SOLAR FOODS

FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

Solar Foods Plc

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Contents

Report of the Board of Directors

Solar Foods briefly

Solar Foods is a food technology company founded on joint research conducted with VTT Technical Research Centre of Finland and LUT University.

Solar Foods' mission is to have the most sustainable, globally leading technology platform to produce protein, and that Solein is globally the market leading food ingredient in Health & Performance nutrition with more than 1bn consumers globally.

Solar Foods' objective is to bring to market a high-protein food ingredient that serves as a nutritional alternative to traditional proteins while having only a fraction of the environmental impact. According to Solar Foods, its technology provides a novel opportunity to enhance the price and quality stability, as well as the availability, of food ingredients.

Significant events during the financial period 2025

The year 2025 was a turning point in Solar Foods' history as the company transitioned from a technological innovator into a commercial operator. We entered a new strategy period centered on the international commercialization of Solein in the Health & Performance Nutrition category, chosen as the initial target market, and the expansion of our production capacity through the upcoming Factory 02 production facility.

The Health & Performance Nutrition category is worth approximately USD 10 billion in the United States alone and has grown strongly at over 10% annually. We have received excellent feedback from customers on the qualities of Solein, which we have showcased also through our own product concepts. Solein is particularly well positioned to address the international supply limitations of whey protein, and consumers are increasingly seeking alternatives that do not contain animal-based ingredients. Thanks to its unique production method, Solein offers the food industry a versatile, environmentally friendly ingredient without supply constraints or price and quality fluctuations.

In commercializing Solein, we focused especially on agile small and medium-sized companies operating in the Health & Performance Nutrition category, as well as major international Consumer Packaged Goods (CPG) companies, with whom we have carried out product development collaboration. We signed our first sales agreements with U.S. customers, and two companies announced that they aim to bring Solein-based consumer products to market during the first half of 2026. In 2025, several Solein-based consumer products from beverages to baked goods were launched in Singapore. We also signed four Letters of Intent and Memorandums of Understanding regarding commercialization plans for a total annual Solein production volume of 6.5–7.65 kilotonnes. If these lead to binding agreements, the total volume commitment would correspond to approximately 100–120 percent of the planned 6.4 kilotonne production capacity of the upcoming Factory 02 facility. In September, Solar Foods submitted a GRAS notification on Solein in the United States to obtain a no questions letter from the FDA. The notification follows obtaining the independent conclusion of GRAS status, also referred to as self-affirmed GRAS status, in September 2024, which enabled the company to initiate commercial activities in the United States. The company expects to receive regulatory approval in the EU and the UK during 2026.

During the financial period, our first commercial-scale Factory 01 production facility achieved its design capacity of 160 tonnes per year, demonstrating a hundredfold scalability of Solein's production technology compared to pilot scale. We also initiated the planning of the industrial-scale Factory 02 production facility and selected Selkäharju in Lappeenranta, Finland, as its location. Finland offers excellent conditions for the production facility, particularly due to the cost-efficient availability of renewable electricity.

We decided to proceed with the design and execution of Factory 02 together with strategic partners, which would significantly reduce the company's financing needs for implementing Factory 02. After the financial period, we announced that we are negotiating with GEA, one of the world's largest system providers for the food, beverage, and pharmaceutical industries, regarding both the supply of process equipment for Factory 02 and a long-term strategic partnership. We also started exploring and seeking strong technological partners, who would be responsible for e.g. hydrogen production and heating and cooling capacity, aiming to build an entirely new type of industrial cluster for the food sector.

Throughout 2025, we also examined various financing options and partners, while also specifying the company's financing needs. After the financial period, we successfully completed a private placement of 5,154,691 new shares, raising approximately EUR 25 million. This brings us closer to the final investment decision for the construction of Factory 02. In addition to equity, the remaining capital need is intended to be covered through loans and grants.

Financial key performance indicators

EUR million	**2025**	**2024**	**2023**
Revenue	0.1	0.0	0.0
Other operating income	9.5	8.1	5.1
Operating profit (loss)	-10,.4	-8.9	-6.8
Operating profit, %	negative	negative	negative
Return on equity, %	-67	-46	-53
Equity ratio, %	37	50	48
Salaries and wages	5.1	3.3	2.0
Headcount on average	56	42	28
Order book	1.5	0	0
Basic and diluted loss per share (EPS), EUR	-0.47	-0.46	-0.44
Average number of shares	24,682,816	24,149,297	20,371,799

Finance and cash flows

The company's balance sheet total at the end of the financial period was EUR 31.4 million (46.7), of which the share of equity was EUR 11.5 million (22.9). The company's equity ratio at the end of the financial period was 37% (50%).

At the end of the financial period, the company's net debt was EUR 8.9 million (6.2). Non-current debt amounted to EUR 13.9 (16.6) million. Net gearing at the end of the financial period was 77 % (27%).

During the financial period, cash flow from operating activities amounted to EUR -2.1 million (-0.7), as the payments from grant projects were postponed to 2026. Cash flow from investing activities was EUR –0.6 million (-9.1), change is due to increased grant payments, and cash flow from financing was EUR –2.6 million (6.8).

Cash and cash equivalents at the end of the financial period were EUR 8.0 million (13.4).

The financing agreement between the company and one lender contains covenants relating to minimum liquidity and gearing. The covenant agreement entitles the lender to terminate the loan or amend the loan terms if the specific condition is exceeded. During the year 2025 the covenants have been met.

