

Financial statements

2016

SAMLINK

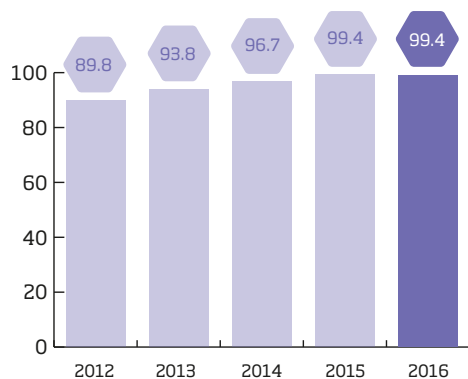


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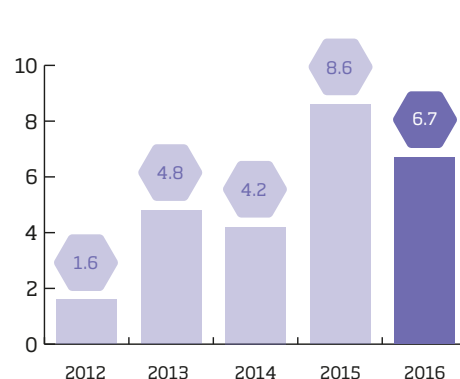
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Group key figures

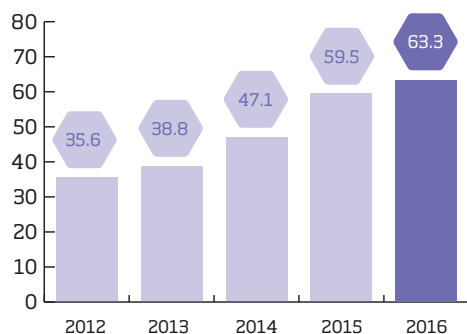
NET SALES, EUR MILLION



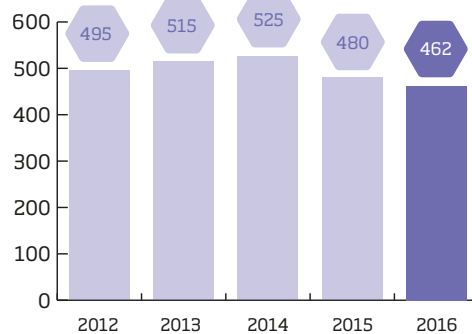
OPERATING PROFIT, EUR MILLION



EQUITY RATIO, %



NUMBER OF PERSONNEL

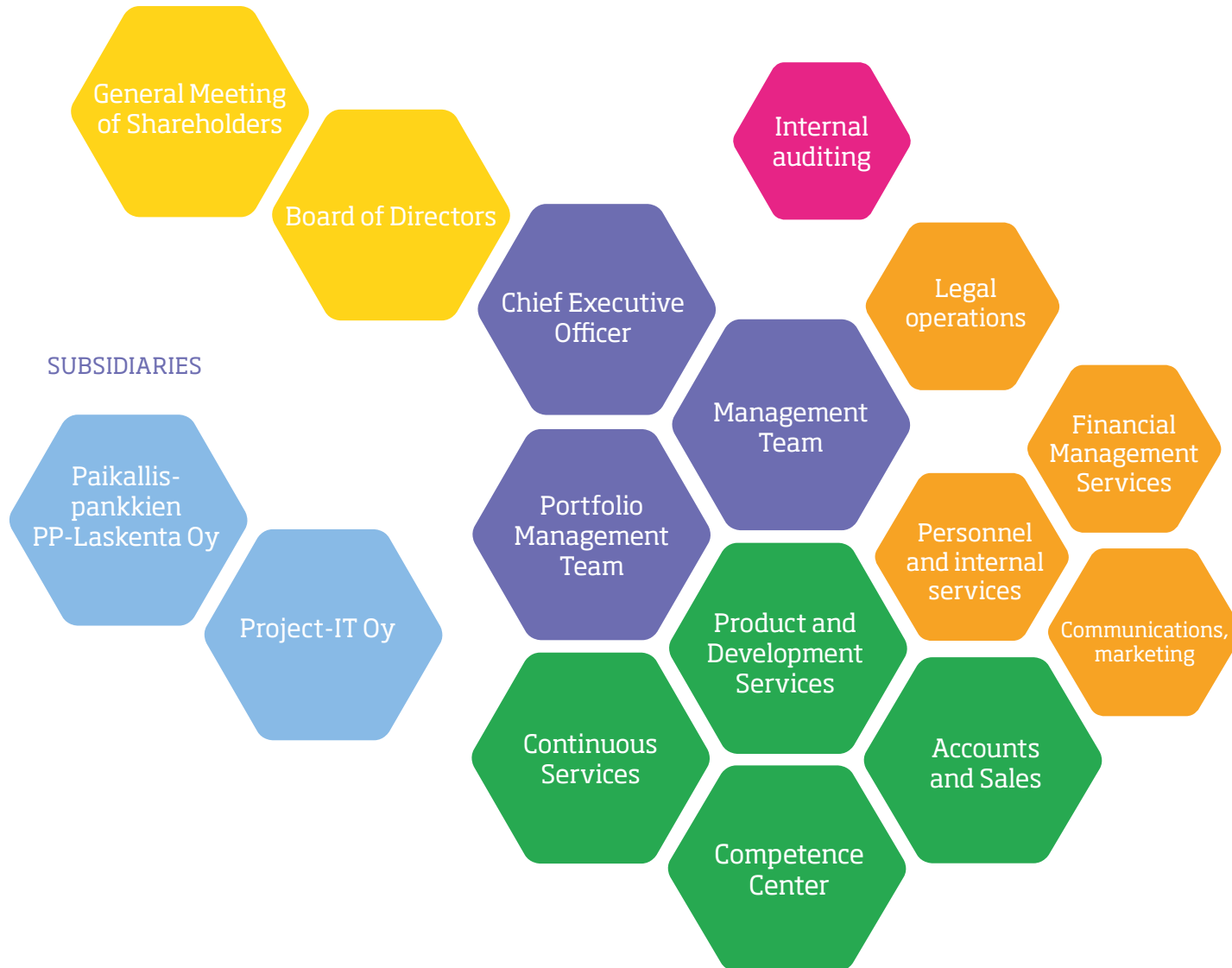


KEY EVENTS IN 2016

- The PCI DSS certificate was renewed as evidence of fulfilment of the data security and quality requirements.
- Systematic development of the customer experience program has improved customer satisfaction.
- The operating model and the reform of business premises increased the agility of daily work at Samlink.

	2012	2013	2014	2015	2016
Net sales, EUR million	89.8	93.8	96.7	99.4	99.4
Operating profit, EUR million	1.6	4.8	4.2	8.6	6.7
% of net sales	1.8	5.1	4.4	8.7	6.8
Profit before appropriations and taxes, € million	1.4	4.5	4.0	8.4	6.6
% of net sales	1.6	4.8	4.1	8.5	6.6
Return on equity, %	10.3	27.4	22.3	36.8	23.1
Return on investment, %	7.6	18.6	16.5	32.4	22.7
Earnings per share, EUR	7.93	22.5	19.56	42.19	31.16
Equity/share, EUR	74.96	89.52	98.75	130.70	139.49
Equity ratio, %	35.6	38.8	47.1	59.5	63.3
Investments, EUR million	6.0	2.9	2.8	0.7	0.8
Number of employees, average	495	515	525	480	462

SAMLINK'S ADMINISTRATIVE BODIES





Financial information

Report of the Board of Directors

Assessment of the company's financial position and result

In 2016, the Group's net sales totaled EUR 99.4 million, remaining at the previous year's level. Parent company Samlink Ltd's net sales during the financial period were EUR 92.5 million (EUR 93.1 million in the previous year).

The Group's operating profit was EUR 6.7 million (EUR 8.6 million in the previous year). Samlink Ltd's operating profit for 2016 was EUR 6.4 million (EUR 7.5 million in the previous year).

At the end of 2016, the consolidated balance sheet total stood at EUR 32.2 million (EUR 32.1 million), while Samlink Ltd's balance

sheet total was EUR 30.8 million (EUR 30.6 million).

Material changes in business operations

