

SOLTEQ

ANNUAL
REPORT
2013



CONTENT

4	SOLTEQ PLC
5	SOLTEQ IN 2013 AND THE OPERATING ENVIRONMENT
6	KEY FIGURES 2013
7	CEO'S REVIEW
9	GROCERY AND SPECIAL RETAIL, HORECA
12	WHOLESALE, LOGISTICS AND SERVICES
14	ENTERPRISE ASSET & SERVICE BUSINESS MANAGEMENT
16	CONTINUITY SERVICES
19	PROJECT SERVICES
21	PERSONNEL



SOLTEQ IS THE LEADING PROVIDER OF SOFTWARE SOLUTIONS TO THE RETAIL, LOGISTICS AND SERVICE SECTORS.

We offer long-term partnership and the widest range of services in the market from the optimization of the entire supply chain to the management of consumer information.

REVENUE OF

38.1

MILLION EUROS IN 2013

OPERATING PROFIT OF

2.1

MILLION EUROS IN 2013

A TOTAL OF

88

PERCENT OF OUR CLIENTS WOULD RECOMMEND US AS A SOFTWARE PARTNER

LIKELIHOOD OF PEOPLE RECOMMENDING US AS AN EMPLOYER INCREASED AND EXCEEDED THE AVERAGE LEVEL OF EXPERT ORGANIZATIONS:

67

PERCENT OF ALL RESPONDENTS WOULD RECOMMEND SOLTEQ

DELIVERIES TO MORE THAN

20

COUNTRIES

WE EMPLOY ABOUT

290

EXPERTS



SOLTEQ PLC

– WE GUARANTEE CONTINUITY
AND ENABLE THE FUTURE

Solteq is a leading Finnish provider of software solutions to the retail, logistics and service industries. Solteq focuses on retail, wholesale and logistics operators and provides special solutions to industrial and public sector clients. We offer our clients long-term partnership and the widest selection of ERP and financial management software services in the market, ranging from supply chain optimization to the management of consumer-customer information. Our technology independent solutions help our clients produce increasingly better services and develop their business operations in a profitable and effective manner.

Solteq was established in 1982, which means that it has more than 30 years' experience in the retail, logistics and service sectors and in software services. Our competitive advantage is that we are the only Finnish company that solely focuses on providing comprehensive solutions for the

retail, logistics and service industries. Thanks to this and to our extensive industry expertise and experience, we are able respond to the challenges facing our clients and offer solutions that create competitive advantage also in the future. Our software solutions are based on our own product development and on the solutions of our global partners, such as Microsoft, SAP and Symphony EYC.

Our business operations are divided into the following three segments: Grocery and Special Retail, HoReCa; Wholesale, Logistics and Services; Enterprise Asset & Service Business Management. Solteq is a workplace for about 290 experts in the solutions that we provide. The company's shares have been quoted in NASDAQ OMX Helsinki since 1999. Our goal is profitable growth and active dividend distribution policy. Solteq's headquarters are located in Tampere; the other two offices are in Helsinki and Lahti.

SOLTEQ'S BUSINESS SEGMENTS

THE GROCERY AND SPECIAL RETAIL, HORECA SEGMENT

provides retail companies with total solutions that they can utilize to enhance their operations and customer experiences in logistics, store operations, customer service, payment transactions, as well as loyal customer management. Our solutions help our clients optimize the management of selections, facilities, deliveries, logistics and customer satisfaction, which supports the development of their sales and financial performance. For the hotel and restaurant sector, Solteq offers customer management and payment transaction solutions that are adaptable to the client's special business requirements. Our solutions help our clients enhance their operations and help them serve their customers better.

THE WHOLESALE, LOGISTICS AND SERVICES SEGMENT

provides wholesale operators with ERP and financial management systems, as well as optimization, integration and reporting solutions that support them. Solteq's solutions help our clients manage their operations and enhance their purchases, sales, inventory management and reporting. Our systems can be utilized to manage goods flows, improve delivery reliability, reduce inventory value, increase stock turnover and improve predictability.

THE ENTERPRISE ASSET & SERVICE BUSINESS MANAGEMENT SEGMENT

provides ERP solutions as well as master data management solutions for the service sector. The segment helps e.g. industrial and energy production as well as maintenance and service companies manage and develop their operations. The aim of master data services is to ensure that the business critical data in the systems that support our 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 companies across industries and sectors.

SOLTEQ IN 2013 AND THE OPERATING ENVIRONMENT

In 2013, Solteq's turnover was 38.1 million euros. The turnover decreased by 2.3 percent from the 39.0 million euros of the previous year. The operating profit was 2.1 million euros, which was 5.6 percent of the turnover. The operating profit decreased from the 2.7 million euros of the previous year. However, the result of the financial period, 1.6 million euros, remained at nearly the same level as in 2012. The earnings per share were 0.11 euros in 2013, whereas the earnings per share in 2012 had been 0.12 euros. In 2013, Solteq paid a total of 0.06 euro per share in dividends.

The decrease in Solteq's operating result was especially due to the partial realization of the risks related to a major client project in the Wholesale, Logistics and Services Segment. The Company prepared for these risks in advance and took corrective measures during the financial period to minimize the business effects.

The Company's Equity Ratio rose to 43.5 percent (37.2 percent in 2012). At the same time, the Net Gearing decreased to 29.4 percent from the previous year's 51.5 percent.

SEVERAL SIGNIFICANT DEALS DURING THE YEAR

In 2013, Solteq concluded several significant deals and deepened the cooperation with its long-term clients. Long-term and confidential client relationships played a key role in maintaining Solteq's relatively stable financial situation.

An example of this is the service agreement that Solteq concluded with Suomen Lähikauppa Ltd. The agreement complemented the retail system service portfolio that Solteq had previously delivered to Suomen Lähikauppa. In October, Solteq concluded contracts with two department store chains,

Veljekset Halonen Ltd and Carlson Ltd, on the delivery of a Microsoft Dynamics AX for Retail based total software solution. The deal was important for Solteq both financially and strategically. In 2013, Solteq also concluded several significant contracts on the delivery of the Artturi Neo Enterprise Asset Management System.

