SOLTEQ

Annual Report 2024

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Contents

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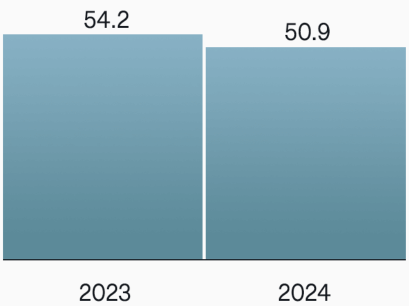
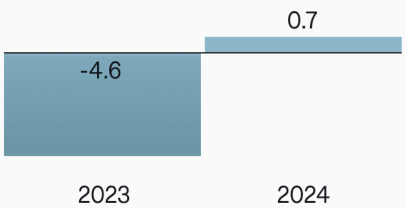
Solteq in Brief

Solteq provides software solutions and IT expert services to the energy sector, retail industry, and the needs related to e-commerce. The company operates with over 400 IT professionals in Finland, Sweden, Norway, Denmark, Poland, and the United Kingdom.

50.9 MEUR
Comparable Revenue



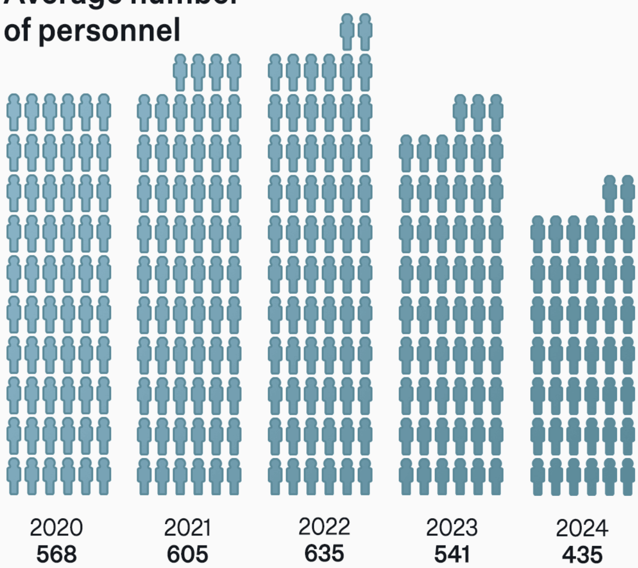
0.7 MEUR
Comparable Operating Result



6
Countries

11
Offices

435
Average number of personnel



CEO Aarne Aktan

A critical year: Profitability improved; financing was secured

The year 2024 was a critical year for the company's profitability and refinancing. The profitability turnaround that lasted the entire year generated a comparable operating result of EUR 0.7 million (-4.6), which was EUR 5.3 million better than in the comparison period and the first positive operating result in two years. Thanks to improved profitability, the company successfully renegotiated the repayment terms and maturity of its EUR 23 million bond.

The comparable revenue for the financial year was EUR 50.9 million (54.2), which decreased by 6.1 percent from the comparison period. Revenue decreased in both segments. The tougher-than-expected market situation led to a profit warning and a lowering of the profit guidance for the financial year's comparable revenue in October 2024.

The comparable revenue of the Retail & Commerce segment was EUR 38.6 million (40.5) for the financial year. The decline in revenue was due to weak customer demand and delays in decision-making on several significant new customer projects. The efficiency measures implemented in the second and third quarters drove the company’s profit improvement. The segment's profitability improved significantly, and the comparable operating result for the financial year was EUR 2.5 million (0.4).

The Utilities segment’s revenue decreased during the financial year and amounted to EUR 12.2 million (13.7). Revenue development was disappointing and affected by delays in the start of customer projects in the software business and weak customer demand in the consulting business. The comparable operating result for the financial year was EUR -1.8 million (-5.0). The significant profit improvement resulted from the recovery in the software business and the efficiency and cost-saving measures implemented at the end of the previous financial year. Furthermore, the consistent work in developing the quality of Utilities software products was reflected in improved customer satisfaction during the financial year.

At the end of the financial year, the company sold its business based on Danish healthcare software solutions. The net debt-free purchase price was EUR 4.0 million. In 2024, the revenue of the divested business amounted to EUR 2.0 million. The transaction was a logical continuum of the company’s focus on selected solutions and expert services in the energy sector, retail industry, and ecommerce. In addition, the transaction will enable the company to reduce its indebtedness and financing costs.

Aarne Aktan
CEO

Corporate Governance Statement

Investor Information

Annual General Meeting

Solteq Plc's shareholders are invited to the Annual General Meeting, which will be held on Thursday, March 27, 2025, at 3:00 p.m. EET. The meeting will be held at Studio Eliel (Töölönlahdenkatu 2, 00100 Helsinki). Remote participation in the meeting will also be possible, and shareholders can exercise their right to make decisions at the meeting fully and in a timely manner via telecommunications connections. Shareholders may also exercise their voting rights by voting in advance.

Solteq's Financial Reporting in 2025

- Interim Report 1–3/2025 on April 29, 2025, at 8:00 a.m.
- Half-Year Financial Report 1–6/2025 on August 21, 2025, at 8:00 a.m.
- Interim Report 1–9/2025 on October 29, 2025, at 8:00 a.m.

Stock Exchange Bulletins 2024

Dec 23, 2024	Solteq Plc - Managers' Transactions
Dec 3, 2024	Solteq Plc - Managers' Transactions
Nov 26, 2024	Changes in Solteq Plc's Executive Team
Nov 18, 2024	Inside Information: Solteq sells its business based on Danish healthcare software solutions
Nov 5, 2024	Solteq Plc's Financial Reporting and Annual General Meeting in 2025
Oct 24, 2024	Correction: Solteq Plc corrects its Consolidated Cash Flow Statement published on the Interim Report Jan 1–Sep 30, 2024
Oct 24, 2024	Solteq Plc Interim Report January 1 – September 30, 2024
Oct 23, 2024	Inside information, profit warning: Solteq Plc lowers its guidance on comparable revenue for 2024
Sep 13, 2024	Amendments to the terms and conditions of Solteq Plc notes approved in written procedure
Sep 6, 2024	The members of Shareholders' Nomination Committee of Solteq Plc have been appointed
Aug 22, 2024	Solteq Plc Half-Year Report January 1 – June 30, 2024
Aug 21, 2024	Solteq commences a written procedure to amend the terms and conditions of its EUR 23 million notes due 1 October 2024
Aug 2, 2024	Inside information: Solteq provides preliminary information about its second quarter and considers commencing a written procedure to extend the final maturity date of its EUR 23 million notes
Jun 24, 2024	Solteq's efficiency and cost-savings program has been completed
Apr 30, 2024	Inside information: Solteq to initiate an efficiency and cost-savings program to improve profitability
Apr 30, 2024	Solteq Plc's CEO Aarne Aktan to take on the leadership responsibilities of the Utilities segment
Apr 30, 2024	Solteq Plc's Interim Report, January 1 – March 31, 2024
Apr 24, 2024	Solteq updates the definitions of comparable EBITDA and operating result, and publishes new figures concerning them for 2023
Apr 3, 2024	Changes in Solteq Plc's Executive Team
Mar 27, 2024	Solteq Plc: Decisions of the Annual General Meeting 2024 and the Board of Directors' organizing meeting
Mar 13, 2024	Solteq Plc - Managers' Transactions
Mar 13, 2024	Solteq Plc - Managers' Transactions
Mar 5, 2024	Notice to Solteq Plc's Annual General Meeting 2024
Mar 5, 2024	Solteq Plc's Annual Report 2023 Has Been Published
Feb 23, 2024	Solteq Plc's Report of the Board of Directors, Financial Statements, and Auditor's Report for the year 2023 Have Been Published
Feb 15, 2024	Solteq Plc's Financial Statements Bulletin January 1 – December 31, 2023
Feb 2, 2024	Changes in Solteq Plc's Executive Team

Jan 25, 2024	The proposals of Solteq's Shareholders' Nomination Committee for the 2024 Annual General Meeting
Jan 17, 2024	Solteq Plc - Managers' Transactions

Corporate Governance Statement

The Corporate Governance Statement has been drafted in compliance with the Finnish Companies Act and the Finnish Securities Markets Act, valid on the date of publication. The Statement is issued as a separate report and a reference to this statement is made in the Report of the Board of Directors.

General Principles

Solteq Plc is a public limited company registered in Finland, and its head office is in Espoo. By the end of the financial year, Solteq Group consisted of the parent company Solteq Plc, two domestic subsidiaries, and four foreign subsidiaries, which have three additional 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 Securities Market Association's Corporate Governance Code 2025 (the Corporate Governance Code is available at cgfinland.fi) and the Nasdaq Helsinki Ltd Guidelines for Insiders. The foreign subsidiaries comply with local legislation.

Duties of the Governing Bodies

The Annual General Meeting of shareholders, the Board of Directors, and the CEO oversee the management of Solteq Group, and their tasks are determined in accordance with the Finnish Companies Act. The CEO oversees group-level operative activity, assisted by the Group's Executive Team.

Annual General Meeting

The Annual General Meeting is the highest governing body of the Company. It is held once a year on a date determined by the Board of Directors within six months of the end of the financial year. If necessary, Extraordinary Annual General Meetings may be held during the year. Notice to the Annual General Meeting of shareholders and the meeting agenda is published in at least one Finnish national daily newspaper, as a stock exchange bulletin, and on the Company's website.

The Annual General Meeting decides on the following matters:

- approval of the income statement and the balance sheet,
- measures to be taken regarding the profit or loss shown on the approved balance sheet,
- discharging the members of the Board of Directors and the CEO from liability,
- number of Board members and their appointments,
- election of auditors,
- remuneration of the Board of Directors and auditors, and
- other matters specified in the notice to the Annual General Meeting.

Shareholders have the right to propose a relevant issue to the Annual General Meeting agenda. Proposals must be made in writing to the Board before the Annual General Meeting and by the deadline announced on the Company's website.

Decisions of the Annual General Meeting are published in a stock exchange bulletin immediately after the meeting. In addition, the minutes of the Annual General Meeting, including the appendixes and voting results, are made available to the shareholders on the Company’s website within two weeks of the Annual General Meeting.

Board of Directors

The Board of Directors of Solteq Plc is responsible for the Company’s management and the appropriate organization of its operations. According to the Companies Act, the Board of Directors represents all shareholders and has the general duty to act diligently in the interest of the Company. The Board of Directors is responsible for the duties specified in the Articles of Association and the Finnish Companies Act. The main duties of the Board of Directors include confirming the Company’s strategy and budget, making decisions on financing agreements, and decisions on the purchase and sale of significant assets. The Board of Directors monitors the Company’s financial performance utilizing monthly reports and other information provided to the Board by the Company’s management.

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

In accordance with the charter, the duties of the Board of Directors are to:

- steer the Company’s operations in such a way as to maximize long-term added value to the assets invested in the Company, while taking the Company’s various stakeholder groups into consideration,
- approve the incentive systems of the CEO and other management personnel,
- appoint and dismiss the CEO and decide on the terms of the CEO’s service contract,
- confirm the strategy, business objectives, and annual budget and supervise their implementation,
- approve significant financing agreements and the purchases and sales of significant assets,
- review and approve interim reports and financial statements,
- review and approve mergers, acquisitions, and corporate restructuring arrangements with a total value exceeding EUR 500 thousand and exceptional balance sheet items of more than EUR 100 thousand that are not part of the Company’s regular business operations,
- review all contracts, agreements, and business transactions with the owners of the Company and the Executive Team with their related parties, and with companies in which Solteq Plc holds a controlling interest,
- approve the Company’s structural changes and confirm the organization of the Company based on the CEO’s proposal,
- appoint the members of the Company’s senior management who report to the CEO, based on the CEO’s proposal, and decide on the remuneration principles of the members of the Executive Team,
- regularly assess its own operations and collaboration with the management, and
- deal with other matters that the Chairman of the Board and the CEO have agreed to be dealt with by the Board of Directors or matters that are otherwise within the decision-making power of the Board of Directors based on the Companies Act, other legislation, the Company’s Articles of Association and other applicable rules and regulations.

The special duties of the Chairman of the Board of Directors are to:

- steer the work of the Board of Directors in a manner that ensures that the Board attends to its duties as efficiently and appropriately as possible,
- maintain regular contact with the CEO between Board meetings to monitor the operations of the Company,

- if necessary, maintain regular contact with other Board members between Board meetings,
- if necessary, maintain regular contact with the Company's shareholders and other stakeholders, and
- bear responsibility for the planning and assessment of the activities of the Board of Directors and the assessment of the CEO.

In accordance with the Articles of Association, Solteq's 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 majority of the Board members should be independent of the Company. In addition, at least two Board members who are independent of the Company should also be independent of the significant shareholders of the Company.

The term of office begins at the end of the Annual General Meeting that elects the Board of Directors and expires at the end of the Annual General Meeting following the election. The Articles of Association place no restrictions on the power of the Annual General Meeting to elect members of the Board of Directors. The Board of Directors elects a chairman from among its members, and the Board of Directors is deemed to have a quorum when more than half of its members are in attendance. In addition to matters to be resolved, the Board of Directors is provided with up-to-date information on the Group's operations, financial standing, and risks in its meetings. The Board of Directors meets 10–14 times per year according to an agreed schedule, in addition to which the Board of Directors is convened when necessary. Minutes are kept for all meetings.

The Annual General Meeting 2024 elected seven (7) members to Solteq's Board of Directors. The Annual General Meeting re-elected the current members of the Board of Directors Markku Pietilä, Panu Porkka, Anni Sarvaranta, Katarina Cantell, Mika Sutinen, and Esko Mertsalmi, and Lotta Airas as a new member of the Board for the term expiring at the end of the Annual General Meeting of 2025. The Board of Directors met 12 times during the year and had an attendance rate of 91 percent.

The Board's Diversity Principles

The purpose of the Board of Directors' diversity policy is to define the objectives and methods for achieving appropriate diversity for the Board of Directors and promoting the collective effectiveness of the Board's activities.

Diversity of the Board of Directors supports the Company's business operations and development. Diversity of the know-how, experience, and opinions of the Board members promotes the ability to have an open-minded approach to innovative ideas and the ability to support and challenge the Company's operative management. Adequate diversity promotes open discussion and independent decision-making. Diversity also promotes good corporate governance, efficient supervision of the Company's directors and executives, and succession planning.

The objective is that the Board of Directors has broad know-how, experience, perspectives, and knowledge of Solteq and its stakeholders, which enables it to perform its tasks effectively, particularly with respect to strategy and risk management. In addition, the aim is to maintain a minimum of one-third representation of the minority gender among Board members.

The Company's current Board of Directors is compliant with the diversity objectives. The Board members represent diverse industry and market know-how as well as a variety of professional and academic backgrounds. In 2024, the assembly of the Board of Directors was updated as follows:

- Between January 1, 2024, and March 26, 2024, the Board of Directors comprised four men and two women.
- Between March 27, 2024, and December 31, 2024, the Board of Directors comprised four men and three women.

The Audit Committee of the Board of Directors

The Audit Committee monitors the Group's profit performance, budget preparation principles, budgeting, financing situation, and risk management. The Audit Committee's duties are to:

- monitor the Company's financial and financing situation,
- monitor the Company's financial statements reporting process,
- supervise the Company's financial reporting and merger and acquisition processes,
- monitor the efficiency of the Company's internal control as well as any internal auditing and risk management systems,
- review the Company's corporate governance statement, including the description of the main features of the control and risk management systems related to the financial reporting process,
- monitor the financial statements and statutory audits of the consolidated financial statements,
- assess the independence of the statutory auditor or audit firm,
- assess the audit firm's provision of related services,
- prepare a proposal for the election of the auditor,
- maintain contact with the auditor and review the reports prepared by the auditor for the Audit Committee, and
- assess compliance with laws and regulations.

The Audit Committee consists of three members. The Board of Directors elects the members and the Chairman of the Audit Committee from among its members. The members of the Committee shall have the qualifications required for performing the tasks of the Committee, and at least one member shall have expertise in accounting or auditing. The Company's CEO and CFO present the matters to the Audit Committee. The Audit Committee may use external experts and advisors if necessary.

The Chairman of the Audit Committee prepares the agendas for the Committee's meetings and decides on the items to be included in the agenda based on discussions with the management of the Company. The CFO or another person appointed by the Audit Committee acts as the secretary of the Committee.

The minutes of the Committee meetings are made available to the Board of Directors. The Chairman of the Committee also reports to the Board of Directors on significant observations.

The members of the Committee are paid a fee determined by the Annual General Meeting.

The members of the Audit Committee must be independent of the Company and, at least one of them, independent of the Company's significant shareholders.

Solteq Plc's Board of Directors has an Audit Committee whose members were Mika Sutinen, Markku Pietilä, and Katarina Cantell from January 1 to December 31, 2024. Mika Sutinen acts as the Chairman of the Committee. The Audit Committee consists of one member independent of the Company and two members independent of the Company and its significant shareholders.

During the financial year 2024, the members of the Audit Committee were paid a fee for attending Committee meetings. The fee was determined by the Annual General Meeting.

CEO

The Board of Directors appoints the CEO. The CEO oversees the management of the Company's business operations and governance in accordance with the Articles of Association, the Finnish Companies Act, and the instructions issued by the Board of Directors. The CEO is assisted by the Executive Team in managing the Group. Aarne Aktan was the Company's CEO from January 1 to December 31, 2024.

Executive Team

The Executive Team assists the CEO in the operative management of the Company, prepares matters dealt by the Board of Directors and the CEO, and plans and monitors the operations of the business units. The Executive Team convenes weekly. The CEO is the Chairman of the Executive Team.

From January 1 to February 1, 2024, the members of the Executive Team were Aarne Aktan (Chairman, CEO), Jesper Boye (Retail & Commerce), Jaakko Hirvensalo (Utilities), Kari Lehtosalo (Finance and IR), Mikko Sairanen (Legal), Oona Silén (People and Culture), and Christa Tavan (Marketing and Communications).

From February 2 to April 30, 2024, the members of the Executive Team were Aarne Aktan (Chairman, CEO), Jesper Boye (Retail & Commerce), Jaakko Hirvensalo (Utilities), Mikko Sairanen (Legal and Finance), Oona Silén (People and Culture), and Christa Tavan (Marketing and Communications).

From May 1 to November 25, 2024, the members of the Executive Team were Aarne Aktan (Chairman, CEO, Utilities), Jesper Boye (Retail & Commerce), Mikko Sairanen (Legal and Finance), Oona Silén (People and Culture), and Christa Tavan (Marketing and Communications).

From November 26 to December 31, 2024, the members of the Executive Team were Aarne Aktan (Chairman, CEO, Utilities), Mikko Sairanen (Legal, Finance, Retail & Commerce), Oona Silén (People and Culture), and Christa Tavan (Marketing and Communications).

Internal Audit

The Group does not have a separate internal audit organization. The financial department is responsible for the practical implementation of internal auditing, which is monitored by the Audit Committee appointed by the Board of Directors. The objective is to ensure the consistency of administrative practices and accounting principles.

External Audit

Solteq Plc has one auditor. If the auditor is not accredited as an Authorized Public Accountant, the Company shall additionally have one deputy auditor. The auditors are elected until further notice. The primary function of external auditing is to verify that the financial statements provide accurate and adequate information about Solteq Group's results and financial position for the financial period. The Auditors also report to the Audit Committee and, if needed, to the Board of Directors on the ongoing auditing of administration and operations.

The Annual General Meeting 2024 elected PricewaterhouseCoopers Oy Authorized Public Accountants as auditors and Tiina Puukkoniemi, APA and Audit Partner, acting as the Chief Auditor.

Solteq Group's audit fees in 2024 amounted to EUR 244 thousand, and other actions referred to in section 1, subsection 1, paragraph 2 of the Auditing Act to EUR 9 thousand. The audit fees paid to the Parent Company's auditor, PricewaterhouseCoopers Oy, for 2024 were EUR 188 thousand, and other actions referred to in section 1, subsection 1, paragraph 2 of the Auditing Act were EUR 9 thousand.

Shares Held by the Management on December 31, 2024

Name	Role	Number of shares	% of shares
Lotta Airas	Member of the Board	–	–
Aarne Aktan	CEO	76,525	0.39
Katarina Cantell	Member of the Board	–	–
Esko Mertsalmi	Member of the Board	–	–
Markku Pietilä	Chairman of the Board	17,000	0.09
Panu Porkka	Member of the Board	–	–
Mikko Sairanen	Member of the Executive Team	13,000	0.07
Anni Sarvaranta	Member of the Board	–	–
Oona Silén	Member of the Executive Team	–	–
Mika Sutinen	Member of the Board	63,871	0.33
Christa Tavan	Member of the Executive Team	–	–
Total		**169,496**	**0.87**

Aarne Aktan owns 76,525 shares, of which 67,672 are owned by Great Expectations Capital Oy, which he controls. Aktan also directly owns 8,853 shares. In addition, Lotta Airas and Markku Pietilä have considerable influence on Solteq Oyj's largest owner, Profiz Business Solution Oy, which owns 2,195,569 shares.

Internal Control and Risk Management Systems Associated with Financial Reporting

The ultimate responsibility for accounting and financial administration lies with Solteq Plc's Board of Directors. The Board is responsible for internal control, and the CEO is responsible for the practical organization and monitoring of the control system. The steering and monitoring of business operations is based on a reporting and business planning system that covers the entire Group. The CEO and CFO deliver monthly reports regarding the Group's financial situation and development at Board and Executive Team meetings.

Risk Management System

The Group's risk management is guided by legal requirements, business goals set by the Company's shareholders, and the expectations of other stakeholders. Risk management aims to identify and acknowledge the risks involved in the Company's operations and ensure that the risks are appropriately managed when making business decisions. The Company's risk management supports the achievement of strategic goals and ensures the continuity of business operations.

Solteq takes risks according to its strategy and objectives. The Company is not willing to take risks that might compromise the continuity of operations, have a significant negative impact on the Company's operations, or might be uncontrollable. Risks are divided into operational, personnel, financing, legal, and financial risks. In the risk management process, the goal is to identify and assess 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, mitigating the risk by various means, or transferring the risk through insurance or agreements. When necessary, the Board of Directors will be provided reports on any material changes and new significant risks identified in the risk management process.