In 2016, the basic banking system reform advanced to the quotation request phase. Kick-off of the quotation request phase took place in March. The requirements for the quotation request were specified in cooperation with our customer banks. Process workshops were organized in the fall with supplier candidates for studying the ability of systems to support the banks' main business processes. The requirements were further specified on the basis of

these workshops. The quotation request was finally compiled on the basis of all requirements and sent to the selected suppliers at the end of 2016. The suppliers' quotations will be received in early 2017, after which the decisions regarding further actions will be taken.

In the public authority sector, systems development continued in several projects. The main projects in the public authority sector are: AMM and LTV reporting as well as further development of Finrep, LR and LCR reporting.

Early in the year, Samlink achieved, as planned, compliance with PCI DSS regarding security of card details. Compliance with

Key indicators

	2016 Group	2016 Parent company	2015 Group	2015 Parent company	2014 Group	2014 Parent company
Net sales, EUR million	99.4	92.5	99.4	93.1	96.7	89.4
Operating profit, EUR million	6.7	6.4	8.6	7.5	4.2	2.8
Operating profit as percentage of net sales	6.8	6.9	8.7	8.0	4.4	3.1
Profit for the financial period as percentage of net sales	4.6	5.7	6.2	7.0	3.0	2.9
Return on equity (average ROE), %	23.1	26.3	36.8	39.4	22.3	23.7
Equity ratio, %	63.3	68.8	59.5	62.5	47.1	49.8

the standard is expected from all partners associated with the banks' card business. The purpose of the standard is to ensure the safe and secure processing and storage of card details. The audit carried out at the end of the year found that the requirements of the standard are being met.

The project for replacing the workstation equipment of Samlink's customers and its own personnel started at the end of the year. The project has progressed according to its schedule. The last equipment replacements took place in February 2017.

The credit system process being delivered to a certain customer is progressing according

to plan towards entry into production which will take place during 2017.

The work started in 2015 for reforming Samlink towards a more agile method of operation was continued during the year. The company has implemented several changes in order to introduce a more agile method of operating, derived from SAFe. Changes have been made in tools, responsibilities and processes as well as in the organization and planning of development work.