Research & Development

Investments in tangible and intangible assets amounted to EUR –0.6 million (-9.1) during the financial period. The investments mainly consisted of development expenditure and prepayments. The change in investments comes from increased amount of received grants that cover investments, also grants related to 2024 were received during the financial period.

Development expenditure for the financial period amounted to EUR 4.7 million. The investment grants allocated to these costs totalled EUR 3.9 million. The research costs have been recorded as an expense.

Development work during the financial period focused, for example, on the development of the organism platform and Solein product applications, production process development and optimization. The capitalization of development costs is dependent on the revenue expectations and if these expectations are not met, capitalized development costs may be subject to write-downs.

Personnel and management

At the end of the financial period, Solar Foods employed 56 people (53).

Rami Jokela started as the Company's CEO and a member of the management team on 1 April 2025. To support its strategic objectives, Solar Foods decided on 14 August 2025 to make changes to the responsibilities and composition of its management team. The company also strengthened its commercial organisation by centralising all commercial and product-related functions into one go-to-market organisation.

Chief Strategy and Product Officer Troels Nørgaard was appointed Chief Commercial and Product Officer. Chief Commercial Officer Juan Manuel Benitez-Garcia was appointed Chief Sales Officer. Both decided to pursue new opportunities outside of Solar Foods by the end of 2025. Starting from May 2025, the role of Brand and Communications Director, held by Laura Sinisalo, was no longer a part of the management team. After the review period, on 5 January 2026, Godert Zijlstra started as the new Chief Commercial and Product Officer and member of the management team.

31.12.2025 Solar Foods' Management Team consisted of the following members:

Rami Jokela, Chief Executive Officer
Ilkka Saura, Chief Financial Officer
Tiia Kuusimäki, Chief Operational Officer
Petri Tervasmäki, Chief Technology Officer
Juha-Pekka Pitkänen, Chief Scientific Officer
Troels Nørgaard, Chief Commercial and Product Officer

Board of Directors and auditor

The Vice Chair of the Board of Directors of Solar Foods, Jari Tuovinen, resigned from the Board on 28 November 2025, and the Board of directors appointed its former CEO and co-founder, Pasi Vainikka, as the new Vice Chair of the Board as of 28 November 2025.

The auditor of the company is audit firm KPMG Oy Ab. The term of the auditor will run until the end of the next Annual General Meeting.

Shares and shareholders

Solar Foods Oyj's stock has been trading on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Ltd since 10 September 2024. The ISIN code of the share is FI4000577192 and the ticker is SFOODS. Solar Foods has one share class and each share entitles to one vote in the Annual General Meeting. Solar Foods does not hold treasury shares. All shares have an equal right to dividend.

At the end of the financial period 31.12.2025, Solar Foods' registered share capital was EUR 80 000, and the number of shares 24 729 042 (24 641 049).

The highest trading price of the Solar Foods share during 2025 was EUR 7.63 and the lowest was EUR 3.00. The volume-weighted average share price in January–December was EUR 5.31 and the financial year-end closing price was EUR 4.68. Based on the closing price, the market capitalization of the shares was EUR 115.7 million. During the financial period, the euro volume was EUR 19 830 604 and the trading volume was 3 732 005 (1 091 318) shares. The average number of shares during the financial period was 24 682 816 (24 149 297) shares and during July-December 24 708 807 (24 592 423) shares.

Solar Foods had a total of 8 677 (4 489) shareholders at the end of the financial period on 31 December 2025. Nominee registered shareholders held 16.0 (11.0) percent of the company's shares at the end of the financial period. Solar Foods did not hold its own shares at the end of the financial period.

The table below presents Solar Foods' ten largest registered shareholders by number of shares based on the shareholders' register maintained by Euroclear Finland Ltd as of 31st December 2025.

Shareholder	Number of shares	Of all shares and votes, %
Oy Karl Fazer Ab	3 148 064	12,73
Juha-Pekka Pitkänen	3 039 000	12,29
Lifeline Ventures Fund iii Ky	2 607 044	10,54
Pasi Vainikka	2 330 000	9,42
Skandinaviska Enskilda Banken Ab (Publ) Helsingin sivukonttori	2 072 798	8,38
VTT Ventures Oy	1 747 064	7,06
Citibank Europe PLC	1 601 723	6,48
Suomen Teollisuussijoitus Oy	1 441 910	5,83
Gobelet Oy	1 055 000	4,27
Jero Jussi Ahola	1 015 478	4,11
Ten largest registered shareholders, total	**20 058 081**	**81,11**
Joint account	**122 695**	**0,5**
Other shareholders, total	**4 548 266**	**18,39**
Total	**24 729 042**	**100**

The company's 100 largest shareholders are presented on the company's website https://investors.solarfoods.com/en/investors/share_information/shareholders.

Directed share issues carried out by the company during the financial period

The company arranged a directed share issue without consideration to certain members of the company's board of directors as part of the payment of board members' renumeration.
A total of 8.933 new shares of the company were offered for subscription in the share issue. The portion of the renumeration paid in shares reduced the company's need for cash payments, thereby supporting the company's financial stability and at the same time strengthening the commitment of board members to the company, its long-term goals,
and dedicated board work.

Additionally, during the financial period, a total of 79 060 new shares were subscribed by option holders, which resulted in the company raising 85, 890.52 EUR of new capital. Subscriptions of shares were booked in the reserve for invested unrestricted equity.

