are presented in other income. During the financial year 2015 total of 42 thousand euros of Government grants were received. No Government grants were received in 2014.

LEASES

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

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

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

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

Impairment loss is recognised when the asset's carrying amount is higher than its recoverable amount. Impairment loss is immediately recognised in the income statement. If the impairment loss is allocated to a cash-generating unit, it is first allocated to decrease the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Impairment loss is reversed, if circumstances change and the asset's recoverable value has changed from the time of the recognition of the impairment loss. Reversal amount cannot, however, be higher than the asset's book value would be without the recognition of the impairment loss. Impairment loss on goodwill is not reversed under any circumstances.

EMPLOYEE BENEFITS

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

PROVISIONS AND CONTINGENT LIABILITIES

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

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

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group. Also present obligation that is not probable to cause liability to pay or the amount of obligation cannot be measured with sufficient reliability are considered contingent liabilities. Contingent liabilities are disclosed as notes to the financial statements. There were no contingent liabilities in financial periods 2015 and 2014.

INCOME TAXES

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

Deferred taxes are calculated from temporary differences between book value and taxable value. Deferred taxes are not recognised on temporary differences arising from goodwill impairment losses that are not tax deductible. Deferred taxes are neither recognised on undistributed profit from subsidiaries when the differences are unlikely to reverse in the foreseeable future.

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

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

REVENUE RECOGNITION

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

Services rendered and sale of software licences and hardware

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

In order to recognise revenue from sales of software licences and hardware, there must be a binding agreement, delivery of product or equipment has taken place, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the group has transferred to the buyer the significant risks and rewards of ownership of the software licence or hardware. When the sale of licence and hardware is included in a long-term project they are recognized as income and expense based on the stage on completion.

Long-term projects

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

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

Other income

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

Interest income and dividend

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

Operating profit

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

FINANCIAL ASSETS AND LIABILITIES

Financial assets

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

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank deposits that can be withdrawn on demand. Account with overdraft facility is included in current financial liabilities. Unused overdraft facility in the amount of 1,8 M€, has not been recognised in the balance sheet.

Impairment of financial assets

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

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

Financial liabilities

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

Cash flow hedges

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

Determination of fair value

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

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

BORROWING COSTS

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

EQUITY

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

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

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

Management judgement regarding selection and application of accounting policies

The group management uses judgement regarding selection and application of accounting policies. This applies especially to those cases where the IFRS standards and interpretations in effect have recognition, measurement and presentation alternatives.

Uncertainties relating to accounting estimates

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

Impairment test

The group carries out annual tests for the possible impairment of goodwill and intangible assets not yet available for use, and indications of impairment are evaluated in accordance with the principles described earlier in these financial statement. Recoverable amount of cash-generating units is defined with calculations based on value in use. These calculations require the use of estimates. Additional information about sensitivity analyses regarding changes in assumptions relating to recoverable amount are disclosed under note 14 Intangible assets.

Adoption of new and amended standards applicable in future financial years

Solteq Plc has not yet adopted the following new and amended standards and interpretations already issued by the IASB. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year. Other new and amended standards and interpretations already issued are not considered to have any impact on the future financial statements of the group.

* = not yet endorsed for use by the European Union as of 31 December 2015.

- Amendment to IAS 1 Presentation of Financial Statements: Disclosure Initiative (effective for financial years beginning on or after 1 January 2016). The amendments are designed to encourage companies to apply judgement in determining what information to disclose in the financial statements. For example, the amendments clarify the application of the materiality concept and judgement when determining where and in what order information is presented in the financial disclosures. The interpretation had no significant impact on Group's consolidated financial statements.
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for financial years beginning on or after 1 January 2016): The amendments clarify IAS 16 and IAS 38 that revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in limited circumstances to amortise intangible assets. The amendments will have no impact on Group's consolidated financial statements.
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture - Bearer Plants (effective for financial years beginning on or after 1 January 2016): These amendments require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment and included in the scope of IAS 16, instead of IAS 41. These amendments will have no impact on Group's consolidated 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: Investment Entities: Applying the Consolidation Exception* (the amendments can be applied immediately; mandatory for financial years beginning on or after 1 January 2016): The narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 clarify the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The amendments will not have an impact on Group's consolidated financial statements.
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (effective for financial years beginning on or after 1 January 2016): The amendments add new guidance to IFRS 11 on how to account for the acquisition of an interest in a joint operation that constitutes a business, i.e. business combination accounting is required to be applied. The amendments are not assessed to have an impact on Group's consolidated financial statements.
- Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements (effective for financial years beginning on or after 1 January 2016): The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments will not have an significant impact on Group's consolidated financial statements.
- New IFRS 14 Regulatory Deferral Accounts* (effective for financial years beginning on or after 1 January 2016): IFRS 14 is first specific IFRS guidance on accounting for the effects of rate regulation. It is an interim standard. IFRS 14 allows first-time adopters of IFRS, whose activities are subject to rate-regulation, to continue using previous GAAP ("grandfathering") while the IASB completes its comprehensive project in this area. IFRS 14 is an optional standard. The new standard will not have an impact on Solteq Plc's consolidated financial statements.
- Annual Improvements to IFRSs (2012-2014 cycle) (effective for financial years beginning on or after 1 January 2016): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in four standards. Their impacts vary standard by standard but are not significant.
- New IFRS 15 Revenue from Contracts with Customers* (effective for financial years beginning on or after 1 January 2018): IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13

Customer Loyalty Programmes. Under IFRS 15 an entity shall recognise revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is currently assessing the impact of IFRS 15.

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

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

1 OPERATING SEGMENT INFORMATION

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

Solteq Plc's reported segments until December 31 2015 are
- Grocery and special retail, HoReCa
- Wholesale, Logistics and Services
- Enterprise Asset & Service Business Management
- The totally owned subsidiary Descom Group Ltd, acquired on 2 July 2015, is presented as one segment.

As from 1 January 2016 Solteq Group's business is divided into two segments: Customer Solutions and Digital Solutions.

Segmentation reflects our customers' demand on different sectors of the services provided.

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

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

As the Group mainly operates in Finland for the present, no Community-level geographical information on revenue from external sources or long-term assets has been presented separately. Revenue consists of several individual customerships. At the most, one client corresponds to less than ten percentages of the revenue.