Samlink's wholly-owned subsidiary Paikallispankkien PP-Laskenta Oy provides its customers with financial management, risk management and payroll services. The focal

areas of operations in 2016 included the public authority sector and IFRS-compliant financial statements.

Samlink's other subsidiary Project-IT Oy continued its profitable growth in 2016. Project-IT Oy provides project management services for its customers operating in many different sectors.

Outlook for the future

The main task of Samlink Ltd is to support the competitiveness of its customer banks and to create synergies.

Aktia Bank plc has announced that it will switch to a new basic banking system



during the first quarter of 2017. This means that Samlink's net sales will decrease. The reduction in net sales has been prepared for by cost savings already implemented. The cost-saving measures, focused on external expenses, will also continue during 2017.

The decision to be taken during 2017 regarding the reform of the basic banking system is important for Samlink's future.

Assessment of operational risks and uncertainty factors

The Group has a risk management process in place. Principles approved by the top management have been defined for risk management, risks have been identified and assessed, and clear procedures have been formulated for their management. In the risk management process, the strategic,

operational, financial and HR risks concerning the Group's operations are evaluated.

Environmental matters

The direct environmental impact of Samlink's operations is fairly small. In its procurement, the company favors environmentally friendly and recyclable materials which cause minimal damage to the environment. The principles of sustainability are observed in the management and sorting of waste materials. Decommissioned equipment and obsolete materials are disposed of in an environmentally friendly manner without compromising information security. Samlink also requires its partners to act in an environmentally responsible manner.

Group structure

Samlink Ltd has two subsidiaries:

Paikallispankkien PP-Laskenta Oy and Project-IT Oy. Paikallispankkien PP-Laskenta Oy is a wholly-owned subsidiary. Samlink holds 51.5 per cent of the voting rights in Project-IT Oy.

Classes of shares

The company has two series of shares, Series A and Series B. Each Series A share produces five (5) voting rights and each Series B share one (1) voting right in the GM. In other respects, Series B shares have equal rights with Series A shares.

Events after the balance sheet date

No material events affecting the company's profits or financial standing have taken place after the balance sheet date.

Board of Directors' proposal for the distribution of profit

Calculation of distributable equity as at
12/31/2016

Retained earnings	5,848,491.76
Net profit for the financial period	5,297,899.61
Invested unrestricted equity reserve	4,647,810.18
Amount of capitalized development costs	-4,906,140.70
Total distributable funds	10,888,060.85

The Board of Directors proposes to the Annual
General Meeting that

- EUR 18.10 per share, or a total
of EUR 2,644,229.00, of the profit for
the period be distributed as dividends

- EUR 8,243,831.85 is
retained in equity.

There have been no material changes in the
company's financial position after the balance
sheet date. The company's liquidity is good,
and the Board of Directors is of the opinion
that the proposed distribution of dividends
will not compromise the company's solvency.

Management and auditors

The General Meeting of Shareholders of
Samlink Ltd held on 3/30/2016 adopted
the company's financial statements for the
previous financial period and discharged
the members of the Board and the CEO from
liability. The GM elected as Board members the
persons listed in the section entitled "Details
of the company's organization, management

and auditors".

Pentti Unkuri M.Sc. (Tech.) is the CEO of
Samlink Ltd.

The company's auditors are Kaija Leppinen
APA and PricewaterhouseCoopers Oy, with
Juha Tuomala APA as the principal auditor.



**Details of the company's organization,
management and auditors**

**Board of Directors from January 1, 2016 to
December 31, 2016**

Ordinary members

Pasi Kämäri, Chairman of the Board

Juhani Strömberg, Vice Chairman of the Board

Sanna Ahonen

Sirpa Pensas

Jukka Rauhala

Heikki Suutala (Pekka

Lemettinen from January 2, 2017)

Pasi Sydänlammi

Magnus Weurlander

Deputy members

Sami Iltanen

Harri Mattinen

Jarmo Partanen

Ville Rissanen

Matti Saustila

Kirill Tervo

Heli Valanne

Jarmo Yli-Juuti (Teija Naumanen from January 2,
2017)

Auditors

Kaija Leppinen APA

Firm of auditors

PricewaterhouseCoopers Oy

Principal auditor

Juha Tuomala APA

Chief Executive Officer

Pentti Unkuri, M.Sc.(Tech.)

Deputy to the CEO Pertti Simola, M.Sc.
(Econ. &B .Adm.)

Details of personnel

Average number of employees

	2016	2015	2014
Samlink	370	399	447
PP-Laskenta	64	59	58
Project-IT	28	22	20
Total	462	480	525

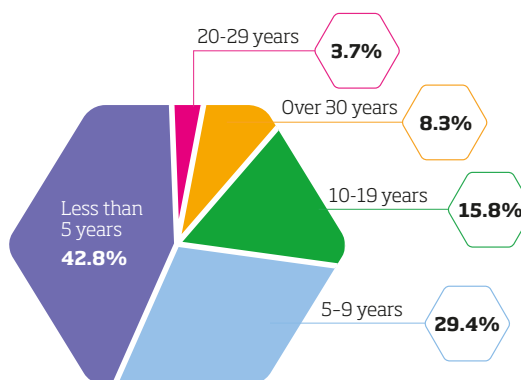
Group employees by age group

	2016	2015	2014
20-29 years	7.6%	6.4%	6.6%
30-34 years	8.2%	9.0%	10.7%
35-39 years	14.1%	16.5%	19.7%
40-44 years	15.4%	16.1%	13.7%
45-49 years	11.1%	10.1%	10.9%
50-54 years	17.8%	18.1%	17.7%
55-59 years	14.8%	12.6%	11.5%
Over 60 years	11.1%	11.2%	9.2%

Group employee turnover

	2016	2015	2014
Turnover	12.4	22.9	7.9

Years of service of Group employees



In 2016, the average length of service was 9.1 years.