Incentive schemes

At the end of the financial period, the company had four stock option plans (plans 2020A, 2020B, 2/2024 and 1/2025-H), under which option holders can subscribe in total for a maximum of 2,025,250 new shares or the company's own shares. At the end of the financial period, of this amount, options entitling to subscribe for a maximum of 1,419,690 company shares were allocated and not subscribed, which immediately dilutes the shareholders' relative ownership in the company by approximately 5.7 percent, if all of these option rights are exercised and they have the maximum number of new shares is subscribed, taking into account that the number of the company's shares at the end of the financial period was 24,729,042 shares.

Shares in option plans 2020A, 2020B and 2/2024 may be subscribed twice a year after the publication of the company’s financial statements release and half-year report or as separately decided by the company’s board of directors. The subscription price of the shares is EUR 0.2051 per share (2020A) and EUR 2.75 per share (2020B and 2/2024). The subscription period ends on 31 December 2029.

During the financial period, The Board of Directors of Solar Foods Oyj decided to distribute 20,000 stock options free of charge to the Chair of the Board of Directors of Solar Foods Oyj under the terms and conditions of the stock option plan 1/2025-H. The options entitle to subscribe for 20,000 new or treasury shares of the company at a subscription price of EUR 7.1 per share. The subscription period for shares under this plan begins after at least one (1) year from the subscription date of the option rights provided that the participant has served in their position as chair of the Board of Directors of the company for the entire term of the Company’s Board of Directors as of 25 March 2025. Shares can be subscribed for twice a year, for a five-business-day (5) period starting on the following business day after disclosure of the company’s financial statements release and half-year report. In addition, the Board of Directors can decide on another annual subscription period. The subscription period ends on December 31, 2030.

During the financial period, 51,681 new shares were subscribed for under Option Plan 2020A, and 27,379 new shares were subscribed for under Option Plan 2020B, for a total of 79,060 new shares of the Company, which were registered in the Trade Register. The subscription price of the shares, totaling EUR 85,890.31, was recorded in full in the Company's reserve for invested unrestricted equity.

Summary of option programs and changes during the financial period:

Option plan	Total number of Option rights at the end of the financial period, pcs	Total number of allocated but not subscribed options at the end of the financial period, pcs	Total number of subscribed and registered shares using option rights during the financial period, pcs	Subscription price, EUR	Total subscription price during the financial period, total, EUR
2020A	284,000	189,319	51,681	0.2051	10,599.71
2020B	768,000	639,621	27,379	2.75	75,290.60
1/2023	0	0	0	0.001	0
1/2024	0	0	0	0.001	0
2/2024	953,250	570,750	0	2.75	0
1/2025-H	20,000	20,000	0	7.1	0
Total	**2,025,250**	**1,419,690**	**79,060**		**85,890.31**

Annual General Meeting 2025

The Annual General Meeting of Solar Foods Oyj was held on 25 March 2025 at Clarion Hotel, Karhumäentie 5, 01530 Vantaa. All proposals to the Annual General Meeting were accepted. In its organisational meeting held after the Annual General Meeting, the Board of Directors elected the Chair of the Board and Vice-Chair and decided to form a Nomination and Remuneration Committee as well as an Audit Committee. The Annual General Meeting adopted the financial statements for the financial year ended 31 December 2024 and discharged the members of the company’s Board of Directors and the CEO from liability. The Annual General Meeting resolved that the loss shown in the company’s balance sheet for the financial year ended 31 December 2024 be recorded in the retained earnings/loss and that no dividend be distributed.

The Annual General Meeting resolved that the remuneration of the Board of Directors be paid as follows:

- Chair of the Board: EUR 4,200 per month
- Vice Chair of the Board: EUR 3,150 per month
- Members of the Board: EUR 2,100 per month

In addition, a fee of EUR 750 was resolved to be paid for each meeting (excluding per capsulam - meetings). Of the above monthly remuneration, 50% may be paid in shares of the Company and the remainder in cash. The Company bears the costs of acquiring any shares. A member of the Board of Directors may not transfer the shares so received until their membership of the Board of Directors has ended. The remuneration for the Chair of the committees of the Board of Directors was resolved to be EUR 750 per meeting and the remuneration for each other member EUR 500 per meeting. Expenses for travel and accommodation of Board members were resolved to be reimbursed according to the company’s travel policy.

The Annual General Meeting resolved that the Chair of the Board of Directors that was elected after the General Meeting in a Board meeting will be granted up to 20,000 option rights free of charge, which entitle to subscribe for up to 20,000 new or treasury shares of the Company at a subscription price of EUR 7.10 per share. The subscription of shares is possible no earlier than one year after the subscription of the option rights, provided that the Chair has served in its position for the entire term. The full terms and conditions of the option rights are available on the company's website at https://investors.solarfoods.com/en/investors/corporate_governance/annual_general_meeting_2025.

The Annual General Meeting resolved that the number of the members of the Board of Directors shall be seven. The Annual General Meeting confirmed that Juha Lindfors, Jari Tuovinen, Sebastian Jägerhorn and Paula Laine, all current members of the Board of Directors, are re-elected as members of the Board of Directors for a new term that ends
at the end of the Annual General Meeting 2026. Jukka Moisio, Petra Teräsaho and Pasi Vainikka were elected as new members of the Board of Directors for a term that ends at the end of the Annual General Meeting 2026.

Audit firm KPMG Oy Ab was re-elected as the auditor of the company. The term of the auditor will run until the end of the next Annual General Meeting. The auditor will be remunerated according to an invoice approved by the company.

