

SOLTEQ



Financial Statements Bulletin

JANUARY 1 – DECEMBER 31, 2024

Solteq Plc Financial Statements Bulletin January 1 – December 31, 2024

The last quarter saw a significant EUR 1.4 million profit improvement despite a decline in revenue

October–December

- Comparable revenue totaled EUR 12.5 million (14.2) and decreased by 12.4 percent. Revenue totaled EUR 12.5 million (14.3) and decreased by 12.5 percent
- Comparable EBITDA was EUR 0.8 million (-0.4) and EBITDA EUR 2.2 million (-0.8). Comparable EBITDA percent was 6.4 (-2.7)
- Comparable operating result was EUR 0.3 million (-1.0) and operating result EUR 1.8 million (-9.1). The operating result includes a profit gain of EUR 1.3 million from the sale of the Solteq Care business. Comparable operating result percent was 2.7 (-7.2)
- Earnings per share was EUR 0.03 (-0.43)

January–December

- Comparable revenue totaled EUR 50.9 million (54.2) and decreased by 6.1 percent. Revenue totaled EUR 50.9 million (57.7) and decreased by 11.8 percent
- Comparable EBITDA was EUR 2.9 million (-1.7) and EBITDA EUR 4.1 million (8.7). Comparable EBITDA percent was 5.8 (-3.1)
- Comparable operating result was EUR 0.7 million (-4.6) and operating result EUR 1.8 million (-3.5). Comparable operating result percent was 1.4 (-8.4)
- Earnings per share was EUR -0.06 (-0.28)
- Solteq Group's equity ratio was 30.9 percent (30.4)
- Net cash flow from operating activities was EUR 1.6 million (-5.3)
- 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

	10-12/2024	10-12/2023	Change %	1-12/2024	1-12/2023	Change %
Revenue, TEUR	12,475	14,265	-12.5	50,869	57,655	-11.8
Comparable revenue, TEUR	12,475	14,244	-12.4	50,869	54,183	-6.1
EBITDA, TEUR	2,213	-822	369.3	4,073	8,695	-53.2
Comparable EBITDA, TEUR	794	-378	310.1	2,944	-1,662	277.1
Operating result, TEUR	1,758	-9,090	119.3	1,809	-3,541	151.1
Comparable operating result, TEUR	339	-1,026	133.1	710	-4,575	115.5
Result for the financial period, TEUR	591	-8,281	107.1	-1,211	-5,380	77.5
Earnings per share, EUR	0.03	-0.43	107.1	-0.06	-0.28	77.5
Operating result, %	14.1	-63.7		3.6	-6.1	
Comparable operating result, %	2.7	-7.2		1.4	-8.4	
Equity ratio, %				30.9	30.4	*

* 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.

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.

CEO Aarne Aktan:

The fourth quarter capped a year of consistent result improvements throughout 2024. During the fourth quarter, the comparable operating result was EUR 0.3 million, which was EUR 1.4 million better than in the comparison period. The improvement in profitability, driven by successful cost management, was significant, particularly considering the revenue decrease of EUR 1.8 million from the comparison period. Both segments diminished in revenue, generating a comparable revenue of EUR 12.5 million for the company. During the review period, the market situation was tougher than estimated, leading to a profit warning in October 2024 and a lowering of the profit guidance on comparable revenue for the fiscal year.

In Retail & Commerce, the comparable revenue, EUR 9.7 million, decreased by 7.1 percent relative to comparison period. The revenue development was affected by subdued customer demand and delays in several key customer acquisition opportunities. The efficiency measures implemented in the second and third quarters drove a comparable operating profit of EUR 1.0 million, an improvement of EUR 1.2 million, establishing the segment as the driving force behind the company's improvement in results for the review period.

In Utilities, the comparable revenue was EUR 2.8 million, down by 27.0 percent relative to the comparison period. The disappointing revenue development was caused by delays in customer deliveries in the software business and weak customer demand in the consulting business. The comparable operating result was EUR -0.7 million, which improved by 15.7 percent relative to the comparison period.

During the review period, Danish healthcare software solutions, a part of the Retail & Commerce segment, were sold. The transaction was completed at the end of December 2024, and the net debt-free purchase price of the business was EUR 4.0 million. The transaction was a logical continuum to enhance the company's focus on selected solutions and expert services in the energy sector, retail industry, and e-commerce. Furthermore, the transaction enables the company to decrease indebtedness and financing costs.

Overall, the year 2024 was a good one for Solteq. The company's comparable operating result turned positive and improved by more than EUR 5 million. I am very pleased with this performance. We aim to continue improving our results this year, and we are well-positioned to achieve that.

The market outlook for both segments is expected to be somewhat difficult. However, the markets are expected to stabilize gradually during the year, and the company is confident in its ability to consistently improve results.