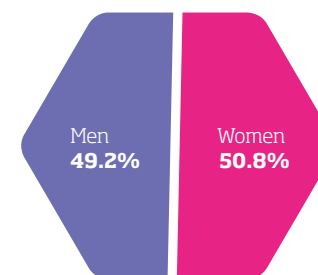
Average age of Group employees

	2016	2015	2014
Average age	46	46	45

Salaries and emoluments paid by the Group, EUR thousand

	2016	2015	2014
Salaries and emoluments	27,937	29,441	30,760

Gender distribution



Financial statements

Consolidated income statement

	1/1-12/31/2016	1/1-12/31/2015	
NET SALES	99,436,045.87	99,414,965.24	Note 1.1
Other operating income	41,164.80	72,491.27	Note 1.2
Materials and services	24,170,100.46	23,293,364.08	Note 1.3
Personnel expenses	34,340,280.24	36,032,278.20	Note 1.4
Depreciation and impairment	2,908,956.76	2,356,446.80	Note 1.5
Other operating expenses	31,338,890.40	29,169,690.45	Note 1.6
OPERATING PROFIT	6,718,982.81	8,635,676.98	
Financial income and expenses	-149,563.48	-229,424.31	Note 1.7
PROFIT/LOSS BEFORE TAXES	6,569,419.33	8,406,252.67	
Direct taxes	-1,469,312.28	-1,747,174.89	Note 1.8
Minority interests	-548,219.46	-495,686.97	
<u>NET PROFIT FOR THE FINANCIAL PERIOD</u>	<u>4,551,887.59</u>	<u>6,163,390.81</u>	

Consolidated balance sheet

	12/31/2016	12/31/2015	
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	5,347,354.92	7,644,994.87	Note 2.1
Tangible assets	1,038,312.29	818,350.89	Note 2.1
Investments	1.00	1.00	
Total non-current assets	6,385,668.21	8,463,346.76	
CURRENT ASSETS			
Inventories	20,692.00	22,666.00	
Long-term receivables	0.00	0.00	Note 2.4
Short-term receivables	19,255,426.20	17,559,049.71	Note 2.5
Cash in hand and at bank	6,546,456.49	6,039,245.39	
Total current assets	25,822,574.69	23,620,961.10	
TOTAL ASSETS	32,208,242.90	32,084,307.86	
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	2,337,500.00	2,337,500.00	Note 2.6
Share premium fund	3,044,513.65	3,044,513.65	
Invested unrestricted equity reserve	4,647,810.18	4,647,810.18	
Retained earnings	5,795,811.97	2,901,267.16	
Net profit for the financial period	4,551,887.59	6,163,390.81	
Total shareholders' equity	20,377,523.39	19,094,481.80	
MINORITY INTEREST	877,808.61	676,089.16	
STATUTORY PROVISIONS	207,649.19	102,951.97	
LIABILITIES			
Long-term liabilities	68,299.26	337,236.85	Note 2.7
Short-term liabilities	10,676,962.44	11,873,548.09	Note 2.8
Total liabilities	10,745,261.70	12,210,784.94	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	32,208,242.90	32,084,307.86	

Consolidated cash flow statement

	2016	2015
CASH FLOW FROM OPERATIONS		
Payments received from sales	97,739,669.38	97,335,988.38
Payments received from other operating income	41,164.80	72,491.27
Payments for operating expenses	-90,738,302.91	-88,430,623.10
Cash flow from operations before financial items and taxes	7,042,531.27	8,977,856.55
Interest and charges paid for other financial expenses of operations	-150,500.48	-239,997.58
Direct taxes paid	-1,669,257.89	-1,420,095.52
CASH FLOW FROM OPERATIONS	5,222,772.90	7,317,763.45
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-831,278.21	-677,684.96
CASH FLOW FROM INVESTMENTS	-831,278.21	-677,684.96
CASH FLOW FROM FINANCING		
Repayments of short-term debt	0.00	-3,500,000.00
Withdrawals of long-term debt	32,216.06	65,290.44
Repayments of long-term debt	-301,153.65	-299,473.59
Dividends paid	-3,615,346.00	-1,693,382.50
CASH FLOW FROM FINANCING	-3,884,283.59	-5,427,565.65
Change in funds	507,211.10	1,212,512.84
FUNDS, OPENING BALANCE	6,039,245.39	4,826,732.55
FUNDS, CLOSING BALANCE	6,546,456.49	6,039,245.39