The Annual General Meeting authorised the Board of Directors to resolve on the repurchase of a maximum of 2,464,104 shares in the company in one or several tranches using the company's unrestricted shareholders' equity. The own shares are at the value at the time
of acquisition as determined by trading of the Nasdaq First North Growth Market Finland marketplace operated by Nasdaq Helsinki Oy (Helsinki Stock Exchange).The Board of Directors was authorized to resolve all the terms and conditions of the repurchase, including how the shares will be acquired. The authorization does not exclude the right of the Board of Directors to also decide on a directed repurchase of its own shares if there is
a weighty financial reason for the company to do so. The authorization is proposed to be used for important transactions for the company, such completing possible M&A transactions, financing investments, implementation of the company's commitment and incentive schemes or for such other purposes as the Board of Directors may decide where there is a weighty financial reason to repurchase its own shares. Own shares repurchased may be held by the Company, annulled or reassigned. The authorization is valid until the end of the company's next Annual General Meeting, however not later than 30 June 2026.
The authorization replaces the authorization to repurchase own shares granted by the Company's Extraordinary General Meeting on 16 August 2024.

The Annual General Meeting authorised the Board of Directors to resolve on the issuance
of shares, option rights and other special rights entitling to shares referred to in chapter 10, section 1 of the Finnish Companies Act, in one or more tranches, either against payment or free of charge, as follows: The total number of shares to be issued under the authorization may not exceed 7,392,314 shares (including shares issued on the basis of option rights and other special rights), which corresponds to approximately 30 % of the total number of shares in the company as the date of the notice to the General Meeting. The authorization entitles the company's Board of Directors to decide on all the terms and conditions of the share issue, option rights and other special rights entitling to shares. The authorization includes the right to issue new shares or treasury shares held by the company. The Board of Directors may also decide to issue shares free of charge to the company itself. In the
issue and transfer of shares, option rights and other special rights entitling to shares, the shareholders' preemptive subscription rights (directed issue) may be deviated from if there is a weighty financial reason for the company to do so, or especially weight financial reason when so required by the Companies Act. Shares, option rights and other special rights entitling to shares may be used to improve the Company's capital structure, to carry out possible mergers and acquisitions, investments or other arrangements within the scope of the company's business, as a part of the company's commitment and incentive scheme or for other purposes decided by the Board of Directors or the company. The authorization is valid until the end of the company's next Annual General Meeting however not later than 30 June 2026. The authorization replaces the authorization granted by the Extraordinary General Meeting on 16 August 2024.

In its organisational meeting held after the Annual General Meeting, the Board of Directors elected Jukka Moisio as Chair of the Board and Jari Tuovinen as Vice-Chair. Petra Teräsaho (Chair), Jari Tuovinen and Paula Laine were elected members of the Audit Committee. Sebastian Jägerhorn (Chair), Jukka Moisio, Pasi Vainikka and Juha Lindfors were elected members of the Nomination and Remuneration Committee of the Board of Directors.

Risks and uncertainties

Risks related to the company's business

The company is an early-stage growth company with significant activity-related risks.
The company has small revenue relative to its operating expenses and has not yet generated a positive operating result. The company is in the early stages of commercialization and does not expect significant revenue before the deployment of Factory 02. The company is dependent on external financing and needs significantly more equity, debt, and grant financing. Future profitability requires full utilization of the capacity of the planned production plant. It is uncertain whether the company can obtain the necessary financing, and any additional equity financing may change the company's ownership.

Risks related to the operating environment

Companies have been significantly affected in recent years by global economic instability and uncertainty on the financial markets, including the ongoing war in Ukraine and geopolitical uncertainty. The uncertainty of trade sanctions such as tariffs in global trade continues, and they could negatively affect the economic growth in the markets Solar Foods operates in. These factors increase financial uncertainty, complicate business planning and predictability, and may hinder the company's growth potential according to its strategy. In addition, intensifying competition and similar, substitutive or cheaper products developed by competitors may limit the company's business opportunities. Solein competes with other protein sources, such as plant-based and cellular proteins, and there are already hundreds of companies on the market that develop new protein sources. If competitors develop a better product, it may force the company to lower its prices, which leads to shrinking net sales and margins.

Risks related to the company's financial and economic position

The company depends on external financing because it is currently not making a profit.
If the company builds more factories, like Factory 02, it requires significant additional financing, which may be covered with equity, debt, and grant financing. In addition, the company's operational expenses and early-stage business require additional financing.
The company's ability to obtain financing depends on many factors, and there is no certainty that funding will be available on reasonable terms or at all.

The company is also exposed to exchange rate fluctuations as its business is planned for international markets, and changes in exchange rates may have a detrimental effect on its financial position.

Assessment of future development

The company will focus primarily on growth in the Health & Performance Nutrition segment and strengthening commercial activities as well as preparing for the investment decision of Factory 02 production facility together with its strategic partners.

The company's existing financial targets continue to serve as its financial guidance. In accordance with Solar Food's disclosure policy, the company does not provide a separate short-term financial guidance.

Board of Directors' proposal for the distribution of profits

In the medium term, Solar Foods focuses on growth, and the company does not expect to distribute a dividend in the short to medium term. The distributable unrestricted equity of Solar Foods on 31 December 2025 was EUR 7,541,763.92, of which the result of the period was EUR -11,517,603.42. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial year January-December 2025, and that the loss of the financial year is recorded in the retained earnings.

Significant events after the financial period

In January, Solar Foods successfully completed a private placement share issue of 5,154,691 new shares, raising approximately EUR 25 million.

In January, Solar Foods announced that it had received a Solein order from the U.S. company Ambrosia Collective, which aims to introduce a ready-to-mix protein powder made from Solein to consumers in the United States during the first half of 2026. The order was delivered during the financial period and is included financial period's revenue.