OPERATING ENVIRONMENT REVIEW: THE WEAKENING DEMAND IN THE RETAIL SECTOR SLOWED DOWN INVESTMENTS

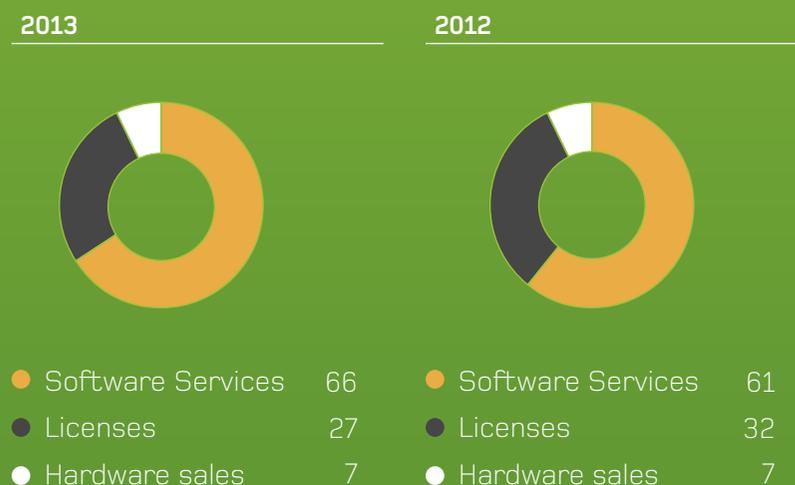
Solteq's financial development depends on how successful the Finnish retail sector is and what the sector's future prospects are. Owing to the weakening demand in the retail sector and the general uncertainty concerning the future, Solteq's market situation was challenging in 2013. According to Statistics Finland, the sales in the whole retail sector

declined in 2013 compared with the previous year.

The decline in the demand and the tightening competition created by international e-business had a significant impact on the investment willingness of our retail sector clients. The investments of Solteq's clients focused on the most critical software solutions for their business operations. All the other investments were postponed. While the economic uncertainty slowed down investment decisions, the accelerating drastic changes taking place in the retail sector also added to the clients' hesitation to make investments and blurred the outlook for the retail trade. On the other hand, investments in software solutions are necessary for Solteq's clients in terms of maintaining and developing competitiveness in the tightening competition.

KEY FIGURES 2013

REVENUE BY FUNCTION (%)



THREE YEAR FIGURES

FINANCIAL PERIOD 1.1.-31.12.	2013	2012	2011
Revenue, MEUR	38.1	39.0	27.1
Change in revenue, %	-2.3	+43.7	+0.5
Operating profit, MEUR	2.1	2.7	1.5
% of revenue	5.6	7.0	5.4
Profit before tax, MEUR	1.9	2.4	1.3
% of revenue	5.1	6.2	4.7
Return on equity, %	15.5	21.2	16.0
Return on investment, %	13.2	20.8	13.1
Equity ratio, %	43.5	37.2	34.2
Personnel	287	270	211

QUARTERLY REVENUE AND OPERATING PROFIT IN 2013 (MEUR)

	Q1	Q2	Q3	Q4
Revenue	10.0	9.7	8.6	9.8
Operating profit	0.5	0.5	0.6	0.4



THE ROAD WE HAVE CHOSEN TURNS CHANGES INTO OPPORTUNITIES

IN 2013, WE CONTINUED TO IMPLEMENT OUR STRATEGY, DEVELOP OUR BUSINESS AND FOCUS ON OUR CLIENTS. OUR PERFORMANCE DURING THE YEAR STRENGTHENED OUR BELIEF THAT THE ROAD WE HAD CHOSEN WAS THE RIGHT ONE.

Financially, 2013 was fairly good for us – despite the challenging market situation. We managed to maintain our market position and profitability thanks to our long-term client relationships, which are important for our success.

In 2013, we concentrated on the development of our core business operations and on strengthening our client relationships. We continued our efforts to make our cost control and structure more flexible. At the same time, we expanded and honed our solution selection to make it increasingly client oriented. One example is the upgraded business-to-consumer e-business solution that we were able to offer to our clients.

We also succeeded in deepening several of our long-term client relationships. Our new software solutions played a key role in the development of our client cooperation. The significant increase in client satisfaction in 2013 reflects the long-term strategic client relations work that Solteq has carried on for several years. We also started cooperation with several new clients and strengthened the collaboration with our key clients.

FORWARD TREND INDICATED BY SEVERAL MEASURES

We developed in several important areas in 2013, and I am extremely pleased with the



THE IMPLEMENTATION OF OUR STRATEGY CONTINUES WITH GUARANTEEING CONTINUITY AS ITS FOUNDATION PILLAR— FOR OUR CLIENTS' BUSINESS OPERATIONS, FOR SOLTEQ'S DEVELOPMENT, FOR OUR PERSONNEL, AND FOR OTHER STAKEHOLDERS.

situation. Our client value proposition is to guarantee continuity and enable the future at the right time and cost. The trust of our clients in us continued to increase. We have several clients with which we implement large projects and consider long-term strategic development. The improved client satisfaction is a good proof of this development: up to nine out of ten of our clients now recommend us; in 2013, the score was about seven out of ten. This is an excellent proof of the efforts taken by each Solteq employee to enhance client orientation – the promise of the client value proposition has to be delivered every day. Client Always First.

Our employee satisfaction also continued the growth that had taken place for several years. Up to two thirds of Solteq's employees would recommend us as an employer. This score is higher than the average of Finnish expert organizations.

In my opinion, these results reflect our strong software solution and industry expertise as well as low personnel turnover. For us, the client always comes first, and our work is characterized by openness, agility of operations and easy approachability. It is

important for us to be an employer that takes our employees' life situations into consideration and offers possibilities to develop individual competences. The low turnover of our personnel allows a systematic development of expertise.

STRATEGY PROGRAM CONTINUES

In 2013, we continued the implementation of the strategy program started in 2011. In the program, we focus on long-span development of our solutions, client orientation and HR development. The work has proceeded in an excellent way. In short, I could say that many of the successes achieved in 2013 are the result of our systematic and persistent work of several years. It is not a coincidence that both the client and employee satisfaction have improved, or that we are a reliable partner in comprehensive retail, logistics and service solutions.

An excellent example in practice is the Microsoft Dynamics AX business. We made serious investments in this business in 2011, and during 2013 it developed into profitable business that created competitive advantage

for us. Several successful client projects speak for themselves.