Parent company income statement

	1/1-12/31/2016	1/1-12/31/2015	
NET SALES	92,473,232.01	93,116,557.71	Note 1.1
Other operating income	40,989.80	57,642.07	Note 1.2
Materials and services	22,023,522.67	21,857,019.96	Note 1.3
Personnel expenses	27,989,547.25	30,709,898.50	Note 1.4
Depreciation and impairment	2,792,000.53	1,851,007.68	Note 1.5
Other operating expenses	33,301,374.07	31,269,626.13	Note 1.6
OPERATING PROFIT	6,407,777.29	7,486,647.51	
Financial income and expenses	125,952.58	461,492.81	Note 1.7
PROFIT/LOSS BEFORE TAXES	6,533,729.87	7,948,140.32	
Direct taxes	-1,235,830.26	-1,413,106.55	Note 1.8
NET PROFIT FOR THE FINANCIAL PERIOD	5,297,899.61	6,535,033.77	

Parent company balance sheet

	12/31/2016	12/31/2015	
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	5,314,994.19	7,561,782.79	Note 2.2
Tangible assets	903,410.29	738,773.00	Note 2.2
Investments	1,597,254.86	1,097,254.86	Note 2.3
Total non-current assets	7,815,659.34	9,397,810.65	
CURRENT ASSETS			
Short-term receivables	18,432,586.26	16,943,411.89	Note 2.5
Cash in hand and at bank	4,528,276.85	4,277,916.98	
Total current assets	22,960,863.11	21,221,328.87	
TOTAL ASSETS	30,776,522.45	30,619,139.52	
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	2,337,500.00	2,337,500.00	Note 2.6
Share premium fund	3,044,513.65	3,044,513.65	
Invested unrestricted equity reserve	4,647,810.18	4,647,810.18	
Retained earnings	5,848,491.76	2,585,873.99	
Net profit for the financial period	5,297,899.61	6,535,033.77	
Total shareholders' equity	21,176,215.20	19,150,731.59	
LIABILITIES			
Long-term liabilities	0.00	285,704.00	Note 2.7
Short-term liabilities	9,600,307.25	11,182,703.93	Note 2.8
Total liabilities	9,600,307.25	11,468,407.93	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	30,776,522.45	30,619,139.52	

Parent company cash flow statement

	2016	2015
CASH FLOW FROM OPERATIONS		
Payments received from sales	94,033,647.08	91,210,260.87
Payments received from other operating income	40,989.80	57,642.07
Payments for operating expenses	-87,779,639.32	-83,467,450.79
Cash flow from operations before financial items and taxes	6,294,997.56	7,800,452.15
Interest paid on operations	-150,557.84	-239,984.09
Interest received on operations	2,440.12	827.39
Dividends received on operations	273,233.86	690,076.24
Direct taxes paid	-1,401,784.61	-975,528.69
CASH FLOW FROM OPERATIONS	5,018,329.09	7,283,843.00
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-709,849.22	-608,675.70
Loans granted	-800,000.00	0.00
Repayments of loan receivables	300,000.00	0.00
CASH FLOW FROM INVESTMENTS	-1,209,849.22	-608,675.70
CASH FLOW FROM FINANCING		
Repayments of short-term debt	0.00	-3,500,000.00
Repayments of long-term debt	-285,704.00	-285,716.00
Dividends paid	-3,272,416.00	-1,497,422.50
CASH FLOW FROM FINANCING	-3,558,120.00	-5,283,138.50
Change in funds	250,359.87	1,392,028.80
FUNDS, OPENING BALANCE	4,277,916.98	2,885,888.18
FUNDS, CLOSING BALANCE	4,528,276.85	4,277,916.98

Accounting principles

The financial statements of Samlink Group for 2016 were produced in compliance with the current Accounting Act and the provisions of the Finnish Liability Companies Act governing financial statements.

Consolidated financial statements

The consolidated financial statements include the financial statements of parent company Samlink Ltd and its subsidiaries. The companies where the parent company has control as referred to in Chapter 1, section 5 of the Accounting Act are treated as subsidiaries. The Group has no affiliate companies.

Intra-group shareholding was eliminated using the acquisition cost method. The acquired companies are treated as subsidiaries from the moment the Group acquired control and divested subsidiaries up to the moment the control ends. All internal transactions, receivables and liabilities within the Group, as well as the internal distribution of profits were eliminated when producing the consolidated financial statements.

Measurement and accrual principles

Non-current assets

Non-current assets were entered in the balance sheet at their acquisition cost less depreciation according to plan. Depreciation according to plan has been calculated on a straight-line basis over the expected economic life of the asset item concerned.

The following depreciation and amortization periods are applied:

Intangible assets	4-10 years
Group goodwill	5 years
Computer hardware	2-4 years
Machinery and equipment	3-5 years
Leased equipment	2-4 years
Development expenses	10 years

The development expense regarding development program NEXT is amortized over 10 years because the IT systems used in banking usually have a long service life, and the NEXT investment is deemed to be effective for at least 10 years.

Current assets

Fixed assets in progress were measured

at acquisition cost including variable costs. Receivables were entered in the balance sheet at their nominal value or probable value, whichever is lower.

Research and development costs

The company's own development expenses are recorded as annual expenses on the year they were incurred, with the exception of the development expenses related to the NEXT development program which are capitalized.

Pension costs

Pension costs were entered in accrual basis, and there is no uncovered pension liability.

Provisions

Provisions were recorded for future expenditure which is likely to materialize and concerns the financial period of 2015.

Foreign currency items

There are no foreign currency items.

