

Stock Exchange Bulletin
Annual Financial Report
February 23, 2024, at 2:00 p.m.

Solteq Plc's Report of the Board of Directors, Financial Statements, and Auditor's Report for the year 2023 Have Been Published

Solteq Plc's Report of the Board of Directors, Financial Statements, and Auditor's Report for the financial period January 1 – December 31, 2023, have been published in Finnish and English. The reports are attached to this stock exchange bulletin and can be found on the company's website.

The Financial Statements are published in accordance with the European Single Electronic Format (ESEF) reporting requirements. The format of the report is Extensible Hypertext Markup Language (XHTML). In line with the ESEF requirements, the primary financial statements, the notes to the consolidated financial statements, and the company identification data included in the ESEF financial statements data have been marked up with XBRL tags. The audit firm KPMG Oy Ab has provided an independent auditor's reasonable assurance report on Solteq's ESEF Financial Statements in accordance with ISAE 3000.

The Auditor's Report, provided by KPMG Oy Ab, contains additional information about material uncertainty regarding Solteq Plc's going concern principle, which concerns the restructuring of the company's financing.

The company will publish its Annual Report on March 5, 2024, at the latest. The Annual Report consists of Corporate Governance Statement, Remuneration Report, Report of the Board of Directors, Key Figures, Financial Statements, Auditor's Report, and Statement of Non-Financial Information.

Going concern principle

The financial statements for the financial year 2023 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 the financial statements bulletin, EUR 0.6 million was held by the company. The bond matures on October 1, 2024. 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.

The company has initiated measures to arrange refinancing of the company. The arrangement consists of the renewal of the existing bond and of the standby and bank account credit limits.

In assessing the going concern, the management of the company has considered the effects of the measures taken during the financial year 2023 on the company's financial performance, financial forecasts and risks related to financial negotiations. Based on these factors, management estimates that operations will continue and that the risk of insufficient funding is small. The company believes that the planned financing arrangements will lead to a favorable outcome. However, if the company fails to restructure the financing, this would jeopardize the continuity of the company's operations. The 2023 financial statements have therefore been drawn up under the going concern principle.

Attachments

Report of the Board of Directors, Financial Statements, and Auditor's Report January 1 – December 31, 2023

ESEF: Report of the Board of Directors, Financial Statements, and Auditor's Report January 1 – December 31, 2023

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

Solteq in brief

Solteq is a Nordic software solution and expert service provider specializing in retail and energy sectors and needs related to e-commerce. The company employs nearly 500 professionals and has offices in Finland, Sweden, Norway, Denmark, Poland, and the UK.