2015, THOUSAND EUR REPORTED SEGMENTS	GROCERY AND SPECIAL RETAIL, HORECA	WHOLESALE, LOGISTICS AND SERVICES	ENTERPRISE ASSET & SERVICE MANAGEMENT	DESCOM	ITEMS UNALLOCATED TO SEGMENTS	TOTAL
Revenue	19,256	11,974	4,895	18,090		54,215
Result for the financial period	897	816	326	1,104	-1,855	1,288
Depreciation and asset write-downs	-633	-394	-161	-595		-1,782
Expenses that do not include payment transactions *	-178	-111	-45	-168		-502

2014, THOUSAND EUR REPORTED SEGMENTS	GROCERY AND SPECIAL RETAIL, HORECA	WHOLESALE, LOGISTICS AND SERVICES	ENTERPRISE ASSET & SERVICE MANAGEMENT	DESCOM	ITEMS UNALLOCATED TO SEGMENTS	TOTAL
Revenue	20,545	15,398	4,989	0	0	40,932
Result for the financial period	1,226	566	698	0	0	2,490
Depreciation and asset write-downs	-662	-497	-161	0	0	-1,320
Expenses that do not include payment transactions *	-6	25	-19	0	0	0

* Warranty provisions and other provisions

2 BUSINESS COMBINATIONS

On July 2 2015, Solteq acquired the entire capital stock of Descom Group Oy. As a result of the corporate acquisition, Descom Group Oy became a subsidiary entirely owned by Solteq Plc. Descom Group Oy was merged to Solteq Plc on 1 January 2016.

Through the transaction, Solteq and Descom actively implement their strategy. For the companies, which aim at being a leading provider of digital commerce services in Finland and the Nordic countries, the transaction will provide a good starting point for speeding up the implementation of their strategy. The solution and service offerings of the two companies complement each other in an excellent manner, and no overlapping has been detected in their offerings. Consequently, the company resulting from the transaction will be able to offer an excellent overall offering to their current and new clients.

Descom Group is consolidated to Solteq Group from July 2 2015.

IMPACT OF THE ACQUIRED COMPANY TO SOLTEQ GROUP

AGGREGATE FIGURES FOR THE ACQUISITION

THOUSAND EUR	2.7.2015
Consideration	
Paid in cash	6 601
Directed issue	4 536
Total	**11 137**
Provisional values of the assets and liabilities arising from the acquisition	
Tangible fixed assets	992
Intangible assests, customerships*	3 520
Other intangible assets	164
Deferred tax assets	181
Available-for-sale financial assets	8
Trade and other receivables	7 850
Cash and cash equivalents	1 139
Total assets	**13 854**
Capital loans	-11 950
Trade payables and other liabilities	-5 399
Loans	-6 949
Provisions	-187
Deferred tax liabilities	-738
Total liabilities	**-25 223**
The goodwill value from the acquisition	**22 506**
Cash flow from the acquisition	
Consideration paid in cash and the purchase of capital loans	18 501
Cash and cash equivalents of the acquired company 2.7.2015	1 139
Total cash flow from the acquisition	**17 362**

*Depreciations of the intangible rights during the reporting period are 220 thousand euros (Customer relationships)

Goodwill consists of assets that cannot be separated like synergy benefits, competent personnel, market share and entrance to new markets. Adjustments of the fair value to the other intangible assets reflect the value of Descom Group's customerships.

Expenses related to the acquisition	
Other expenses	820
Transaction costs of the Bond (allocated to financial expenses during the loan period)	360
Distributable quity reserve	294
Total expenses related to the acquisition	**1 474**
Impact on the Solteq Group's number of personnel	**240**

Impact on the Solteq Group's comprehensive income statement	**7-12/2015**
Revenue*	18 090
Operating profit*	1 104

*The amount of the revenue and the operating profit from acquisition date to the end of the reporting period. The acquired company is consolidated into the Solteq Group as of July 2, 2015. The revenue and the operating profit of the acquired company as the acquisition had taken place at the first day of the reporting period are not presented, because many significant pre-acquisition arrangements were performed in June 2015.

The Group did not have any acquisitions of business during the financial year 2014.

3 REVENUE AND LONG-TERM CONTACTS

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Services	29,143	16,831	18,115	16,831
Income from construction contracts	10,594	12,277	5,340	12,277
Income from software licenses	12,969	9,795	6,461	9,795
Sales of hardware	1,509	2,030	1,509	2,030
Total	54,215	40,933	31,425	40,933

By the end of the year, actual income amounting to a total of 11.276 thousand EUR were recognised from ongoing long-term projects in the Group and 6.419 thousand EUR in the Parent company (EUR 11.797 in the Group and in the Parent company at 31 December 2014).

At 31 December 2015, receivables connected with ongoing long-term projects amounted to 122 thousand EUR in the Group and in the Parent company (743 thousand EUR in the Group and in the Parent company at 31 December 2014) and advances amounting to 1.066 thousand euros received for long-term projects in the Group and 902 thousand euros in the Parent company (635 thousand euros received advances in the Group and in the Parent company at December 31, 2014).

4 OTHER INCOME

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Other income	125	0	0	0
Total	125	0	0	0

5 OTHER EXPENSES

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Telephone and telecommunications costs	373	390	308	390
Rental expenses	2,632	1,262	1,231	1,262
Car and travel expenses	1,622	1,037	825	1,037
External services	3,262	1,997	2,421	1,997
Loss-making projects	130	35	130	35
Impairment losses	-6	86	-21	86
Warranty provisions	-263	36	-225	36
Other expenses	1,994	875	1,607	859
Total	9,744	5,718	6,277	5,702

Auditor's fee

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Auditing	66	35	41	35
Certificates and statements	50	0	37	0
Tax consulting	40	44	35	44
Other services	20	4	18	4
Total	176	83	131	83

6 DEPRECIATION, AMORTISATION AND IMPAIRMENT

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Depreciation by asset group				
Intangible assets				
Development costs	228	228	112	228
Intangible rights	638	448	57	30
Other intangible assets	154	73	23	73
Total	1,020	749	192	331
Tangible assets				
Machinery and equipment	763	571	533	571
Total	763	571	533	571

7 EMPLOYEE BENEFIT EXPENSES

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Salaries and wages	21,484	15,234	13,248	15,234
Pension expenses - defined contribution plan	3,795	2,751	2,303	2,751
Other personnel expenses	1,095	911	625	911
Total	26,374	18,896	16,176	18,896
Average number of employees in group during financial period	2015	2014	2015	2014
Grocery and Specialty Retail, HoReCa	106	115	106	115
Wholesale, Logistics and Services	78	86	78	86
Descom	103	0	0	0
Enterprise Asset & Service Business Management	40	39	0	39
Shared functions	65	41	47	41
Total	391	281	231	281

The number of employees in Descom was 211 on December 31, 2015. Descom is consolidated to Solteq Group from July 2, 2015.