In 2024, the material uncertainties directed at the Company’s business and financial position were related to general economic uncertainty, customer demand for the company's services, and the financial market situation. Other key risks were related to managing changes in the balance sheet structure, the timing and pricing of transactions on which revenue is based, changes in the cost level, the development of the Company’s own products and their commercialization, and the company’s ability to manage extensive contract and delivery packages.

The Board of Directors and the Executive Team regularly monitor the company's key business risks and uncertainties. In addition, the Company has a Board-appointed Audit Committee, whose tasks include monitoring the company’s financial and financing situation.

Control Environment

The goal of Solteq’s internal control is to support the implementation of the Group’s 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 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, the effective utilization of a global information system as well as the employees’ competence.

The financial department operating under the CFO is responsible for the general control function in financial reporting. The operations are steered by the Board of Directors’ Audit Committee. 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 the 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. Considering the nature and extent of the Group’s business operations, the most significant risks associated with the reliability of financial reporting are associated with revenue recognition, the identification of credit loss risks, impairment testing of assets (including goodwill, capitalized product development expenses and unfinished projects) and deferred taxes.

Control Functions

The correctness and reliability of financial reporting are ensured through compliance with the Group's 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 sales documentation. Goodwill is tested for impairment during the last quarter of the year. Indications of impairment are also monitored on a continuous basis. Information systems support compliance with the Group's approval authorizations.

Personnel expenses account for a majority of Solteq's expenditure. Actual and forecasted personnel expenses are monitored, and the forecasts are regularly updated at a detailed level. The results of business operations and achievement of annual targets are assessed monthly in Executive Team and Board meetings. Monthly reporting at the management and Board level includes actual and forecast data compared to the targets and the actual results of previous periods.

In line with its strategy, Solteq can make targeted acquisitions. When making acquisitions, the Company aims to observe due diligence and utilize its internal and external competence in the planning phase (e.g., due diligence) and in the integration phase.

Investor Communications and Financial Reporting

Solteq's Disclosure Policy defines the practices followed in the Company's investor communications. The Disclosure Policy is compliant with EU and Finnish legislation, Nasdaq Helsinki's rules and guidelines for insiders, and the guidelines and regulations of the Finnish Financial Supervisory Authority and other authorities. Disclosure Policy is available on the Company's website.

The principles guiding financial reporting are timeliness, simultaneousness, continuity, and transparency. These principles ensure that all market stakeholders have simultaneous access to sufficient and correct information about the Company, its operations, goals, strategy, and financial situation to determine the fair value of Solteq Plc's shares and listed financial instruments.

Monitoring

Monitoring refers to the process of assessing Solteq's internal control system and its performance in the long term. 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 compliance with 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 financial reporting. Performed as part of the continuous auditing process, auditing is focused 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 Plc complies with the Guidelines for Insiders issued by Nasdaq Helsinki Ltd on December 4, 2024.

Managers’ Transactions

Pursuant to the Market Abuse Regulation (MAR), the persons discharging managerial responsibilities within the Company comprise the members of the Board of Directors and the Executive Team as well as certain other persons whose duties satisfy the criteria for being a person discharging managerial responsibilities.

Persons discharging managerial responsibilities are prohibited from all trading in Solteq Plc’s securities for a period of 30 days before the date of publication of financial information bulletins. Persons discharging managerial responsibilities and their closely associated persons must report their business transactions exceeding the financial threshold set by the Financial Supervisory Authority to the Company’s securities to the Company and Financial Supervisory Authority. The Company is required to publish the information as a stock exchange bulletin and on the Company’s website.

Inside information and project-specific insider register

The Company will disclose inside information concerning the Company to the public as soon as possible unless a decision is taken to delay this upon fulfilling the preconditions set out in the Market Abuse Regulation. If the company decides to delay the disclosure of inside information, the company shall monitor the fulfillment of delaying criteria throughout the delay process, i.e., until the insider information is published or the project in question expires. The company will not disclose information about projects that have lapsed. If the confidentiality of the information subject to the delay cannot be guaranteed, the company will publish the insider information as soon as possible.

Project-specific insider registers will be maintained when the company has decided to delay the disclosure of inside information and established a project-specific insider register concerning inside information. Persons participating in projects affecting the value creation of the company’s shares belong to the company’s project-specific group of insiders. Persons taking part in the project may not trade company shares, debt instruments or related derivatives, or other financial instruments, and any transactions related to them are forbidden until the project either expires or is published.

Board of Directors on December 31, 2024

Markku Pietilä
Chairman of the Board
Year of birth: 1957
Education: M.Sc. (Tech.), MBA
Main occupation: Board Professional
Key work experience: Chairman of the Board, Profiz Business Solution Oy; Senior management positions, Componenta Oyj
Member of the Board of Directors since: 2008
Independent of the Company

Lotta Airas
Year of birth: 1985
Education: M.Sc. (Econ)
Main occupation: CEO, Profiz Business Solution Oy
Key work experience: oard member, Profiz Business Solution Oy; Management Consultant, Reddal Helsinki Oy
Member of the Board of Directors since: 2024
Independent of the Company

Katarina Cantell
Year of birth: 1981
Education: PhD, Information Systems
Main occupation: Founder and CEO, Adalyon Oy
Key work experience: Chief Strategy Officer (CSO), Aava Medical; Head of Strategic Design, Tieto Finland Oy
Member of the Board of Directors since: 2019
Independent of the Company and its significant shareholders

Esko Mertsalmi
Year of birth: 1975
Education: M.Sc., Mechanical Engineering and Industrial Economics
Main occupation: Member of the Board and Co-Founder, Unikie Oy
Key work experience: CEO and Co-Founder, Unikie Oy; COO, NEP Finland Oy; Several leadership positions, Symbio Finland Oy
Member of the Board of Directors since: 2023
Independent of the Company and its significant shareholders

Panu Porkka
Year of birth: 1977
Education: The Finnish Matriculation Examination
Main occupation: CEO, Verkkokauppa.com Oyj
Key work experience: CEO, Suomalainen Kirjakauppa Oy; Sales Director, Tokmanni Oy
Member of the Board of Directors since: 2019
Independent of the Company and its significant shareholders

Anni Sarvaranta
Year of birth: 1985
Education: M.Sc. (Tech.), Energy Technology
Main occupation: CEO, Auris Energia Oy
Key work experience: Business Director, Auris Energia Oy; SVP of Transmission Business, Gasgrid Finland Oy; Development Director, Baltic Connector Oy; Head of Strategy, Helen Oy
Member of the Board of Directors since: 2022
Independent of the Company and its significant shareholders

Mika Sutinen
Year of birth: 1966
Education: M.Sc. (Econ.)
Main occupation: Industrial Partner, Vaaka Partners Oy; Chairman of the Board, Reaktor, Framery, Luhta, Jungle Juice Bar, SGN Group, Ellun Kanat, Talentree, Staria, Business Forum Group (Nordic Business Forum), and Kalpa; Member of the Board, LocalTapiola Finance Ltd
Key work experience: CEO, Musti Group Oy; CEO, Best Friend Group; Consultant, Partner, Instead Oy
Member of the Board of Directors since: 2022
Independent of the Company and its significant shareholders

Executive Team on December 31, 2024

Aarne Aktan

Year of birth: 1973
Education: B.Sc. (Econ.)
Main occupation: CEO, EVP of Utilities, Solteq Group;
Key work experience: CEO, Synlab Oy (2019–2022); CEO, Pihlajalinna Plc (2016–2017); CEO, Talentum Oyj (2011–2016); CEO, Quartal Oy (1997–2011)
Member of the Executive Team since: July 1, 2022
Current key positions of trust: Chairman of the Board, Smartum Oy; member of the Board, Trainers' House Plc; advisor of two Intera Partners funds

Mikko Sairanen

Year of birth: 1985
Education: LL.M.
Main occupation: CFO, Interim EVP of Retail & Commerce, Solteq Group
Key work experience: General Counsel, Solteq Plc (since 2014); Associate Lawyer, Peltonen LMR Attorneys Ltd (2012–2014)
Member of the Executive team since: January 1, 2023
Current key positions of trust: -

Oona Silén

Year of birth: 1981
Education: –
Main occupation: VP of People and Culture, Solteq Group
Key work experience: HR Director, SYNLAB Suomi Oy 2020-2023; HR Director, Tulos Helsinki Oy 2018 - 2020; HR Manager, Talentum Oyj 2012–2016
Member of the Executive team since: February 6, 2023
Current key positions of trust: -

Christa Tavan

Year of birth: 1977
Education: M.Soc.Sci (Communications), MBA
Main occupation: Director of Communications and Marketing, Solteq Group
Key work experience: Director of Communications, Solteq Plc (since 2019); Founder, Managing Director, Paloma Communications Ltd Oy (2012–2019); Director of Communications and Public Relations, FWD Helsinki Oy (2010–2012); Country Manager, Star PR (2008–2010)
Member of the Executive team since: January 1, 2023
Current key positions of trust: -

Remuneration Report

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Remuneration Principles

The Remuneration Report contains information on the remuneration of Solteq Plc's Board of Directors and CEO from January 1 to December 31, 2024. The report has been prepared in accordance with the recommendations of the Corporate Governance Code 2025 and the requirements of the Finnish Securities Markets Act and Limited Liability Companies Act.

The remuneration of Solteq Plc’s governing bodies is based on the remuneration policy, which was determined at the Annual General Meeting held on March 27, 2024. The remuneration policy is presented to the Annual General Meeting whenever significant changes are made to it, but at least every four years, unless legislation or other regulations require otherwise.

In 2024, a change to the CEO’s short- and long-term incentive schemes was approved. The change allows remuneration paid under short-term incentive schemes to be a maximum of 75% of the fixed annual salary, and at the target level, the weight of the long-term incentive schemes constitutes a significant part of the CEO's overall remuneration. The change aims to ensure that any potential variable remuneration emphasizes the achievement of the company's long-term objectives.

The Company's remuneration policy was implemented accordingly in 2024, and no exceptions were made. This remuneration report contains essential information on the remuneration paid and due to the Company's Board of Directors and CEO for the financial year 2024.

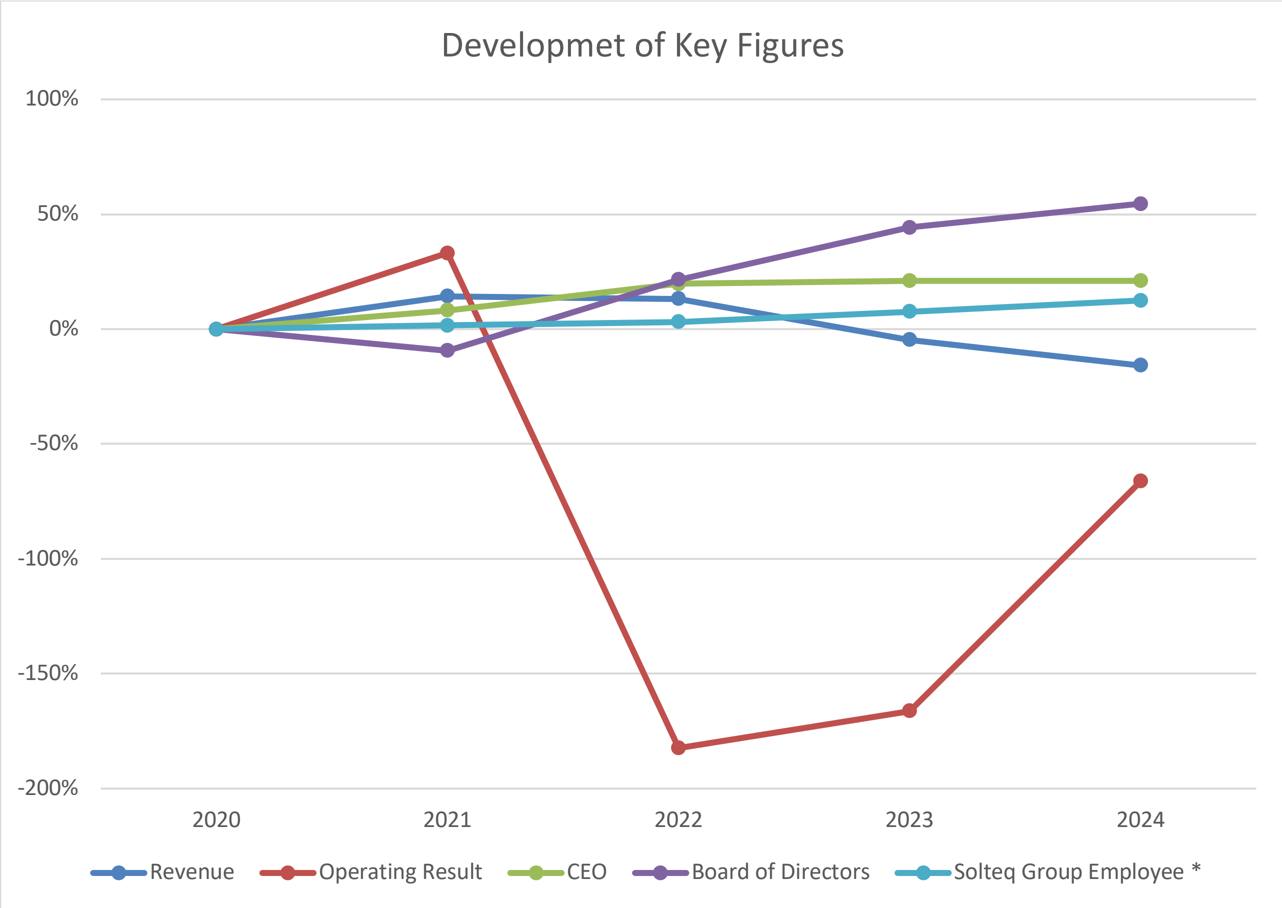
The Remuneration Report will be presented at the Annual General Meeting in 2025. In addition, the remuneration report is also published in a stock exchange bulletin and on the Company’s website.

Solteq’s Performance and Remuneration Development

The Board of Directors' remuneration is based on monthly fees and remuneration paid per meeting, which the Annual General Meeting decides. From January 1 to December 31, 2024, the board members were paid a monthly fee of EUR 2,500, and the Chairman of the Board was paid a monthly fee of EUR 5,000. In addition, each board member was paid EUR 500 per meeting.

In 2024, the CEO's remuneration consisted of a fixed salary based on the CEO’s contract. The CEO had no performance-based or other short- or long-term incentive schemes.

The following compares the development of the Company's results and the average salary of its employees with the remuneration of the Board of Directors and CEO over the past five years.



*) Comparison periods' figures adjusted

Remuneration of the Board of Directors

The Annual General Meeting decides on the remuneration paid to the Board of Directors. In accordance with the decisions made in the 2024 Annual General Meeting, the Chairman of the Board was paid a monthly fee of EUR 5,000, and other Board members were paid a monthly fee of EUR 2,500 between January 1, 2023, and December 31, 2024. All Board members were paid a meeting fee of EUR 500 for Board and Committee meetings. Board members' travel expenses were compensated in accordance with the Company's applicable travel guidelines. Remuneration paid and due to the Company's Board of Directors for the financial year 2024:

TEUR	Annual Remuneration	Meeting Remuneration	Total Remuneration
Markku Pietilä, Chairman of the Board	60.0	8.0	68.0
Lotta Airas (Mar 27–Dec 31, 2024)	22.5	4.5	27.0
Katarina Cantell	30.0	7.0	37.0
Esko Mertsalmi	30.0	5.5	35.5
Panu Porkka	30.0	5.0	35.0
Anni Sarvaranta	30.0	5.5	35.5
Mika Sutinen	30.0	6.5	36.5
Total	**232.5**	**42.0**	**274.5**

The meeting fees also include the fees paid for the Committee meetings.

CEO’s Remuneration

The Board of Directors decides on the terms and conditions of the CEO’s service agreement and on the CEO's remuneration in accordance with the remuneration policy.

The CEO was paid a fixed remuneration (a fixed part) in accordance with the CEO’s service agreement. In 2024, the CEO did not have any performance-based or other short or long-term incentive schemes (possible variable part) in addition to the basic salary.

Remuneration paid and due to the CEO for the financial year 2024:

TEUR	Fixed Salary
Aarne Aktan	350.4
Total	**350.4**

The remuneration paid to the CEO includes taxable fringe benefits.

Other key terms:

- The CEO’s notice period is 6 months
- No severance pay is stipulated by the CEO’s contract

In accordance with the Remuneration Policy, the Board of Director’s may decide changes to the remuneration of the CEO and deputy CEO. The remuneration paid may consist of a fixed salary, fringe benefits, and short and long-term incentive schemes.

Report of the Board of Directors

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Report of the Board of Directors

A critical year: Profitability improved, financing was secured

2024 was a critical year in terms of the company's profitability and refinancing. The profitability turnaround that lasted the entire year generated a comparable operating result of EUR 0.7 million (-4.6), which was EUR 5.3 million better than in the comparison period and the first positive operating result in two years. Thanks to improved profitability, the company successfully renegotiated the repayment terms and maturity of its EUR 23 million bond.

The comparable revenue for the financial year was EUR 50.9 million (54.2), which decreased by 6.1 percent from the comparison period. Revenue decreased in both segments. The tougher-than-expected market situation led to a profit warning and a lowering of the profit guidance for the financial year's comparable revenue in October 2024.

The comparable revenue of the Retail & Commerce segment was EUR 38.6 million (40.5) for the financial year. The decline in revenue was due to weak customer demand and delays in decision-making on several significant new customer projects. The efficiency measures implemented in the second and third quarters drove the company's profit improvement. The segment's profitability improved significantly, and the comparable operating result for the financial year was EUR 2.5 million (0.4).

The Utilities segment's revenue decreased during the financial year and amounted to EUR 12.2 million (13.7). Revenue development was disappointing and affected by delays in the start of customer projects in the software business and weak customer demand in the consulting business. The comparable operating result for the financial year was EUR -1.8 million (-5.0). The significant profit improvement resulted from the recovery in the software business and the efficiency and cost-saving measures implemented at the end of the previous financial year. Furthermore, the consistent work in developing the quality of Utilities software products was reflected in improved customer satisfaction during the financial year.

At the end of the financial year, the company sold its business based on Danish healthcare software solutions. The net debt-free purchase price was EUR 4.0 million. The revenue of the divested business amounted to EUR 2.0 million in the financial year 2024. The transaction was a logical continuum of the company's focus on selected solutions and expert services in the energy sector, retail industry, and ecommerce. In addition, the transaction will enable the company to reduce its indebtedness and financing costs.

Nordic IT market outlook within the key industries for Solteq

Solteq aims to meet the changing needs of the energy sector, retail industry, and e-commerce through its product development and expert services in the Nordics. The Group's reportable business segments are Utilities and Retail & Commerce. The Utilities segment offers software solutions and expert services for the energy sector, and the Retail & Commerce segment for retail and e-commerce. The business areas share similar characteristics, such as the rapidly evolving digital transformation and the need for smarter and more efficient core functions. The company estimates that its offering matches well with the industry-specific development needs where the Nordic decision-makers are focusing their IT investments in the coming years.

The demand for software solutions and expert services in the Nordic energy sector is accelerated by changes in the industry's regulation, the transition to renewable energy sources, and the potential for more streamlined business operations created by the developing technology. The business of the Utilities segment consists of software solutions and expert services, which comprehensively take into account the regulatory changes in the Nordics and EU. Among these are nationally driven datahub projects for centralized information exchange and the unification of operating models regarding measurement practices and the opening of electricity markets. The company estimates that the segment's industry-specific expertise and offering create a clear competitive advantage in the Nordic energy market.

The general uncertainty in the global economy creates uncertainties such as high inflation and increased interest rates. The uncertainties affect the Nordic market by weakening the demand, in particular, for the offering of the Retail & Commerce segment. However, the demand is driven by the rapidly evolving digitalization and the need for the secure, reliable, and coherent IT ecosystems.

Profit guidance 2025

Comparable revenue will decrease slightly, while the comparable operating result will improve significantly. Excluding the divested healthcare software solutions business, comparable revenue was EUR 48,818 thousand in the financial year 2024. Comparable operating result for the financial year 2024 was EUR 710 thousand.

Key Figures

	2024	2023	Change-% 2024-2023	2022
Revenue, TEUR	50,869	57,655	-11.8	68,426
Comparable revenue, TEUR	50,869	54,183	-6.1	57,230
EBITDA, TEUR	4,073	8,695	-53.2	5,555
Comparable EBITDA, TEUR	2,944	-1,662	277.1	608
Operating result, TEUR	1,809	-3,541	151.1	-4,406
Comparable operating result, TEUR	710	-4,575	115.5	-2,795
Result for the financial period, TEUR	-1,211	-5,380	77.5	-5,404
Earnings per share, EUR	-0.06	-0.28	77.5	-0.28
Operating result, %	3.6	-6.1		-6.4
Comparable operating result, %	1.4	-8.4		-4.9
Equity ratio, %	30.9	30.4 *		30.3

* The comparative information has been adjusted; deferred tax assets and deferred tax liabilities are presented on a net basis. In the comparison period they were presented on a gross basis.

Revenue and Profit

Revenue decreased by 11.8 percent compared to the previous year and totaled EUR 50,869 thousand (57,655). Operating result for the review period was EUR 1,809 thousand (-3,541). Comparable operating result was EUR 710 thousand (-4,575). Result before taxes was EUR -598 thousand (-4,715) and the result for the financial period was EUR -1,211 thousand (-5,380).

Retail & Commerce

The segment’s comparable revenue for the review period was EUR 38,642 thousand (40,486), a decrease of 4.6 percent relative to the comparison period. The comparable EBITDA was EUR 3,951 thousand (2,315), and the comparable operating result was EUR 2,510 thousand (449).

The segment provides software solutions and expert services for the retail industry and e-commerce. Of the segment's revenue, 69.4 percent came from e-commerce solutions and expert services and 30.6 percent from solutions and expert services related to the retail industry.