In January, the company announced that it had entered into agreements with the German company GEA to negotiate the delivery of process equipment for the Factory 02 production facility, as well as a strategic partnership.

Definitions and calculation formulas for key indicators

Operating Profit Margin-%	= Operating Profit / Net sales
Return on Equity-%	= Profit (loss) for the period / Equity on average
Equity Ratio, %	= Equity / (Total assets - prepayments)
Net gearing, %	= Net debt (- cash) / equity + voluntary provisions + appropriations + equity loans
Earnings (Loss) per share	= Profit (loss) for the period / average amount of shares during the period
Order book	= Value of undelivered orders at the end of the company's financial period, calculated as: Order book at the beginning of the period + New orders − Delivered orders

Financial statements

Profit and loss statement

	2025	2024
Revenue	123,594.51	18,723.95
Work performed for own use	4,428,075.79	4,413,414.80
Other operating income	9,474,334.12	8,061,204.41
Personnel expenses		
Wages and salaries	-5,056,640.76	-3,721,988.38
Social security expenses		
Pension expenses	-707,571.81	-541,327.12
Other social security expenses	-225,671.26	-116,894.00
Personnel expenses in total	**-5,989,883.83**	**-3,930,209.50**
Depreciation and amortization		
Depreciation and amortization according to plan	-9,461,324.35	-8,652,990.70
Other operating expenses	-8,975,142.40	-8,829,658.50
Operating profit (loss)	**-10,400,346.16**	**-8,919,515.56**
Financial income and expenses		
Other interest income and other financial income from others	595.06	2,815.10
Interest and other financial expenses to others	-1,117,582.32	-2,104,949.19
Total financial income and expenses	**-1,117,257.26**	**-2,102,134.09**
Profit before appropriations and taxes	-11,517,603.42	-11,021,649.65
Profit (loss) for the period	**-11,517,603.42**	**-11,021,649.65**

Balance sheet

	31st December 2025	31st December 2024
ASSETS		
Non-current assets		
Intangible assets		
Development expenditure	3,886,622.12	3,680,499.08
Intangible rights	625,433.35	844,509.43
Other intangible assets	2,290,012.91	3,452,546.35
Total intangible assets	**6,802,068.38**	**7,977,554.86**
Tangible assets		
Machinery and equipment	7,278,802.00	13,952,991.12
Other tangible assets	54,607.34	337,187.96
Advance payments and construction in progress	1,799,870.19	26,754.03
Total tangible assets	**9,133,279.53**	**14,316,933.11**
Total non-current assets	**15,935,347.91**	**22,294,487.97**
Current assets		
Long-term receivables		
Other receivables	720,650.97	576,670.26
Total long-term receivables	**720,650.97**	**576,670.26**
Short-term receivables		
Accounts receivable	60,916.86	411.18
Other receivables	382,836.78	614,889.26
Prepayments and accrued income	6,301,605.39	9,800,680.70
Total short-term receivables	**6,745,359.03**	**10,415,981.14**
Total receivables	**7,466,010.00**	**10,992,651.40**
Cash and cash equivalents	**7,989,830.30**	**13,396,494.31**
Total current assets	**15,455,840.30**	**24,389,145.71**
TOTAL ASSETS	**31,391,188.21**	**46,683,633.68**

	31st December 2025	31st December 2024
EQUITY AND LIABILITIES		
Capital and reserves		
Subscribed capital	80,000.00	80,000.00
Reserve for invested unrestricted equity	51,480,511.17	51,394,620.65
Retained earnings	-28,534,521.71	-17,512,872.06
Profit (loss) for the period	-11,517,603.42	-11,021,649.65
Total capital and reserves	**11,508,386.04**	**22,940,098.94**
Liabilities		
Non-current liabilities		
Loans from credit institutions	13,850,833.40	16,567,500.04
Total non-current liabilities	**13,850,833.40**	**16,567,500.04**
Current liabilities		
Loans from credit institutions	3,014,166.64	3,014,166.64
Advances received	424,352.48	526,043.36
Trade payables	1,023,361.97	2,027,546.72
Other payables	127,517.77	777,710.96
Accruals and deferred income	1,442,569.91	830,567.02
Total current liabilities	**6,031,968.77**	**7,176,034.70**
Total liabilities	**19,882,802.17**	**23,743,534.70**
TOTAL EQUITY AND LIABILITIES	**31,391,188.21**	**46,683,633.68**

Statement of cash flows

	2025	2024
Cash flows from operating activities:		
Profit (loss) before appropriations and taxes	-11,517,603.42	-11,021,649.65
Adjustments for:		
Depreciation according to plan	9,461,324.35	8,652,990.70
Financial income and expenses	1,117,257.26	2,102,134.09
Operating profit before working capital changes:	**-939,021.81**	**-266,524.86**
Change in working capital:		
Increase (-) or decrease (+) in trade and other receivables	945,401.26	-1,619,678.98
Increase (+) or decrease (-) in trade payables	-1,008,520.61	2,715,757.85
Cash generated from operations	-63,119.35	-829,554.01
Interest paid and payments for other finance costs	-1,127,826.16	-1,555,395.45
Net cash used from operating activities:	**-2,129,967.32**	**-725,841.44**
Cash flows from investing activities:		
Investments in tangible and intangible assets	-6,239,000.24	-10,742,314.12
Investment grants received	5,593,079.67	1,648,611.46
Net cash used in investing activities:	**-645,920.57**	**-9,093,702.66**
Cash flows from financing activities:		
Proceeds from issuance of share capital		8,769,086.95
Costs for share issue		-653,147.65
Execution of option rights	85,890.52	71,056.54
Repayments of long-term loans	-2,716,666.64	-1,358,333.32
Net cash used in financing activities:	**-2,630,776.12**	**6,828,662.52**
Change in cash and cash equivalents	-5,406,664.01	-2,990,881.58
Cash and cash equivalents at beginning of the period	13,396,494.31	16,387,375.43
Cash and cash equivalents at end of the period	7,989,830.30	13,396,494.31

Notes to the financial statements

Accounting principles

Solar Foods is a small company undertaking under the Accounting Act and the financial statements have been prepared in accordance with Chapters 2–3 of the Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking.