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

8 RESEARCH AND DEVELOPMENT COSTS

Income statement for 2015 includes research and development costs in the amount of 872 thousand euros (1.050 thousand euros in 2014).

9 FINANCIAL INCOME

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Interest income from loans and receivable	2	35	509	41
Dividend income from held-for-sale financial assets	43	3	0	3
Total	45	38	509	44

10 FINANCIAL EXPENSES

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Interest expenses from financial expenses at amortized costs	1,013	193	944	170
Other financial expenses	16	22	16	22
Total	1,029	215	960	192

Financial expenses include 33 thousand euros of variable rents relating to financial leasing contracts in the Group and 32 thousand euros in the Parent company (27 thousand euros in 2014).

11 INCOME TAXES

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Tax based on the taxable income for the period	283	536	-85	536
Taxes from previous periods	-48	-35	-23	-35
Deferred taxes	-32	-81	136	3
Total	203	420	28	504

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Result before tax	304	2,313	-840	2,776
Taxes based on domestic tax rate	61	463	-168	555
Non-deductible expenses	24	25	18	25
Unrecognised losses in taxation relationg to subsidiaries	4	6	0	0
Expenses recognised to the share value of the company acquisition	57	0	57	0
Error correction	57	0	57	0
Other differences	52	-39	87	-41
Taxes from previous periods	-52	-35	-23	-35
Taxes in the income statement	203	420	28	504

12 EARNINGS PER SHARE

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

When calculating the diluted earnings per share, the weighted average number of stocks takes into account the dilutive effect of the reserve own shares held by the company.

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

THOUSAND EUR	2015	2014
Profit for the financial period attributable to equity holders of the parent company (thousand EUR)	102	1,893
Weighted average of the number of shares during the financial period (1000)	15,719	14,934
Undiluted EPS (EUR/share)	0,01	0,13

Dilutive effect has no influence on earnings per share (EPS)

13 PROPERTY, PLANT AND EQUIPMENT

THE GROUP THOUSAND EUR	MACHINERY AND EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL
Acquisition cost 1.1.2015	6,758	21	6,779
Acquisition of subsidiary	992	0	992
Additions	426	0	426
Reductions	-274	0	-274
Acquisition cost 31.12.2015	7,902	21	7,923
Accumulated depreciation and impairment 1.1.2015	5,128	0	5,128
Depreciation	763	0	763
Accumulated depreciation and impairment 31.12.2015	5,891	0	5,891
Book value 1.1.2015	1,630	21	1,651
Book value 31.12.2015	2,011	21	2,032
Acquisition cost 1.1.2014	5,936	21	5,957
Additions	822	0	822
Acquisition cost 31.12.2014	6,758	21	6,779
Accumulated depreciation and impairment 1.1.2014	4,557	0	4,557
Depreciation	571	0	571
Accumulated depreciation and impairment 31.12.2014	5,128	0	5,128
Book value 1.1.2014	1,379	21	1,399
Book value 31.12.2014	1,630	21	1,651

THE PARENT COMPANY THOUSAND EUR	MACHINERY AND EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL
Acquisition cost 1.1.2015	4,046	21	4,067
Business transfer	-93	0	-93
Additions	302	0	302
Reductions	-274	0	-274
Acquisition cost 31.12.2015	**3,981**	**21**	**4,002**
Accumulated depreciation and impairment 1.1.2015	2,416	0	2,416
Depreciation	533		533
Accumulated depreciation and impairment 31.12.2015	**2,949**	**0**	**2,949**
Book value 1.1.2015	1,630	21	1,651
Book value 31.12.2015	1,032	21	1,053
Acquisition cost 1.1.2014	3,225	21	3,246
Additions	821	0	821
Acquisition cost 31.12.2014	**4,046**	**21**	**4,067**
Accumulated depreciation and impairment 1.1.2014	1,845	0	1,845
Depreciation	571	0	571
Accumulated depreciation and impairment 31.12.2014	**2,416**	**0**	**2,416**
Book value 1.1.2014	1,378	21	1,399
Book value 31.12.2014	1,630	21	1,651

EUR 1.037 thousand remained to be depreciated of the group's and parent company's machinery and equipment on 31.12.2015 (1.541 thousand euros 31.12.2014).

Financial leases

Property, plant and equipment include computers, other devices and automobiles acquired by financial leases as follows:

THOUSAND EUR	THE GROUP MACHINERY AND EQUIPMENT	THE PARENT COMPANY MACHINERY AND EQUIPMENT
31.12.15		
Acquisition cost	4,564	4,455
Acquisition cost of the expired items	677	677
Accumulated depreciation	3,965	3,922
Depreciation left and residual values of the expired items	274	274
Book value	1,002	936
31.12.14		
Acquisition cost	4,870	4,870
Accumulated depreciation	3,384	3,384
Book value	1,486	1,486

EUR 371 thousand in Group and EUR 322 thousand in parent company worth of assets under financial leases is included in the additions in 2015 (715 thousand euros 2014).

14 INTANGIBLE ASSETS

THE GROUP THOUSAND EUR	GOODWILL	DEVELOPMENT COSTS	INTANGIBLE RIGHTS	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost 1.1.2015	14,925	2,618	4,772	771	23,086
Acquisition of subsidiary	22,506	0	3,670	15	26,191
Additions	0	0	0	60	60
Acquisition cost 31.12.2015	**37,431**	**2,618**	**8,442**	**846**	**49,337**
Accumulated depreciation and impairment 1.1.2015	2,197	1,926	3,354	650	8,127
Depreciation	0	228	638	154	1,020
Accumulated depreciation and impairment 31.12.2015	**2,197**	**2,154**	**3,992**	**804**	**9,147**
Book value 1.1.2015	12,730	692	1,418	121	14,961
Book value 31.12.2015	35,236	464	4,450	44	40,194
Acquisition cost 1.1.2014	14,925	2,618	4,747	669	22,959
Additions	0	0	25	102	127
Acquisition cost 31.12.2014	**14,925**	**2,618**	**4,772**	**771**	**23,086**
Accumulated depreciation and impairment 1.1.2014	2,197	1,698	2,906	578	7,379
Depreciation	0	228	448	72	748
Accumulated depreciation and impairment 31.12.2014	**2,197**	**1,926**	**3,354**	**650**	**8,127**
Book value 1.1.2014	12,730	920	1,841	91	15,582
Book value 31.12.2014	12,730	692	1,418	121	14,961