The foundation pillar of our strategy is guaranteeing continuity – for our clients' business operations, for Solteq's development, for our personnel, and for our stakeholders and interest groups. A good example of guaranteeing continuity for our clients is the growth of the popularity of the "Bridge" Solutions in 2013. The solutions offer transfer paths from old systems to new ones. During the course of 2013, we were able to report on several "Bridge" contracts in e.g. the Enterprise Asset & Service Business Management Segment.

ACCELERATING CHANGES IN RETAIL TRADE

The changes in the retail sector have been accelerated by shifts in consumer behavior and by multichannel retailing. In view of the continuity of the business operations, expansion to e-business is a key question for many retailers. The gap between the consumers and the retailers which avoid engaging in e-business grows all the time, and dropping out of competition may be extremely fast. The drastic changes in retail trade also impact the wholesale sector. E-business makes it possible to reach the end customer globally through traditional distribution channels or without them.

We see the changes in the future and in retail trade primarily as an opportunity for our clients and for Solteq. The changing operating environment and consumer behavior create opportunities but turning them to profitable business requires customer oriented solutions. We want to cooperate

with our clients and help them succeed in turning the threats brought by changes into opportunities by providing them with appropriate software solutions.

WE WILL CONTINUE ON THE ROAD WE HAVE CHOSEN WITH INCREASED DETERMINATION

In fall 2013, we started to make plans for the strategy period which will start in 2015. We will continue, with increased determination, developing our strengths and competitive advantages as well as new solutions that serve the needs of our clients, probing for new business opportunities, and focusing on our clients. It is important for us to make sustainable decisions which guarantee the continuity of both Solteq's and our clients' business operations.

In 2013, we paid increasing attention to international activities. Our operations mainly take place in Finland, although our solutions are used in more than 20 countries. Our business operations have become international through the international operations of our clients, and this is the direction we intend to proceed in. In future, we will pay more attention to how we are able to respond more effectively to the tightening international competition in software solutions.

I would like to extend my thanks to our clients, personnel and partners, as well as owners and other stakeholders for the open and strengthening cooperation in 2013. It is great to have you with us in turning changes into opportunities.

REPE HARMANEN
CEO



RIGHT SOLUTIONS FOR THE CHANGING RETAIL SECTOR

IN 2013, WE EXPANDED OUR PRODUCT PORTFOLIO, INCREASED COOPERATION WITH OUR CLIENTS AND PARTNERS, AND CONCLUDED SEVERAL SIGNIFICANT DEALS. THE RADICAL CHANGES TAKING PLACE IN THE RETAIL TRADE BROUGHT ABOUT NEW OPPORTUNITIES TO OUR CLIENTS AND TO US.

In 2013, the turnover of the Grocery and Special Retail, HoReCa Segment was EUR 18.0 million (2012 EUR 17.0 million), an increase of 5.6 percent on 2012. The operating profit was EUR 1.1 million (2012 EUR 0.7 million) an increase of 55.2 percent on 2012.

For the Grocery and Special Retail, HoReCa Segment, 2013 was a fairly good year with a solid operating profit. On the one hand, the general uncertainty in the market affected the investment willingness of our clients. Investment decisions were postponed and this slowed down our sales to a certain degree. On the other hand, the tightening competition caused by radical changes in the retail trade, shifts in consumer behavior and

the growing significance of e-business and multichannel retailing increased investment needs for some of our clients.

STRATEGIC INVESTMENTS BRING ABOUT RESULTS

Solteq is the leading provider of Microsoft Dynamics AX for Retail Solution in Finland. In October 2013, Solteq concluded contracts with two department store chains, Veljekset Halonen Ltd and Carlson Ltd, on the delivery of a Microsoft Dynamics AX for Retail based total software solution. The value of the deal without options is more than EUR one million spread over 2014-2015. The deal is also

significant for Solteq in terms of the implementation of the company's strategy. We have made long-term investments in the Microsoft Dynamics AX for Retail business, which we started in 2011. During 2013 it developed into a good business that creates business advantage for us.

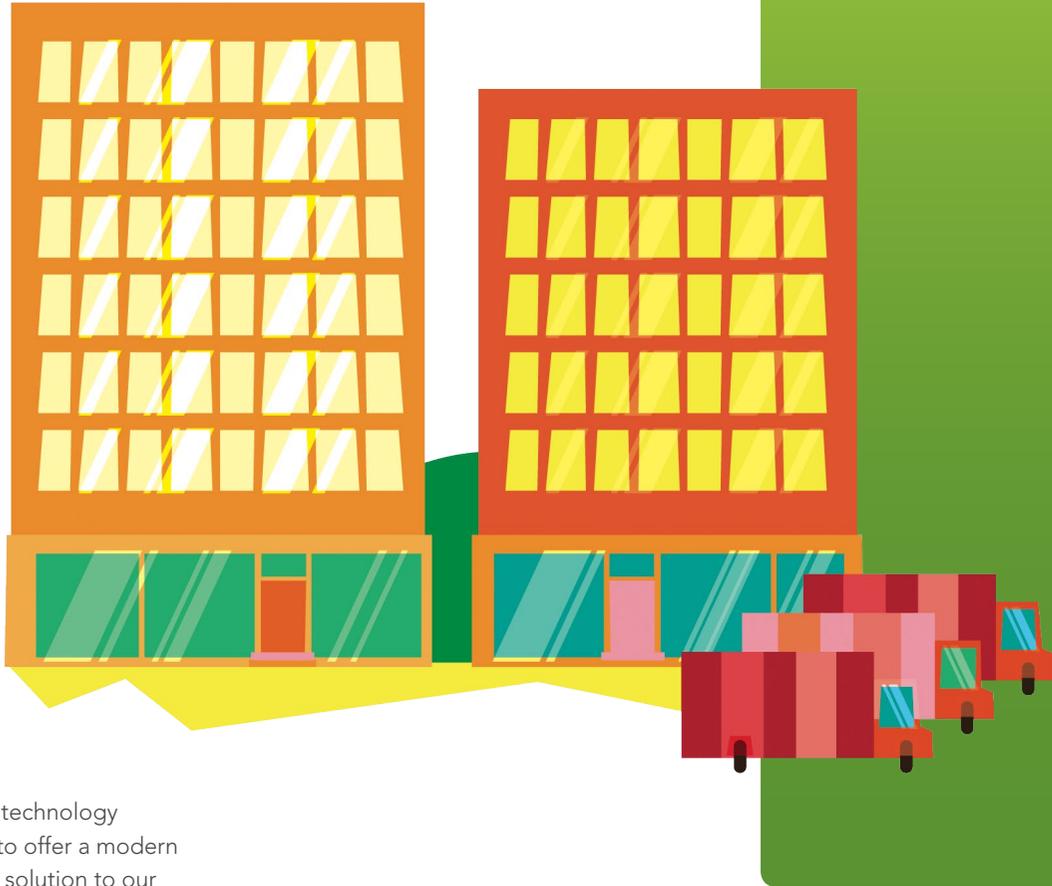
We also made considerable investments in the productization of our services, and this brought about increased demand for our "Software as a Service" Solutions. We offer the Software as a Service Solution as a turnkey delivery including e.g. support and maintenance service.