Recording projects as income

Long-term projects are recorded as income on an accrual basis.

1 Notes to the income statement

	Group 12/31/2016	Group 12/31/2015	Parent company 12/31/2016	Parent company 12/31/2015
1.1 Net sales by sector				
Financial sector	96,764,078.55	96,064,267.37	89,801,264.69	89,765,859.84
Electronic transactions	2,671,967.32	3,350,697.87	2,671,967.32	3,350,697.87
Total	99,436,045.87	99,414,965.24	92,473,232.01	93,116,557.71
Net sales by market area				
Finland	99,436,045.87	99,414,965.24	92,473,232.01	93,116,557.71
Total	99,436,045.87	99,414,965.24	92,473,232.01	93,116,557.71
1.2 Other operating income				
Capital gains on inventories	11,164.80	72,491.27	10,989.80	57,642.07
Other grants received	30,000.00	0.00	30,000.00	0.00
Total	41,164.80	72,491.27	40,989.80	57,642.07
1.3 Materials and services				
Acquisitions of licenses and change in inventories	5,694.00	84,826.00	0.00	0.00
Total	5,694.00	84,826.00	0.00	0.00
Purchased services	24,164,406.46	23,208,538.08	22,023,522.67	21,857,019.96
Total materials and services	24,170,100.46	23,293,364.08	22,023,522.67	21,857,019.96
1.4 Personnel expenses				
Salaries and emoluments	27,937,490.18	29,441,666.87	22,746,988.75	25,078,364.62
Pension costs	4,887,092.04	5,135,308.45	3,920,266.90	4,316,887.07
Other personnel expenses	1,515,698.02	1,455,302.88	1,322,291.60	1,314,646.81
Total personnel expenses	34,340,280.24	36,032,278.20	27,989,547.25	30,709,898.50
Average number of employees during the financial period	462	480	370	399
Auditors' fees				
Audit	58,506.92	57,552.48	47,389.70	50,155.84
Tax consultancy	269.70	0.00	269.70	0.00
Other services	65,947.65	92,090.60	13,060.30	92,090.60
Management's salaries and emoluments				
CEOs	548,990.49	475,110.35	73,000.00	61,000.00
Fees paid to the Board of Directors	73,000.00	61,000.00	73,000.00	61,000.00

1 Notes to the income statement

	Group 12/31/2016	Group 12/31/2015	Parent company 12/31/2016	Parent company 12/31/2015
1.5. Depreciation, amortization and impairment				
Depreciation on tangible assets, amortization on intangible assets and impairment	2,908,956.76	2,356,446.80	2,792,000.53	1,851,007.68
1.6. Other operating expenses				
Services brokered	1,827,188.05	1,981,757.08	4,750,270.62	5,016,461.36
Personnel expenses	1,370,131.66	1,276,283.59	1,099,017.80	1,140,484.81
Leases	9,508,178.61	10,067,318.13	9,316,512.15	9,884,510.58
Office expenses	3,325,450.47	2,573,952.88	2,976,965.45	2,242,128.55
Other expenses	15,307,941.61	13,270,378.77	15,158,608.05	12,986,040.83
Total other operating expenses	31,338,890.40	29,169,690.45	33,301,374.07	31,269,626.13
1.7. Financial income and expenses				
Income from participations in Group companies	0.00	0.00	272,068.00	689,039.92
Income from other investments in non-current assets	1,746.56	1,309.92	1,381.76	1,036.32
Other interest and financial income				
- From intra-Group companies	0.00	0.00	1,673.61	0.00
- From others	633.07	919.10	550.61	827.39
Interest expenses and other financial expenses				
- To others	151,943.11	231,653.33	149,721.40	229,410.82
Total financial income and expenses	-149,563.48	-229,424.31	125,952.58	461,492.81
1.8 Direct taxes				
Income taxes for operations	1,474,292.81	1,742,459.07	1,237,717.27	1,405,568.25
Taxes for the previous financial period	-4,980.53	4,715.82	-1,887.01	7,538.30
Total direct taxes	1,469,312.28	1,747,174.89	1,235,830.26	1,413,106.55

2 Notes to the balance sheet

2.1 Group, non-current assets

	Intangible assets			
	Development expenses	Intangible rights	Group goodwill	Other long-term expenditure
Acquisition cost 1/1/2016	13,369,556.22	6,110,686.77	2,987,266.20	300,591.70
Increases	0.00	266,249.77	0.00	0.00
Acquisition cost 12/31/2016	13,369,556.22	6,376,936.54	2,987,266.20	300,591.70
Accumulated depreciation 1/1/2016	6,181,429.88	5,687,167.20	2,955,040.02	299,468.92
Depreciation for the financial period	2,281,985.64	248,555.12	32,226.20	1,122.78
Accumulated depreciation 12/31/2016	8,463,415.52	5,935,722.32	2,987,266.20	300,591.70
Book value 12/31/2016	4,906,140.70	441,214.22	0.00	0.00
	Intangible assets Total		Tangible assets Machinery and equipment	
Acquisition cost 1/1/2016	22,768,100.89		8,069,268.09	
Increases	266,249.77		565,028.42	
Decreases	0.00		-28,520.00	
Acquisition cost 12/31/2016	23,034,350.66		8,605,776.51	
Accumulated depreciation 1/1/2016	15,123,106.02		7,250,917.20	
Accumulated depreciation on decreases	0.00		-28,520.00	
Depreciation for the financial period	2,563,889.74		345,067.02	
Accumulated depreciation 12/31/2016	17,686,995.74		7,567,464.22	
Book value 12/31/2016	5,347,354.92		1,038,312.29	