THE PARENT COMPANY THOUSAND EUR	GOODWILL	DEVELOPMENT COSTS	INTANGIBLE RIGHTS	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost 1.1.2015	4,751	2,618	14,360	392	22,121
Business transfer	-977	-581	-2 243	0	-3,801
Additions	0	0	0	9	9
Acquisition cost 31.12.2015	**3,774**	**2,037**	**12,117**	**401**	**18,329**
Accumulated depreciation and impairment 1.1.2015	2,357	1,926	3,447	335	8,095
Depreciation	0	112	57	23	192
Accumulated depreciation and impairment 31.12.2015	**2,357**	**2,038**	**3,534**	**358**	**8,287**
Book value 1.1.2015	2,394	692	10,883	57	14,026
Book value 31.12.2015	1,416	0	8,583	42	10,041
Acquisition cost 1.1.2014	4,751	2,618	14,335	290	21,994
Additions	0	0	25	102	127
Acquisition cost 31.12.2014	**4,751**	**2,618**	**14,360**	**392**	**22,121**
Accumulated depreciation and impairment 1.1.2014	2,357	1,698	3,447	263	7,765
Depreciation	0	228	30	72	330
Accumulated depreciation and impairment 31.12.2014	**2,357**	**1,926**	**3,447**	**335**	**8,095**
Book value 1.1.2014	2,394	920	10,888	27	14,229
Book value 31.12.2014	**2,394**	**692**	**10,883**	**57**	**14,026**

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

Impairment

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

The book value of the goodwill in the Group at December 31, 2015 was 35,232 thousand euros (12,730 thousand euros 31.12.2014). At December 31, 2015, the financial statements did not include intangible assets in process (none in the reference year, either).

Impairment tests have been carried out at the cash-generating unit level. The recoverable amount has been determined by means of the value in use. The determined anticipated cash flows are based on the operating result budget for 2016 and operating result forecasts for the subsequent four years.

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

The discount rate of 9,2 % used in the calculations is the weighted average cost of capital after taxes (equals 11.5 % before taxes).

Based on testing performed in 2015, no need was found for recognising impairment losses: a clear margin was left for each tested unit. No impairment losses were recognised in 2015.

Sensitivity analysis

Based on the sensitivity analyses performed, it can be stated that a change in the operating profit is the most critical factor in testing the goodwill values of the units. A summary of unit-specific sensitivities is below:

GOODWILL	THE GROUP		THE PARENT COMPANY *	
THOUSAND EUR	2015	2014	2015	2014
Grocery and Special Retail, HoReCa	5,749	6,611	5,749	6,951
Wholesale, Logistics and Services	3,772	2,910	3,772	3,023
Enterprise Asset & Service Business Management	3,205	3,205	0	3,221
Descom	22,506	0	0	0
Total:	35,232	12,730	9,521	13,194

*The losses from mergers are included in the Parent Company

In the Grocery and Special Retail, HoReCa Unit, there will be need for write-downs, if the operating profit decreases by 1,7 percentage units or the discount rate increases by 3,9 percentage units. In the Wholesale, Logistics and Services Unit, there will be need for write-downs, if the operating profit decreases by 3,0 percentage units or the discount rate increases by 9,3 percentage units. In the Enterprise Asset & Service Business Management Unit, there will be need for write-downs, if the operating profit decreases by 4,2 percentage units or the discount rate increases by 5,3 percentage units. In the Descom Unit, there will be need for write-downs, if the operating profit decreases by 21,3 percentage units or the discount rate increases by 1,5 percentage units.

There are no significant differences in the Group and the Parent Company in the impairment testing and sensitivity analysis results related to segments Grocery and Special Retail, HoReCa and Wholesale, Logistics and Services, which have goodwill in the parent company´s balance sheet

15 AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

	THE GROUP			THE PARENT COMPANY		
THOUSAND EUR	2015	CHANGE	2014	2015	CHANGE	2014
Beginning of financial period	987	432	555	577	3	574
End of financial period	987	432	555	577	3	574

16 DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes are recognised in full, except for the losses of the Russian subsidiary. The losses for the previous financial periods of the Russian subsidiary are EUR 303 thousand and the loss for the financial period EUR 20 thousand. The tax losses are carried forward in accordance with the Russian legislation. No losses for deferred tax receivables are recognised as it is probable that during the time the losses are carried forward, no taxable income against which the losses could be set off will accrue for the company.

Changes in deferred taxes:

THE GROUP THOUSAND EUR	31.12. 2013	RECOGNIZED IN THE INCOME STATEMENT	31.12. 2014	RECOGNIZED IN THE INCOME STATEMENT	BUSINESS ACQUISITIONS	31.12. 2015
Deferred tax assets:						
Provisions	126	0	126	39	181	345
Postponed depreciation	32	7	39	7	0	46
Other items	34	-10	24	-10	0	14
Total	192	-3	189	36	181	405
Deferred tax liabilities:						
Tax-deductible goodwill	421	0	421	0	0	421
Allocated intangible liabilities	364	-84	280	-128	704	857
Other items	0	0	0	123	24	147
Total	785	-84	701	-5	728	1,425

THE PARENT COMPANY THOUSAND EUR	31.12. 2013/ 1.1. 2014 *	RECOGNIZED IN THE INCOME STATEMENT	31.12. 2014	RECOGNIZED IN THE INCOME STATEMENT	BUSINESS TRANSFER	31.12. 2015
Deferred tax assets						
Provisions	160	-10	150	-20	0	130
Postponed depreciation	32	7	39	6	0	45
Total	192	-3	189	-14	0	175
Deferred tax liabilities						
Tax-deductible goodwill	421	0	421	0	-196	225
Other items	0	0	0	123	0	123
Total	421	0	421	123	-196	348

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

17 INVENTORIES

THOUSAND EUR	THE GROUP 2015	2014	THE PARENT COMPANY 2015	2014
Finished products	23	35	23	35
Total	23	35	23	35