An efficiency and cost-savings program, targeted at the Retail & Commerce segment’s Commerce & Data business unit and the Group administration was carried out during the review period. The goal was to improve profitability by reorganizing and enhancing the efficiency of operations. The company executed cost-savings and reduction measures in Finland and other group companies, and it estimates achieving annual savings of approximately EUR 3.4 million.

As part of the efficiency and cost-savings program, change negotiations were carried out in Finland May 6 through June 24, 2024. Based on the resignations and layoffs, the company's workforce was reduced by 24 employees in Finland. The negotiations concerned the personnel of the Commerce & Data unit and the Group administration.

On November 18, 2024, the company announced that it would sell its business based on Danish healthcare software, which was part of the Retail & Commerce segment. The transaction was completed at the end of December 2024. The sale was a logical continuum for the company's focus on selected solutions and expert services for the energy sector, retail, and e-commerce.

Jesper Boye, who served as the Executive Vice President of the Retail & Commerce segment and a member of Solteq Plc’s Executive Team, announced his resignation on November 26, 2024. The company’s CFO, Mikko Sairanen, assumed interim responsibility for the segment, and the company commenced the search for a new Executive Vice President for the Retail & Commerce segment.

Utilities

The segment’s revenue for the review period was EUR 12,227 thousand (13,697), down by 10.7 percent relative to the comparison period. The segment’s comparable EBITDA was EUR -1,008 thousand (-3,976), and the comparable operating result was EUR -1,800 thousand (-5,024).

Utilities offers software solutions and expert services for the energy sector. Software solutions accounted for 87.2 percent, and expert services for 12.8 percent of the segment's revenue.

Recurring revenue accounted for 46.9 percent of the segment's revenue and consists of software licensing, maintenance, and support fees. In the long term, the aim is to raise recurring software-based revenue to half of the Utilities segment's revenue.

On April 3, 2024, Solteq Plc’s EVP of Utilities and Executive Team member, Jaakko Hirvensalo, announced his resignation. Hirvensalo continued in his position until the end of April 2024, after which the CEO of Solteq Plc, Aarne Aktan took on also the leadership responsibilities of the Utilities segment's business.

Balance Sheet and Finance

Total assets amounted to EUR 52,039 thousand (56,736) at the end of the review period. Liquid assets totaled EUR 3,281 thousand (1,853). The company has a standby credit limit of EUR 5,000 thousand, of which EUR 1,000 was in use at the end of the review period (1,000). The company also has a bank account credit limit of EUR 2,000 thousand, which was unused at the end of the review period. At the end of the comparison period, EUR 698 thousand of the bank account credit limit was in use. At the end of the review period, the company had a EUR 247 thousand (329) Business Finland loan for product development.

The Group's interest-bearing liabilities were EUR 23,743 thousand (26,357).

Solteq Group's equity ratio was 30.9 percent (30.4).

On October 1, 2020, Solteq issued a fixed rate senior bond with a nominal value of EUR 23.0 million, of which the company holds EUR 2.3 million. The bond will mature on October 1, 2026. The bond can be redeemed before the final maturity date.

The original maturity date was October 1, 2024. The terms of the bond were amended in a written procedure, signed on September 13, 2024, and:

- the Final Maturity Date was extended under the Terms and Conditions by 24 months, with the new Final Maturity Date being October 1, 2026;
- the coupon rate on the Notes was increased from 6.0 percent to 10.0 percent starting from October 1, 2024;
- the redemption price applicable to Voluntary Total Redemptions under the Terms and Conditions was amended by gradually increasing the redemption price of the Notes from 100.0 percent to 104.0 percent during the extended maturity period of the Notes; and
- the permitted size of the Working Capital Facility included in the Terms and Conditions of the Notes was decreased to either EUR 7 million or 90 percent of EBITDA, whichever is greater.

The terms of the bond include financial covenants concerning the distribution of funds and incurring financial indebtedness other than permitted under the terms of the bond (Incurrence Covenant). The covenants require that the equity ratio exceeds 27.5 percent, 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 4:1. The covenants concerning the distribution of funds and incurring financial indebtedness other than permitted under the terms of the bond are not fulfilled based on the reporting period. The fulfillment of the covenants is always reviewed based on the last reported 12-month period. Violations of the above-mentioned financial covenants of the bond do not, as such, lead to the right to demand immediate repayment of the bond, but they limit the distribution of the company's funds and incurring financial indebtedness other than permitted under the terms of the bond.

More information about the Bond and its terms and conditions are available on the company's website.

The maturity distribution of financial liabilities is presented in note 5.2 of the financial statements.

Investment, Research, and Development

The net investments during the review period were EUR 1,519 thousand (2,868). No investments were made in business acquisitions during the review nor the comparison period. The effect of the Danish healthcare software solutions business transaction in December 2024 on the goodwill at the time of sale was EUR -1,954 thousand. During the comparison period the effect of the Microsoft BC and LS Retail business transaction in May 2023 on the goodwill at the time of sale was EUR -5,904 thousand. A total of EUR 0 thousand (2,698) of the net investments were capitalized development costs relating to the continued further development of the existing software products and the development of new software products. Other investments were EUR 1,519 thousand (170). Other investments include the net change in rented premises and equipment, totaling EUR 1,433 thousand (170). During the comparison period, the Company made a EUR 3,955 thousand write-off to the development costs in the Utilities business and EUR 3,520 thousand in the Retail & Commerce business.

Capitalized development costs included EUR 0 thousand (1,501) in personnel costs.

In December 2023, the company changed its operating logic of dealing with product development activities. The development of own software products is part of continuous services and standard operations, and the related product development costs no longer meet the requirements for activation. The development costs of these existing software products are thus treated as cost items in the income statement as part of normal business operations in 2024, and product development cost activations ceased in the last quarter of the financial year 2023.

Depreciations and impairments

Depreciations and impairments in the review period totaled EUR 2,265 thousand (12,236), of which depreciations from premises accounted for EUR 1,422 thousand (1,647).

Personnel

The number of permanent employees at the end of the review period was 390 (478).

	2024	2023	2022	
Average number of personnel during the financial period	435	541	635	*
Employee benefit expenses, TEUR	29,007	33,570	37,273	

* Data for comparison periods adjusted.

Related Party Transactions

Solteq Group's related parties include the Board of Directors, the CEO, and the Group's Executive Team, as well as their related parties and entities according to the IAS24 standard. The related party transactions and euro amounts are presented in attachment 6.2.

Shares, Shareholders, and Treasury Shares

Solteq Plc's equity on December 31, 2024, was EUR 1,009,154.17 which was represented by 19,396,501 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.

Solteq Plc did not hold any treasury shares at the end of the review period.

Exchange and Rate

During the review period, the exchange of Solteq's shares in the Nasdaq Helsinki Ltd was 4.3 million shares (4.5) and EUR 3.1 million (4.9). The highest rate during the review period was EUR 0.99 and the lowest rate was EUR 0.54. The weighted average rate of the share was EUR 0.73, and the end rate was EUR 0.61. The market value of the company's shares at the end of the review period totaled EUR 11.8 million (14.7).

Ownership

At the end of the review period, Solteq had a total of 6,472 shareholders (7,060). Solteq's 10 largest shareholders owned 10,494 thousand shares, i.e., they owned 54.1 percent of the company's shares and votes. Solteq Plc's members of the Board of Directors, CEO and executive team owned 170 thousand (94) shares on December 31, 2024. More information about management's holdings on the company's website www.solteq.com.

Distribution of Holdings and Shareholder Information

Distribution of Holdings by Sector December 31, 2024

	Number of owners		**Shares and votes**	
	PCS	**%**	**PCS**	**%**
Private companies	191	2.95	4,418,442	22.78
Financial and insurance institutions	9	0.14	1,273,966	6.57
Public sector organizations	3	0.05	5,196,890	26.79
Households	6,245	96.49	8,224,110	42.40
Non-profit organizations	2	0.03	231	0.00
Foreign owners	15	0.23	282,862	1.46
Total	**6,472**	**100.00**	**19,396,501**	**100.00**
Total of nominee registered	7	0.11	333,297	1.72

Distribution of Holdings by Number of Shares December 31, 2024

	Number of owners		Shares and votes	
Number of shares	**PCS**	**%**	**PCS**	**%**
1 - 100	2,252	34.80	103,934	0.54
101 - 1,000	3,088	47.71	1,276,185	6.58
1,001 - 10,000	1,001	15.47	2,895,923	14.93
10,001 - 100,000	114	1.76	3,297,902	17.00
100,001 - 1,000,000	13	0.20	4,430,098	22.84
1,000,000 -	4	0.06	7,392,459	38.11
Total	**6,472**	**100.00**	**19,396,501**	**100.00**
of which nominee registered	7	0.11	333,297	1.72

Major Shareholders December 31, 2024

		Shares and votes	
		number	**%**
1.	Profiz Business Solution Oy	2,195,569	11.32
2.	Elo Mutual Pension Insurance Company	2,000,000	10.31
3.	Ilmarinen Mutual Pension Insurance Company	1,651,293	8.51
4.	Varma Mutual Pension Insurance Company	1,545,597	7.97
5.	Aktia Capital Mutual Fund	770,000	3.97
6.	Aalto Seppo Tapio	625,000	3.22
7.	Saadetdin Ali	602,216	3.10
8.	Säästöpankki Small Cap Mutual Fund	500,000	2.58
9.	Incedo Oy	304,001	1.57
10.	Kelhu Markku Juhani	300,000	1.55
10 largest shareholders total		**10,493,676**	**54.10**
Total of nominee-registered		333,297	1.72
Others		8,569,528	44.18
Total		**19,396,501**	**100.00**

Annual General Meeting

Solteq’s Annual General Meeting of Solteq Plc was held on 27 March 2024. The Annual General Meeting approved the financial statements for the financial year 1 January–31 December 2023 and discharged the CEO and members of the Board of Directors who were active during the financial year from liability.

In accordance with the proposal of the Board of Directors, it was resolved that no dividend is distributed for the financial year that ended on December 31, 2023.

The Annual General Meeting adopted the remuneration report of the company's governing bodies for year 2023 and approved the amended remuneration policy for governing bodies.

The Annual General Meeting approved the proposal of the Board of Directors to amend Articles 1 and 11 of the Articles of Association so that the domicile of the company is Espoo and that a general meeting of shareholders can be held in addition to the domicile of the company in Helsinki or Vantaa.

The Annual General Meeting authorized the Board of Directors to decide on a share issue carried out with or without payment and on issuing share options and other special rights referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act as follows:

The maximum total number of shares or other rights issued under the authorization is 2,000,000. The authorization includes the right to issue new shares and special rights or convey treasury shares. The new shares and rights can be issued and treasury shares conveyed in a directed share issue deviating from the shareholders' pre-emptive right of subscription if there is a weighty financial reason for the company, e.g., to improve the capital structure, to execute business acquisitions, and other business improvement arrangements. The authorization cannot be used to implement the company's incentive schemes. The authorization includes the right for the Board of Directors to decide on all other terms concerning the share issue and granting special rights, including the subscription price and payment of the subscription price in cash or in whole or in part by other means (subscription in kind) or by using the subscriber's receivable to offset the subscription price and record it in the company's balance sheet. The authorization is effective until the next Annual General Meeting, however, no longer than 30 April 2025. This authorization cancels the corresponding decision made by the Annual General Meeting 2023.

The Annual General Meeting authorized the Board of Directors to decide on repurchasing the company's own shares as follows: The number of own shares to be repurchased based on the authorization cannot exceed 500,000. Shares may be repurchased in one or more lots. The Company may use only unrestricted equity to repurchase its own shares. Own shares may be repurchased otherwise than in proportion to the share ownership of the shareholders (directed repurchase). The purchase price shall be at least the lowest price paid for the company's shares in regulated trading at the time of purchase and at most the highest price paid for Company shares in regulated trading at the time of purchase. Own shares can be purchased to be used to improve the capital structure of the company, to execute business acquisitions and other business development arrangements, or as a part of the implementation of the company's incentive schemes. The authorization is effective until the next Annual General Meeting, however, no longer than 30 April 2025. This authorization cancels the corresponding decision made by the Annual General Meeting 2023.

The Annual General Meeting authorized the Board of Directors to decide on accepting the company's own shares as pledge as follows: The Board of Directors is authorized to decide on accepting the company's own shares as pledge (directed) in connection with business acquisitions or when executing other business arrangements. The pledge may occur in one or several transactions. The number of own shares accepted as pledge cannot exceed 2,000,000. The Board of Directors decides on other terms concerning the pledge. The authorization is effective until the next Annual General Meeting, however, no longer than 30 April 2025. This authorization cancels the corresponding decision made by the Annual General Meeting 2023.

Board of Directors and Auditors

The Annual General Meeting on March 27, 2024, resolved that 7 members were elected to the Board of Directors. The Annual General Meeting resolved to elect the following members of the Board of Directors according to proposal of the Shareholders' Nomination Committee of Solteq Plc: Markku Pietilä, Katarina Cantell, Panu Porkka, Anni Sarvaranta, Mika Sutinen, Esko Mertsalmi and Lotta Airas.

In its organizing meeting after the Annual General Meeting, the Board of Directors re-elected Markku Pietilä as its chairman.

Mika Sutinen, Katarina Cantell, and Markku Pietilä were elected as members of the Audit Committee. Mika Sutinen acts as the Chairman of the Audit Committee.

The Annual General Meeting elected audit firm PricewaterhouseCoopers Oy as the auditor of the company. PricewaterhouseCoopers Oy has informed that Tiina Puukkoniemi, Authorised Public Accountant (KHT), Authorised Sustainability Auditor (KRT), is the auditor with principal responsibility. PricewaterhouseCoopers Oy was also selected to carry out the assurance of the Company's sustainability reporting for the financial year 2024, and Tiina Puukkoniemi, Authorised Public Accountant (KHT), Authorised Sustainability Auditor (KRT), would also act as the responsible sustainability reporting assurance provider. However, the company is not obliged to prepare a sustainability report for the financial year 2024, because as result of changes that took place in the company during the reporting period, the required limit values are not met. The company has decided not to prepare a sustainability report as referred to in Chapter 7 of the Accounting Act for the financial year 2024.

Other Events During the Review Period

On January 25, 2024, Solteq announced the proposals of Solteq's Shareholders' Nomination Committee for the 2024 Annual General Meeting. Solteq Plc's Shareholders' Nomination Committee proposes to the Annual General Meeting, planned to be held on March 27, 2024, that seven (7) members are elected to the Board of Directors, the current Board members – Markku Pietilä, Katarina Cantell, Panu Porkka, Anni Sarvaranta, Mika Sutinen, and Esko Mertsalmi – are re-elected, and Lotta Airas is elected as a new member of the Board. The Board members' term will end at the close of the 2025 Annual General Meeting.

On February 2, 2024, Solteq announced changes in the Executive Team of Solteq Plc as of February 2, 2024. With the change, Kari Lehtosalo, the company's CFO and member of the Executive Team since 2019, will step down from his position by mutual agreement. The Board of Directors of Solteq Plc has appointed LL.M. Mikko Sairanen (b. 1985) as the company's new CFO. He will also continue in his role as the company's General Counsel.

On April 3, 2024, Solteq Plc announced changes to the Executive team. Solteq Plc's EVP of Utilities and member of the Executive Team, Jaakko Hirvensalo, announced his resignation. Hirvensalo continued in his current position and as a member of the Executive Team until the end of April 2024. The company started the process of finding a new EVP for Utilities immediately.

On April 24, 2024, Solteq Plc announced having updated the definitions of comparable EBITDA and operating result, and published new figures concerning them for 2023. The company has changed the definition of comparable EBITDA and comparable operating result and added significant changes from product development activations and related depreciation to items affecting comparability. The definition of comparable revenue remains unchanged.

On April 30, 2024, Solteq Plc announced Solteq Plc's CEO, Aarne Aktan taking on the leadership responsibilities of the Utilities segment's business in addition to his current duties.

On April 30, 2024, Solteq Plc announced initiating an efficiency and cost-savings program to achieve approximately EUR 3.5 million in annual cost savings. The efficiency and cost-savings program concerns the Retail & Commerce segment's Commerce & Data business unit and Group Administration. The goal is to improve profitability by reorganizing and enhancing the efficiency of operations.

On June 24, 2024, Solteq Plc announced that Solteq's efficiency and cost-savings program has been completed. Solteq's efficiency and cost-savings program, targeted at the Retail & Commerce segment's

Commerce & Data business unit and the Group Administration has been completed. The company will execute cost-savings and reduction measures in Finland and other group companies, and it estimates achieving annual savings of approximately EUR 3.4 million. Approximately a third of the annual cost savings is expected to be realized in 2024.

On August 2, 2024, Solteq Plc announced preliminary information about its second quarter and announced considering commencing a written procedure to extend the final maturity date of its EUR 23 million notes.

On August 21, 2024, Solteq Plc announced commencing a written procedure to amend the terms and conditions of its EUR 23 million notes due 1 October 2024.

On September 6, 2024, Solteq Plc announced that the members of Shareholders' Nomination Committee of Solteq Plc have been appointed.

On September 13, 2024, Solteq Plc announced that the amendments to the terms and conditions of Solteq Plc notes have been approved in a written procedure.

On October 23, 2024, Solteq Plc announced it is lowering its guidance on comparable revenue for 2024. The new profit guidance for 2024 is: The company expects comparable revenue to diminish relative to the comparison period and operating result to be positive. The comparable revenue was EUR 54,183 thousand for the financial year 2023. The previous profit guidance for 2024 was: The company expects the comparable revenue to grow and the operating result to be positive. The comparable revenue was EUR 54,183 thousand for the financial year 2023.

On October 24, 2024, Solteq Plc announced correcting its Consolidated Cash Flow Statement concerning the cash flow from operating activities and the cash flow from financing activities published in the Interim Report Jan 1–Sep 30, 2024.

On November 5, 2024, Solteq Plc published the financial reporting schedule and planned Annual General Meeting date for 2025.

On November 18, 2024, Solteq Plc announced selling its business based on Danish healthcare software solutions. Solteq Denmark A/S, the Danish subsidiary of the Solteq Group, signed a business transfer agreement under which the business based on healthcare software solutions will be sold to Confirma Software. The net debt-free purchase price of the business is EUR four (4) million. The purchase price will be paid upon completion of the transaction. The purchase price will be paid in cash.

On November 26, 2024, Solteq Plc announced changes in Solteq Plc's executive team. Solteq Plc's EVP of Retail & Commerce and a member of the Executive Team, Jesper Boye, announced his resignation. He left his current duties as the head of the Retail & Commerce segment immediately but continued with the company until the end of 2024. The Board of Directors of Solteq Plc assigned the interim leadership of the Retail & Commerce segment to the company's CFO, Mikko Sairanen. He assumed the new responsibilities immediately alongside his current duties. The company commenced the search for a new EVP for Retail & Commerce.

Events After the Reporting Period

On January 21, 2025, Solteq Plc announced the repurchase and cancellation of bond notes. Solteq Plc announced that it has repurchased its outstanding notes for the acquired amount of EUR 2,3 million maturing in 2026. The Board of Directors has resolved to cancel the acquired notes. The outstanding amount of the bond (ISIN FI4000442264) will be EUR 20,7 million after the cancellation of the acquired notes.

On January 24, 2025, Solteq Plc announced the proposals of Solteq's Shareholders' Nomination committee for the 2025 Annual General Meeting. Solteq Plc's Shareholders' Nomination Committee proposes to the Annual General Meeting, planned to be held on March 27, 2025, that seven (7) members are elected to the Board of Directors, the current Board members – Markku Pietilä, Lotta Airas, Anni Sarvaranta, Mika Sutinen and Esko Mertsalmi – are re-elected, and Lotta Kopra and Markus Huttunen are elected as new members of the Board. Katarina Cantell and Panu Porkka have announced that they are unavailable to continue in their roles as Board members. The term of the Board members will end at the close of the 2026 Annual General Meeting.

The company's management is not aware of other events of material importance after the review period that might have affected the preparation of the Financial Statements Bulletin.

Going concern principle

In assessing the going concern principle, the management of the company has considered the risks related to the refinancing of the company. The key elements of Solteq Group's debt financing are a fixed-rate bond, as well as standby and bank account credit limits.

Solteq issued a fixed-rate unsecured senior bond with a nominal value of EUR 23.0 million on October 1, 2020. Of the EUR 23.0 million bond outstanding at the time of December 31, 2024, EUR 2.3 million was held by the company. The terms and conditions of the bond were amended in a written procedure, approved on September 13, 2024, so that the bond matures on October 1, 2026. The standby and bank account credit limits total EUR 7.0 million. The related financial covenants are linked to the terms of the bond.

The terms of the bond include financial covenants concerning the distribution of funds and incurring financial indebtedness other than permitted under the terms of the bond (Incurrence Covenant). The covenants require that the equity ratio exceeds 27.5 percent, 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 4:1. The covenants concerning the distribution of funds and incurring financial indebtedness other than permitted under the terms of the bond are not fulfilled based on the reporting period. The fulfillment of the covenants is always reviewed based on the last reported 12-month period. Violations of the above-mentioned financial covenants of the bond do not, as such, lead to the right to demand immediate repayment of the bond, but they limit the distribution of the company's funds and incurring financial indebtedness other than permitted under the terms of the bond.

In assessing the going concern, the management of the company has considered the effects of the measures taken during the financial year 2024, the financial performance during the review period 1-12/2024, financial forecasts, and risks related to financing as well as the amendments made to the terms of the bond, and other financial instruments used by the company.

Considering the above measures and risks, the management estimates that operations will continue and that the risk of insufficient funding is small. Therefore, the management of the company has deemed it justified to prepare the 2024 financial statements under the going concern principle.

Risks and Uncertainties

In the management's view, the material uncertainties and near-term risks directed at the company's business and financial position in the near future are related to the general economic uncertainty, the customer demand for the services offered by the company, and the financial market situation.

The weakened economic situation, inflation, rising financing costs and other indirect impacts may further weaken customer companies' investments in Solteq's products and services in both the short and long term. The weakening of the security situation increases the risk of cyber attacks and other disruptions in society that may have an impact on the company's business.