Valuation principles for receivables and liabilities

Receivables are valued at their nominal value, but not exceeding their probable realizable value. Liabilities are recorded in the balance sheet at their nominal value.

Fixed assets

The acquisition cost of intangible and tangible non-current assets entered in the balance sheet have been reduced by depreciation according to plan. The acquisition cost includes variable costs of acquisition and production. Grants received are deducted from the cost of acquisition. Depreciation is calculated on a straight-line basis over the economic lives of the intangible and tangible assets. Depreciation has started from the month of commissioning.
The company has invested significantly in the IPCEI project during 2023-2025. The project has a duration of 5 years and the investments in development costs, machinery and equipment and other non-current expenditure are expensed as planned.

The acquisition costs of non-current assets with a probable economic life of less than three years and minor purchases are fully expensed in the period of acquisition.

Asset group	**Economic useful life and depreciation method**
IT equipment	3 years, straight-line
Machinery and equipment	4–10 years, straight-line/declining balance method 25%
Development expenditure	4–10 years, straight-line
Intangible rights	4–10 years, straight-line
Other long-term expenditure	4–7 years, straight-line

Development expenditure

Capitalised development expenditure for the financial period include personnel costs (EUR 3,137,424.36) and other costs (EUR 1,579,575.98). Development expenditure for the financial period amounted to EUR 4,717,000.34. The investment grants allocated to these costs totalled EUR 3,894,060.72. Development work during the financial period focused, for example, on the development of the organism platform and Solein product applications, production process development and optimization. The capitalization of development costs is dependent on the revenue expectations and if these expectations are not met, capitalized development costs may be subject to write-downs.

Advance payments and construction in progress

The advances activated during the financial period include pre-engineering costs related to the Factory 02 production facility. The capitalization of advance payments and construction in progress costs is dependent on the revenue expectations and if these expectations are not met, capitalized costs may be subject to write-downs.

Intangible assets

	Development expenditure	Intangible rights	Other long-term expenditure
Acquisition cost 1st Jan 2025	7,435,077.10	1,720,136.72	5,172,970.92
Additions	5,185,320.57	0.00	0.00
Reductions	-3,894,060.72	0.00	0.00
Acquisition cost 31st Dec 2025	8,726,336.95	1,720,136.72	5,172,970.92
Accumulated depreciation 1st Jan 2025	-3,754,578.02	-875,627.29	-1,720,424.57
Depreciation 2025	-1,085,136.81	-219,076.08	-1,162,533.44
Accumulated depreciation 31st Dec 2025	-4,839,714.83	-1,094,703.37	-2,882,958.01
Book value 31st Dec 2025	**3,886,622.12**	**625,433.35**	**2,290,012.91**

	Development expenditure	Intangible rights	Other long-term expenditure
Acquisition cost 1st Jan 2024	6,759,723.95	1,720,136.72	5,172,970.92
Additions	4,578,718.19	0.00	0.00
Reductions	-3,903,365.04	0.00	0.00
Acquisition cost 31st Dec 2024	7,435,077.10	1,720,136.72	5,172,970.92
Accumulated depreciation 1st Jan 2024	-3,025,674.94	-636,669.85	-526,267.34
Depreciation 2024	-728,903.08	-238,957.44	-1,194,157.23
Accumulated depreciation 31st Dec 2024	-3,754,578.02	-875,627.29	-1,720,424.57
Book value 31st Dec 2024	**3,680,499.08**	**844,509.43**	**3,452,546.35**

Tangible assets

	Machinery and equipment	Other tangible assets	Advance Payments and Construction in progress
Acquisition cost 1st Jan 2025	25,258,441.72	1 ,705,476.55	26,754.03
Additions	37,808.28	0.00	1,773,116.16
Transfers between groups	6,779.05	0.00	0.00
Acquisition cost 31st Dec 2025	25,303,029.05	1 ,705,476.55	0.00
Accumulated depreciation 1st Jan 2025	-11,305,450.60	-1,368,288.59	0.00
Depreciation 2025	-6,711,997.40	-282,580.62	0.00
Accumulated depreciation 31st Dec 2025	-18,024,227.05	-1,650,869.21	0.00
Transfers between groups	-6,779.05	0.00	0.00
Book value 31st Dec 2025	**7,728,802.00**	**54,607.34**	**1,799,870.19**

	Machinery and equipment	Other tangible assets	Advance Payments and Construction in progress
Acquisition cost 1st Jan 2024	24,263,866.55	1,705,476.55	329,123.49
Additions	994,575.17	0.00	0.00
Reductions	0.00	0.00	-302,369.46
Acquisition cost 31st Dec 2024	25,258,441.72	1,705,476.55	26,754.03
Accumulated depreciation 1st Jan 2024	-5,141,681.38	-1,027,193.39	0.00
Depreciation 2024	-6,163,769.22	-341,095.20	0.00
Accumulated depreciation 31st Dec 2024	-11,305,450.60	-1,368,288.59	0.00
Book value 31st Dec 2024	**13,952,991.12**	**337,187.96**	**26,754.03**

Other operating income

Other operating income includes the perioditised part of the grants received by the company related to the IPCEI project EUR 9,107,487.98, to the EU project Hydrocow EUR 265,450.22 and to the European Space Agency (ESA) project EUR 99,697.30. In respect of grants for projects, EUR 6,062,019.69 has been perioditised to accrued income and EUR 424,352.48 to advances received for unused project advances.