Another example of the development of our services is the service agreement that

"DURING THE YEAR, MICROSOFT DYNAMICS AX FOR RETAIL BUSINESS DEVELOPED INTO A GOOD BUSINESS THAT CREATES BUSINESS ADVANTAGE FOR US"

PETRI LINDHOLM
DIVISION DIRECTOR,
GROCERY AND SPECIAL
RETAIL, HORECA





we made with our long-term client Suomen Lähikauppa Oy in November. The agreement complements the earlier service portfolio that Solteq has delivered to Lähikauppa and it includes the delivery of all the maintenance and support services related to Lähikauppa's retail systems as well as the management of these services. The value of the deal is over four million euro distributed over 2014-2016.

In 2013, the transfer from older information systems to modern, technically established systems continued in Finnish organizations. This development also contributed to the demand for our systems.

CLOSER COOPERATION AND MORE COMPREHENSIVE OFFERING

In 2013 we deepened the cooperation with several of our partners. We started cooperation with Annata, which provides automobile

trade and industry related technology solutions. This allowed us to offer a modern and cost-efficient software solution to our automobile clients. The platform of the solution is Microsoft Dynamics AX, on which we built a customized solution that meets the requirements of automobile operators.

We also strengthened our position as a total solution provider to the special retail and HoReCa sectors by starting cooperation with LS Retail, a pioneer in the field. This strategic partnership allows us to provide our special retail and Ho-Re-Ca clients a total solution for managing the whole business development and supply chain in a user oriented manner from the purchase transaction to business

management.

As part of our offering development, we also added new properties and service to our POS solutions, e.g. electronic archiving system, and harmonized our payment terminal system offering.

GROWING BUSINESS FROM E-BUSINESS

One of the drivers of the radical change in the retail trade is the increasing shift of consumers to the Internet and lately also to mobile

devices. Digitalization increases the number of retailing channels and causes fragmentation in the offering. In this situation, it is increasingly important for retailers to identify the channels in which customers move and understand their buying patterns.

Our goal is that our clients get all the software solutions they need for developing their core operations from Solteq. During 2013, we took important development steps regarding this goal. We complemented our offering to retail chains with business-to-consumer



e-business solutions. As from the beginning of 2014, Solteq offers its clients highly integrated e-business solutions implemented with a technology that is compatible with the technology of their own ERP solutions. This was welcomed news to our clients and the feedback was highly positive.

OPPORTUNITIES CREATED BY CHANGE

One sign of the changes taking place in the retail trade is that small local stores make increasing investments in the development and improvement of their customer service encounters to differentiate themselves from their competitors and from e-businesses. In 2013, demand increasingly focused on total solutions that enable stores to handle customer service encounters in a more flexible and effective way than before. There is a widespread interest in the utilization

of the possibilities brought about by new technologies in the grocery and special retail sector, and this is an opportunity for Solteq.

CUSTOMER KNOWLEDGE FACILITATES SERVICE IMPROVEMENTS

An essential consequence of the radical changes taking place in the retail trade is

that our clients try to identify their customers better than before to be able to forecast consumer behavior and offer their customers more personal and high-quality service. This development can be seen in both small local stores and in e-businesses. One of Solteq's most important competitive advantages is the company's more than 30 years' experience in the whole retail value chain. It enables us

FOR THE GROCERY AND SPECIAL RETAIL, HORECA SEGMENT, 2013 WAS A FAIRLY GOOD YEAR. OUR SOLID OPERATING PROFIT OF 1.1. MILLION EUROS REPRESENTED A GROWTH OF OVER

55%
FROM PREVIOUS YEAR

to provide our clients with a 360 degree view of the modern, multichannel and dynamic consumer-customer scene. One example of this is our offering of continuously developed loyal customer management solutions. Our solutions also allow a more advanced integration of product and customer information with the information available from the social media or with geographical and weather information. These solutions provide our retail sector clients better possibilities than before to establish consumer behavior trends and develop the customer experience.



WHOLESALE IS LOOKING FOR NEW OPPORTUNITIES

DESPITE THE DEMANDING MARKET SITUATION, WE MAINTAINED OUR MARKET POSITION AND FOCUSED ON THE DEVELOPMENT OF OUR SOLUTIONS AS WELL AS CLIENT AND PARTNERSHIP COOPERATION. IN 2013, ESPECIALLY APPLICATION INTEGRATIONS WERE IN DEMAND.

In 2013, the turnover of the Wholesale, Logistics and Services Segment was EUR 15.0 million (2012 EUR 16.9 million), an decrease of 11.2 percent on 2012. The operating profit was EUR 0.3 million (2012 EUR 2.3 million) an decrease of 87.1 percent on 2012.

For the Segment, 2013 was a challenging year owing to the general decline in sales in the retail trade. This caused delays in our clients' investment decisions and slowed down the sales of the Segment. The realization of the risks related to a major client project

also affected the financial performance of the Segment. We prepared for these risks in advance and took corrective measures during the financial period to minimize the business effects.

Thanks to our long-term, confidential client relationships, we maintained our market position in spite of the challenging market situation. In 2013, we deepened and expanded cooperation with several of our clients and invested in our business operations and expertise, and in the development of client orientation.