Other key uncertainties and risks relate to managing changes in the balance sheet structure, the timing and pricing of transactions on which revenue is based, changes in the cost level, the development of the company's own products and their commercialization, and the company's ability to manage extensive contract and delivery packages.

The most important risks and uncertainties for the company's business are monitored regularly as part of the work of the Board of Directors and Executive Team. In addition, the company has an Audit Committee appointed by the Board of Directors, whose tasks include monitoring the company's financial and financing situation.

Proposal of the Board of Directors on the Disposal of Profit for the Financial Year

At the end of financial year 2024, the distributable equity of the Group's parent company is EUR 16,003,662.72. Solteq Plc's Board of Directors proposes to the Annual General Meeting that for the financial year 2024, no dividend will be paid out.

The Board of Directors is of the opinion that there are no financial prerequisites for dividend pay-outs, or other kind of distribution of funds. According to the terms and conditions of the company debenture stock distribution of funds would lead to the expiration of the credit. The covenants of the bond do not permit distribution of funds based on the financial year 2024.

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

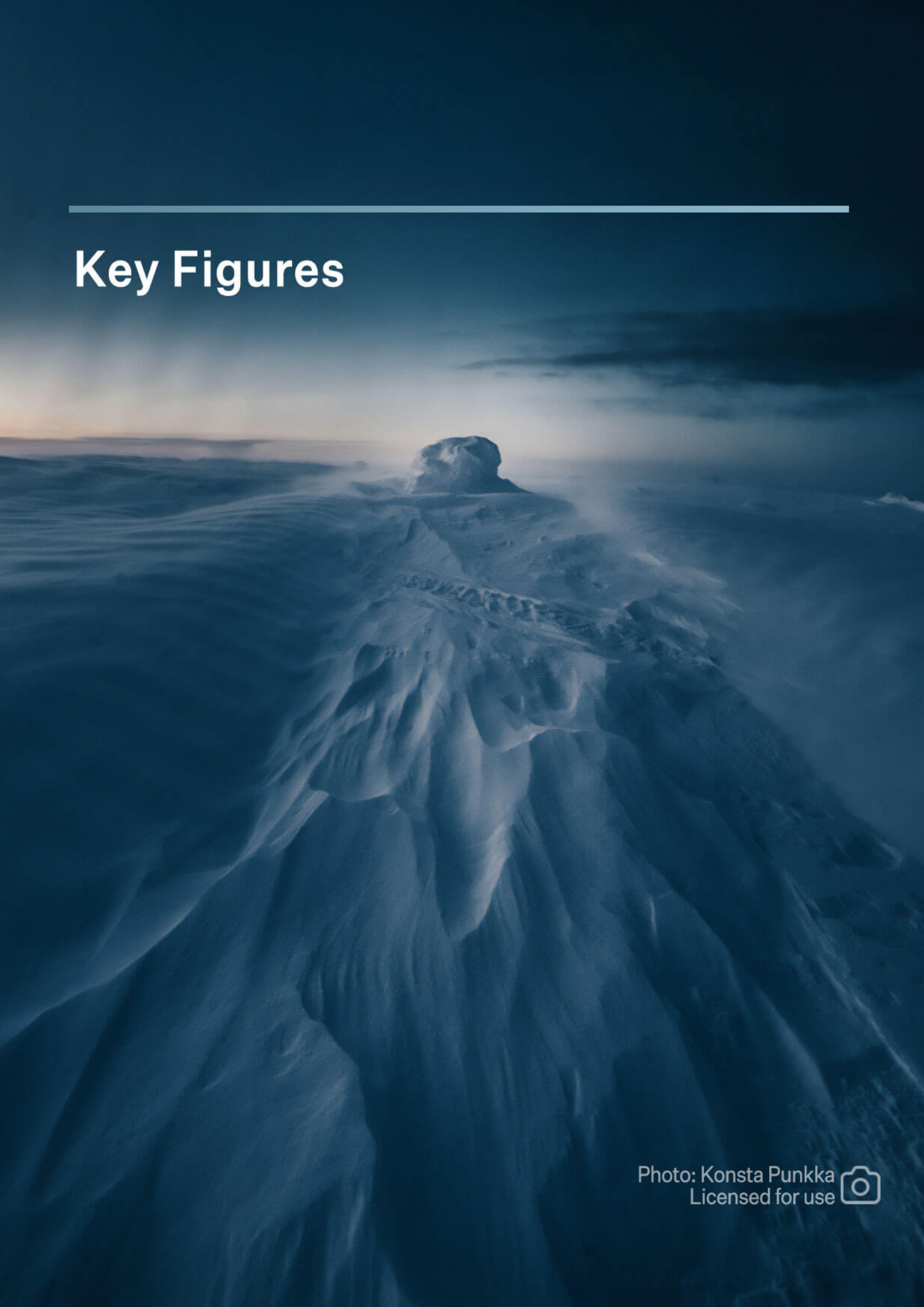
Corporate Governance Statement

Documentation on administration and governance structure is given as a separate report attached to the annual report.

Voluntary sustainability information

The company publishes voluntary sustainability information as a separate publication in connection with publishing the Annual Report.

Key Figures



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Key Figures of the Group

Key figures outlining the group's financial development	**2024**	**2023**	**2022**	**2021**	**2020**
Revenue, MEUR	50.9	57.7	68.4	69.1	60.5
Change in revenue, %	-11.8	-15.7	-0.9	14.2	3.7
Operating result, MEUR	1.8	-3.5	-4.4	7.1	5.4
% of revenue	3.6	-6.1	-6.4	10.3	8.9
Result before taxes, MEUR	-0.6	-4.7	-6.6	5.2	2.7
% of revenue	-1.2	-8.2	-9.6	7.6	4.5
Return on equity, %	-7.3	-27.1	-21.4	15.0	7.8
Return on investment, %	5.7	-5.0*	-6.9	13.0	9.1
Equity ratio, % *	30.9	30.4*	30.3	36.9	35.5
Net investments in non-current assets, MEUR	1.5	2.9	9.2	7.1	5.5
% of revenue	3.0	5.0	13.5	10.3	9.0
Research and development costs, MEUR	0.0	2.4	3.7	2.8	3.0
% of revenue	0.0	4.1	5.4	4.1	5.0
Net debt, MEUR	20.5	24.5	31.4	25.9	26.5
Gearing, %	128.3	142.3	139.4	92.6	99.9
Average number of employees over the financial period **	435	541	635	605	568

Group's key figures per share	**2024**	**2023**	**2022**	**2021**	**2020**
Earnings per share, EUR	-0.06	-0.28	-0.28	0.21	0.10
Equity per share, EUR	0.82	0.89	1.16	1.44	1.37
Dividends per share, EUR	0.00	0.00	0.00	0.00	0.15
Dividend from result, %	0.0	0.0	0.0	0.0	146.3
Effective dividend yield, %	0.0	0.0	0.0	0.0	5.4
Price–earnings ratio (P/E)	-9.8	-2.7	-4.4	22.1	27.3
Highest share price, EUR	0.99	1.80	4.94	7.16	3.7
Lowest share price, EUR	0.54	0.68	1.15	2.56	0.96
Average share price, EUR	0.73	1.08	2.81	5.08	1.95
Market value of the shares, TEUR	11,832	14,741	23,858	90,776	54,058
Shares trade volume, 1,000 pcs	4,340	4,486	13,024	25,148	6,720
Shares trade volume, %	22.4	23.1	67.1	129.7	34.8
Weighted average of the share issue corrected number of shares during the financial period, 1,000 pcs	19,397	19,397	19,397	19,382	19,307
Number of shares corrected by share issue at the end of the financial period, 1,000 pcs	19,397	19,397	19,397	19,397	19,307

* The comparative information has been adjusted; deferred tax assets and deferred tax liabilities are presented on a net basis. The comparison period was presented on a gross basis earlier.

** Data for comparison periods adjusted.

Calculation of the Key Figures

Return on Equity (ROE), %:

$$\frac{\text{Profit for the financial period (rolling 12 months)}}{\text{Equity (average for the period)}} \times 100$$

Return on investment (ROI), %:

$$\frac{\text{Profit before taxes + Finance expenses (rolling 12 months)}}{\text{Balance sheet total - Interest free debt (average for the period)}} \times 100$$

Equity ratio, %:

$$\frac{\text{Equity}}{\text{Balance sheet total – Contract Liabilities}} \times 100$$

Net debt:

Interest bearing liabilities - Cash and cash equivalents

Gearing, %:

$$\frac{\text{Interest bearing liabilities - Cash and cash equivalents}}{\text{Equity}} \times 100$$

Earnings per share:

$$\frac{\text{Profit before taxes -/+ Minority interest}}{\text{Adjusted average basic number of shares}}$$

Diluted earnings per share:

$$\frac{\text{Profit before taxes -/+ Minority interest}}{\text{Adjusted diluted average number of shares}}$$

Equity per share:

$$\frac{\text{Equity}}{\text{Number of shares}}$$

Dividend per share:

$$\frac{\text{Dividend for the period}}{\text{Number of shares at the year-end}}$$

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 (P/E) ratio:

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

The market value of Company's shares:

The number of shares at the year-end x Share price at the year-end

EBITDA:
Operating result + Depreciations and impairments

Share of recurring revenue of the total revenue of Utilities segment:

$$\frac{\text{Recurring revenue / SaaS}}{\text{Total revenue of Utilities segment}}$$

Alternative Performance Measures to be Used by Solteq Group in Financial Reporting

Solteq uses alternative performance measures to describe the Company's underlying financial performance and to improve the comparability between review periods. The alternative performance measures should not be regarded as indicators that replace the financial key figures as defined in IFRS standards.

Performance measures used by Solteq Group are operating result, EBITDA, equity ratio, gearing, return on equity, return on investment, and net debt. The calculation principles of these financial key figures are presented above, Calculation of the key figures.

Items Affecting Comparability:

Transactions that are unrelated to the regular business operations, or valuation items that do not affect the cash flow, but have an important impact on the income statement, are adjusted as items that affect comparability. These non-recurring items may include the following:

- Significant restructuring arrangements and related financial items
- Impairments
- Items related to the sale or discontinuation of significant business operations
- Costs incurred by the re-organization of operations
- Costs incurred by the integration of acquired business operations
- Non-recurring severance packages
- Fee items that are not based on cash flow
- Costs incurred by changes in legislation
- Fines and similar indemnities, damages, and legal costs
- Significant changes to the activation of product development costs and the related depreciations.

Updated definitions of comparable EBITDA and operating result

On April 24, 2024, Solteq Plc announced having updated the definitions of comparable EBITDA and operating result, and published new figures concerning them for 2023. The company has changed the definition of comparable EBITDA and comparable operating result and added significant changes from product development activations and related depreciation to items affecting comparability. The definition of comparable revenue remains unchanged.

In December 2023, the company changed its operating logic of dealing with product development activities. The development of own software products is part of continuous services and standard operations, and the related product development costs no longer meet the requirements for activation. The development costs of these existing software products are thus treated as cost items in the income statement as part of normal business operations, and product development cost activations ceased in the last quarter of the financial year 2023. In addition, the company assesses the product development investments activated in the balance sheet and their expected return. As a result of the assessment, the company made write-downs totaling EUR 7.5 million. The change in operating mode affected Solteq Group's fourth quarter 2023 comprehensive income statement and consolidated balance sheet. The change did not affect the Group's comprehensive income statements or consolidated balance sheets reported for the first, second and third quarters of 2023.

In the new comparable EBITDA and comparable operating result figures for 2023, quarterly product development activations of existing software products have been adjusted as expenses and related depreciation of previous product development activations has been reversed through profit or loss as if the change described above had been made at the beginning of 2023.

Comparable revenue

The reconciliation of the comparable revenue to revenue is presented in the table below.

	2024			2023		
TEUR	**Retail & Commerce**	**Utilities**	**Group**	**Retail & Commerce**	**Utilities**	**Group**
Revenue	**38,642**	**12,227**	**50,869**	**43,958**	**13,697**	**57,655**
Items affecting comparability						
Business divestments			0	-3,472		-3,472
Total items affecting comparability	**0**	**0**	**0**	**-3,472**	**0**	**-3,472**
Comparable revenue	**38,642**	**12,227**	**50,869**	**40,486**	**13,697**	**54,183**

Comparable EBITDA and Operating Profit (EBIT)

	2024			2023		
TEUR	**Retail & Commerce**	**Utilities**	**Group**	**Retail & Commerce**	**Utilities**	**Group**
Comparable EBITDA *	**3,951**	**-1,008**	**2,944**	**2,315**	**-3,976**	**-1,662**
Comparable EBITDA, %	10.2	-8.2	5.8	5.7	-29.0	-3.1
Operating result (EBIT)	**3,613**	**-1,805**	**1,809**	**5,177**	**-8,718**	**-3,541**
Items affecting comparability						
Business divestments	-1,327		-1,327	-8,379	-32	-8,410
Non-recurring severance packages	162	3	165	262	248	509
Impairments	31		31	3,584	3,955	7,539
Costs incurred by the re-organization of operations	31	2	32	22		22
Product development activations				-1,048	-1,308	-2,356
Product development related depreciations				831	831	1,663
Total items affecting comparability	**-1,103**	**5**	**-1,099**	**-4,729**	**3,695**	**-1,034**
Comparable operating result (EBIT)	**2,510**	**-1,800**	**710**	**449**	**-5,024**	**-4,575**
Comparable operating profit, %	6.5	-14.7	1.4	1.1	-36.7	-8.4

* The reconciliation of the comparable operating profit to operating profit is presented in the table. The same adjusting items apply when reconciling the comparable EBITDA to EBITDA, excluding Impairments.

Financial Statements 2024

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Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

TEUR	Notes	1 Jan 2024 - 31 Dec 2024	1 Jan 2023 - 31 Dec 2023
Revenue	2.1, 2.2	**50,869**	**57,655**
Other income	2.4	1,376	8,309
Materials and services		-6,087	-7,033
Employee benefit expenses	2.3	-34,096	-39,936
Other expenses	2.4, 2.5	-7,989	-10,299
Depreciations and impairments	3.4	-2,265	-12,236
Operating profit		**1,809**	**-3,541**
Financial income	2.6	420	1,497
Financial expenses	2.6	-2,827	-2,671
Profit before taxes		**-598**	**-4,715**
Income taxes	2.7	-612	-665
Profit for the financial period		**-1,211**	**-5,380**
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Currency translation differences		-61	60
Other comprehensive income, net of tax		-61	60
Total comprehensive income		**-1,272**	**-5,320**
Earnings per share attributable to equity holders of the parent			
Earnings per share, EUR (undiluted)		-0.06	-0.28
Earnings per share, EUR (diluted)		-0.06	-0.28

Result for the financial year and total comprehensive income belong exclusively to the owners of the Parent Company.

The financial statements should be read together with the notes

Consolidated Statement of Financial Position

TEUR	Notes	31 Dec 2024	31 Dec 2023	
Assets				
Non-current assets				
Tangible assets	3.1	43	25	
Right-of-use assets	3.2	1,691	1,781	
Intangible assets				
Goodwill	3.3	38,567	40,555	
Other intangible assets	3.3	532	1,236	
Other investments	5.3	437	437	
Deferred tax assets	2.7	672	768	*
Trade and other receivables	4.1	592	260	
Non-current assets total		**42,535**	**45,062**	
Current assets				
Inventories	4.2	34	60	
Trade and other receivables	4.1	6,189	9,762	
Cash and cash equivalents	5.4	3,281	1,853	
Current assets total		**9,504**	**11,674**	
Total assets		**52,039**	**56,736**	
Equity and liabilities				
Equity attributable to equity holders of the parent company				
Share capital	5.5	1,009	1,009	
Share premium reserve	5.5	75	75	
Distributable equity reserve	5.5	13,260	13,260	
Currency translation difference		-207	-146	
Retained earnings		1,810	3,021	
Total equity		**15,947**	**17,219**	
Non-current liabilities				
Deferred tax liabilities	2.7	59	121	*
Financial liabilities	5.2	20,899	246	
Trade and other payables	4.3	280	0	
Lease liabilities	5.2	856	405	
Non-current liabilities total		**22,095**	**772**	
Current liabilities				
Financial liabilities	5.2	1,082	24,149	
Trade and other payables	4.3	11,646	12,752	
Income tax liability	2.7	343	188	
Provisions	4.4	21	99	
Lease liabilities	5.2	906	1,556	
Current liabilities total		**13,997**	**38,745**	
Total liabilities		**36,092**	**39,517**	
Total equity and liabilities		**52,039**	**56,736**	

* The comparative information has been adjusted; deferred tax assets and deferred tax liabilities are presented on a net basis. The comparison period was presented on a gross basis earlier.

Consolidated Cash Flow Statement

TEUR	Notes	1-12/2024	1-12/2023	
Cash flow from operating activities				
Result for the financial period		-1,211	-5,380	
Adjustments for operating result:				
Depreciations and impairments **		2,265	12,236	
Financial income and expenses **		2,407	1,174	
Income taxes **		612	665	
Profit on the sale of the business transaction **		-1,327	-8,129	
Other adjustments **		-822	192	
Total adjustments **		3,135	6,139	*
Cash flow before changes in working capital		1,924	759	
Changes in working capital:				
Change in trade and other receivables		2,161	1,129	
Change in inventory		25	74	
Change in trade payables and other liabilities		-1,066	-4,674	
Total change in working capital		1,121	-3,471	
Cash flow from operations before financial items and taxes		3,045	-2,712	
Interests paid		-1,885	-2,154	
Interests received		92	81	
Other financial items		-345		
Taxes paid		650	-518	*
Net cash flow from operating activities (A)		**1,558**	**-5,302**	
Cash flow from investing activities:				
Business acquisitions			-20	
Divested businesses		3,961	14,137	
Investments in tangible and intangible assets		-86	-2,351	
Net cash used in investing activities (B)		**3,874**	**11,766**	
Cash flow from financing activities:				
Long-term loans, decrease	5.2	-1,581	-548	
Short-term loans, increase	5.2	4,249	4,371	
Short-term loans, decrease	5.2	-5,029	-8,601	
Payment of lease liabilities		-1,643	-1,891	
Net cash used in financing activities (C)		**-4,004**	**-6,668**	
Changes in cash and cash equivalents		**1,429**	**-204**	
Cash and cash equivalents at the beginning of period		1,853	2,057	
Cash and cash equivalents at the end of period	5.4	**3,281**	**1,853**	

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

TEUR	2024	2023
Cash and cash equivalents	3,281	1,853
Total	**3,281**	**1,853**

* Taxes paid in the comparison period have been adjusted to a separate row. Previously presented in adjustments.

** Presentation clarified.

The financial statements should be read together with the notes

Consolidated Statement of Changes in Equity

TEUR	Share capital	Share premium account	Invested unrestricted equity reserve	Currency translation difference	Retained earnings	Total
Equity 1 Jan 2023	**1,009**	**75**	**13,260**	**-205**	**8,400**	**22,539**
Result for the financial period					-5,380	-5,380
Other items on comprehensive income				60		60
Total comprehensive income	**0**	**0**	**0**	**60**	**-5,380**	**-5,320**
Equity 31 Dec 2023	**1,009**	**75**	**13,260**	**-146**	**3,021**	**17,219**
Equity 1 Jan 2024	**1,009**	**75**	**13,260**	**-146**	**3,021**	**17,219**
Result for the financial period					-1,211	-1,211
Other items on comprehensive income				-61		-61
Total comprehensive income	**0**	**0**	**0**	**-61**	**-1,211**	**-1,272**
Equity 31 Dec 2024	**1,009**	**75**	**13,260**	**-207**	**1,810**	**15,947**

The financial statements should be read together with the notes

Notes to Consolidated Financial Statements

1. GENERAL INFORMATION

1.1 Group Information

Solteq is a Nordic provider of IT services and software solutions specializing in the digitalization of business and industry-specific software. The key sectors in which the Company has long-term experience include retail, industry, energy, and services. The Company operates in Finland, Sweden, Norway, Denmark, Poland, and the UK.

The Group's Parent Company is Solteq Plc, whose business ID is 0490484-0. Solteq Plc is a Finnish public limited company whose shares are quoted on Nasdaq Helsinki Ltd. The Company is domiciled in Espoo, Finland, with headquarters at: Revontulenkuja 1, 02100 Espoo. A copy of Solteq Plc's consolidated financial statements is available at www.solteq.com or from the headquarters in Espoo.

Solteq Plc's Board of Directors approved these financial statements for publication in its meeting on February 12, 2025. Pursuant to the Finnish Limited Liability Companies Act, shareholders have the right to either accept or reject the financial statements at the Annual General Meeting held after publication. The Annual General Meeting also has the option of deciding that the financial statements be amended.

1.2 Basis of Preparation

Solteq's consolidated financial statements as well as Solteq Plc's separate 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 December 31, 2024. 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 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.

1.3 Going Concern principle

The financial statements for the financial year 2024 have been drawn up under the going concern principle. In assessing the going concern principle, the management of the company has considered the risks related to the refinancing of the company. The key elements of Solteq Group's debt financing are a fixed-rate bond, as well as standby and bank account credit limits.

Solteq issued a fixed-rate unsecured senior bond with a nominal value of EUR 23.0 million on October 1, 2020. Of the EUR 23.0 million bond outstanding at the time of December 31, 2024, EUR 2.3 million was held by the company. The terms and conditions of the bond were amended in a written procedure, approved on September 13, 2024, so that the bond matures on October 1, 2026. The standby and bank account credit limits total EUR 7.0 million. The related financial covenants are linked to the terms of the bond.

The terms of the bond include financial covenants concerning the distribution of funds and incurring financial indebtedness other than permitted under the terms of the bond (Incurrence Covenant). The covenants require that the equity ratio exceeds 27.5 percent, 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 4:1. The covenants concerning the distribution of funds and incurring financial indebtedness other than permitted under the terms of the bond are not fulfilled based on the reporting period. The fulfillment of the covenants is always reviewed based on the last reported 12-month period. Violations of the above-mentioned financial covenants of the bond do not, as such, lead to the right to demand immediate repayment of the bond, but they limit the distribution of the company's funds and incurring financial indebtedness other than permitted under the terms of the bond.