The grants received are based on the total cost of each project and, depending on the project, on a variable percentage of the total cost. The company recognizes a grant to a project on an accrual basis using the total costs incurred multiplied by the funding percentage of the project's financing decision. A significant part of the costs of the IPCEI grant consists of investments in production equipment, which are reported to the project through depreciation and paid retrospectively on the basis of the costs incurred and reported to Business Finland. The company has complied with the terms of the financing decisions.

At the end of the financial period, the potential liability to refund the amount of the grant received in respect of the outstanding grant accounts is EUR 24,556,108.00 for IPCEI grant and EUR 992,868.75 for Hydrocow grant.

Loans from financial institutions and other liabilities

Long-term liabilities due in more than five years total EUR 690,000.

The financing agreement between the company and one lender contains covenants relating to minimum liquidity and gearing. The covenant agreement entitles the bank to terminate the loan or amend the loan terms if the specific condition is exceeded. During the financial period, the covenants have been met.

Guarantees given and off-balance sheet commitments and pension liabilities

Guarantees given by type	The amount of the debt or the guarantee with less value than debt
Financial loans	EUR 12,225,000.00
Rental guarantees	EUR 576,670.26
Mortgage of tenancy	EUR 46,800.00
Financial loans	EUR 21,200,000.00
Guarantees	EUR 6,750,000.00
Other	EUR 480,314.00

Lease liabilities	2025–2043, VAT excluded
Rental liabilities for premises	EUR 22,646,501.76
Financial leasing	EUR 94,042.14

Real estate investments

The company is obligated to review the VAT deductions made for the real estate investment completed in 2023 if the taxable use of the property decreases during the review period. The final review will be 2032.

The maximum liability amounts to EUR 672,000.

Personnel

Average number of employees	2025	2024
Employees	56	42

Related party transactions

The related parties of Solar Foods include key persons in the management, their close family members and companies under their control. Key management personnel include board members, managing director and members of the management team. There are no family relations between the Board and the Management Team.

The remuneration of the Board has been implemented in accordance with the resolution of the General Meeting.

The company had no other related-party transactions during the financial period than ordinary salaries and renumeration based on employment relationships with management, as well as fees paid to the members of the board of Directors.

Equity

During the financial period, 8 933 new shares were subscribed without consideration by certain members of the Board of Directors as part of their annual remuneration. In addition, option holders subscribed for 79 060 new shares, which resulted in the company raising 85, 890.52 EUR of new capital. Subscriptions of shares were booked in the reserve for invested unrestricted equity.

Option rights

At the end of the financial period, the company had four stock option plans (plans 2020A, 2020B, 2/2024 and 1/2025-H), under which option holders can subscribe in total for a maximum of 2,025,250 new shares or the company's own shares. At the end of the financial period, of this amount, options entitling to subscribe for a maximum of 1,419,690 company shares were allocated and not subscribed, which immediately dilutes the shareholders' relative ownership in the company by approximately 5.7 percent, if all of these option rights are exercised and they have the maximum number of new shares is subscribed, taking into account that the number of the company's shares at the end of the financial period was 24,729,042 shares.

Shares in option plans 2020A, 2020B and 2/2024 may be subscribed twice a year after the publication of the company’s financial statements release and half-year report or as separately decided by the company’s board of directors. The subscription price of the shares is EUR 0.2051 per share (2020A) and EUR 2.75 per share (2020B and 2/2024). The subscription period ends on 31 December 2029.

During the financial period, The Board of Directors of Solar Foods Oyj decided to distribute 20,000 stock options free of charge to the Chair of the Board of Directors of Solar Foods Oyj under the terms and conditions of the stock option plan 1/2025-H. The options entitle to subscribe for 20,000 new or treasury shares of the company at a subscription price of EUR 7.1 per share. The subscription period for shares under this plan begins after at least one (1) year from the subscription date of the option rights provided that the participant has served in their position as chair of the Board of Directors of the company for the entire term of the Company’s Board of Directors as of 25 March 2025. Shares can be subscribed for twice a year, for a five-business-day (5) period starting on the following business day after disclosure of the company’s financial statements release and half-year report. In addition, the Board of Directors can decide on another annual subscription period. The subscription period ends on December 31, 2030.

During the financial period, 51,681 new shares were subscribed for under Option Plan 2020A, and 27,379 new shares were subscribed for under Option Plan 2020B, for a total of 79,060 new shares of the Company, which were registered in the Trade Register. The subscription price of the shares, totaling EUR 85,890.31, was recorded in full in the Company's reserve for invested unrestricted equity.