18 TRADE AND OTHER RECEIVABLES

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

	THE GROUP		THE PARENT COMPANY	
THOUSAND EUR	2015	2014	2015	2014
Loans and other receivables				
Trade receivables	16,179	3,425	4,060	3,425
Receivables from clients concerning long-term acquisitions	122	743	122	743
Prepayment and accrued income	2,079	1,113	1,969	1,114
Internal receivales	0	0	17,869	674
Other receivables	17	25	17	24
Total	18,397	5,306	24,037	5,980

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

THE GROUP THOUSAND EUR	2015	IMPAIRMENT LOSSES	NET 2015	2014	IMPAIRMENT LOSSES	NET 2014
Not due	12,895	-70	12,825	2,797	-70	2,727
Due	3,373	-19	3,354	717	-19	698
Under 30 days	2,426	-	2,426	598	-	598
31-60 days	460	-	460	65	-	65
61-90 days	256	-	256	7	-	7
Over 90 days	231	-19	212	47	-19	28
Total	16,268	-89	16,179	3,514	-89	3,425

THE PARENT COMPANY THOUSAND EUR	2015	IMPAIRMENT LOSSES	NET 2015	2014	IMPAIRMENT LOSSES	NET 2014
Not due	3,599	-70	3,529	2,797	-70	2,727
Due	550	-19	531	717	-19	698
Under 30 days	458	-	458	598	-	598
31-60 days	4	-	4	65	-	65
61-90 days	43	-	43	7	-	7
Over 90 days	46	-19	27	47	-19	28
Total	4,149	-89	4,060	3,514	-89	3,425

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

19 CASH AND CASH EQUIVALENTS

	THE GROUP		THE PARENT COMPANY	
THOUSAND EUR	2015	2014	2015	2014
Cash and bank accounts	2,619	2,530	370	2,587
Total	2,619	2,530	370	2,587

20 NOTES TO EQUITY

The maximum number of shares is 28.539.504 (28.539.504 in 2014). The shares have no nominal value. The Group's maximum share capital according to the articles of association is 2.4 million euros (2.4 million euros in 2014).

The reserves included in equity are as follows:

Share premium reserve

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

Hedging reserve

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

Distributable equity reserve

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

Reserve for own shares

Reserve for own shares consists of acquisition cost of own shares acquired by the group. At the end of the financial year Solteq Plc had 825,881 own shares in its possession (2014: 866,242 shares). The amount of acquired shares corresponded to 4.6 percent of the shares and votes at the end of the financial year. The equivalent value of acquired shares was 46,828 euros.

Below is the reconciliation of the number of shares:

TUHAT EUR	NUMBER OF SHARES (1 000)	SHARE CAPITAL	RESERVE FOR OWN SHARES	SHARE PREMIUM RESERVE	HEDGIG RESERVE	DISTRIBUT-ABLE EQUITY RESERVE	TOTAL
1.1.14	14,998	1,009	-934	75	-27	6,392	6,516
The fees for the Board Members in the form of treasury shares	0	0	-135	0	0	0	-135
Valuation of hedging instruments	0	0	0	0	5	0	5
31.12.14	14,998	1,009	-1,069	75	-23	6,392	6,384
Own shares acquired	0	0	-40	0	0		-40
Valuation of hedging instruments	0	0	0	0	23		23
Directed issue	2,800	0	0	0	0	4,242	7,042
The fees for the Board Members in the form of treasury shares	0	0	0	0	0	127	127
Management incentives	0	0	0	0	0	-312	-312
31.12.15	17,798	1,009	-1,109	75	0	10,449	10,424

Dividends

After the balance sheet date the Board proposes to the Annual General Meeting that no dividend will be paid from the financial period 2015.

21 PROVISIONS

THE GROUP

THOUSAND EUR	WARRANTY PROVISIONS	OTHER PROVISIONS	TOTAL
31.12.14	525	106	631
Additional provisions	520	422	942
Deducted provisions	390	51	441
31.12.15	655	477	1,133

THE PARENT COMPANY

THOUSAND EUR	WARRANTY PROVISIONS	OTHER PROVISIONS	TOTAL
31.12.14	525	106	631
Additional provisions	146	189	335
Deducted provisions	379	58	437
31.12.15	292	237	529

Warranty provisions

Warranty provision is recorded for long term projects based on anticipated warranty work. During the financial period, a provision was made for anticipated warranty-based work in each project. The general warranty period is 6 – 12 months. The warranty provisions are based on the historical information on the amount of warranty obligations. The warranty provisions are expected to be used during the next financial period.

Other provisions

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

22 FINANCIAL LIABILITIES

THE GROUP

THOUSAND EUR	2015 BOOK VALUE	2015 FAIR VALUE	2014 BOOK VALUE	2014 FAIR VALUE
Financial liabilities at amortized cost				
Non-current				
Loans from financial institutions	0	0	1,607	1,607
Bond	26,670	26,670	0	0
Financial lease obligations	715	715	983	983
	27,385	27,385	2,590	2,590
Current				
Loans from financial institutions	723	723	1,333	1,333
Financial lease obligations	302	302	514	514
	1,025	1,025	1,847	1,847

THE PARENT COMPANY

THOUSAND EUR	2015 BOOK VALUE	2015 FAIR VALUE	2014 BOOK VALUE	2014 FAIR VALUE
Financial liabilities at amortized cost				
Non-current				
Loans from financial institutions	0	0	1,448	1,448
Bond	26,670	26,670	0	0
Financial lease obligations	675	675	983	983
	27,345	27,345	2,431	2,431
Current				
Loans from financial institutions	190	190	1,333	1,333
Financial lease obligations	281	281	514	514
	471	471	1,847	1,847

As interests are tied to short-term reference rates, the fair value of the financial liabilities is mainly the same as the book value. The impact of the interest rate swap has been recognised as added financial liabilities. The interest rate swap has been closed during 2015. Financial liabilities, including finance lease liabilities and the interest rate swap are categorised at fair value level 2.

Due dates of financial liabilities:

THE GROUP

2015

THOUSAND EUR	2016	2017	2018	2019–2021
Loans from financial institutions	723	0	0	0
Bond	0	0	0	26,670
Financial lease obligations	302	420	210	86
Long-term debt total	1,025	420	210	26,756

THE GROUP

2014

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

THE PARENT COMPANY

2015

THOUSAND EUR	2016	2017	2018	2019–2021
Loans from financial institutions	190	0	0	0
Bond	0	0	0	26,670
Financial lease obligations	281	401	200	74
Long-term debt total	471	401	200	26,744

THE PARENT COMPANY

2014

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

The credit limit of the account with overdraft facility has been presented annually as an item that matures in the following year. In 2015, the average interest rate of the loans was 5,7 percent (2.3 percent in 2014). All financial liabilities are denominated in euros.