In assessing the going concern, the management of the company has considered the effects of the measures taken during the financial year 2024, the financial performance during the review period 1-12/2024, financial forecasts, and risks related to financing as well as the amendments made to the terms of the bond, and other financial instruments used by the company.

Considering the above measures and risks, the management estimates that operations will continue and that the risk of insufficient funding is small. Therefore, the management of the company has deemed it justified to prepare the 2024 financial statements under the going concern principle.

1.4 New and Amended Standards Applied in Financial Year

New and Amended Standards Adopted in 2024

The Group and the parent company Solteq Plc have applied the following new and amended standards that entered into force from the beginning of 2024:

Amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with a covenant.

The impact from other new and amended standards issued during financial year 2024 are not considered to be material to the Group's financial reporting.

New or Amended IFRS Standards and Interpretations to be Applied in Future Financial Periods

In preparing these financial statements, standards, amendments to standards, and interpretations effective only for annual periods beginning after January 1, 2024 have not been applied. The company is investigating the impacts of the IFRS 18 standard entering into force later related to financial reporting.

1.5 Management Judgement and Use of Estimates

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.

The accounting policies and descriptions of management's judgment-based conclusions are mainly found in the notes to the financial statements. Only the general accounting policies are described in this section.

Accounting Policies Requiring Management Judgement and Significant Uncertainties Relating to Accounting

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, among other things, the valuation of goodwill, leases and accounts receivables, as well as the assessment of project outcomes, the measuring and recognition of deferred tax assets and the development of the overall financial environment. Possible changes in estimates and assumptions are recognized in accounting during the financial year when the estimate or assumption is revised, and all the periods after that.

2. FINANCIAL RESULT

2.1 Segment Reporting

Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified the Group CEO. Segments are defined based on Group's business segments.

There are no significant mutual business transactions between the segments. The performance of the segments is estimated on the basis of EBITDA and operating profit. Group-level expenses are allocated to reportable business segments according to predetermined principles.

Solteq has two reportable business segments: Utilities and Retail & Commerce. The Utilities segment offers software solutions and expert services for the energy sector. The Retail & Commerce segment is focused on the software solutions and expert services related to retail industry and e-commerce.

Since the beginning of the financial year 2023, the reportable business segments of the Group have been Utilities and Retail & Commerce (Solteq Software and Solteq Digital in the previous financial years).

	2024			2023		
TEUR	**Retail & Commerce**	**Utilities**	**Group**	**Retail & Commerce**	**Utilities**	**Group**
Revenue	38,642	12,227	50,869	43,958	13,697	57,655
EBITDA	5,086	-1,012	4,073	11,580	-2,885	8,695
EBITDA, %	13.2	-8.3	8.0	26.3	-21.1	15.1
Depreciations and impairments	-1,472	-793	-2,265	-6,403	-5,834	-12,236
Operating profit	3,613	-1,805	1,809	5,177	-8,718	-3,541
Operating profit, %	9.4	-14.8	3.6	11.8	-63.7	-6.1
Financial income and expenses			-2,407			-1,174
Result before taxes			-598			-4,715
Income taxes			-612			-665
Result for the financial period			-1,211			-5,380

Revenue by country

Accounting Policy

Solteq operates in Finland, Sweden, Norway, Denmark, Poland, and the UK. The revenues of geographical areas are reported based on the geographical location of the seller.

TEUR	**2024**	**2023**
Finland	44,088	48,471
Other countries	6,781	9,184
Total	**50,869**	**57,655**

2.2 Revenue from Contracts with Customers

Accounting Policy

Solteq recognizes revenue based on the five-step model required by IFRS 15. The process involves defining the subject of the contract with the customer, the performance obligation based on it, the transaction price to be allocated and the allocation of the transaction price to the time of delivery, arising from the partial and/or complete satisfaction of the performance obligation.

The Company recognizes the majority of its service revenue over time. Service revenue mainly consists of general consulting based on time and materials as well as support and development services provided for the Company, for which the customer receives benefits as the service is produced (e.g. helpdesk and media services). The Company recognizes sales revenue evenly over time.

The Company is increasingly shifting towards Software as a Service (SaaS) solutions, which give customers access to software as a service in exchange for a pre-agreed monthly fee. For these services, the customer receives the benefits as the service is produced, and revenue is recognized evenly over time.

Solteq's revenue recognition principles for long-term contracts are based on the contract's measure of progress and the management's judgement. The Company defines the performance obligation of each delivery agreement, and the transaction price allocated to it. The current policy is to subsequently assess the satisfaction of the performance obligation mainly by using the input method. In other words, the measure of progress towards complete satisfaction of the performance obligation is defined by assessing the ratio between the cumulative rate of utilization and costs of the project resources to the total resource and cost forecast for the performance obligation.

Guidelines concerning principal/agent considerations require the Company to recognize only the proportion of revenue for which the Company is responsible for the delivered product and service, for which the Company bears the inventory/credit risk and/or is able to freely set the market price of the product. In the event that the Company acts as a dealer and is not subject to the aforementioned obligations, the Company only recognizes revenue corresponding to the margin received from resale services. Revenue is always recognized based on the transfer of control, either over time or at a point in *time. The third-party license and maintenance business includes, for example, the Liferay-, HCL-, Adobe- and Informatica solutions provided by Solteq.*

The primary services and products for which revenue is recognized at a point in time are related to the right to use software, products directly related to the right to use software and equipment separately provided for customers. In these cases, the right to use software, the functions and rights enabled by products directly related to that right and the ownership of the separately provided equipment are transferred to the customer at the time of delivery.

Trade Receivables and Contract Assets and Liabilities

Trade receivables are invoiced customer receivables where Solteq has an unconditional right to consideration for goods or services delivered to the customer. Contract assets primarily relate to performance obligations that have been fulfilled but not yet invoiced. An assessment in accordance with IFRS 9 standard is carried out regarding the impairment of contract assets and trade receivables. Contract assets are included in the balance sheet item Trade and other receivables.

A contract liability is an obligation to transfer goods or services to the customer for which the Company has received consideration from the customer. If the customer pays consideration before goods or services are transferred to the customer, the Company presents a contract liability in the financial statements. Contract liabilities mainly relate to advance payments received from customers, and the related income is recognised when the performance obligation is fulfilled. Contract liabilities are included in the balance sheet item Trade and other payables.

Estimating Variable Consideration

Solteq's contracts with customers may include variable consideration components, such as penalties for late project delivery. The management's judgement is that, as a rule, the level of uncertainty concerning the amount of consideration to be received is low. The Company estimates variable consideration components particularly at the end of each reporting period.

Contract Costs

Solteq does not have significant incremental costs of obtaining contracts.

The sales income from the Retail & Commerce segment's customer contracts are classified as services, recurring revenue from own software/Saas, and software and hardware sales. The services consist mainly of time and material based consulting, support and development services provided by the company, and projects. The sales income from these services is recognized over time depending on the progress of customer projects. Recurring revenue from software is reported for sales income related to the company's own products. In addition, the Retail & Commerce segment generates sales income from software and hardware sales consisting mainly of license and maintenance fees for third party software.

The Utilities segment covers the business based on the company's own energy sector products. The revenue of the segment is mainly based on license and maintenance fees from own products and related services, like integration and implementation projects. The sales income from the Utilities segment's customer contracts is classified as services, recurring revenue from own software/Saas and non-recurring license and hardware sales. The services consist mainly of time- and material-based consulting, support and development services provided by the company, and projects. The services will benefit the customers as the service is provided.

Recurring revenue from own software / SaaS in both segments includes sales related to Solteq's own products where the amount charged is not dependent on the amount of work performed and the charge is recurring or deferred over the contract period. In addition, the contract needs to be valid until further notice or the contract period is minimum 12 months in order to be classified as recurring revenue/SaaS. Non-recurring license and hardware sales include license fees related to the company's own software and directly related products and hardware. The revenue is recognized as point in time.

Revenue from Contracts with Customers

Retail & Commerce

TEUR	**2024**	**2023**
Services	30,057	35,440
Recurring revenue / SaaS	6,488	6,335
Software and hardware sales	2,097	2,182
Total	**38,642**	**43,958**

Utilities

TEUR	**2024**	**2023**
Services	6,248	8,686
Recurring revenue / SaaS	5,734	4,544
Non-recurring sales	245	468
Total	**12,227**	**13,697**
Group total	**50,869**	**57,655**

Contract assets and liabilities

TEUR	**2024**	**2023**	
Trade receivables	5,120	6,926	
Contract assets	388	812	
Contract liabilities	-452	-131	*

*Data for the comparison period adjusted to meet the definition of the accounting policy.

Contract assets

TEUR	**2024**	**2023**
Contract assets on Jan 1	**812**	**387**
Transfers from contract assets to receivables	-801	-113
Increases as a result of changes in the measure of progress	377	537
Contract assets on Dec 31	**388**	**812**

Contract liabilities

TEUR	2024	2023	
Contract liabilities on Jan 1	**-131**	**-136**	*
Revenue recognized from contract liabilities	131	136	*
Increases due to cash received, excluding amounts recognized as revenue during the period	-452	-131	*
Contract liabilities on Dec 31	**-452**	**-131**	*

*Data for the comparison period adjusted to meet the definition of the accounting policy.

The Group expects to meet a significant part of outstanding performance obligations during the reporting period 2025.

2.3 Employee Benefit Expenses

Accounting Policy

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 recognized as expenses as incurred.

TEUR	2024	2023	
Salaries and wages	29,007	33,570	
Pension expenses - defined contribution plan	4,503	5,260	
Other personnel expenses	586	1,106	
Total	**34,096**	**39,936**	
Average number of employees over the financial period	**435**	**541**	*

* Data for comparison period adjusted.

Information on management's employee benefits is presented in note 6.2 Related party transactions.

2.4 Other Income and Expenses

Accounting Policy

Other operating income and expenses includes income and expenses that are not considered as being directly linked to the group's business operations. These items include, for instance, gains and losses on the sale of fixed assets and business operations, expenses and allowances for credit losses as well as the corresponding cancellations.

Other income

TEUR	2024	2023
Government grants	1	
Income resulting from the sales of assets and business operations	1,334	8,275
Other income	42	34
Total	**1,376**	**8,309**

Other expenses

TEUR	2024	2023
Telephone and telecommunication costs	362	513
Voluntary personnel expenses	632	952
Rental and other office related expenses	1,220	1,538
Hardware and software expenses	1,403	1,777
Car and travel expenses	691	686
External services	2,653	3,269
Bad debts	-29	26
Warranty provisions	-78	21
Other expenses	1,135	1,515
Total	**7,989**	**10,299**

Lease expenses

TEUR	2024	2023
Depreciation of right-of-use assets	1,534	1,887
Interest expense from lease contracts	100	145
Costs from short-term lease contracts	35	28
Costs from low-value asset lease contracts	667	836
Total	**2,337**	**2,896**

Auditor’s fees

TEUR	2024	2023
Auditing	244	200
Other actions referred to in section 1, subsection 1, paragraph 2 of the Auditing Act	9	8
Tax consulting		31
Other services		63
Total	**253**	**301**

The non-audit services charged by PricewaterhouseCoopers Oy to Solteq Group companies in the financial year 2024 were EUR 9 thousand. In the comparison period, the non-audit services charged by KPMG Oy Ab were EUR 72 thousand.

2.5 Research and Development Costs

Accounting Policy

Research costs are recorded as expenses in the income statement. Development cost for new or substantially improved product or service processes are capitalized 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 capitalized at a later date. Assets are amortized 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 capitalized have a useful life of 3 to 5 years, during which capitalized assets are expensed on a straight-line basis.

The income statement does not include any research and development costs recognized as expense in the review or comparison period.

2.6 Financial Income and Expenses

Accounting Policy

Interest income is recognized using the effective interest rate method and dividend income at the time when the right to the dividend arises.

Borrowing costs are recognized as an expense in the period in which they incur. If there are 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 amortized cost of the loan and are expensed using effective interest method.

Any exchange rate gain or loss from transactions in foreign currencies has been recognized in the financial statements under financial income and expense.

Financial Income

TEUR	**2024**	**2023**
Interest income	57	80
Foreign currency exchange income	209	405
Other financial income	153	1,011
Dividend income	1	1
Total	**420**	**1,497**

* For the financial year 2023, EUR 1,011 thousand in other financial income were related to the forgiveness of Business Finland's loan.

Financial Expenses

TEUR	2024	2023
Interest expenses from financial expenses in amortized costs	1,940	1,750
Interest expense on lease liabilities	100	145
Foreign currency exchange expenses	224	624
Other financial expenses	563	152
Total	**2,827**	**2,671**

*For the financial year 2024, EUR 362 thousand in other financial expenses were related to the fees for changing the terms of the bond.

2.7 Income Taxes

Accounting Policy

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 recognized on temporary differences arising from goodwill impairment losses that are not tax deductible. Deferred taxes are neither recognized 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 recognized to the extent that it is probable that taxable profit will be available, against which the temporary differences can be utilized.

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.

TEUR	2024	2023
Tax based on the taxable income for the period	-440	-257
Taxes from previous periods	-122	120
Deferred taxes	-50	25
Other taxes	0	-553
Total	**-612**	**-665**

TEUR	2024	2023
Result before taxes	-598	-4,715
Taxes based on domestic tax rate (20%)	120	943
Difference in local tax rates	-35	31
Non-deductible expenses *	-414	-1,199
Exempt from taxes	18	
Unrecognized deferred tax assets for unrealized losses	-231	-201
Utilisation of unused tax losses		223
Adjustments to deferred taxes formed in previous years	41	11
Other items	11	-38
Taxes from previous periods and other taxes	-122	-436
Taxes on the income statement	**-612**	**-665**

* Consists mainly of goodwill attributable to the sale of business that is non-deductible in taxation.

Deferred Tax Assets and Liabilities

Changes in Deferred Taxes:

TEUR	1 Jan 2023	Recognized on the income statement	31 Dec 2023	Recognized on the income statement	31 Dec 2024	
Deferred tax assets:						
Provisions	16	4	20	-16	4	
Postponed depreciations	47	-2	45	-5	39	
From the loss of the financial period	1 244	-156	1 088	-94	994	
Lease contracts	732	-345	387	-12	375	**
Other items	42	2	44	-33	12	
Netted with deferred tax liabilities	-1 222	407	-815	64	-752	*
Total	**858**	**-90**	**768**	**-96**	**672**	*
Deferred tax liabilities:						
Tax-deductible goodwill	172	94	266	39	305	
Allocated intangible liabilities	315	-131	184	-109	76	
Lease contracts	732	-361	371	-21	349	**
Bond	33	-18	15	0	15	
Other items	208	-107	100	-35	65	
Netted with deferred tax assets	-1 222	407	-815	64	-752	*
Total	**237**	**-116**	**121**	**-62**	**59**	*
Deferred taxes, net	**621**	**26**	**647**	**-34**	**613**	

* Previously, deferred tax assets and liabilities were presented as gross amounts. In the 2024 financial year, the presentation has been adjusted under IAS 12 and deferred tax assets and liabilities have been offset if the company has an enforceable right to offset tax assets and liabilities based on the taxable income for the period, and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority.
** Due to the amendment to IAS 12, deferred tax assets and deferred tax liabilities related to leases are presented as gross before netting. The presentation method of the comparison period has been adjusted accordingly.

A deferred tax asset has been recognized in full on the parent company's loss for the financial year 2023, as if the financial estimates prepared by the management and the going concern principle are met, it is likely that taxable income will be generated also in the future against which previous tax losses can be utilized. No deferred tax assets have been booked for the losses of foreign subsidiaries due to the uncertainty regarding their utilization.

At the end of 2024, the Group had EUR 2,480 thousand (2,339) of deductible unused losses and tax credits for which no deferred tax assets have been recognized because the realization of the tax benefit is not likely. These losses and tax credits do not have an expiration period or are more than five years. Unrecognized losses and tax credits relate to the Group's foreign subsidiaries.

2.8 Earnings per Share

Accounting Policy

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

When calculating the result per share, the weighted average will also have to consider the dilutive impact of the shares owned by the Company.

	2024	**2023**
Profit for the financial period attributable to equity holders of the parent company (TEUR)	-1,211	-5,380
Weighted average of the number of shares during the financial period (1 000)	19,397	19,397
Undiluted EPS (EUR/share)	-0.06	-0.28

There were no diluting factors during the financial year 2024 nor the comparison period 2023.

3. TANGIBLE AND INTANGIBLE ASSETS

3.1 Tangible Assets

Accounting Policy

Tangible assets 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*

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 recognized under other income or expenses.

Tangible Assets

TEUR	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan 2024	2,458	34	2,492
FX rate differences	-8		-8
Additions	37		37
Disposals	-4	0	-4
Acquisition cost 31 Dec 2024	**2,482**	**34**	**2,516**
Accumulated depreciation and impairment 1 Jan 2024	2,436	31	2,468
FX rate differences	-4	0	-5
Depreciation	13	1	14
Accumulated depreciation on disposals	-4		-4
Accumulated depreciation and impairment 31 Dec 2024	**2,441**	**32**	**2,473**
Book value 1 Jan 2024	22	3	25
Book value 31 Dec 2024	41	2	43
Acquisition cost 1 Jan 2023	2,482	34	2,515
FX rate differences	4		4
Additions	0		0
Disposals	-28		-28
Acquisition cost 31 Dec 2023	**2,458**	**34**	**2,492**
Accumulated depreciation and impairment 1 Jan 2023	2,421	30	2,452
FX rate defferences	4	0	4
Depreciation	36	1	38
Accumulated depreciation on disposals	-26		-26
Accumulated depreciation and impairment 31 Dec 2023	**2,436**	**31**	**2,468**
Book value 1 Jan 2023	60	4	64
Book value 31 Dec 2023	22	3	25

3.2 Right-of-Use Assets

Accounting Policy

IFRS 16 standard requires lessees to recognize the lease agreements in the balance sheet as right-of-use assets and lease liabilities. Solteq is a lessee and mainly leases business premises. Solteq applies the exemption for short-term leases allowed under the IFRS 16 standard as well as the exemption for low value assets on a contractual basis. Solteq is not a lessor at the moment.

According to IFRS 16 standard, the lessee's lease period is the period during which the lease cannot be terminated. Also, a potential extension or termination option should be considered if the use of such option is judged to be reasonably certain. The lease agreements for premises are mainly fixed term. The lease term for ongoing contracts will be regularly assessed by Solteq's management, and the length of the lease term is based on management's estimate.

The lessee should value the lease agreement by discounting the future minimum lease payments to the present value at the inception of the contract. The internal interest rate implicit in the lease is not readily available, the future minimum lease payments are discounted using Solteq's incremental borrowing rate. According to the standard, the incremental borrowing rate is defined as the interest that the lessee would have to pay when borrowing for the similar term and with s similar security to obtain an asset of an equivalent value to the right-of-use asset in a similar economic environment. Solteq determines the incremental borrowing rate for leases based on the lease term and the financial environment of the lease. The lease liability is reassessed if the cash flow under the original terms of the lease changes, for example, if the lease term changes or if the lease payments change based on an index or variable interest rate. Right-of-use assets are measured at acquisition cost and are based on the amount of the initial measurement of the lease liability. Right-of-use assets are depreciated over the lease term or useful life, whichever is shorter. The revaluation of the lease liability is treated as corresponding adjustments to the right-of-use asset.

Solteq applies the reliefs allowed by IFRS 16 for short-term agreements and low-value commodities per agreement.

Right-of-Use Assets

TEUR	Premises	Machinery and equipment	Right-of-Use assets total
Acquisition cost 1 Jan 2024	10,545	6,611	17,157
FX rate differences	2	-1	1
Additions *	1,571	27	1,598
Disposals	-1,931	-305	-2,236
Acquisition cost 31 Dec 2024	**10,188**	**6,332**	**16,520**
Accumulated depreciation and impairment 1 Jan 2024	9,020	6,357	15,377
Depreciation	1,422	112	1,534
Accumulated depreciation on disposals	-1,873	-209	-2,082
Accumulated depreciation and impairment 31 Dec 2024	**8,569**	**6,260**	**14,828**
Book value 1 Jan 2024	1,525	255	1,780
Book value 31 Dec 2024	1,619	72	1,692
Acquisition cost 1 Jan 2023	10,185	6,625	16,810
FX rate differences	18	0	18
Additions *	478	188	666
Disposals	-136	-201	-337
Acquisition cost 31 Dec 2023	**10,545**	**6,611**	**17,157**
Accumulated depreciation and impairment 1 Jan 2023	7,373	6,128	13,500
Depreciation	1,647	240	1,887
Accumulated depreciation on disposals		-11	-11
Accumulated depreciation and impairment 31 Dec 2023	**9,020**	**6,357**	**15,377**
Book value 1 Jan 2023	2,812	497	3,309
Book value 31 Dec 2023	1,525	255	1,780

*Including also changes to lease contracts.

The total cash outflow for leases in 2024 was EUR 2,426 thousand (2,258).

Minimum Leases Payable Based on Short-Term and Low-Value Lease Agreements

TEUR	2024	2023
Within a year	370	602
More than one year	482	430
Total	**852**	**1,032**

3.3 Intangible Assets

Accounting Policy

An intangible asset is recognized 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 recognized in the balance sheet at historical cost and are amortized on a straight-line basis during their useful life. Estimated amortization periods are as follows:

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

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.

Goodwill

The goodwill deriving from merging businesses is booked to the amount with which the remuneration is exceeding the Group's part of the acquired net equity's value. The remuneration includes also the portion held by the owners without mastery rights, as well as the portion which has already previously been held by the Company.

Goodwill is not amortized 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.

Impairments of the Tangible and Intangible Assets

The Company estimates at the end of each financial period whether 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 goodwill and intangible assets not yet available for use regardless of whether there is any indication of impairment. 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 recognized when the asset's carrying amount is higher than its recoverable amount. Impairment loss is immediately recognized 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.*

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. Recoverable amount of cash-generating units is defined with calculations based on value in use. These calculations require the use of estimates.