“THE RADICAL CHANGES TAKING PLACE IN THE RETAIL TRADE AFFECT THE WHOLE RETAIL VALUE CHAIN, INCLUDING WHOLESALERS”

TIINA HONKINIEMI
DIVISION DIRECTOR,
WHOLESALE, LOGISTICS AND SERVICES

INTEGRATIONS AND ENHANCEMENT OF OPERATIONS

One of the factors that characterized 2012 was that uncertainty in the retail trade shifted the demand towards system application integration projects instead of renovation projects. The maintenance and development of the competitive advantage requires investments. Instead of purchasing new systems, our clients focused their efforts on the development and integration of their current systems and on improving the logistic chain.

We delivered an ERP system for HR management to our long-term partner Tuko Logistics and started an upgrade project of its Solteq Merx ERP System, as well as an e-business development project. We also implemented Solteq Merx upgrades for several other clients in 2013.

We delivered a assortment management solution to Alko and started a facility management project with them. We also delivered a hand-held terminal solution to all Alko's stores combined with a remote control system which facilitates e.g. the system upgrade process.

Our goal was to enhance the expansion of the Microsoft Dynamics AX business to our wholesale clients, but the delay in the clients' investment decisions in 2013 slowed down the growth.

We aim at growing the AX business in the wholesale sector in 2014.

TOKMANNI'S OPERATIONS ENHANCED

To our long-term client Tokmanni we delivered a solution for optimizing purchases and restocking. It is used in practically all Tokmanni stores now. The solution has enhanced Tokmanni's operations.

IMPROVED CLIENT SOLUTIONS THROUGH CLOSER PARTNERSHIPS

In 2013, we developed our cooperation with several partners, for instance Appelsiini and Indian ITC Infotech. Our cooperation with Appelsiini, which had started in 2012, expanded considerably in 2013. Cooperation with ITC Infotech, which had started in 2011, was also strengthened. This partnership helps us concentrate on our core expertise and produce software solutions for our clients in an increasingly flexible and cost effective way.

RADICAL CHANGES IN THE RETAIL TRADE ALSO IMPACT THE WHOLESALE SECTOR

The discussion on the radical changes taking place in the retail trade often focuses on the shifts in consumer behavior and the increasing popularity of e-business and the way these trends affect the business-to-consumer market. These changes, however, affect the whole value chain, including wholesalers.

One of the impacts of the changes has

been that wholesale operators increasingly examine the functionality of the traditional delivery channels.

Solteq has provided e-business solutions since 1996. We can act as pilots for our clients and help them utilize the possibilities offered by e-business and find the solutions that best suit their business operations.

THE SIGNIFICANCE OF MASTER DATA GROWS

An important development trend in 2013 has been the growing role of master data solutions. We also took significant steps forward with certain clients especially in the area of product data management.

Our clients are also increasingly interested in consumer demand forecast solutions, and this will offer new business opportunities to us. These solutions provide our clients with



detailed information on the development of consumer demand and help them be better prepared for variations in the demand, optimize their logistics and inventory operations and thereby serve their customers in a more comprehensive way. New business opportunities will also be opened to us by the optimization of deliveries by means of system solutions.

NETWORKING CONTINUES IN SERVICE PRODUCTION

IN 2013, THE OPERATIONS OF THE ENTERPRISE ASSET & SERVICE BUSINESS MANAGEMENT SEGMENT WERE CHARACTERIZED BY SIGNIFICANT DEALS AND BY DEEPENED CLIENT RELATIONSHIPS. THE RESULTS OF THE YEAR PROVED IN MANY WAYS THAT OUR STRATEGIC CHOICES HAD BEEN RIGHT.

In 2013, the turnover of the EAM & Service Business Management Segment was EUR 5.2 million (2012 EUR 5.1 million), an increase of 0.8 percent on 2012. The operating profit was EUR 0.7 million (2012 EUR -0.3 million).

In 2013, the uncertainty of the markets delayed the investment decisions of the Segment's clients. Segment's turnover grew at satisfactory rate. Our operating profit was good considering the market situation. The change in the organizational structure implemented in 2012 had a positive effect on our financial performance. It allowed us to focus on the development of our core expertise,

fine-tune the organizational structure, strengthen the sales and develop the cost structure. The year 2013 also proved that the strategic choices that we had taken concerning both our software solutions and our client groups had been right.

THE CERTIFICATION OF SOLAX ACCELERATED DEMAND

In Early 2013, Solteq's ERP system for enterprise asset and mobile work management, Solax, was awarded the Certified for Microsoft Dynamics® AX2012 Certificate

(CfMD), the highest level Microsoft Certificate, and the first in Finland. The certificate had an enthusiastic reception among our clients and partners, and this increased interest in Solax and accelerated the sales to a significant degree. Solax's competitive advantage is in its flexibility and scalability for the needs of several service sector operators.

ARTTURI NEO WELL RECEIVED

Artturi Neo, which is a completely revamped version of Finland's most popular enterprise asset management system Artturi, was received extremely well in 2013: we concluded several significant delivery contracts. In January we reported the delivery of Artturi Neo to Neorem Magnets, Lunawood and Finnprotein. In March we published the contract concluded with the Särkänniemi Adventure Park. In Särkänniemi, Artturi Neo is used in the maintenance of the facilities and in monitoring the life cycles of the facilities and equipment. The good pace continued until the latter part of the year, when we

reported the delivery of Artturi Neo to Jujo Thermal Ltd, Kymenlaakson Vesi, Tetra Pak Production and Vattenfall.

SMARTER AND MORE VERSATILE SOLUTIONS

In addition to the retail trade, Solteq has more than 30 years' experience in the service sector and in business and ERP processes. Apart from comprehensive experience, our competitive advantage in EAM & service business management solutions is based on a strong industry expertise and the largest solution portfolio in the market. Solteq's EAM & service business management solutions are utilized by a large number of clients representing a wide range of industries and sectors, such as industry and energy production related operational reliability services, enterprise asset management services, life cycle services, engineering and technical services of cities and municipalities, property management services, as well as home and care services.

One reason for the increased demand for our EAM & service business management



“THE YEAR 2013 PROVED THAT THE STRATEGIC CHOICES THAT WE HAD TAKEN CONCERNING BOTH OUR SOFTWARE SOLUTIONS AND OUR CLIENT GROUPS HAD BEEN RIGHT”

MATTI SAASTAMOINEN
DIVISION DIRECTOR,
ENTERPRISE ASSET &
SERVICE BUSINESS
MANAGEMENT

solutions was the need for smarter systems than before. Our clients’ service agreements are a good example of this need. Our clients increasingly need software solutions that manage and prioritize maintenance services on the basis of different kinds of service agreement. Our solution for instance tells the maintenance personnel which maintenance location they have to go next on the basis of the service agreement.