Due dates for financial lease obligations:

THOUSAND EUR	THE GROUP 2015	2014	THE PARENT COMPANY 2015	2014
Financial lease obligations - present value of future minimun lease payments				
Within 12 months	301	514	281	514
Between 1 and 5 years	716	984	675	984
	1,017	1,498	956	1,498
Finance lease obligations - total amount of minimum lease payments				
Within 12 months	331	492	310	492
Between 1 and 5 years	740	1,052	699	1,052
	1 071	1,544	1,009	1,544
Future financing expenses	-54	-46	-53	-46
Total financial lease obligations	1,017	1,498	956	1,498

23 TRADE AND OTHER RECEIVABLES

	THE GROUP		THE PARENT COMPANY	
THOUSAND EUR	2015	2014	2015	2014
Financial liabilities at amortized cost				
Curret				
Trade payable	6,004	1,085	955	1,085
Advances received from customers, long-term projects	1,039	635	902	635
Accruals and deferred income	8,000	4,518	4,695	4,501
Other liabilities	3,239	1,417	1,141	1,417
Internal liabilities	0	0	387	14
Total	18,282	7,655	8,080	7,652

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

24 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

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

Credit risk

The Company's operating style defines the customers' and investment transactions' credit-worthiness demands and investment principles. The Company does not have any significant credit risk concentrations in its receivables, because it has a wide customer-base and it gives credit only to companies who have an unblemished credit rating. During the financial period, the effect of credit losses has not been significant. The Company's credit risk's maximum amount is the carrying value of financial assets as at 31.12.2015.

Liquidity risk

The Company monitors and estimates continuously the amount of funds needed to run the business operations, so that the group will, at all times, retain enough liquid assets to fund the operation and repay debts that fall due. The availability of funding and its flexibility is ensured by unused credit limits and by using a number of different banks and financing methods in the procurement of funding. The amount of unused credit limits as at 31.12.2015 totalled 1.810 thousand euros and in addition the company has an unused standby credit limit amounting to a total of 4.000 thousand euros.

Interest rate risk

The Company's income and operative cash flows are mainly free from market rate fluctuation effects. Company is able to take out either fixed-rate or fluctuating rate loans and to use interest rate swaps to achieve its objective relating to the financial principles. With the current financial structure the company is not exposed to significant interest rate risk related to the market rate fluctuation, because only the credit limits used to control the liquidity risk are tied to market rates. The most of the company's interest-bearing liabilies consists of fixed-rate bond totalling to 27.000 thousand euros and lease agreements with fixed interest rates.

In the end of the reporting period the Company did not have open interest rate swaps or other instruments used to manage interest rate risks or other risks.

Capital management

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

The financial covenants concerning the company's bond (27.000 thousand euros 31.12.2015) and the account limits and liquidity limits (6.000 thousand euros 31.12.2015) are tied to the terms of the bond, which are monitored regularly.

The terms and conditions of the Bond contain financial and other covenants as well as the prerequisites for early maturity and repurchase. The financial covenants concerning the distribution of funds and incurring financial indebtedness other than permitted in the terms of the Bond (Incurrence Covenant) require that at any agreed review date, the Equity Ratio exceeds 27.5 per cent, the Interest Coverage Ratio (EBITDA / net interest cost) exceeds 3.00:1 and that the Group's Net Interest Bearing Debt to EBITDA ratio does not exceed 3.50:1.

In addition, the Bond Issue includes other covenants related to divestment of assets, negative pledge, changes in the nature of business, related party dealings, use of credit limits, listing of the Bond , and to preserving and maintaining intellectual property rights. In addition, it includes an obligation of early repayment associated with a change in the control of the Company as well as maturity conditions related to a merger, de-merger, discontinuation of business, failures to pay and insolvency. The terms of the bond are available as a whole at company's website.

Equity ratio and net gearing -% are characteristic key figures for capital structure. Equity ratio in 2015 was 24,4 % (48,0 % in 2014). Net gearing percentage in 2015 was 167,4 % (16,3 % in 2014).

25 ADJUSTMENTS TO CASH FLOW FROM BUSINESS OPERATIONS

Significant events are listed in the cash flow statement. Significant adjustments to cash flow from business operations are due to scheduled depreciation and asset write-downs and the items related to the business acquisition made during the financial period, 576 thousand euros in the Group (1.320 thousand euros) and 582 thousand euros in the Parent company (902 thousand euros).

26 OTHER LEASE AGREEMENTS

Company as a lessee
Non-cancellable other lease agreements carry the following minimum lease amounts to be paid:

	THE GROUP		THE PARENT COMPANY	
THOUSAND EUR	2015	2014	2015	2014
Within a year	1,663	850	787	850
One to five years	4,171	2,838	2,802	2,838
More than five years	620	1,362	620	1,362
Total	6,454	5,050	4,209	5,050

The Company has leased most of the cars and copiers in its use. The lease agreements include the possibility to continue the agree-ment after the expiration of the original. The agreements differ in terms of index, renewal and other conditions. Lease liability for premises in Helsinki, Tampere and Jyväskylä has been presented for the set lease period. As the lease agreement of the current premises in Helsinki will expire in spring 2016, the lease liability of the new premises is included in the lease liabilities. The operations of the Helsinki Office will be transferred to new premises in spring 2016.

The income statement for 2015 includes lease expenses based on other lease agree-ment 1.330 thousand euros (1.261 thousand euros in 2014).

27 CONTINGENT LIABILITIES AND COLLATERAL

	THE GROUP		THE PARENT COMPANY	
THOUSAND EUR	2015	2014	2015	2014
Collateral given on our own behalf				
Business mortages	10,000	10,000	10,000	10,000
Total	10,000	10,000	10,000	10,000

Until the issuance of the bond the business mortgages as well as the pledged shares are given as collateral by the parent company for credit limits and long-term loans. After the issuance of the bond the business mortgages are given as collateral by the parent company for financing working capital and credit limits.