TEUR	Payments in advance and uncompleted actions	Goodwill	Development costs	Intangible rights	Other intangible assets	Total
Acquisition cost 1 Jan 2024	0	42,754	3,517	13,079	846	60,197
Acquisition of subsidiary						0
FX rate differences		-3		3		0
Additions				50		50
Disposals		-1,985		-72		-2,057
Acquisition cost 31 Dec 2024	**0**	**40,767**	**3,517**	**13,059**	**846**	**58,190**
Accumulated amortization and impairment 1 Jan 2024		2,199	3,311	12,049	846	18,405
Amortization			160	526		685
Accumulated amortization on disposals						0
Accumulated amortization and impairment 31 Dec 2024		**2,199**	**3,470**	**12,574**	**846**	**19,090**
Book value 1 Jan 2024	0	40,555	207	1,030	0	41,792
Book value 31 Dec 2024	0	38,567	47	485	0	39,100
Acquisition cost 1 Jan 2023	1,393	48,692	12,555	12,992	846	76,478
Merger of subsidiary						0
FX rate differences	-1	-8				-9
Additions	2,356			5		2,361
Disposals	-819	-5,930	-11,966	82		-18,633
Transfers between items	-2,929		2,929			0
Acquisition cost 31 Dec 2023	**0**	**42,754**	**3,517**	**13,079**	**846**	**60,197**
Accumulated amortizations and impairment 1 Jan 2023		2,199	6,653	11,161	846	20,859
Amortization			1,885	888		2,773
Accumulated amortization on disposals			-5,228			-5,228
Accumulated amortization and impairment 31 Dec 2023		**2,199**	**3,311**	**12,049**	**846**	**18,405**
Book value 1 Jan 2023	1,393	46,493	5,901	1,831	0	55,619
Book value 31 Dec 2023	0	40,555	207	1,030	0	41,792

In the financial year 2024, a total of EUR 0 thousand (179) of government grants related to the acquisition of intangible assets were received.

Impairment testing

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 the smallest independent entities with separate cash flows. The content of the cash-generating units is in line with the Group's segment structure.

The book value of the goodwill in the group on December 31, 2024 was EUR 38,567 thousand (40,555).

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 profit budget for 2025 and operating profit forecasts for the subsequent four years.

Based on testing performed in 2024, no need was found for recognizing impairment losses: a sufficient margin was left for each tested unit. The effect of the healthcare software solutions related business transaction in December 2024 on the goodwill at the time of sale was EUR -1,954 thousand. During 2024, EUR 31 thousand of impairment losses were recorded on the group's goodwill related to the Microsoft BC and LS Retail business transaction completed in May 2023.

Goodwill of Tested Units that Generate Cash Flow

TEUR	2024	2023
Retail & Commerce	28,513	30,497
Utilities	10,054	10,058
Total	**38,567**	**40,555**

Development costs in progress have been tested with use value calculations. The expected return has been discounted to present value. The interest rate used in the calculations is 13.00 percent after tax. The calculations did not generate needs for write-offs for the financial year

The key variables of impairment testing are presented in the table below.

Key variables of impairment testing

	Retail & Commerce	Utilities
Revenue growth % on average *	5.8 %	8.8 %
EBITDA margin on average *	18.8 %	7.4 %
Terminal period growth	2.0 %	2.0 %
WACC after tax	13.00 %	13.00 %
WACC pre tax	16.25 %	16.25 %

* In the five-year forecast period, on average.

Sensitivity Analysis

A summary of unit-specific sensitivities is below:

- In Utilities segment, there will be need for write-downs, if the operating profit decreases by 1.1 percentage units or the discount rate increases by 1.3 percentage units.
- In Retail & Commerce segment, there will be need for write-downs, if the operating profit decreases by 7.3 percentage units or the discount rate increases by 10.1 percentage units.

3.4 Depreciation, Amortization, and Impairment

TEUR	2024	2023
Depreciations by asset group		
Intangible assets		
Development costs	160	1,885
Intangible rights	526	888
Total	**685**	**2,773**
Tangible assets		
Machinery and equipment	14	38
Right of use asset depreciation	1,534	1,887
Total	**1,549**	**1,924**
Impairments*	**31**	**7,539**
Total depreciations and impairments	**2,265**	**12,236**

* For the financial year 2023 mainly related to the write-offs of the Utilities and Retail & Commerce business' development costs.

4. OPERATIONAL ASSETS AND LIABILITIES

4.1 Trade and Other Receivables

TEUR	2024	2023
Long-term receivables		
Trade receivables and other receivables:		
Trade receivables	*3*	*9*
Contract assets	*350*	
Other receivables	*239*	*251*
Total trade receivables and other receivables	592	260
Total long-term receivables	**592**	**260**
Short-term receivables		
Trade receivables and other receivables		
Trade receivables	*5,110*	*6,917*
Contract assets	*38*	*812*
Accrued income	*1,041*	*2,032*
Total trade receivables and other receivables	6,189	9,762
Total short-term receivables	**6,189**	**9,762**
Total	**6,781**	**10,021**

Contract assets are primarily related to performance obligations that have been fulfilled but not yet invoiced. Significant items included in prepayments and accrued income relate to normal business accruals.

The Aging of Trade Receivables and Items Recorded as Impairment Losses:

TEUR	2024	Impairment losses	Net 2024	Probability of losses	Presumed losses	2023	Impairment losses	Net 2023	Probability of losses	Presumed losses
Not due	4,580		4,580			5,295		5,294		
Due	554	-21	533		3	1,658	-26	1,631		53
Under 30 days	413		413			1,413		1,413		
31-60 days	66		66			150		150		
61-90 days	-4		-4			65		65	75.8	49
More than 90 days	79	-21	58	5.1	3	30	-26	4	100.0	4
Total	**5,134**	**-21**	**5,113**		**3**	**6,953**	**-26**	**6,926**		**53**
Contract assets	**388**	**0**	**388**	**0.0**	**0**	**812**	**0**	**812**	**0.0**	**0**

All current receivables are denominated in euros. There are no significant concentrations of risk related to receivables. Historically there have not been significant impairment losses. 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.

4.2 Inventories

TEUR	2024	2023
Finished goods	34	60
Total	**34**	**60**

4.3 Trade and Other Payables

TEUR	2024	2023	
Non-current liabilities			
Accruals and deferred income	280		
Total	**280**	**0**	
Current liabilities			
Trade payables	2,653	3,351	
Contract liability	452	131	*
Accruals and deferred income	5,629	6,310	**
Other liabilities	2,912	2,960	
Total	**11,646**	**12,752**	
Trade and other payables total	**11,926**	**12,752**	

* Data for the comparison period adjusted. Contract liabilities were included in accruals and deferred income.
** Data for the comparison period adjusted. Income tax liability moved from trade and other payables to a separate line on balance sheet, income tax liability was previously included in accruals and deferred income

Current liabilities are denominated in euros and their fair values equal their book values. Significant items included in accruals and deferred income relate to personnel expenses and 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 and bond interest deferrals are disclosed in other payables.

4.4 Provisions

Accounting Policy

Provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, realization 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 recognized 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 recognizes a provision for onerous contracts when the expected benefits from a contract are less than the unavoidable costs of meeting the obligations.

TEUR	**Warranty provisions**	**Total**
31 Dec 2023	**99**	**99**
Additional provisions	6	6
Reversals of unused provisions	-85	-85
31 Dec 2024	**21**	**21**

Warranty Provisions

Warranty provision is recorded for long-term projects based on anticipated warranty work. 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.

5. CAPITAL STRUCTURE AND FINANCIAL ITEMS

5.1 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 of Directors and their implementation is the responsibility of the accounting department together with the operating segment units. The Audit Committee is responsible for monitoring the risk management.

Credit Risk

The Company's operating style defines the customers' and investment transactions' creditworthiness 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 December 31, 2024.

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 Company has a standby credit limit of EUR 5,000 thousand and a bank account credit limit of EUR 2,000 thousand. At the end of the review period, EUR 1,000 thousand of the standby credit limit and EUR 0 thousand of the bank account credit limit was in use.

Solteq issued a fixed-rate unsecured senior bond with a nominal value of EUR 23.0 million on October 1, 2020. The terms and conditions of the bond were amended in a written procedure, approved on September 13, 2024, so that the bond matures on October 1, 2026 and an annual fixed interest of 10.0 percent is paid on the bond. The bond can be redeemed before the final maturity date.

Of the EUR 23.0 million bond outstanding at the time of December 31, 2024, EUR 2.3 million was held by the company.

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 liabilities consists of fixed rate bond totaling to EUR 23,000 thousand, which will mature on October 1, 2026, and of 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.

Currency Rate Risk

Because the most of the Company's cash flows are in euros, the Company is exposed only to low currency rate risk. The currency rate risks related to the business operations are mainly arising from the business practiced in Sweden and Poland (the part that is not in euros) and in small amounts from the Group's purchases. The most essential currencies are Swedish krona (SEK), Polish zloty (PLN), Danish krone (DKK), Norwegian krone (NOK), Pound sterling (GBP), and the US dollar (USD). Other currencies have only minor significance. The currency rate hedges were not used in the financial year. The Group's financial liabilities do not include currency rate risk.

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 (EUR 23,000 thousand at the end of the financial year) and the standby and bank account credit limits (EUR 7,000 thousand at the end of the financial year) are tied to the terms of the bond, which are monitored regularly. The bond will mature on October 1, 2026.

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 the Equity Ratio exceeds 27.5 percent, 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 4:1. The covenants concerning the distribution of funds and incurring financial indebtedness other than permitted under the terms of the bond are not fulfilled based on the financial year 2024. The fulfillment of the covenants is always reviewed based on the last reported 12-month period. Violations of the above-mentioned financial covenants of the bond do not, as such, lead to the right to demand immediate repayment of the bond, but they limit the distribution of the company's funds and incurring financial indebtedness other than permitted under the terms of the bond.

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.

5.2 Financial Assets and Liabilities

Accounting Policy

Financial assets are classified into the following categories based on the Group's business model for the management of financial assets and their contractual cash flow characteristics: measured at amortized cost and measured at fair value through profit or loss. The classification is based on the objective of the business model and the contractual cash flows of the investments, or by applying the fair value alternative at the time of initial acquisition.

The purchases and sales of financial assets are recognized on the transaction date, which is the date on which the Group commits to buying or selling the financial instrument. At initial recognition, the Group measures a financial asset at fair value and, if the item in question is an item that is not classified as measured at fair value through profit or loss, the transaction costs that are directly attributable to the item are added to, or deducted from, the item. Transaction costs are included in the original carrying amount of financial assets for items that are not measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized at fair value on the balance sheet at initial recognition and the transaction costs are recognized through profit or loss.

Financial assets measured at amortized cost consist of trade receivables and other receivables. They are initially measured at fair value and subsequently at amortized cost using the effective interest rate method.

For trade receivables, expected credit losses are estimated using the simplified approach described in IFRS 9. The simplified approach involves assessing credit losses using a provision matrix and recognizing credit losses at an amount corresponding to lifetime expected credit losses. Expected credit losses are estimated based on historical data on previous actual credit losses, and the model also takes into consideration the information available at the time of assessment regarding future economic conditions. Expected credit losses are recognized in the income statement under other expenses.

Financial assets recognized at fair value through profit or loss consist of shares and they are included in non-current assets, except where the intention is to hold them for a period of less than 12 months from the financial statements date, in which case they are included in current assets. On the financial statements date, the Group's other investments consisted mainly of unlisted shares.

Financial liabilities are initially recognized at fair value. Transaction costs are included in the financial liability value at the initial measurement. Later all financial liabilities are valued at amortized 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.

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 categorized 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.

TEUR	**2024 Book value**	**2024 Fair value**	**2023 Book value**	**2023 Fair value**
Financial liabilities at amortized cost				
Non-current				
Bond	20,736	20,736		
Loans from financial institutions	163	163	247	247
Lease liabilities	856		405	
Total	**21,756**	**20,899**	**652**	**247**
Current				
Bond			22,369	22,369
Loans from financial institutions	1,082	1,082	1,780	1,780
Lease liabilities	906		1,556	
Total	**1,988**	**1,082**	**25,705**	**24,149**

The fair value of the financial liabilities is mainly the same as the book value.

Cash Flow Notes: Non-Cash Flow Related Changes

TEUR	**31 Dec 2023**	**Cash flows**	**Transfer from non-current to current**	**New financial lease contracts**	**Rearranging of the Bond**	*** Other changes**	**31 Dec 2024**
Non-current liabilities	247	-1,700	-82		22,333	101	20,899
Current liabilities	24,149	-781	82		-22,440	71	1,082
Lease liabilities	1,960	-1,624		1,541		-115	1,762
Total financing liabilities	**26,357**	**-4,104**	**0**	**1,541**	**-107**	**57**	**23,743**

* The cumulative effective interests during the financial period, which are valuated to the acquisition costs, and disposals of lease liabilities.

Solteq has treated the amendment of the terms of the existing bond as an amortization of the financial liability and recognition of a new financial liability following the requirements of IFRS 9.

Maturity of Financial Leases:

TEUR	Book value	Contractual cash flows	1-12 months	13-24 months	25-36 months	Later
Financial liabilities, Dec 31 2024						
Bond	20,736	25,718	2,074	23,644		
Loans from financial institutions	247	252	85	84	83	
Lease liabilities	1,762	1,852	971	575	285	21
Trade payables	2,933	2,933	2,933			
Financial liabilities total	**25,678**	**30,755**	**6,063**	**24,302**	**369**	**21**
Financial liabilities, Dec 31 2023						
Bond	22,369	23,786	23,786			
Loans from financial institutions	329	335	85	84	83	82
Lease liabilities	1,960	2,031	1,618	373	33	7
Trade payables	3,351	3,351	3,351			
Financial liabilities total	**28,009**	**29,504**	**28,840**	**457**	**117**	**89**

In 2024, the average interest rate of the loans was 7.0 percent (6.0). All financial liabilities are denominated in euros.

The financial statements for the financial year 2024 have been drawn up under the going concern principle. The key elements of Solteq Group's debt financing are a fixed-rate bond, as well as standby and bank account credit limits.

Solteq issued a fixed-rate unsecured senior bond with a nominal value of EUR 23.0 million on October 1, 2020. Of the EUR 23.0 million bond outstanding at the time of December 31, 2024, EUR 2.3 million was held by the company. The terms and conditions of the bond were amended in a written procedure, approved on September 13, 2024, so that the bond matures on October 1, 2026. The standby and bank account credit limits total EUR 7.0 million. The related financial covenants are linked to the terms of the bond.

The terms of the bond include financial covenants concerning the distribution of funds and incurring financial indebtedness other than permitted under the terms of the bond (Incurrence Covenant). The covenants require that the equity ratio exceeds 27.5 percent, 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 4:1. The covenants concerning the distribution of funds and incurring financial indebtedness other than permitted under the terms of the bond are not fulfilled based on the reporting period. The fulfillment of the covenants is always reviewed based on the last reported 12-month period. Violations of the above-mentioned financial covenants of the bond do not, as such, lead to the right to demand immediate repayment of the bond, but they limit the distribution of the company's funds and incurring financial indebtedness other than permitted under the terms of the bond.

5.3 Other Investments

TEUR	2024	2023
Beginning of financial period	**437**	**437**
Change	0	**0**
End of financial period	**437**	**437**

The item includes unlisted shares. Fair value is estimated to correspond to book value (fair value hierarchy level 3).

5.4 Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents consist of cash and bank deposits made with financially sound banks with a maturity of no more than three months. Account with overdraft facility is included in current financial liabilities. Unused overdraft facility has not been recognized in the balance sheet.

TEUR	2024	2023
Cash and cash equivalents	3,281	1,853
Total	**3,281**	**1,853**

5.5 Equity

Accounting Policy

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.

Below is the reconciliation of the number of shares:

TEUR	Number of shares (1 000)	Share capital	Share premium reserve	Invested unrestricted equity reserve	Total
Beginning of financial period	**19,397**	**1,009**	**75**	**13,260**	**14,344**
End of financial period	**19,397**	**1,009**	**75**	**13,260**	**14,344**

The maximum number of shares is 28,000 thousand (28,000). The shares have no nominal value. The Group's maximum share capital according to the articles of association is EUR 2,400 thousand (2,400).

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.

Invested Unrestricted Equity Reserve

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

Currency Translation difference

Currency translation differences include translation differences arising from the translation of foreign subsidiaries' financial statements into the parent company's functional currency.

Reserve for Own Shares

Reserve for own shares consists of acquisition cost of own shares acquired by the Group. There were no own shares in Solteq Plc's possession at the end of the financial year 2024 nor 2023.

Dividends

At the end of financial year 2024, the distributable equity of the Group's parent company is EUR 16,003,662.72. Solteq Plc's Board of Directors proposes to the Annual General Meeting that for the financial year 2024, no dividend will be paid out.

The Board of Directors is of the opinion that there are no financial prerequisites for dividend pay-outs, or other kind of distribution of funds. According to the terms and conditions of the company debenture stock distribution of funds would lead to the expiration of the credit. The covenants of the bond do not permit distribution of funds based on the financial year 2024.

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

5.6 Conditional Debts and Liabilities

Accounting Policy

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.

TEUR	**2024**	**2023**
Collateral given on our own behalf		
Business mortgages	10,000	10,000
Total	**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.

6. OTHER NOTES

6.1 Consolidation Principles and Group Companies

Accounting Policy

Consolidated financial statements include Solteq Plc and its subsidiaries.

Subsidiaries are companies in which the Group exercises control. Control is defined as the Group having exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns.

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 intercompany business transactions, receivables, debts, and unrealized profits as well as internal distribution of profit are eliminated in the preparation of the consolidated financial statements. Unrealized losses are not eliminated if they are caused by impairment.

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 have been recorded in the functional currency, using the event date's rate of exchange or one that is approximately the same. 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.

Group's Parent Company and subsidiary relations December 31, 2024 are as follows:

Company	Domicile	Share of ownership (%)	Share of votes (%)
Solteq Oyj			
S2B Energia Oy	Finland	100 %	100 %
Solteq Robotics Oy	Finland	100 %	100 %
Aponsa AB	Sweden	100 %	100 %
Solteq Sweden AB	Sweden	100 %	100 %
Solteq Poland Sp. z. o. o	Poland	100 %	100 %
Solteq Digital UK Ltd	Great Britain	100 %	100 %
Solteq Denmark A/S	Denmark	100 %	100 %
Solteq Norway AS	Norway	100 %	100 %
Theilgaard Mortensen Sverige AB	Sweden	100 %	100 %

S2B Energia Oy has been merged into the parent company after the closing of the financial year on January 2, 2025.

6.2 Related Party Transactions

Solteq Group's related parties include the Board of Directors, the CEO, and the Group's Executive Team, as well as their related parties and entities according to the IAS24 standard.

There were no related party transactions to be reported in the review or the comparison period.

Management Employee Benefits

	2024		2023	
TEUR	**CEO**	**Executive team**	**CEO**	**Executive team**
Salaries and benefits	350	632	350	824
Bonuses		40		
Statutory pensions	86	164	89	209
Total	**436**	**836**	**439**	**1,033**

Wages and Salaries of the Members of the Board of Directors and CEO

TEUR	**2024**	**2023**
CEO Aarne Aktan	350	350
Board members		
Markku Pietilä, Chairman of the Board	68	71
Panu Porkka	34	37
Katarina Cantell	37	41
Anni Sarvaranta	35	38
Mika Sutinen	36	40
Esko Mertsalmi from Mar 29, 2023	35	26
Lotta Airas from Mar 27, 2024	25	

The CEO's pension plan complies with the employment pension legislation. The CEO's notice period is six (6) months, and the agreement does not include any separate severance payments.

6.3 Business Combinations

There were no business acquisitions in the review or comparison period.

Sold businesses during financial year 2024

On November 18, 2024 Solteq Denmark A/S, the Danish subsidiary of Solteq Group, signed a business transfer agreement under which the business based on healthcare software solutions will be sold to Confirma Software. The net debt-free purchase price of the business is EUR 4,000 thousand, which was paid in cash on December 30, 2024. The company recognized a one-time profit of EUR 1,327 thousand on the fixed purchase price in the fourth quarter. The net assets sold in the business transaction were EUR 2,011 thousand, consisting mainly of the allocated goodwill of the business (EUR 1,954 thousand).

The expenses related to the business transaction were approximately EUR 663 thousand. In the financial year 2024, the revenue of the transferring business was EUR 2,000 thousand.

Sold businesses during financial year 2023

On April 17, 2023, Solteq signed a business transfer agreement, whereby the Group's ERP business based on Microsoft Dynamics 365 Business Central and LS Retail solutions was sold to Azets Group.

The net debt-free purchase price of the business is a maximum of EUR 20,000 thousand. The fixed purchase price is EUR 15,000 thousand deducted by the net working capital of the business. EUR 12,000 thousand was paid upon the completion of the Transaction. The remainder of the fixed purchase price will be paid at the latest six (6) months after the completion of the Transaction. A possible additional purchase price is a maximum of EUR 5,000 thousand, and it shall be determined based on the revenue of the transferring business for a period of twelve (12) months from the first date of the month the Transaction has been completed. The purchase price is paid in cash. The company recognized a one-time profit of EUR 8,129 thousand (before tax effects) on the fixed purchase price in the financial year 2023. The net assets sold in the business transaction were EUR 5,247 thousand, consisting of the allocated goodwill of the business (EUR 5,904 thousand) and provisions for personnel costs related to transferred persons (EUR 657 thousand). In addition, the expenses related to the business transaction were approximately EUR 749 thousand.

The Transaction consists of expert and maintenance services as well as clientele related to Solteq's Microsoft Dynamics 365 Business Central and LS Retail ERP solutions. Following the transfer of the business, approximately 60 experts located in Finland, Sweden, Norway, and Denmark were transferred to Azets Group.

6.4 Events After the Balance Sheet Date

On January 21, 2025, Solteq Plc announced the repurchase and cancellation of bond notes. Solteq Plc announced that it has repurchased its outstanding notes for the acquired amount of EUR 2,3 million maturing in 2026.The Board of Directors has resolved to cancel the acquired notes. The outstanding amount of the bond (ISIN FI4000442264) will be EUR 20,7 million after the cancellation of the acquired notes.