The strategic partnership that we started in early 2013 with M-Files, an ECM system provider in Tampere, brought about service productization solutions and also the first clients for the solutions. Solteq’s strategy is to productize and develop solutions for the needs of the client target group of the EAM & Service Business Management Segment by means of the award-winning M-Files technology.

NETWORKING CHANGES BUSINESS

Like the retail sector, the service sector is also facing radical changes. One significant development taking place is accelerating business networking. Earlier one company could be responsible for all the phases of a service process; today the value chain may contain dozens of companies, each of them developing its operations in this network. Solteq’s role is to provide software services that support the operations of both the individual actors and the service providers in the network.

Another significant trend that positively affects our business operations is that more and more public sector operators shift to

the Purchaser-Provider Model. A city that purchases an IT solution may also produce the service by means of the system. In 2013, we concluded a significant public sector deal: the technical and environmental services of the City of Espoo purchased Solax for the management of the City’s properties and public areas. In Espoo’s technical and environmental services, Solax supports especially processes that are related to work orders and scheduling.

THE SIGNIFICANCE OF MASTER DATA SHOULD NOT BE UNDERESTIMATED

The master data management solutions of the EAM & Service Business Management Segment serve Solteq’s clients across industry boundaries and play a crucial role in responding to the challenges of the changes taking place in the retail trade. Master data contains business critical information, and therefore its significance in various services and solutions should not be underestimated. The development of customer and product information management is an especially important and topical matter for many of our clients. In 2013, our master data business produced the best financial result of all times. Our clients increasingly aim at harmonizing their information and integrating it into one set of data, for example by means of data migration. In 2013, we successfully implemented master data projects for e.g. Rovaniemi Energy, and Vantaa Energy.



GUARANTEEING CONTINUITY

FOR US, 2013 WAS A YEAR OF IMPROVING OUR OPERATIONS IN MANY DIFFERENT WAYS, WITH FOCUS ON THE CLIENT, NATURALLY.

Solteq's Continuity Services focus on guaranteeing the continuity of our clients' operations, on producing the best client experience, and on enabling the utilization of the technological development. Continuity Services also play an important role in the development of Solteq's client relationships.

CLOSER AND MORE OPEN COOPERATION WITH THE CLIENTS

In 2013, we concentrated on developing and deepening our existing client relationships, and on systemizing the cooperation with our clients.

We increasingly participated in our clients' considerations concerning the strategic development of their business operations and the long-term solutions that support the development.

At Solteq, Service Directors focus on the development of client relationships. The importance of their role increased significantly in 2013. Together with the Service Managers, they are responsible for developing the client relationships. The feedback we received on our Service Directors from our clients was extremely positive. Thanks to the work of the Service Directors, cooperation with many clients expanded considerably in 2013.

HUGE LEAP IN SOLTEQ'S CLIENT SATISFACTION

There is a lot of discussion going on concerning strategic partnerships. At Solteq, we believe that strategic partnership means a strong mutual trust between us and our client and a shared intent to develop operations

OUR SEVERAL YEARS' SYSTEMATIC WORK TO IMPROVE CLIENT RELATIONSHIPS BROUGHT ABOUT A HUGE LEAP IN CLIENT SATISFACTION IN 2013. ALMOST 90 PERCENT OF OUR CLIENTS WOULD RECOMMEND US.

on a long term basis. We also want to listen to our clients in the form of measurable feedback, and therefore we measure client satisfaction on both annual and project levels.

Our several years' systematic work to improve client relationships brought about a huge leap in client satisfaction in 2013. According to the survey that was carried out

in November, almost 90 percent of our clients would recommend us. In 2012, the score had been about seven out of ten of the clients. We are extremely satisfied with the result and committed to continuing our work to improve client relationships. The response percentage was also considerably higher than before. We also examined the results on a client-specific

level and used the findings to prepare client-specific plans for developing cooperation.

In 2013, we also carried out a targeted survey to a certain client group with the aim of developing our service delivery processes and models. The results of the survey brought out important development targets. We looked for solutions to them in working groups and implemented the solutions in the course of the year.

CLIENT ORIENTATION AND CONTINUITY THROUGH SYSTEMATIC WORK

One important step forward in 2013 was the development of a client relationship management model. In the model, we pay more attention than before to the client's needs and wishes and the regularity of cooperation to enable us to increase proactivity and client orientation in our services.

In 2013, we also focused on service productization. An example of the development of a long-term, confidential client relationship was the retail service portfolio expansion project with Suomen Lähikauppa published in

November. In terms of value, the deal was the most significant in Solteq's history.

In view of the continuity of our clients' operations, it is essential that the information related to the operations and processes is easily transferable from one system to another. This is made possible by our "Bridge" Solution, which offers transfer paths to new systems. During the year, the "Bridge" Solution was utilized in the area of service sector ERP systems in cooperation with Vattenfall and Japanese Jujo Thermal. Both the companies transferred from the PowerMaint System to the Artturi Neo System.

FROM ONE STRENGTH TO THE NEXT

In many ways, 2013 was a year for fine-tuning important development targets and for improving client relationships. The work we have done in the past year will give us a more solid basis for focusing our efforts on the development of our strengths even more effectively in 2014. The agility of operations and client orientation will play an increasingly important role in the future.

AN EXAMPLE OF THE DEVELOPMENT OF A LONG-TERM, CONFIDENTIAL CLIENT RELATIONSHIP WAS THE RETAIL SERVICE PORTFOLIO EXPANSION PROJECT WITH SUOMEN LÄHIKAUPPA PUBLISHED IN NOVEMBER. IN TERMS OF VALUE, THE DEAL WAS THE MOST SIGNIFICANT IN SOLTEQ'S HISTORY.