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.

Revenue and profit

October–December

Revenue for the fourth quarter decreased by 12.5 percent compared to the previous year and totaled EUR 12,475 thousand (14,265). Operating result for the review period was EUR 1,758 thousand (-9,090). Comparable operating result was EUR 339 thousand (-1,026). Result before taxes was EUR 1,125 thousand (-9,685) and the result for the financial period was EUR 591 thousand (-8,281).

January–December

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

October–December

In the fourth quarter the Retail & Commerce segment's comparable revenue was EUR 9,698 thousand (10,441), down by 7.1 percent from the comparison period. Comparable EBITDA for October–December was EUR 1,268 thousand (156), and the comparable operating result was EUR 1,001 thousand (-241).

Of the segment's revenue, 66.8 percent came from the Commerce & Data business unit, which specializes in e-commerce solutions and 33.2 percent from the Retail Software business unit, which specializes in software solutions related to the retail industry, car sales and healthcare.

January–December

In the reporting period, the comparable revenue of the segment was EUR 38,642 thousand (40,486), down by 4.6 percent from the comparison period. The comparable EBITDA was EUR 3,951 thousand (2,315), and the comparable operating result was EUR 2,510 thousand (449).

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 will be 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.

Retail & Commerce	10-12/2024	10-12/2023	Change %	1-12/2024	1-12/2023	Change %
Revenue, TEUR	9,698	10,462	-7.3	38,642	43,958	-12.1
Comparable revenue, TEUR	9,698	10,441	-7.1	38,642	40,486	-4.6
Comparable EBITDA, TEUR	1,268	156	714.7	3,951	2,315	70.7
Comparable EBITDA, %	13.1	1.5		10.2	5.7	
EBITDA, TEUR	2,658	-176	1,613.7	5,086	11,580	-56.1
EBITDA, %	27.4	-1.7		13.2	26.3	
Comparable operating result, TEUR	1,001	-241	515.1	2,510	449	459.6
Comparable operating result, %	10.3	-2.3		6.5	1.1	
Operating result, TEUR	2,391	-4,228	156.5	3,613	5,177	-30.2
Operating result, %	24.7	-40.4		9.4	11.8	

Utilities

October–December

In the fourth quarter, the Utilities segment's revenue was EUR 2,777 thousand (3,803), down by 27.0 percent from the comparison period. Comparable EBITDA for October–December was EUR -474 thousand (-534), and the comparable operating result was EUR -662 thousand (-785).

Of the segment's revenue, 92.5 percent came from the Utilities Software business unit, which specializes in energy sector software products, and 7.5 percent from the Utilities Consulting business unit, which specializes in expert services for the energy sector.

January–December

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

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.

Utilities	10-12/2024	10-12/2023	Change %	1-12/2024	1-12/2023	Change %
Revenue, TEUR	2,777	3,803	-27.0	12,227	13,697	-10.7
Comparable EBITDA, TEUR	-474	-534	11.2	-1,008	-3,976	74.7
Comparable EBITDA, %	-17.1	-14.0		-8.2	-29.0	
EBITDA, TEUR	-445	-646	31.2	-1,012	-2,885	64.9
EBITDA, %	-16.0	-17.0		-8.3	-21.1	
Comparable operating result, TEUR	-662	-785	15.7	-1,800	-5,024	64.2
Comparable operating result, %	-23.8	-20.6		-14.7	-36.7	
Operating result, TEUR	-633	-4,863	87.0	-1,805	-8,718	79.3
Operating result, %	-22.8	-127.9		-14.8	-63.7	

Balance sheet and financing

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 the tables section of this Financial Statements Bulletin.

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, 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).

Key figures for Group's personnel

	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Average number of personnel during period			435	541 *
Employee benefit expenses, TEUR	6,860	8,555	29,007	33,570

* Comparison period data 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 the tables at the end of this Financial Statements Bulletin.

Shares, shareholders, and treasury shares

Solteq Plc's equity on December 31, 2024, was EUR 1,009,154.17, 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 0.97 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 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.

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 CSRD-compliant sustainability report 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 review 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.

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.

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.

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.

Financial reporting

This Financial Statements Bulletin has been prepared in accordance with the recognition and valuation principles of IFRS standards and using IAS 34 and the same accounting policies as the Financial Statements 2023. The new IFRS standards, taken into use on January 1, 2024, do not have a significant impact on the Group's Financial Statements Bulletin. The Financial Statements Bulletin is based on the audited Financial Statements of 2024.

Revenue from contracts with customers

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.