On January 24, 2025, Solteq Plc announced the proposals of Solteq's Shareholders' Nomination committee for the 2025 Annual General Meeting. Solteq Plc's Shareholders' Nomination Committee proposes to the Annual General Meeting, planned to be held on March 27, 2025, that seven (7) members are elected to the Board of Directors, the current Board members – Markku Pietilä, Lotta Airas, Anni Sarvaranta, Mika Sutinen and Esko Mertsalmi – are re-elected, and Lotta Kopra and Markus Huttunen are elected as new members of the Board. Katarina Cantell and Panu Porkka have announced that they are unavailable to continue in their roles as Board members. The term of the Board members will end at the close of the 2026 Annual General Meeting.

The company's management is not aware of other events of material importance after the review period that might have affected the preparation of the Financial Statements.

Parent Company Financial Statements

Parent Company's Statement of Comprehensive Income

TEUR	Notes	1 Jan 2024 - 31 Dec 2024	Adjusted 1 Jan 2023 - 31 Dec 2023	
Revenue	1.1	**44,116**	**49,222**	
Other income	1.3	453	6,989	*
Materials and services		-7,119	-8,636	
Employee benefit expenses	1.2	-26,777	-32,073	
Other expenses	1.3, 1.4	-6,215	-8,347	
Depreciations and impairments	2.4	-2,019	-12,922	*
Operating result		**2,438**	**-5,767**	*
Financial income	1.5	328	1,169	
Financial expenses	1.5	-2,544	-1,983	*
Result before taxes		**222**	**-6,580**	*
Income taxes	1.6	-54	-93	
Result for the financial period		**168**	**-6,674**	*
Total comprehensive income		**168**	**-6,674**	*

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

Parent Company's Statement of Financial Position

TEUR	Notes	31 Dec 2024	Adjusted 31 Dec 2023	
Assets				
Non-current assets				
Tangible assets	2.1	42	17	
Right-of-use assets	2.2	1,368	1,127	
Intangible assets	2.3			
Goodwill		36,353	36,353	*
Other intangible assets		522	1,117	*
Other investments	4.3	453	453	
Shares in subsidiaries	5.1	5,257	5,546	
Deferred tax assets	1.6	654	711	*
Interest-bearing receivables	3.1	1,750	1,350	*
Trade and other receivables	3.1	367	23	*
Non-current assets total		**46,767**	**46,696**	
Current assets				
Inventories	3.2	34	60	
Interest-bearing receivables	3.1	290		
Trade and other receivables	3.1	5,396	8,522	
Cash and cash equivalents	4.4	588	438	
Current assets total		**6,308**	**9,020**	
Total assets		**53,075**	**55,716**	
Equity and liabilities				
Equity attributable to equity holders of the parent company				
Share capital	4.5	1,009	1,009	
Share premium reserve	4.5	75	75	
Distributable equity reserve	4.5	14,374	14,374	
Retained earnings		1,676	1,508	*
Total equity		**17,135**	**16,967**	
Non-current liabilities				
Financial liabilities	4.2	20,901	247	*
Trade and other payables	4.3	280		
Lease liabilities	4.2	691	217	
Non-current liabilities total		**21,872**	**464**	
Current liabilities				
Financial liabilities	4.2	1,082	24,149	
Trade and other payables	3.3	10,559	12,607	
Loans from Group companies	4.2	1,700	500	*
Provisions	3.4	21	99	
Lease liabilities	4.2	705	929	
Current liabilities total		**14,067**	**38,285**	
Total liabilities		**35,940**	**38,749**	
Total equity and liabilities		**53,075**	**55,716**	

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

Parent Company's Cash Flow Statement

TEUR	Notes	1-12/2024	Adjusted 1-12/2023	
Cash flow from operating activities				
Result for the financial period		168	-6,674	*
Adjustments for operating result:				
Depreciations and impairments **		2,019	12,922	*
Financial income and expenses **		2,216	814	*
Income taxes **		54	93	
Profit on the sale of the business transaction **			-6,153	*
Other adjustments **		-173	-204	
Total adjustments: **		4,116	7,471	
Cash flow before changes in working capital		4,284	798	
Changes in working capital:				
Change in trade and other receivables		1,856	2,049	*
Change in inventory		25	73	
Change in trade payables and other liabilities		-1,983	-3,379	
Total change in working capital		-102	-1,256	
Cash flow from operations before financial items and taxes		4,182	-458	
Interests paid		-1,822	-2,060	
Interests received		92	131	
Other financial items		-345		
Taxes paid		1,046	-9	
Net cash flow from operating activities (A)		**3,154**	**-2,396**	
Cash flow from investing activities:				
Divested businesses			9,959	
Long-term interest-bearing receivables, increase		-400	-750	*
Long-term interest-bearing receivables, decrease			5	*
Short-term interest-bearing receivables, increase		-1,340		
Short-term interest-bearing receivables, decrease		1,050		
Investments in tangible and intangible assets		-86	-1,725	
Net cash used in investing activities (B)		**-776**	**7,489**	
Cash flow from financing activities:				
Long-term loans, decrease	4.2	-1,581	-548	
Short-term loans, increase	4.2	5,449	4,871	*
Short-term loans, decrease	4.2	-5,029	-8,601	
Payment of lease liabilities	4.2	-1,067	-1,246	
Net cash used in financing activities (C)		**-2,228**	**-5,523**	
Changes in cash and cash equivalents		**149**	**-431**	
Cash and cash equivalents at the beginning of period	4.4	438	869	
Cash and cash equivalents at the end of period		**588**	**438**	

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

TEUR	2024	2023
Cash and cash equivalents	588	438
Total	**588**	**438**

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

Parent Company’s Statement of Changes in Equity

TEUR	Share capital	Share premium reserve	Invested unrestricted equity reserve	Retained earnings	Total	
Equity 1 Jan 2023	**1,009**	**75**	**14,374**	**8,182**	**23,640**	
Total comprehensive income				**-6,674**	**-6,674**	*
Equity 31 Dec 2023	**1,009**	**75**	**14,374**	**1,508**	**16,966**	*
Equity 1 Jan 2024	**1,009**	**75**	**14,374**	**1,508**	**16,966**	
Total comprehensive income				**168**	**168**	
Equity 31 Dec 2024	**1,009**	**75**	**14,374**	**1,676**	**17,134**	

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

Notes to Solteq Plc Financial Statements

Accounting policies for the parent company's Financial Statements

Solteq Plc'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 December 31, 2024. 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 Group accounting policies are applied to both the Group financial statements as well as the Parent Company financial statements, unless otherwise mentioned.

1. FINANCIAL RESULT

1.1 Revenue from Contracts with Customers

TEUR	2024	2023
Services	31,369	37,321
Recurring revenue / SaaS	10,338	9,224
Software and hardware sales	2,408	2,677
Total	**44,116**	**49,222**

Contract Assets and Liabilities

TEUR	2024	2023	
Trade receivables	4,721	5,597	
Contract assets	381	812	
Contract liabilities	-206	-131	*

* Data for the comparison period adjusted to meet the definition of the accounting policy.

Contract Assets

TEUR	2024	2023
Contract assets on Jan 1	**812**	**387**
Transfers from contract assets to receivables	-801	-113
Increases as a result of changes in the measure of progress	370	537
Contract assets on Dec 31	**381**	**812**

Contract Liabilities

TEUR	2024	2023	
Contract liabilities on Jan 1	**-131**	**-136**	*
Revenue recognized from contract liabilities	131	136	*
Increases due to cash received, excluding amounts recognized as revenue during the period	-206	-131	*
Contract liabilities on Dec 31	**-206**	**-131**	*

* Data for the comparison period adjusted to meet the definition of the accounting policy.

The Company expects to meet a significant part of outstanding performance obligations during the reporting period 2025.

1.2 Employee Benefit Expenses

TEUR	2024	2023	
Salaries and wages	22,485	26,685	
Pension expenses - defined contribution plan	3,864	4,466	
Other personnel expenses	428	922	
Total	**26,777**	**32,073**	
Average number of employees over the financial period	**343**	**426**	*

* Data for comparison period adjusted.

Information on management's employee benefits is presented in note 5.1 Related party transactions.

1.3 Other Income and Expenses

Other Income

TEUR	2024	2023	
Income resulting from the sales of assets and business operations	7	6,279	*
Other income	21	25	
From Group companies, compensation for administration costs	425	685	
Total	**453**	**6,989**	

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

Other expenses

TEUR	2024	2023
Telephone and telecommunication costs	264	419
Voluntary personnel expenses	441	719
Rental and other office related expenses	972	1,279
Hardware and software expenses	1,250	1,610
Car and travel expenses	519	479
External services	2,054	2,819
Bad debts	-30	26
Warranty provisions	-78	21
Other expenses	824	975
Total	**6,215**	**8,347**

Lease Expenses

TEUR	2024	2023
Depreciation of right-of-use assets	1,075	1,320
Interest expense from lease contracts	68	83
Costs from low-value asset lease contracts	586	770
Total	**1,729**	**2,172**

Auditor's Fees

TEUR	2024	2023
Auditing	188	141
Certificates and statements	9	8
Tax consulting		9
Other services		63
Total	**197**	**221**

The non-audit services charged by PricewaterhouseCoopers Oy to Solteq Plc in the financial year 2024 were EUR 9 thousand. In the comparison period, the non-audit services charged by KPMG Oy Ab were EUR 72 thousand.

1.4 Research and Development Costs

The income statement does not include any research and development costs recognized as expense in the review or comparison period.

1.5 Financial Income and Expenses

Financial Income

TEUR	2024	2023
Interest income	175	130
Foreign currency exchange income	0	27
Other financial income *	153	1,011
Dividend income	1	1
Total	**328**	**1,169**

* For the financial year 2023, EUR 1,011 thousand in other financial income were related to the non-collection of Business Finland's loan.

Financial Expenses

TEUR	2024	2023	
Interest expenses from financial expenses in amortized costs	1,940	1,749	
Interest expense on lease liabilities	68	83	
Foreign currency exchange expenses	8	25	
Other financial expenses	529	126	
Impairments on investments			*
Total	**2,544**	**1,983**	

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

For the financial year 2024, EUR 362 thousand in other financial expenses were related to the fees for changing the terms of the bond.

1.6 Income Taxes

TEUR	2024	2023	
Tax based on the taxable income for the period		-3	
Taxes from previous periods	3	-2	
Deferred taxes	-57	-88	
Total	**-54**	**-93**	

TEUR	2024	2023	
Result before taxes	222	-6,580	*
Taxes based on domestic tax rate (20 %)	-44	1,316	*
Non-deductible expenses	-10	-766	*
Exempt from taxes	7	0	
Impairments of holdings in group companies	-58	-620	
Adjustments to deferred taxes formed in previous years	41	11	
Other items	7	-37	
Taxes from previous periods	3	2	
Taxes on the income statement	**-54**	**-93**	

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

Deferred Tax Assets and Liabilities

Changes in deferred taxes:

TEUR	1 Jan 2023	Recognized on the income statement	31 Dec 2023	Recognized on the income statement	31 Dec 2024	
Deferred tax assets:						
Provisions	16	4	20	-16	4	
Postponed depreciations	47	-2	45	-5	39	
From the loss of the financial period	1,244	-156	1,088	-94	994	
Lease contracts	388	-171	217	71	287	*
Netted with deferred tax liabilities	-895	237	-657	-13	-670	*
Total	**799**	**-88**	**711**	**-57**	**654**	*
Deferred tax liabilities:						
Tax-deductible goodwill	172	94	266	39	305	
Allocated intangible liabilities	270	-119	151	-75	76	
Lease contracts	419	-194	225	48	274	*
Bond	33	-18	15	0	15	
Netted with deferred tax assets	-895	237	-657	-13	-670	*
Total	**0**	**0**	**0**	**0**	**0**	*

* Due to the IAS 12 standard amendment, deferred tax assets and deferred tax liabilities related to leases are presented as gross amounts, and the presentation method of the comparison period has been adjusted.

For the financial year 2023, the parent company's loss has been booked in full as a deferred tax asset, as it is likely that taxable income will be generated also in the future against which it can be utilized.

1.7 Earnings per Share

	2024	2023	
Profit for the financial period attributable to equity holders of the parent company (TEUR)	168	-6,674	*
Weighted average of the number of shares during the financial period (1 000)	19,397	19,397	
Undiluted EPS (EUR/share)	0.01	-0.34	

*Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

There were no diluting factors during the financial year 2024 nor the comparison period 2023.

2. TANGIBLE AND INTANGIBLE ASSETS

2.1 Tangible Assets

TEUR	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan 2024	2,379	1	2,380
Additions	37		37
Acquisition cost 31 Dec 2024	**2,416**	**1**	**2,416**
Accumulated depreciation and impairment 1 Jan 2024	2,363	0	2,363
Depreciation	11		11
Accumulated depreciation and impairment 31 Dec 2024	**2,374**	**0**	**2,374**
Book value 1 Jan 2024	16	1	17
Book value 31 Dec 2024	41	1	42
Acquisition cost 1 Jan 2023	2,379	1	2,380
Acquisition cost 31 Dec 2023	**2,379**	**1**	**2,380**
Accumulated depreciation and impairment 1 Jan 2023	2,335	0	2,335
Depreciation	28		28
Accumulated depreciation and impairment 31 Dec 2023	**2,363**	**0**	**2,363**
Book value 1 Jan 2023	44	1	45
Book value 31 Dec 2023	16	1	17

2.2 Right-of-Use Assets

TEUR	Premises	Machinery and equipment	Right-of-Use assets total
Acquisition cost 1 Jan 2024	7,558	6,475	14,033
Additions *	1,386	27	1,413
Disposals	-789	-170	-959
Acquisition cost 31 Dec 2024	**8,155**	**6,332**	**14,487**
Accumulated depreciation and impairment 1 Jan 2024	6,681	6,226	12,906
Depreciation	967	108	1,075
Accumulated depreciation on disposals	-789	-73	-863
Accumulated depreciation and impairment 31 Dec 2024	**6,858**	**6,260**	**13,118**
Book value 1 Jan 2024	877	249	1,126
Book value 31 Dec 2024	1,296	72	1,368
Acquisition cost 1 Jan 2023	7,220	6,464	13,683
Additions *	385	188	573
Disposals	-47	-177	-224
Acquisition cost 31 Dec 2023	**7,558**	**6,475**	**14,033**
Accumulated depreciation and impairment 1 Jan 2023	5,592	5,995	11,587
Depreciation	1,089	230	1,320
Accumulated depreciation and impairment 31 Dec 2023	**6,681**	**6,226**	**12,906**
Book value 1 Jan 2023	1,628	469	2,097
Book value 31 Dec 2023	877	249	1,126

* Includes also changes to lease contracts.

The total cash outflow for leases in 2024 was EUR 1,719 thousand (1,953).

Solteq applies the reliefs allowed by IFRS 16 for short-term agreements and low-value commodities per agreement. See the table below for the minimum leases payable based on these lease agreements:

TEUR	2024	2023
Within a year	329	550
More than one year	435	430
Total	**764**	**980**

2.3 Intangible Assets

Accounting Policy

Solteq has common control transactions where subsidiaries merge into the parent company. Solteq has decided to apply the book value method to the transactions described above. As a result, the assets and liabilities of the merging company are recorded using book values. Fair value measurement is not required. Nor will these transactions generate new goodwill. Any difference between the book value of the subsidiary shares and the aggregate book value of the merging company's assets and liabilities at the time of the merger will be recognized in retained earnings in shareholders' equity.

TEUR	Payments in advance and uncompleted actions	Goodwill		Development costs	Intangible rights		Other intangible assets	Total
Acquisition cost 1 Jan 2024	0	37,304		3,196	11,156		401	52,058
Additions					50			50
Acquisition cost 31 Dec 2024	**0**	**37,304**		**3,196**	**11,206**		**401**	**52,107**
Accumulated amortization and impairment 1 Jan 2024		951		2,990	10,245		401	14,587
Amortization				160	485			645
Accumulated amortization and impairment 31 Dec 2024		**951**		**3,150**	**10,731**		**401**	**15,232**
Book value 1 Jan 2024	0	36,353		206	911		0	37,471
Book value 31 Dec 2024	0	36,353		47	475		0	36,875
Acquisition cost 1 Jan 2023	634	42,509	*	11,483	11,156	*	401	66,184
Additions	1,725							1,725
Disposals	-819	-5,205	*	-9,827				-15,851
Transfers between items	-1,540			1,540				0
Acquisition cost 31 Dec 2023	**0**	**37,304**		**3,196**	**11,156**		**401**	**52,058**
Accumulated amortizations and impairment 1 Jan 2023		2,365		5,998	9,409		401	18,172
Amortization				1,659	837			2,496
Accumulated amortization on disposals		-1,414	*	-4,667				-6,081
Accumulated amortization and impairment 31 Dec 2023		**951**		**2,990**	**10,245**		**401**	**14,587**
Book value 1 Jan 2023	634	40,144		5,485	1,747		0	48,011
Book value 31 Dec 2023	0	36,353		206	911		0	37,471

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

In the financial year 2024, a total of EUR 0 thousand (179) government grants related to the acquisition of intangible assets were received.

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 the smallest independent entities with separate cash flows. The content of the cash-generating units is in line with the Group's segment structure.

The book value of the goodwill in the Parent Company on December 31, 2024 was EUR 36,353 thousand (36,353).

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 profit budget for 2025 and operating profit forecasts for the subsequent four years.

Based on testing performed in 2024, no need was found for recognizing impairment losses: a sufficient margin was left for each tested unit. In connection with the preparation of the 2024 financial statements, a need for adjustment was identified regarding the recording of a one-time profit related to the divestment of the business based on Microsoft Dynamics 365 Business Central and LS Retail ERP solutions to the Azets Group, and an allocation of EUR 3,791 thousand was made from the parent company's goodwill to the profit.

Goodwill of Tested Units that Generate Cash Flow

TEUR	2024	2023	
Retail & Commerce	27,860	27,860	*
Utilities	8,494	8,494	
Total	**36,353**	**36,353**	*

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

Development costs in progress have been tested with use value calculations. The expected return has been discounted to present value. The interest rate used in the calculations is 13.00 percent after tax. The calculations didn't generate needs for write-offs for the financial year.

The key variables of impairment testing are presented in the table below.

Key variables of impairment testing

	Retail & Commerce	Utilities
Revenue growth % on average *	6.3 %	8.7 %
EBITDA margin on average *	17.0 %	9.0 %
Terminal period growth	2.0 %	2.0 %
WACC after tax	13.00 %	13.00 %
WACC pre tax	16.25 %	16.25 %

* In the five-year forecast period, on average

Sensitivity Analysis

A summary of unit-specific sensitivities is below:

- In Utilities segment, there will be need for write-downs, if the operating profit decreases by 2.7 percentage units or the discount rate increases by 3.8 percentage units.
- In Retail & Commerce segment, there will be need for write-downs, if the operating profit decreases by 4.8 percentage units or the discount rate increases by 6.2 percentage units.

2.4 Depreciation, Amortization, and Impairment

TEUR	**2024**	**2023**	
Depreciations by asset group			
Intangible assets			
Development costs	160	1,659	
Intangible rights	485	837	
Total	**645**	**2,496**	
Tangible assets			
Machinery and equipment	11	28	
Right of use asset depreciation	1,075	1,320	
Total	**1,086**	**1,348**	
Impairments	**288**	**9,078**	*
Total depreciations and impairments	**2,019**	**12,922**	

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

For the financial year 2023 impairments mainly related to the write-offs of the Utilities and Retail & Commerce business' development costs.

3. OPERATIONAL ASSETS AND LIABILITIES

3.1 Trade and Other Receivables

TEUR	2024	2023
Long-term receivables		
Interest-bearing loan receivables from group companies	1,750	1,350
Trade receivables and other receivables:		
Trade receivables	*3*	*9*
Contract assets	*350*	
Other receivables	*14*	*14*
Total trade receivables and other receivables	367	23
Total long-term receivables	**2,117**	**1,373**
Short-term receivables		
Interest-bearing loan receivables from group companies	290	
Trade receivables and other receivables:		
Trade receivables	*4,310*	*5,437*
Contract assets	*31*	*812*
Accrued income	*648*	*1,858*
Receivables from group companies	*408*	*415*
Total trade receivables and other receivables	5,396	8,522
Total short-term receivables	**5,686**	**8,522**
Total	**7,803**	**9,895**

Contract assets are primarily related to performance obligations that have been fulfilled but not yet invoiced. Significant items included in prepayments and accrued income relate to normal business accruals.

The Aging of Trade Receivables and Items Recorded as Impairment Losses:

TEUR	2024	Impairment losses	Net 2024	Probability of losses	Presumed losses	2023	Impairment losses	Net 2023	Probability of losses	Presumed losses
Not due	3,877		3,877			4,491		4,491		
Due	456	-20	436		2	1,132	-26	1,106		53
Under 30 days	324		324			875		875		
31-60 days	56		56			149		149		
61-90 days	15		15			64		64	54.7	35
More than 90 days	61	-20	41	4.9	2	43	-26	18	100.0	18
Total	**4,333**	**-20**	**4,313**		**2**	**5,623**	**-26**	**5,597**		**53**
Contract assets	**381**	**0**	**381**	**0.0**	**0**	**812**	**0**	**812**	**0.0**	**0**

All current receivables are denominated in euros. There are no significant concentrations of risk related to receivables. Historically there have not been significant impairment losses. 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. The trade receivables include intercompany trade receivables.

3.2 Inventories

TEUR	2024	2023
Finished goods	34	60
Total	**34**	**60**

3.3 Trade and Other Payables

TEUR	2024	2023	
Non-current liabilities			
Accruals and deferred income	280	0	
Total	**280**	**0**	
Current liabilities			
Trade payables	1,962	2,911	
Contract liabilities	206	131	
Accruals and deferred income	4,914	5,632	*
Other liabilities	2,300	2,350	
Liabilities to Group companies	1,177	1,585	
Total	**10,559**	**12,607**	
Trade and other payables total	**10,840**	**12,607**	

* Data for the comparison period adjusted. Contract liabilities were included in accruals and deferred income.