2 Notes to the balance sheet

2.2 Parent company, non-current assets

	Intangible assets		Tangible assets
	Development expenses	Intangible rights	Machinery and equipment
Acquisition cost 1/1/2016	13,369,556.22	6,168,581.31	7,428,950.63
Increases	0.00	237,456.97	472,392.25
Decreases	0.00	0.00	-28,520.00
Acquisition cost 12/31/2016	13,369,556.22	6,406,038.28	7,872,822.88
Accumulated depreciation 1/1/2016	6,181,429.88	5,794,924.86	6,690,177.63
Accumulated depreciation on decreases	0.00	0.00	-28,520.00
Depreciation for the financial period	2,281,985.64	202,259.93	307,754.96
Accumulated depreciation 12/31/2016	8,463,415.52	5,997,184.79	6,969,412.59
Book value 12/31/2016	4,906,140.70	408,853.49	903,410.29

Expenses related to new products and services were capitalized as development expenses.

2.3 Parent company, investments

	Shares	Capital loan receivables
	Group companies	Group companies
Acquisition cost 1/1/2016	1,097,254.86	0.00
Change	0.00	500,000.00
Acquisition cost 12/31/2016	1,097,254.86	500,000.00

The parent company's investments consist of shares in the subsidiaries.

Group companies

	Group holding, %
Paikallispankkien PP-Laskenta Oy, Espoo	100%
Project-IT Oy, Lohja	34% (The Group holds 51.5% of voting rights)

	Group 12/31/2016	Group 12/31/2015	Parent company 12/31/2016	Parent company 12/31/2015
Receivables				
2.4 Long-term receivables				
Accrued credits and deferred charges, long-term, from others	0.00	0.00	0.00	0.00
2.5 Short-term receivables				
Accounts receivable, from others	9,308,217.97	9,666,417.10	8,356,322.43	9,044,127.63
Accounts receivable, from Group	0.00	0.00	306,700.88	50,895.91
Advances paid	5,027,598.65	1,906,092.78	5,027,598.65	1,906,092.78
Other receivables	683,621.89	717,386.79	639,607.79	711,524.69
Accrued credits and deferred charges, from others	4,235,987.69	5,269,153.04	4,102,356.51	5,230,770.88
Total short-term receivables	19,255,426.20	17,559,049.71	18,432,586.26	16,943,411.89
Total receivables	19,255,426.20	17,559,049.71	18,432,586.26	16,943,411.89
Items of accrued credits and deferred charges				
Accrued credits and deferred charges, others	4,235,987.69	5,269,153.04	4,102,356.51	5,230,770.88
Advance payments	5,027,598.65	1,906,092.78	5,027,598.65	1,906,092.78
Total	9,263,586.34	7,175,245.82	9,129,955.16	7,136,863.66
2.6 Shareholders' equity				
Share capital 1.1	2,337,500.00	2,337,500.00	2,337,500.00	2,337,500.00
Share capital 12/31	2,337,500.00	2,337,500.00	2,337,500.00	2,337,500.00
Share premium fund 1/1	3,044,513.65	3,044,513.65	3,044,513.65	3,044,513.65
Share premium fund 12/31	3,044,513.65	3,044,513.65	3,044,513.65	3,044,513.65
Invested unrestricted equity reserve 1/1	4,647,810.18	4,647,810.18	4,647,810.18	4,647,810.18
Invested unrestricted equity reserve 12/31	4,647,810.18	4,647,810.18	4,647,810.18	4,647,810.18
Retained earnings 1 January	9,064,657.97	4,396,649.66	9,120,907.76	4,083,296.49
Distribution of dividends	-3,272,416.00	-1,497,422.50	-3,272,416.00	-1,497,422.50
Project-IT, adjustments to retained earnings from previous financial periods	3,570.00	2,040.00	0.00	0.00
Retained earnings 31 December	5,795,811.97	2,901,267.16	5,848,491.76	2,585,873.99
Profit/loss for the financial period	4,551,887.59	6,163,390.81	5,297,899.61	6,535,033.77
Total shareholders' equity	20,377,523.39	19,094,481.80	21,176,215.20	19,150,731.59
Amount of capitalized development costs	-4,906,140.70		-4,906,140.70	
Total distributable funds	10,089,369.04	13,712,468.15	10,888,060.85	13,768,717.94

The company has two series of shares. There are 137,500 Series A shares and 8,590 Series B shares.