Financial information

Consolidated statement of comprehensive income

TEUR	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Revenue	12,475	14,265	50,869	57,655
Other income	1,361	-161	1,376	8,309
Materials and services	-1,573	-1,922	-6,087	-7,033
Employee benefit expenses	-8,161	-10,191	-34,096	-39,936
Other expenses	-1,888	-2,812	-7,989	-10,299
Depreciations and impairments	-455	-8,269	-2,265	-12,236
Operating result	1,758	-9,090	1,809	-3,541
Financial income and expenses	-633	-595	-2,407	-1,174
Result before taxes	1,125	-9,685	-598	-4,715
Income taxes	-533	1,403	-612	-665
Result for the financial period	591	-8,281	-1,211	-5,380
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Currency translation differences	-14	151	-61	60
Other comprehensive income, net of tax	-14	151	-61	60
Total comprehensive income	577	-8,130	-1,272	-5,320
Total profit for the period attributable to owners of the parent	591	-8,281	-1,211	-5,380
Total comprehensive income attributable to owners of the parent	577	-8,130	-1,272	-5,320
Earnings per share, EUR (undiluted)	0.03	-0.43	-0.06	-0.28
Earnings per share, EUR (diluted)	0.03	-0.43	-0.06	-0.28

Consolidated statement of financial position

TEUR	31 Dec 2024	31 Dec 2023
Assets		
Non-current assets		
Tangible assets	43	25
Right-of-use assets	1,691	1,781
Intangible assets		
Goodwill	38,567	40,555
Other intangible assets	532	1,236
Other investments	437	437
Deferred tax assets	672	768 *
Trade and other receivables	592	260
Non-current assets total	42,535	45,062
Current assets		
Inventories	34	60
Trade and other receivables	6,189	9,762
Cash and cash equivalents	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	1,009	1,009
Share premium reserve	75	75
Distributable equity reserve	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	59	121 *
Financial liabilities	20,899	246
Trade and other payables	280	
Lease liabilities	856	405
Non-current liabilities total	22,095	772
Current liabilities		
Financial liabilities	1,082	24,149
Trade and other payables	11,646	12,752
Income tax liability	343	188
Provisions	21	99
Lease liabilities	906	1,556
Current liabilities total	13,997	38,745
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	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 **	<u>3,135</u>	<u>6,139</u> *
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	<u>1,121</u>	<u>-3,471</u>
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)	<u>1,558</u>	<u>-5,302</u>
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)	<u>3,874</u>	<u>11,766</u>
Cash flow from financing activities:		
Long-term loans, decrease	-1,581	-548
Short-term loans, increase	4,249	4,371
Short-term loans, decrease	-5,029	-8,601
Payment of lease liabilities	-1,643	-1,891
Net cash used in financing activities (C)	<u>-4,004</u>	<u>-6,668</u>
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	3,281	1,853

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

** Presentation method clarified.

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

Quarterly key indicators

TEUR	1-3/2024	4-6/2024	7-9/2024	10-12/2024
Revenue	13,571	13,398	11,424	12,475
Comparable revenue	13,571	13,398	11,424	12,475
EBITDA	358	617	886	2,213
Comparable EBITDA	358	617	1,175	794
Operating result	-247	3	295	1,758
Comparable operating result	-247	3	614	339
Result before taxes	-706	-472	-545	1,125

TEUR	1-3/2023	4-6/2023	7-9/2023	10-12/2023
Revenue	16,899	14,273	12,217	14,265
Comparable revenue	14,113	13,609	12,217	14,244
EBITDA	1,281	7,698	538	-822
Comparable EBITDA	121	-1,269	-135	-378
Operating result	-91	6,337	-697	-9,090
Comparable operating result	-652	-2,076	-821	-1,026
Result before taxes	351	5,773	-1,154	-9,685

Revenue from contracts with customers

Retail & Commerce

TEUR	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Services	7,331	8,382	30,057	35,440
Recurring revenue / SaaS	1,620	1,643	6,488	6,335
Software and hardware sales	747	437	2,097	2,182
Total	9,698	10,462	38,642	43,958

Utilities

TEUR	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Services	1,350	2,541	6,248	8,686
Recurring revenue / SaaS	1,392	1,189	5,734	4,544
Non-recurring sales	36	73	245	468
Total	2,777	3,803	12,227	13,697

Group total	12,475	14,265	50,869	57,655
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Total investments

	10-12/2024	10-12/2023	1-12/2024	1-12/2023
TEUR				
Group total	860	439	1,519	2,868

Maturity of financial liabilities

	Book value	Contractual cash flows	1-12 months	13-24 months	25-36 months	Later
TEUR						
Financial liabilities, 31 Dec 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 assets, 31 Dec 2024						
Trade receivables	5,120					
Cash and cash equivalents	3,281					
Financial assets total	8,401					

The company has a standby credit limit of EUR 5,000 thousand. At the end of the review period, EUR 1,000 thousand of the standby credit limit was in use (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.