Current liabilities are denominated in euros and their fair values equal their book values. Significant items included in accruals and deferred income relate to personnel expenses and 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 and bond interest deferrals are disclosed in other payables.

3.4 Provisions

TEUR	Warranty provisions	Total
31 Dec 2023	**99**	**99**
Additional provisions	6	6
Reversals of unused provisions	-85	-85
31 Dec 2024	**21**	**21**

Warranty provisions

Warranty provision is recorded for long-term projects based on anticipated warranty work. 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.

4. CAPITAL STRUCTURE AND FINANCIAL ITEMS

4.1 Financial Risk Management and Capital Management

Solteq Plc, the Group's parent company, is responsible for managing the Group's financial risks and capital. The Group's information is presented in note 5.1. The parent company's information is in line with the Group's.

4.2 Financial Assets and Liabilities

Parent Company

TEUR	2024 Book value	2024 Fair value	2023 Book value	2023 Fair value	
Financial liabilities at amortized cost					
Non-current					
Bond	20,736	20,736			
Loans from financial institutions	165	165	247	247	
Lease liabilities	691		217		
Total	**21,592**	**20,901**	**464**	**247**	
Current					
Bond			22,369	22,369	
Loans from financial institutions	1,082	1,082	1,780	1,780	
Loans from Group companies	1,700	1,700	500	500	*
Lease liabilities	705		929		
Total	**3,487**	**2,782**	**25,579**	**24,649**	

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

The fair value of the financial liabilities is mainly the same as the book value.

Cash Flow Notes: Non-Cash Flow Related Changes

TEUR	31 Dec 2023	Cash flows	Transfer from non-current to current	New financial lease contracts	Rearranging of the Bond	* Other changes	31 Dec 2024
Non-current liabilities **	247	-1,700	-82		22,333	103	20,901
Current liabilities **	24,649	419	82		-22,440	71	2,782
Lease liabilities	1,146	-1,064		1,413		-98	1,396
Total financing liabilities	**26,043**	**-2,345**	**0**	**1,413**	**-107**	**76**	**25,079**

* The cumulative effective interests during the financial period, which are valuated to the acquisition costs and disposals of the lease liabilities.
** Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

Solteq has treated the amendment of the terms of the existing bond as an amortization of the financial liability and recognition of a new financial liability following the requirements of IFRS 9.

Maturity of Financial Leases:

TEUR	Book value	Contractual cash flows	1-12 months	13-24 months	25-36 months	Later
Financial liabilities, Dec 31 2024						
Bond	20,736	25,718	2,074	23,644		
Loans from financial institutions	247	252	85	84	83	
Lease liabilities	1,396	1,444	749	492	203	
Trade payables	3,419	3,419	3,419			
Financial liabilities total	**25,799**	**30,833**	**6,327**	**24,220**	**286**	**0**
Financial liabilities, Dec 31 2023						
Bond	22,369	23,786	23,786			
Loans from financial institutions	329	335	85	84	83	82
Lease liabilities	1,146	1,188	963	184	33	7
Trade payables	4,495	4,495	4,495			
Financial liabilities total	**28,340**	**29,804**	**29,330**	**268**	**117**	**89**

In 2024, the average interest rate of the loans was 7.0 percent (6.0). All financial liabilities are denominated in euros.

The financial statements for the financial year 2024 have been drawn up under the going concern principle. The key elements of Solteq Group’s debt financing are a fixed-rate bond, as well as standby and bank account credit limits.

Solteq issued a fixed-rate unsecured senior bond with a nominal value of EUR 23.0 million on October 1, 2020. Of the EUR 23.0 million bond outstanding at December 31, 2024, EUR 2.3 million was held by the company. The terms of the bond were amended in a written procedure, approved on September 13, 2024, so that the bond matures on October 1, 2026. The standby and bank account credit limits total EUR 7.0 million. The related financial covenants are linked to the terms of the bond.

The terms of the bond include financial covenants concerning the distribution of funds and incurring financial indebtedness other than permitted under the terms of the bond (Incurrence Covenant). The covenants require that the equity ratio exceeds 27.5 percent, 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 4:1. The covenants concerning the distribution of funds and incurring financial indebtedness other than permitted under the terms of the bond are not fulfilled based on the reporting period. The fulfillment of the covenants is always reviewed based on the last reported 12-month period. Violations of the above-mentioned financial covenants of the bond do not, as such, lead to the right to demand immediate repayment of the bond, but they limit the distribution of the company's funds and incurring financial indebtedness other than permitted under the terms of the bond.

4.3 Other Investments

TEUR	2024	2023
Beginning of financial period	**453**	**453**
Change	0	0
End of financial period	**453**	**453**

The item includes unquoted shares. Fair value is estimated to correspond to book value (fair value hierarchy level 3).

4.4 Cash and Cash Equivalents

TEUR	2024	2023
Cash and cash equivalents	588	438
Total	**588**	**438**

4.5 Equity

TEUR	Number of shares (1 000)	Share capital	Share premium reserve	Invested unrestricted equity reserve	Total
Beginning of financial period	**19,397**	**1,009**	**75**	**14,374**	**15,458**
End of financial period	**19,397**	**1,009**	**75**	**14,374**	**15,458**

4.6 Conditional Debts and Liabilities

TEUR	2024	2023
Collateral given on our own behalf		
Business mortgages	10,000	10,000
Total	**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.

5. OTHER NOTES

5.1 Related Party Transactions

Solteq Group's related parties include the Board of Directors, the CEO, and the Group's Executive Team, as well as their related parties and entities according to the IAS24 standard.

On December 31, 2024, Solteq Plc owned the following subsidiaries:

Company	Domicile	Share of ownership (%)	Share of votes (%)
S2B Energia Oy	Finland	100 %	100 %
Solteq Robotics Oy	Finland	100 %	100 %
Aponsa AB	Sweden	100 %	100 %
Solteq Poland Sp. z. o. o	Poland	100 %	100 %
Solteq Digital UK Ltd	Great Britain	100 %	100 %
Solteq Denmark A/S	Denmark	100 %	100 %

S2B Energia Oy has been merged into the parent company after the closing of the financial year on January 2, 2025.

There were no related party transactions to be reported in the review or the comparison period.

Management Employee Benefits

	2024		2023	
TEUR	**CEO**	**Executive team**	**CEO**	**Executive team**
Salaries and benefits	350	632	350	824
Bonuses		40		
Statutory pensions	86	164	89	209
Total	**436**	**836**	**439**	**1,033**

Wages and Salaries of the Members of the Board of Directors and CEO

TEUR	2024	2023
CEO Aarne Aktan	350	350
Board members		
Markku Pietilä, Chairman of the Board	68	71
Panu Porkka	34	37
Katarina Cantell	37	41
Anni Sarvaranta	35	38
Mika Sutinen	36	40
Esko Mertsalmi from Mar 29, 2023	35	26
Lotta Airas from Mar 27, 2024	25	

The CEO’s pension plan complies with the employment pension legislation. The CEO’s notice period is six (6) months, and the agreement does not include any separate severance payments.

5.2 Business Combinations

There were no acquisitions during the review or comparison period.

Sold businesses during financial year 2024

There were no transactions in financial year 2024

Sold businesses during financial year 2023

On April 17, 2023, Solteq signed a business transfer agreement, whereby the Group’s ERP business based on Microsoft Dynamics 365 Business Central and LS Retail solutions was sold to Azets Group.

The net debt-free purchase price of the business is a maximum of EUR 20,000 thousand. The fixed purchase price is EUR 15,000 thousand deducted by the net working capital of the business. EUR 12,000 thousand was paid upon the completion of the Transaction. The remainder of the fixed purchase price will be paid at the latest six (6) months after the completion of the Transaction. A possible additional purchase price is a maximum of EUR 5,000 thousand, and it shall be determined based on the revenue of the transferring business for a period of twelve (12) months from the first date of the month the Transaction has been completed. The purchase price is paid in cash. The company recognized a one-time profit of EUR 9,944 thousand (before tax effects) on the fixed purchase price in the financial year 2023. In connection with the preparation of the 2024 financial statements, a need for adjustment was identified regarding the recording of a one-time profit, and an allocation of EUR 3,791 thousand was made from the parent company's goodwill to the profit. The net assets sold in the business transaction were EUR 617 thousand, consisting of the provisions for personnel costs related to transferred persons (EUR 617 thousand). In addition, the expenses related to the business transaction were approximately EUR 632 thousand.

The Transaction consists of expert and maintenance services as well as clientele related to Solteq’s Microsoft Dynamics 365 Business Central and LS Retail ERP solutions. Following the transfer of the business, approximately 60 experts located in Finland, Sweden, Norway, and Denmark were transferred to Azets Group.

5.3 Events After the Balance Sheet Date

The Parent Company’s events after the balance sheet date are the same as those of the Group. The information as regards the Group is presented in the Group note 6.4.

5.4 Adjustments related to previous financial years

In connection with the preparation of the 2024 financial statements, a need for adjustment was identified regarding the recording of a one-time profit related to the divestment of the business based on Microsoft Dynamics 365 Business Central and LS Retail ERP solutions to the Azets Group, and an allocation of EUR 3,791 thousand was made to the parent company's goodwill to the profit. The company also adjusted the impairment of subsidiary shares of EUR 3,099 thousand recorded as a result of the business combination to the item depreciation and impairment.

In the comparison period of 2023, the impact of the above-mentioned items has been allocated to the following items in the parent company’s income statement: other operating income, depreciation and amortization, financial expenses, and profit for the financial year. In addition, the following balance sheet items were affected by the above adjustments: Goodwill and retained earnings. In the cash flow statement, the corresponding items were allocated to the following items: profit/loss for the financial year, depreciation and amortization, financial income and expenses, and profit from the business transaction. The parent company's equity as of December 31, 2023, has also been adjusted with an adjustment related to the profit for the financial year.

The parent company also reclassified a merger loss of EUR 38,153 thousand, previously reported under other intangible assets in the comparison period, to goodwill.

Previously, deferred tax assets and liabilities were presented as gross amounts. In the 2024 financial year, the presentation has been adjusted under IAS 12 and deferred tax assets and liabilities have been offset if the company has an enforceable right to offset tax assets and liabilities based on the taxable income for the period, and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority.

The parent company reclassified interest-bearing loan receivables from group companies of EUR 1,350 thousand, which were reported in the trade and other receivables item, to the interest-bearing receivables item. Furthermore, the parent company reclassified loans from group companies, previously reported under non-current financial liabilities, to short-term loans from group companies amounting to EUR 500 thousand, in accordance with the loan agreement. In the cash flow statement, increases and decreases in interest-bearing receivables were adjusted to the cash flow from investing activities. As a result of the adjustment, cash flow from operating activities improved by EUR 745 thousand, and correspondingly, the change in cash flow from investment activities was EUR -745 thousand.

The euro-denominated impacts of the adjustments related to the comparison period are shown in the following tables:

Parent Company's Statement of Comprehensive Income

TEUR		1 Jan 2023 - 31 Dec 2023	
	Reported	Corrrection	Restated
Revenue	**49,222**		**49,222**
Other income	10,780	-3,791	6,989
Materials and services	-8,636		-8,636
Employee benefit expenses	-32,073		-32,073
Other expenses	-8,347		-8,347
Depreciations and impairments	-9,823	-3,099	-12,922
Operating result	**1,123**	**-6,890**	**-5,767**
Financial income	1,169		1,169
Financial expenses	-5,082	3,099	-1,983
Result before taxes	**-2,790**	**-3,791**	**-6,580**
Income taxes	-93		-93
Result for the financial period	**-2,883**	**-3,791**	**-6,674**
Total comprehensive income	**-2,883**	**-3,791**	**-6,674**

Parent Company’s Statement of Financial Position

TEUR	31 Dec 2023		
	Reported	Correction	Restated
Assets			
Non-current assets			
Tangible assets	17		17
Right-of-use assets	1,127		1,127
Intangible assets			
Goodwill	1,991	34,362	36,353
Other intangible assets	39,270	-38,153	1,117
Other investments	453		453
Shares in subsidiaries	5,546		5,546
Deferred tax assets	1,152	-441	711
Interest-bearing receivables		1,350	1,350
Trade and other receivables	1,373	-1,350	23
Non-current assets total	**50,928**	**-4,232**	**46,696**
Current assets			
Inventories	60		60
Trade and other receivables	8,522		8,522
Cash and cash equivalents	438		438
Current assets total	**9,020**		**9,020**
Total assets	**59,947**	**-4,232**	**55,716**
Equity and liabilities			
Equity attributable to equity holders of the parent company			
Share capital	1,009		1,009
Share premium reserve	75		75
Distributable equity reserve	14,374		14,374
Retained earnings	5,299	-3,791	1,508
Total equity	**20,757**	**-3,791**	**16,967**
Non-current liabilities			
Deferred tax liabilities	441	-441	
Financial liabilities	747	-500	247
Lease liabilities	217		217
Non-current liabilities total	**1,405**	**-941**	**464**
Current liabilities			
Financial liabilities	24,149		24,149
Trade and other payables	12,607		12,607
Loans from Group companies		500	500
Provisions	99		99
Lease liabilities	929		929
Current liabilities total	**37,785**	**500**	**38,285**
Total liabilities	**39,190**	**-441**	**38,749**
Total equity and liabilities	**59,947**	**-4,232**	**55,716**

Parent Company's Cash Flow Statement

TEUR	1-12/2023		
	Reported	Correction	Restated
Cash flow from operating activities			
Result for the financial period	-2,883	-3,791	-6,674
Adjustments for operating result:			
Depreciations and impairments	9,823	3,099	12,922
Financial income and expenses	3,912	-3,099	814
Income taxes	93		93
Profit on the sale of the business transaction	-9,944	3,791	-6,153
Muut oikaisut	-204		-204
Total adjustments:	3,681	3,791	7,471
Cash flow before changes in working capital	798	0	798
Changes in working capital:			
Change in trade and other receivables	1,304	745	2,049
Change in inventory	73		73
Change in trade payables and other liabilities	-3,379		-3,379
Total change in working capital	-2,001	745	-1,256
Cash flow from operations before financial items and taxes	-1,203	745	-458
Interests paid	-2,060		-2,060
Interests received	131		131
Taxes paid	-9		-9
Net cash flow from operating activities (A)	**-3,141**	**745**	**-2,396**
Cash flow from investing activities:			
Divested businesses	9,959		9,959
Long-term interest-bearing receivables, increase		-750	-750
Long-term interest-bearing receivables, decrease		5	5
Investments in tangible and intangible assets	-1,725		-1,725
Net cash used in investing activities (B)	**8,234**	**-745**	**7,489**
Cash flow from financing activities:			
Long-term loans, increase	500	-500	0
Long-term loans, decrease	-548		-548
Short-term loans, increase	4,371	500	4,871
Short-term loans, decrease	-8,601		-8,601
Payment of lease liabilities	-1,246		-1,246
Net cash used in financing activities (C)	**-5,523**	**0**	**-5,523**
Changes in cash and cash equivalents	**-431**	**0**	**-431**
Cash and cash equivalents at the beginning of period	869	0	869
Cash and cash equivalents at the end of period	**438**	**0**	**438**

Parent Company's Statement of Changes in Equity

TEUR	Share capital	Share premium reserve	Invested unrestricted equity reserve	Retained earnings	Total
Equity 1 Jan 2023	**1,009**	**75**	**14,374**	**8,182**	**23,640**
Reported Total comprehensive income				**-2,883**	**-2,883**
Adjustment for the previous financial periods				-3,791	-3,791
Adjusted Total comprehensive income				**-6,674**	**-6,674**
Reported Equity 31 Dec 2023	**1,009**	**75**	**14,374**	**5,299**	**20,757**
Adjustment for the previous financial periods				-3,791	-3,791
Adjusted Equity 31 Dec 2023	**1,009**	**75**	**14,374**	**1,508**	**16,966**

Proposal for Distribution of Profits

The distributable equity of the Parent Company Solteq Plc as at December 31, 2024 is:

The distributable equity			
	31 Dec 2024	**31 Dec 2023**	
Invested unrestricted equity reserve	14,374,181.33	14,374,181.33	
Result for previous financial periods	1,508,241.37	8,181,965.39	
Result for the financial year	167,978.65	-6,673,724.05	*
Total non-restricted equity	**16,050,401.35**	**15,882,422.67**	*
Capitalized development costs	-46,738.63	-206,369.17	
Total distributable funds	**16,003,662.72**	**15,676,053.50**	*

* Figures for the comparison year 2023 have been adjusted. Further information on the adjustments can be found in note 5.4 to these financial statements.

At the end of financial year 2024, the distributable equity of the Group's parent company is EUR 16,003,662.72. Solteq Plc's Board of Directors proposes to the Annual General Meeting that for the financial year 2024, no dividend will be paid out.

The Board of Directors is of the opinion that there are no financial prerequisites for dividend pay-outs, or other kind of distribution of funds. According to the terms and conditions of the company debenture stock distribution of funds would lead to the expiration of the credit. The covenants of the bond do not permit distribution of funds based on the financial year 2024.

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

Signatures to the Report of the Board of Directors and the Financial Statements

Espoo, February 12, 2025

Markku Pietilä
Chairman of the Board

Mika Sutinen
Board Member

Anni Sarvaranta
Board Member

Panu Porkka
Board Member

Katarina Cantell
Board Member

Esko Mertsalmi
Board Member

Lotta Airas
Hallituksen jäsen

Aarne Aktan
CEO

Auditor's note

Our auditors' report has been issued today.

Helsinki, February 12, 2025

PricewaterhouseCoopers Oy
Auditor

Tiina Puukkoniemi
Authorized Public Accountant

Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of Solteq Oyj

Report on the Audit of the Financial Statements

Opinion

In our opinion the financial statements give a true and fair view of the group's and the parent company's financial performance, financial position and cash flows in accordance with IFRS Accounting Standards as adopted by the EU and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of Solteq Oyj (business identity code 0490484-0) for the financial year ended 31 December 2024. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes for the group as well as for the parent company, which include material accounting policy information and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 2.4 to the Financial Statements.

Our Audit Approach

Overview

- We have applied an overall group materiality of 400.000€.

- The group audit scope included the most significant group companies and covers the vast majority of group’s revenues, assets and liabilities.

- Revenue recognition
- Valuation of goodwill

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	400.000€
How we determined it	Revenue
Rationale for the materiality benchmark	Based on our view revenue provides an appropriate benchmark to describe the volume and performance of Solteq Group's operations.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the Solteq Group, the accounting processes and controls, and the industry in which the group operates. Solteq Group had two reportable business segments Retail & Commerce and Utilities at the end of 2024.

We have determined the scope of the audit of the consolidated financial statements to cover Solteq's consolidated financial statements to a sufficient extent. The group audit scope included the most significant group companies and covers the vast majority of group's revenues, assets and liabilities.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Revenue recognition	
Reference to note 2.2 of the consolidated financial statements and note 1.1 of the parent company financial statements The Group's and the parent company's revenue comprise of revenue streams based on various contract models, such as service sales, software license sales and maintenance as well as long-term contracts. Revenue related to long-term contracts is recognised using the percentage of completion method. The progress is determined by assessing the ratio between the cumulative rate of utilisation and costs of the project resources to the total resource and cost forecast. Long-term contracts includes management judgment, particularly related to the forecasted total costs.	To address the risk of material misstatement related to revenue recognition, we performed, among other things, the following audit procedures: • We assessed the appropriateness of the company's revenue recognition policies in relation to IFRS Accounting Standards; • We obtained an understanding of the processes and controls related to revenue recognition. We also performed substantive testing to assess the accuracy as well as the cut-off of the revenue recognition in the correct period; • We tested the appropriateness of the revenue recognition of company's long-term contracts taking into account the contract terms; • We have assessed the appropriateness of the revenue recognition principles included in the

Due to different revenue streams and revenue recognition methods, as well as management judgment, revenue recognition is a key audit matter.

financial statements and the related disclosures on revenue.

Valuation of goodwill

Reference to note 3.3 of the consolidated financial statements and note 2.3 of the parent company's financial statements

At 31 December 2024 the Group’s goodwill balance amounted to EUR 38.6 million. The goodwill has been allocated to the Group's segments as follows: Retail & Commerce EUR 28.5 million and Utilities EUR 10.1 million. The amount of goodwill in the parent company's balance sheet was EUR 36.4 million.

The company tests goodwill for impairment whenever there is an indication that the carrying value may be impaired, but at least once a year. Impairment testing compares the carrying value of the goodwill against the recoverable amount.

Recoverable amounts are determined using value in use model. These calculations require significant management judgment in estimating future cash flows and determining the discount rate.

The amount of goodwill in the consolidated and parent company balance sheets is significant and the valuation involves significant management judgment. Due to these factors, the valuation of goodwill is a key audit matter.

Our audit procedures focused on verifying the appropriateness of estimates requiring management judgment through the following procedures:

- We tested the methodology applied in the value in use calculations by comparing them with the requirements of IAS 36: Impairment of Assets and by testing the mathematical accuracy of the calculations;
- We evaluated the process for determining the cash flow forecasts used in the calculations and compared the forecasts to the budgets approved by the Board of Directors;
- We tested the key underlying assumptions, including revenue and profitability forecasts, the discount rate used, and the implied growth rate used in estimating cash flows beyond the forecast period;
- We compared current year actual results to the forecasts included in the prior year impairment model to consider whether the forecasts included assumptions that were, in retrospect, optimistic;
- We assessed the appropriateness of the sensitivity analysis prepared by the management;
- We used PwC valuation experts to review the appropriateness of the discount rates used in the calculations. The components used in determining the discount rates were compared to generally accepted external sources, where applicable. In addition, we compared the discount rate used to the discount rates used by peer companies;
- We also assessed the adequacy and appropriateness of the related disclosures presented in note 3.3 to the consolidated financial statements and in note 2.3 to the parent company financial statements.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

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 IFRS Accounting Standards as adopted by the EU and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to 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 to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- 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 management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director'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 to 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual general meeting on 27 March 2024. Our appointment represents a total period of uninterrupted engagement of 1 year.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

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 compliance with the applicable provisions.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 12 February 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Tiina Puukkoniemi
Authorised Public Accountant (KHT)

Solteq Plc

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