Liabilities	Group 12/31/2016	Group 12/31/2015	Parent company 12/31/2016	Parent company 12/31/2015
2.7 Long-term liabilities				
Loans from credit institutions	68,299.26	337,236.85	0.00	285,704.00
Total long-term liabilities	68,299.26	337,236.85	0.00	285,704.00
2.8 Short-term liabilities				
Debt to others				
Accounts payable	2,454,718.63	1,177,076.16	2,061,497.29	1,010,214.16
Accrued expenses and deferred credits	6,351,266.76	9,270,819.60	5,334,805.12	8,336,872.65
Other short-term debt	1,576,805.31	1,123,816.33	1,418,417.67	996,015.18
Loans from credit institutions	285,704.00	285,716.00	285,704.00	285,716.00
Advance payments received	8,467.74	16,120.00	0.00	0.00
Debt to intra-Group companies				
Accounts payable	0.00	0.00	10,159.54	50,124.80
Accrued expenses and deferred credits	0.00	0.00	489,723.63	503,761.14
Total short-term liabilities	10,676,962.44	11,873,548.09	9,600,307.25	11,182,703.93
Total liabilities	10,745,261.70	12,210,784.94	9,600,307.25	11,468,407.93
Major items in accrued expenses				
Holiday pay liability including social security contributions	4,087,066.27	3,937,846.84	3,390,576.09	3,307,261.78
Other salary and social costs	1,111,535.29	1,116,126.75	943,699.39	949,579.19
Accounting items and cost allocations	1,152,665.20	4,216,846.01	1,000,529.64	4,080,031.68
Total accrued expenses	6,351,266.76	9,270,819.60	5,334,805.12	8,336,872.65

3 Other notes

	Group 12/31/2016	Group 12/31/2015	Parent company 12/31/2016	Parent company 12/31/2015
3.1 Guarantees pledged, contingent liabilities and other liabilities				
Guarantees pledged on own account				
Pledged lease deposit	683,621.89	717,386.79	639,607.79	711,524.69
Total guarantees pledged on own account	683,621.89	717,386.79	639,607.79	711,524.69
Contingent and other liabilities				
Leasing liabilities				
Payable during the next 12 months	314,832.55	343,697.91	283,947.58	294,783.57
Payable later	356,857.85	489,826.15	345,449.41	438,239.51
Total leasing liabilities	671,690.40	833,524.06	629,396.99	733,023.08
3.2 Other liabilities				
Liabilities regarding lease of premises				
Payable during the next 12 months	2,649,521.61	2,719,505.79	2,542,541.04	2,691,441.21
Payable later	10,262,842.56	12,501,724.62	10,262,842.56	12,501,724.62
Total liabilities regarding rents of premises	12,912,364.17	15,221,230.41	12,805,383.60	15,193,165.83

Signatures of the report of the Board of Directors and financial statements

Espoo, March 9, 2017

Board of Directors

Pasi Kämäri
Chairman of the Board

Sanna Ahonen

Pekka Lemettinen

Sirpa Pensas

Jukka Rauhala

Juhani Strömberg

Pasi Sydänlammi

Magnus Weurlander

Pentti Unkuri
Chief Executive
Officer

Auditor's note

A report has been submitted today for the audit carried out.

Helsinki, March 10, 2017

PricewaterhouseCoopers Oy
Firm of auditors

Juha Tuomala
APA

Kaija Leppinen
APA

Auditor's report

TO THE GENERAL MEETING OF SHAREHOLDERS OF SAMLINK LTD

Audit of the financial statements

Opinion

In our opinion, the financial statements give a true and fair view of the financial performance and financial position of the Group and the parent company in compliance with the regulations valid in Finland governing the preparation of financial statements, and meet the statutory requirements.

Subject of the audit

We have audited the financial statements of Samlink Ltd (Business ID 0970409-8) for the financial period of 1/1-12/31/2016. The financial statements include the balance sheet, income statement, cash flow statement

and notes for both the Group and the parent company.

Basis for the opinion

We conducted our audit in accordance with good auditing practices observed in Finland. Our responsibilities under good auditing practice are further described in the section entitled The auditor's responsibilities when auditing financial statements.

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

Independence

We are independent of the parent company and Group companies in accordance with the

ethical requirements that are applicable in Finland, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Board of Directors and the CEO regarding financial statements

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of financial statements in compliance with the current regulations in Finland governing the preparation of financial statements. The Board of Directors and the CEO are also responsible for such internal control they deem necessary for being able to prepare financial statements free of material misstatements due to fraud or error.

When preparing the financial statements, the Board of Directors and the CEO are obliged to assess the parent company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to the going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the Group or cease operations, or there is no realistic alternative but to do so.

The auditor's responsibilities when auditing financial statements

Our objective is to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 parent company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the Group cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial

statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, control and performance of the Group's audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the CEO are responsible for other information. Other information comprises information included

in the report of the Board of Directors and the Annual Report other than the financial statements and our auditor's report concerning it. The report of the Board of Directors was made available to us before the date of issue of this auditor's report, and we expect to have the Annual Report at our disposal after that date.

Our opinion on the financial statements does not cover other information.

Our responsibility is to read the information included in the report of the Board of Directors and, in doing so, consider whether the information included in the Directors' Report is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion,

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement in the information included in the Directors' Report, we are required to report this fact. We have nothing to report in this regard.

Helsinki, March 10, 2017

PricewaterhouseCoopers Oy
Firm of auditors

Juha Tuomala
APA

Kajja Leppinen
APA

The logo features the word "SAMLINK" in a bold, white, sans-serif font, centered within a dark blue hexagonal shape. This hexagon is set against a background of several overlapping, light blue hexagons of varying sizes and positions, creating a geometric pattern.

SAMLINK