Summary of option programs and changes during the financial period

Option plan	Total number of option rights at the end of the financial period, pcs	Total number Allocated but not subscribed option at the end of the financial period, pcs	Total number of subscribed Shares during the financial period, pcs	Subscription price, EUR	Total subscription price during the financial period, total, EUR
2020A	284,000	189,319	51,681	0.2051	10,599.71
2020B	768,000	639,621	27,379	2.75	75,290.60
1/2023	0	0	0	0.001	0
1/2024	0	0	0	0.001	0
2/2024	953,250	570,750	0	2.75	0
1/2025-H	20,000	20,000	0	7.1	0
In total	**2,025,250**	**1,419,690**	**79,060**		**85,890.31**

Statement of changes of equity

	Subscribed capital	Reserve for invested unrestricted equity	Retained earnings	Total
Equity January 1, 2025	**80,000**	**51,394,621**	**-28,534,522**	**22,940,099**
Execution of option rights		85,891		85,891
Profit (loss) for the period			-11,517,603	-11,517,603
Equity December 31, 2025	**80,000**	**51,480,459**	**-40,052,126**	**11,508,386**
Equity January 1, 2024	**2,500**	**42,631,977**	**-17,512,872**	**25,121,605**
Increase in share capital	77,500	-77,500		**0**
Issuance of share capital		8,769,086		**8,769,086**
Execution of option rights		71,057		**71,057**
Profit (loss) for the period			-11,021,650	**-11,021,650**
Equity December 31, 2024	**80,000**	**51,394,620**	**-28,534,522**	**22,940,098**

Calculation of distributable unrestricted equity

Reserve for invested unrestricted equity	51,480,511.17
Retained earnings (-loss)	-28,534,521.71
Proft (-loss) for the period	-11,517,603.42
Total unrestricted equity	**11,428,386.04**
Capitalised development expenditure	-3,886,622.12
Total distributable unrestricted equity	**7,541,763.92**

The number of the company’s shares at the end of the financial period was 24,729,042 shares. The company has only one series of shares.

Proposal of the Board of Directors for the use of distributable equity

The Board of Directors proposes that the company’s loss of EUR 11,517,603.42 is being transferred in the retained earnings account and that no dividends shall be paid.

Assessment of future development

The company will focus primarily on growth in the Health & Performance Nutrition segment and strengthening commercial activities as well as preparing for the investment decision of Factory 02 production facility together with its strategic partners.

The company's existing financial targets continue to serve as its financial guidance. In accordance with Solar Food's disclosure policy, the company does not provide a separate short-term financial guidance.

Going concern and financing

The company is in a development phase, focusing on scaling up and improving its production as well as entering the market. As a result, its expenses and investments exceed its revenues, which is why the company requires external financing to fund its operations. The company has a financing agreement with one lender that includes covenant terms related to minimum liquidity and gearing. The covenant agreement entitles the lender to call in the loan or amend the loan terms if the specific conditions are not met.

The management assesses the adequacy of financing and compliance with the covenant terms from a going concern perspective and for planning purposes, using a cash flow forecast. Considering the share issue completed on 23 January 2026, in which the company raised approximately EUR 25 million in additional equity financing, the management does not expect any covenant breaches during the financial year 2026 and has no significant reason to doubt the company’s ability to continue as a going concern, and supported by the share issue the company has sufficient financial resources to continue its operations. Accordingly, the financial statements for the financial year ending 31 December 2025 have been prepared in accordance with the going concern principle.

Subsequent events after the financial period

After the financial period, the company completed a directed share issue to GEA Finland Oy and a limited number of institutional investors, certain members of the Company’s Board of Directors and management as well as certain co-founders of the Company and certain private individuals in deviation from the pre-emptive subscription rights of the shareholders through an accelerated book-building process. The Board of Directors resolved upon a share issue of 5,154,691 shares pursuant to the authorisation granted by the Annual General Meeting of the company held on 25 March 2025.

On 14 October 2025, Solar Foods announced that it had decided to proceed with the preengineering and implementation of the Factory 02 production facility with a network of strategic partners. After the financial period, the company signed an exclusivity agreement with GEA Liquid Technologies Germany GmbH, under which the company appoints GEA as the exclusive process equipment vendor for the supply, design, construction, and delivery of the process equipment for Factory 02, and will negotiate exclusively with GEA on the full terms of a supply agreement regarding the delivery of equipment and services for Factory 02. Solar Foods and GEA also agreed to negotiate a long-term strategic partnership in gas fermentation and related technologies. As part of the strategic partnership, GEA subscribed for Solar Foods shares for a total subscription price of EUR 8 million.

As a result of the private placement, the company raised approximately EUR 25 million by offering 5 154 691 new shares, which were registered in the Trade Register on January 26 2026. Following the entry in the Trade Register, the total number of shares in the company is 29,883,733. The subscription prices of new shares have been fully recorded in the company's invested unrestricted equity.

In January, Solar Foods announced that it had received a Solein order from the U.S. company Ambrosia Collective, which aims to introduce a ready-to-mix protein powder made from Solein to consumers in the United States during the first half of 2026. The order was delivered during the financial period and is included in the financial period's revenue.

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

In Vantaa 26th February 2026

Rami Jokela
Managing Director

Jukka Moisio
Chairman of the Board

Pasi Vainikka
Board member

Sebastian Jägerhorn
Board member

Paula Laine
Board member

Petra Teräsaho
Board member

Juha Lindfors
Board member

Auditor’s note

An auditor’s report based on the audit performed has been issued today.

In Helsinki 26th February 2026

KPMG Oy Ab
Audit firm

Jussi Paski
APA

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This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the Annual General Meeting of Solar Foods Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Solar Foods Oyj (business identity code 2872116-8) for the year ended 31 December, 2025. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

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

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 the laws and regulations governing the preparation of financial statements in Finland 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 company'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 company or 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 the 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 company'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 company'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 company 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.

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

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. 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 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. 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 and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

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

Other Opinions

We support that the Members of the Board of Directors and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki, 26 February 2026

KPMG OY AB

Audit Firm

JUSSI PASKI
Authorised Public Accountant, KHT