"IN 2013, WE CONCENTRATED ON DEVELOPING AND DEEPENING OUR EXISTING CLIENT RELATIONSHIPS, AND ON SYSTEMIZING THE COOPERATION WITH OUR CLIENTS. STRATEGIC PARTNERSHIP MEANS A STRONG MUTUAL TRUST BETWEEN US AND OUR CLIENT AND A SHARED INTENT TO DEVELOP OPERATIONS ON A LONG TERM BASIS"

RIINA TERVAOJA
DIRECTOR,
PROJECT SERVICES



KAI HINNO
DIRECTOR,
CONTINUITY SERVICES





SUCCESSFUL PROJECTS BENEFIT ALL

IN THE PROJECT SERVICES, THE FOCUS IN 2013 WAS ON THE DEVELOPMENT OF A CONSISTENT AND SYSTEMATIC APPROACH TO THE OPERATIONS.

Solteq's Project Services are responsible for a systematic and effective development of our project activities. The goal is increasingly more effective and client oriented projects that benefit both the clients and Solteq.

In 2013, we carried on discussions with our clients on larger projects and on deeper cooperation and participated in competitive bidding in a larger scale than before. This is a good proof that the well-planned measures that we took to develop Solteq into a comprehensive provider of services to the retail, logistics and service sectors and to deepen our client orientation have brought about good results.

BETTER RESULTS THROUGH MORE FOCUSED ASSESSMENT AND BY SHARING EXPERIENCES

An important target in 2013 was the development of our project quality assessment tools.

Solteq now monitors the progress of the projects more carefully than before both internally and by mapping the client experiences. We expanded our internal project assessment to each individual project. Project-specific assessment may concern the delivery phase, documentation, forecasts, checkpoints in the various phases of the project, selection of suitable methods for implementing the project, workloads, profit margins, etc.

To listen to our clients and to develop the quality of our projects, we also perform project-specific surveys. In accordance with the improvement made to the survey in 2013, the survey is now carried out soon after the project is completed to allow use experience before the survey. Previously, project surveys were carried out as part of annual client satisfaction surveys. The survey was also simplified to make responding faster and easier. In our client projects, we measure how

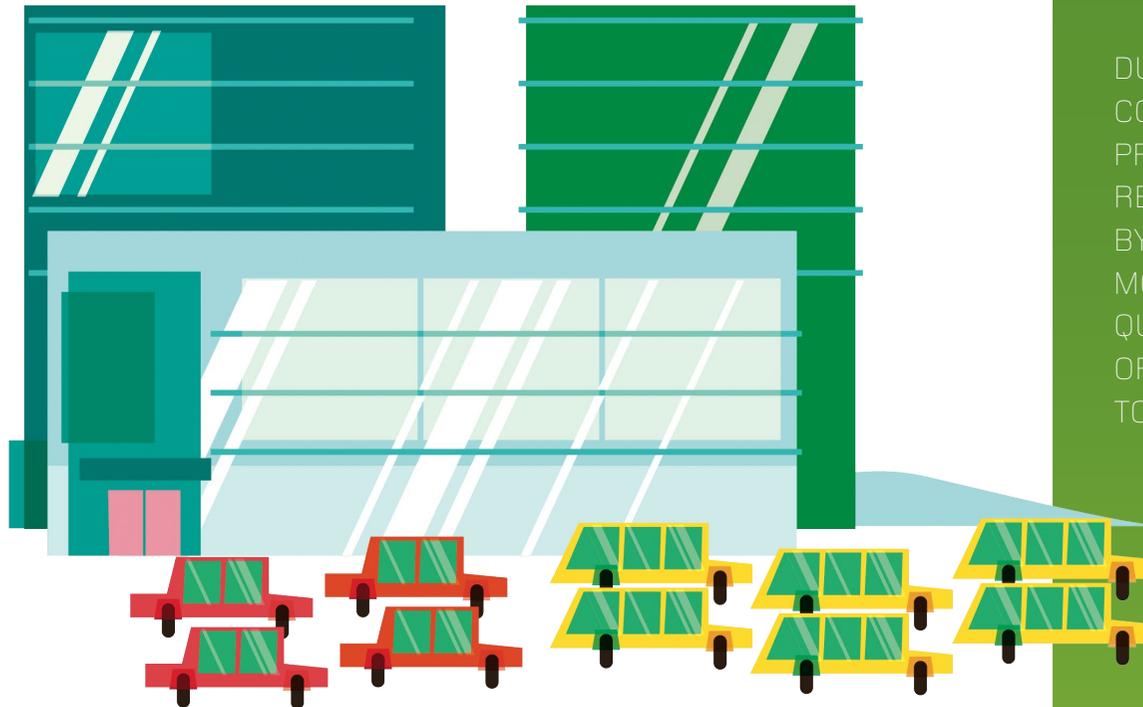
OUR GOAL IS INCREASINGLY MORE EFFECTIVE AND CLIENT ORIENTED PROJECTS THAT BENEFIT BOTH THE CLIENTS AND SOLTEQ. AN IMPORTANT TARGET FOR 2013 WAS THE DEVELOPMENT OF OUR PROJECT QUALITY ASSESSMENT TOOLS.



well we understand client needs, comply with our promises concerning the contents, schedules and costs, manage the project accurately, handle communications, and reach the targets set for the project.

BUOYANCY TO PROJECT ACTIVITIES

In 2013, we continued developing our project model and it was received with enthusiasm by our clients. Our project model ensures that the quality and service level of the projects we deliver to our clients is high. In 2013, we organized several training events and trained about 50 Solteq employees in the project model to familiarize the personnel with the model at a practical level. Our aim is that project experiences are shared across organizational boundaries. In this way, everybody gains, and in the end always the client.



CHANGE STRENGTHENS OUR EXPERTISE

We have also circulated our Project Managers between the units from one project to another to accumulate expertise and bring new views and fresh approaches to our project activities. For example, a Project Manager may be transferred from a store system project to a SAP project. In our opinion, a good project manager possesses special cross-sectoral expertise that can be utilized in different kinds of projects.

The Project Managers' "Proppu" Team continued its regular activities during the year. Sharing experiences has been one of the most valuable contributions provided by the Team. One of Solteq's most important operating principles is that information, knowledge and experiences concerning a completed project are always shared with the colleagues. In this way, the accumulated expertise is distributed in the best possible way to the whole personnel.

DURING THE YEAR, WE CONTINUED DEVELOPING OUR PROJECT MODEL AND IT WAS RECEIVED WITH ENTHUSIASM BY OUR CLIENTS. OUR PROJECT MODEL ENSURES THAT THE QUALITY AND SERVICE LEVEL OF THE PROJECTS WE DELIVER TO OUR CLIENTS IS HIGH.