28 RELATED PARTY TRANSACTIONS

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

Group's parent and subsidiary relations are as follows:

COMPANY	DOMICILE	SHARE OF OWNERSHIP (%)	SHARE OF VOTES (%)
Solteq Plc			
Descom Group Oy**	Finland	100 %	100 %
Descom Oy**	Finland	100 %	100 %
Descomdigree AB	Sweden	100 %	100 %
DSCM Denmark Aps	Denmark	100 %	100 %
Solteq Poland Sp. z.o.o.	Poland	100 %	100 %
Mainiot Software Oy	Finland	100 %	100 %
Solteq Finance Oy	Finland	100 %	100 %
Qetlos Oy	Finland	100 %	100 %
Solorus Holding Oy	Finland	100 %	100 %
OOO Solteq Russia	Russia	100 %	100 %

** Merged to the Parent company 1.1.2016

Solteq Management Oy and Solteq Management Team Oy

In spring 2011 and summer 2012, the Management Team members of Solteq Plc. acquired a total of 750,000 treasury shares of the Company for indirect ownership. The purchases were financed partly through capital investments by the Executive Team members and partly through an interest-bearing loan granted by Solteq. It was agreed that the ownership and incentive scheme would be valid until the publication of the 2014 Financial Statements and dissolved in a manner to be agreed on later. The original Stock Exchange Releases on the arrangements were published on 1 March 2011 and on 17 July 2012.

Solteq Plc's Board of Directors has decided to dissolve the ownership and incentive scheme by purchasing the capital stocks of the Management Team's holding companies Solteq Management Oy and Solteq Management Team Oy from their shareholders at fair value. In the determination of the fair value, the Solteq Plc shares held by the holding companies are measured at EUR 1,57 per share. The price level corresponds to the volume-weighted average price of Solteq Plc's shares in 13.2. – 20.2.2015, i.e. on the publishing date of the Financial Statements and on the following five trading days.

Solteq Management Oy and Solteq Management Team Oy, totally owned subsidiaries of Solteq Plc, were merged to the parent company on 31 December 2015.

The following related party transactions took place:

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Sales to group company	70	0	0	0
Interest income from Group Company	0	0	0	12
Renting expenses	80	85	69	85
Outsourcing expenses	3	0	0	0
Purchasing the capital stocks of the Management companies	383	0	383	0
Total	536	85	452	97

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

Management employee benefits

TUHAT EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
Salaries and other short-term employment benefits	2,115	1,212	1,979	1,212
	2,115	1,212	1,979	1,212

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

Wages and salaries of the members of the board and the CEO

THOUSAND EUR	THE GROUP 2015	THE GROUP 2014	THE PARENT COMPANY 2015	THE PARENT COMPANY 2014
CEO Repe Harmanen	390	195	390	195
Board members from 19.10.2015				
Uotila Mika, Chairman of the board	8	0	8	0
Aktan Aarne	8	0	8	0
Grannenfelt Eeva	8	0	8	0
Harra-Vauhkonen Kirsi	8	0	8	0
Pietilä Markku	8	0	8	0
Väätäinen Olli	8	0	8	0
Board members until 19.10.2015				
Saadetdin Ali U. Chairman of the board	81	50	81	50
Aalto Seppo	52	15	52	15
Pietilä Markku	50	15	50	15
Roininen Matti	49	15	49	15
Sara-aho Sirpa	49	15	49	15
Sonninen Jukka	51	15	51	15
Välimäki Olli	50	15	50	15

The CEO's accrual-based pension costs amount to 84 thousand euros. The CEO's pension plan complies with the employment pension legislation. The Managing Director's notice period is three months. If terminated, nine months salaries are to be paid as termination compensation.

The members of the Board and the CEO owned 15.000 shares at the end of 2015 (2014: 5.573.589 shares). The previous Board of directors that finished their term of office on 9 March 2015 received a fee in the form of company's own shares totalling to 35.000 shares (5.000 shares/Board member) according to the decisions made by the Annual Genral Meeting on 17 March 2014. In addition they received a fee in the form of company's own shares totalling to 35.000 shares (5.000 shares/Board member) according to the decisions made by the Annual Genral Meeting on 16 March 2015.

29 EVENTS AFTER THE BALANCE SHEET DATE

The implementation of the subsidiary mergers were entered into Finnish Trade register on 1 January 2016. The mergers were implemented according to the merger plans announced on 8 September 2015. Descom Ltd, totally owned by Descom Group Ltd, merged with Descom Group Ltd and Descom Group Ltd, totally owned by Solteq Plc, merged with Solteq Plc.

30 FIVE YEAR FIGURES

KEY FIGURES OUTLINING THE GROUPS FINANCIAL DEVELOPMENT (MILLION EUR)	FINANCIAL PERIOD 1.1.–31.12. 2015	2014	2013	2012	2011
Revenue	54.2	40.9	38.1	39.0	27.1
Increase in revenue	32.5 %	7.4 %	-2.3 %	43.7 %	0.5 %
Operating profit/-loss	1.3	2.5	2.1	2.7	1.5
% of revenue	2.4 %	6.1 %	5.6 %	7.0 %	5.4 %
Profit/loss before taxes	0.3	2.3	1.9	2.4	1.3
% of revenue	0.6 %	5.7 %	5.1 %	6.2 %	4.7 %
Return on equity, %	0.8 %	16.8 %	15.5 %	21.2 %	16.0 %
Return on investment, %	4.5 %	15.5 %	13.2 %	20.8 %	13.1 %
Equity ratio, %	24.4 %	48.0 %	43.5 %	37.2 %	34.2 %
Gross investments in non-current assets	23.3	1.0	1.0	7.4	0.5
% of revenue	42.9 %	2.3 %	2.5 %	19.1 %	1.7 %
Research and development costs	0.9	1.1	0.9	1.1	0.8
% of revenue	1.7 %	2.7 %	2.4 %	2.8 %	2.9 %
Net Gearing	167.4 %	16.3 %	29.4 %	51.5 %	65.4 %
Average number of employees over the financial period	391	281	287	270	211