Fair value of financial assets and liabilities

The fair values of the financial assets and liabilities are mainly the same as the book values. Hence, they are not presented in table form in the Financial Statements Bulletin.

Liabilities

TEUR	31 Dec 2024	30 Dec 2023
Business mortgages	10,000	10,000
Off-balance sheet lease liabilities	803	1,032

Related party transactions

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

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 share December 31, 2024

Number of shares	Number of owners		Shares and votes	
	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 on 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

Financial performance indicators

	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Revenue, MEUR	12.5	14.3	50.9	57.7
Change in revenue, %	-12.5	-15.6	-11.8	-15.7
Operating result, MEUR	1.8	-9.1	1.8	-3.5
% of revenue	14.1	-63.7	3.6	-6.1
Result before taxes, MEUR	1.1	-9.7	-0.6	-4.7
% of revenue	9.0	-67.9	-1.2	-8.2
Net investments in non-current assets, MEUR	0.9	0.4	1.5	2.9
Equity ratio, %			30.9	30.4 *
Net debt, MEUR			20.5	24.5
Gearing, %			128.3	142.3
Return on equity, rolling 12 months, %			-7.3	-27.1
Return on investment, rolling 12 months, %			5.7	-5.0 *
Personnel at end of period			390	478 *
Personnel average for period			435	541 *

* Comparison period data adjusted.

Key indicators per share

	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Earnings per share, EUR (undiluted)	0.03	-0.43	-0.06	-0.28
Earnings per share, EUR (diluted)	0.03	-0.43	-0.06	-0.28
Equity per share, EUR			0.82	0.89

Alternative performance measures to be used in financial reporting by Solteq Group

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, net debt, and the share of recurring revenue of the total revenue of Utilities segment. The calculation principles of these financial key figures are presented as part of this Financial Statements Bulletin. The performance measures presented as rolling 12 months include the total figures of the past four quarters.

Items affecting comparability and alternative performance measures

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 affecting 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.

TEUR	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Revenue	12,475	14,265	50,869	57,655
Items affecting comparability				
Business divestments		-21		-3,472
Total items affecting comparability	0	-21	0	-3,472
Comparable revenue	12,475	14,244	50,869	54,183

Comparable EBITDA

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

TEUR	10-12/2024	10-12/2023	1-12/2024	1-12/2023
EBITDA	2,213	-822	4,073	8,695
Items affecting comparability				
Business divestments	-1,327	241	-1,327	-8,532
Non-recurring severance packages		298	165	509
Costs incurred by the re-organization of operations	-92		32	22
Product development activations		-96		-2,356
Total items affecting comparability	-1,419	444	-1,130	-10,357
Comparable EBITDA	794	-378	2,944	-1,662

Comparable operating result (EBIT)

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

TEUR	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Operating result (EBIT)	1,758	-9,090	1,809	-3,541
Items affecting comparability				
Business divestments	-1,327	241	-1,327	-8,410
Non-recurring severance packages		298	165	509
Impairment		7,539	31	7,539
Costs incurred by the re-organization of operations	-92		32	22
Product development activations		-96		-2,356
Product development related depreciations		81		1,663
Total items affecting comparability	-1,419	8,064	-1,099	-1,034
Comparable operating result (EBIT)	339	-1,026	710	-4,575

Calculation of the key figures

Equity ratio, %:

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

Gearing, %:

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

Return on Equity (ROE), %:

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

Return on investment (ROI), %:

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

Earnings per share:

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

Diluted earnings per share:

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

Equity per share:

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

EBITDA:

Operating result + Depreciations and impairments

Net debt:

Interest bearing liabilities - Cash and cash equivalents

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

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

Business combinations and divestments

Business combinations in the financial year 2024 and 2023

There were no business combinations during the reporting or comparison period.

Sold businesses in the 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 in the 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 was paid within (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 second quarter. 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 conditions for payment of the possible additional purchase price described above were not met and the additional purchase price was not paid.

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.

Financial reporting

Solteq Plc's audited Annual Report for 2024, including The Report of the Board of Directors and Financial Statements, will be published on Solteq's website by March 5, 2025.

Solteq Plc's financial information bulletins in 2025 have been scheduled as follows:

- Interim Report 1-3/2025 Tuesday April 29, 2025, at 8.00 am
- Half Year Report 1-6/2025 Thursday August 21, 2025, at 8.00 am
- Interim Report 1-9/2025 Wednesday October 29, 2025, at 8.00 am

More investor information is available on Solteq's website at www.solteq.com.

Further information:

CEO Aarne Aktan
Tel: +358 40 342 4440
E-mail: aarne.aktan@solteq.com

CFO, General Counsel Mikko Sairanen
Tel: +358 50 567 3421
E-mail: mikko.sairanen@solteq.com

Distribution:

Nasdaq Helsinki
Key media
www.solteq.com