"IN 2013, SOLTEQ'S REPUTATION AS AN EMPLOYER STRENGTHENED AMONG OUR PERSONNEL. A TOTAL OF TWO THIRDS OF THE EMPLOYEES WOULD RECOMMEND SOLTEQ AS AN EMPLOYER"

MARI KUHA, HR DIRECTOR



FOCUS ON PLEASANT WORKING ENVIRONMENT AND EMPLOYER IMAGE DEVELOPMENT

ABOUT 290 EXPERTS IN RETAIL AND SERVICE SECTOR SOFTWARE SOLUTIONS WORK AT SOLTEQ. IN 2013, WE DEVELOPED INTO A HAPPIER, AND A MORE UNITED AND CLIENT ORIENTED TEAM OF EXPERTS.

In the strategy period that started in 2011, a strong focus in Solteq's strategy has been on the personnel. One of the six strategic development projects of the company is directly related to HR matters. The theme

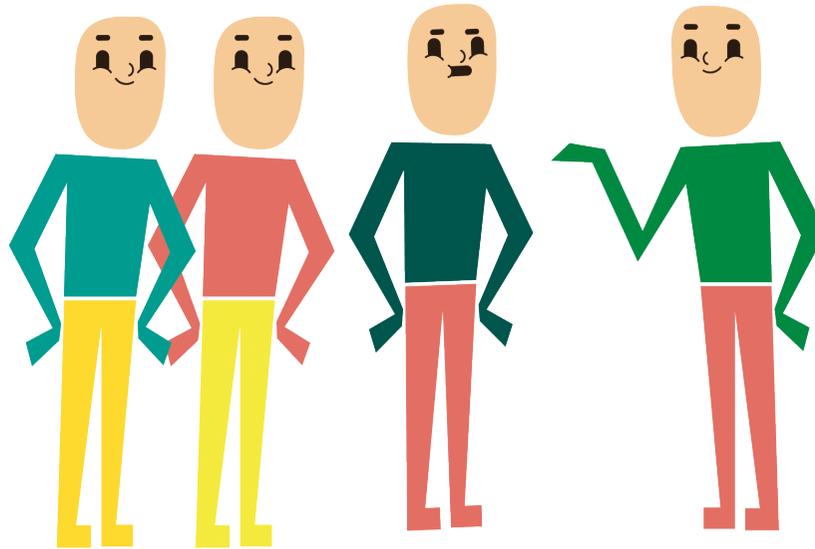
in 2013 was "Right Workplace" and the aim was to improve the working environment and atmosphere. Another aim was to develop both the internal and external employer image of the company.

HAPPIER AND MORE UNITED PERSONNEL THAN EVER BEFORE

We have reviewed employee satisfaction annually by means of a "Personnel Probe" Survey. The feedback given by each member of the personnel is valuable, and it was great to see that nearly nine out of ten employees contributed to the survey in 2013.

Our goal is that employee satisfaction continues to improve in our company. We believe that a satisfied employee makes a satisfied client. It has been rewarding to see that the level of both job satisfaction and satisfaction with the working environment have improved every year for several years in a row. In 2013, Solteq's reputation as an employer strengthened among our personnel. A total of two thirds of the employees would recommend Solteq as an employer. According to the Survey, our personnel feel that especially the quality of managerial work has improved. This shows that the investments that we have made in the course of several years are producing results. On the other hand, the personnel hope that cooperation between the various units will increase. This is an area that we will focus on in the future.

The employee satisfaction survey also showed that the corporate acquisition implemented in 2012 and the integration process that followed it succeeded well: a lot of learning and cultural exchange has taken place. It showed clearly that after the merger Solteq had grown into a more client and learning oriented company than before.



MORE DETAILED GUIDANCE AND IDEAS FROM THE PERSONNEL

In 2013, we prepared an Employee Handbook. It contains information on our offices and instructions to facilitate the daily work of our employees. We also updated the Manager's Handbook compiled the year earlier. This handbook contains information on managerial work and on Solteq's working methods and processes.

In the course of 2013, we asked our personnel for wishes and ideas to develop internal cooperation. One example of the ideas that was put to practice was the breakfast meeting. In 2013, we organized these meetings in both Helsinki and Tampere. Participation and feedback were positive, and this has encouraged us to continue arranging breakfast meetings in 2014 as well.

INCENTIVES IN ORDER

Based on the wishes of the employees, we launched a performance based reward system covering the whole personnel in 2013. The system consists of both company and segment specific as well as personal goals. In this way, we will be better able to reward all the members of Solteq's personnel for successful performance. We also established a Personnel Fund which we hope will commit our personnel to the company even better than before.

VALUES IN PRACTICE

Solteq's roots are in a family enterprise and the values in our operations, such as flexibility and openness, go back to these roots. Our aim is to take the personal situation of an individual employee into consideration and

arrange a suitable framework for meaningful work. Openness is shown in our everyday life in the way we operate, and this is something that our personnel appreciate. The preparation of the new strategy period started in fall 2013 and we have included our personnel in this process. The personnel are given trust and it is appreciated.

Our values and family business background were reflected in the outing that we organized in the Särkänniemi Adventure Park for our clients and employees and their families in summer 2013. The feedback was extremely positive. It was great for us to see so many members of the personnel and our clients at the same place, enjoying the adventures offered by the park with their families.

PERSONAL SUCCESS STORIES

Our strengths include long-term, continuously developing client relationships and extensive industry expertise in the wholesale, retail and service sectors. The year 2013 contained several personal level growth and success stories and it has been rewarding to follow them. One example is the honorary certificate awarded to our Project Manager Katja Korpinen by the Project Management Association Finland. Katja Korpinen completed the international IPMA D Certification procedure and she was the only person to be rewarded in the level she completed. In my opinion, the several significant deals concluded in 2013 are a proof of the high level of expertise and client orientation of our personnel.

SOLTEQ

SOLTEQ PLC

ETELÄPUISTO 2 C
33200 TAMPERE

ATOMITIE 2B
00370 HELSINKI

ALEKSANTERINKATU 10
15110 LAHTI

SWITCHBOARD
+358 (0)20 14444

WWW.SOLTEQ.COM