GROUP'S KEY FIGURES PER SHARE	FINANCIAL PERIOD 1.1.–31.12. 2015	2014	2013	2012	2011
Earnings per share, EUR	0.01	0.13	0.11	0.12	0.08
Equity attributable to the equity holders of the parent, EUR	0.91	0.79	0.72	0.67	0.52
Dividends per share, EUR	0.00*	0.03	0.06	0.06	0.00
Dividend from result, %	0.00*	23.7 %	55.4 %	49.7 %	0.0 %
Effective dividend yield, %	0.00*	2.3 %	4.1 %	5.0 %	0.0 %
Price/earnings (P/E)	178.0	10.2	13.3	10.0	12.6
Highest share price, EUR	1.97	1.59	1.77	1.39	1.20
Lowest share price, EUR	1.32	1.33	1.20	0.99	0.95
Average share price, EUR	1.71	1.45	1.49	1.16	1.07
Market value of the shares, 1,000 EUR	31 681	19 947	21 897	17 998	11 905
Shares trade volume, 1,000 pcs	5 023	795	929	1 885	1 614
Shares trade volume, %	29.7 %	5.3 %	6.2 %	13.7 %	14.0 %
Weighted average of the share issue corrected number of shares during the financial period, 1,000 pcs	15 719	14 933	14 972	13 756	11 546
Number of shares corrected by share issue at the end of the financial period, 1,000 pcs	16 937	14 882	14 974	14 960	11 448

* The Solteq Plc Board proposes to the Annual General Meeting that no dividend will be paid from the financial period 2015.

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

CALCULATION OF FINANCIAL RATIOS

Return on equity (ROE) %:

$$\frac{\text{net result}}{\text{equity (average)}} \times 100$$

Return on investment %:

$$\frac{\text{result after the financial items + financial expenses}}{\text{total assets - interest-free liabilities (average)}} \times 100$$

Equity ratio:

$$\frac{\text{equity}}{\text{total assets - advances received}} \times 100$$

Net gearing:

$$\frac{\text{interest bearing liabilities - cash, bank and securities}}{\text{equity}} \times 100$$

Diluted earnings per share:

$$\frac{\text{net result -/+ ownership share of the non-controlling interest}}{\text{average number of shares added with number of shares at the end of the period}}$$

Earnings per share:

$$\frac{\text{net result -/+ ownership share of the non-controlling interest}}{\text{average number of shares}}$$

Equity per share:

$$\frac{\text{equity}}{\text{number of shares}}$$

Dividend per share:

$$\frac{\text{Dividend for the period}}{\text{number of shares at the time of payment}}$$

Dividend from result %:

$$\frac{\text{dividend per share}}{\text{earnings per share}} \times 100$$

Effective dividend yield:

$$\frac{\text{dividend per share}}{\text{share price at the year-end}} \times 100$$

Price/earnings:

$$\frac{\text{share price at the year-end}}{\text{earnings per share}}$$

31 DISTRIBUTION OF OWNERSHIP AND SHAREHOLDER INFORMATION

OMISTUSJAKAUMA SEKTOREITTAIN 31.12.2015

	NUMBER OF OWNERS	NUMBER OF SHARES AND VOTES	
		%	PCS
Companies	68	45.9 %	8,162,102
Financier and insurance institutions	7	1.7 %	300,237
Public organisations	2	17.7 %	3,155,597
Households	1,826	34.7 %	6,173,447
Not for profit organisations	2	0.0 %	231
Outide Finland	6	0.0 %	6,445
Total	1,911	100.0 %	17,798,059
of which nominee registered	5	1.4 %	247,612

OMISTUSJAKAUMA SUURUUSLUOKITTAIN 31.12.2015

NUMBER OF SHARES	NUMBER OF OWNERS	NUMBER OF SHARES AND VOTES	
		%	PCS
1 - 100	383	0.2 %	27,348
101 - 1 000	1,066	2.8 %	499,549
1 001 - 10 000	373	6.5 %	1,154,526
10 001 - 100 000	73	11.7 %	2,083,564
100 001 - 1 000 000	11	17.3 %	3,074,888
1 000 000 -	5	61.6 %	10,958,184
Total	1,911	100.0 %	17,798,059
of which nominee registered	5	1.4 %	247,612

MAJOR SHAREHOLDERS 31.12.2015

	NUMBER OF SHARES AND VOTES	
	PCS	%
Sentica Buyout III Ky	4,621,244	26.0
Keskinäinen Työeläkevakuutusyhtiö Elo	2,000,000	11.2
Profiz Business Solution Oyj	1,781,790	10.0
Saadetdin Ali	1,399,553	7.9
Keskinäinen Työeläkevakuutusyhtiö Varma	1,155,597	6.5
Solteq Oyj	825,881	4.6
Aalto Seppo	671,882	3.8
Roininen Matti	420,000	2.4
Corpinghouse Oy	321,356	1.8
Sentica Buyout III Co-Investment	180,049	1.0
10 largest Total	13,377,352	75.2
Nominee registered total	247,612	1.4
Others	4,173,095	23.4
Total	17,798,059	100.0

PROPOSAL FOR DISTRIBUTION OF PROFITS AND SIGNATURES

The distributable equity of the parent company Solteq Plc as at 31.12.2015 is:

Distributable equity reserve	10,448,800.01 euroa
Result for previous financial periods	3,243,100.04 euroa
Result for the financial period	-867,582.81 euroa
Total	12,824,317.24 euroa

Of this amount 12,824,317.24 euros are distributable funds.

The Solteq Plc Board proposes to the Annual General Meeting that no dividend will be paid from the financial period 2015. The board proposes that the result for the period be transferred to the retained earnings account.

No essential changes have taken place in the company's financial situation after the end of the financial period.

Signatures of financial statements and the report of the board of directors

Helsinki 18 February 2016

Mika Uotila
Chairman of the Board

Aarne Aktan
Board Member

Eeva Grannenfelt
Board Member

Kirsi Harra-Vauhkonen
Board Member

Markku Pietilä
Board Member

Olli Väätäinen
Board Member

Repe Harmanen
CEO

The auditor's note

Our auditors' report has been issued today.

Tampere 18 February 2016

KPMG Oy Ab

Lotta Nurminen
Authorised Public Accountant

AUDITOR'S REPORT

TO THE ANNUAL GENERAL MEETING OF SOLTEQ PLC

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Solteq Plc for the year ended 31 December, 2015. The financial statements comprise both the consolidated and parent company statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion,

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

Tampere 18 February 2016
KPMG Oy Ab

Lotta Nurminen
KHT

LIST OF ACCOUNTING RECORDS, DOCUMENT TYPES AND METHOD OF FILING

Accounting records	**Method of filing**
Journal and general ledger	In electronic format
Financial statements and related material	Book printed on paper and bound
Document types	
Purchase ledger vouchers	In electronic format
Sales ledger vouchers	In electronic format
Salary vouchers	In electronic format
Memorial vouchers	On paper

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