

Solar Foods Oyj

Half-year report January–June 2025 (unaudited)

NEW STRATEGY PERIOD AIMING FOR INTERNATIONAL GROWTH HAS BEGUN

January–June 2025 in brief

- Cash and cash equivalents at the end of the period EUR 12.7 million (24.2)
- Other operating income EUR 4.3 million (2.9), consisting of grants.
- Operating loss EUR 4.8 million (4.4)
- Loss for the period 5.4 million (5.7)
- Cashflow from investments EUR 0.4 million (-4.5), with grant payments related to 2024 exceeding investments in H1 2025.
- Loss per share EUR -0.22 (-0.24)
- Order book EUR 1.5 million (0)

Significant events in January-June 2025

- The company announced it has signed a supply agreement of EUR 1,3 million with Superb Food in the United States in March, and a conditional supply agreement of EUR 0,2 million with the Italian KelpEat in May.
- In March, the company announced it has signed two Memorandums of Understanding regarding commercialisation of 6,000 tonnes of Solein per year. Should the collaboration lead to binding agreements, the total volume commitment would correspond to approximately 50% of the full production capacity of Factory 02, now in its pre-engineering phase.
- Rami Jokela started as the company's CEO and member of the management team 1.4.2025.
- In February, the company begun the pre-engineering of its first industrial-scale Solein® production facility, Factory 02, in collaboration with Blue Projects.
- In March, Solar Foods announced it is exploring the option of constructing not only Factory 02 but also Factories 03 and 04 at the same location. This would be Europe's single largest emission reduction moonshot project.
- In February, Business Finland granted funding for Solar Foods amounting to EUR 10 million, related to the company's IPCEI (Important Projects of Common European Interest) notification approved by the European Commission, for the research, development and go-to-market for Solein. Business Finland pays the grants to Solar Foods against approved cost reports. By 30.6.2025, the company has been granted a funding decision amounting to EUR 44 million, from which the company has received EUR 19 million in payments. The remaining EUR 25 million has not been received yet. The remaining funds under the EUR 110 million IPCEI notification, for which the company does not yet have a funding decision, amount to approximately EUR 66 million and are intended to partially cover the costs for the construction of the company's Factory 02.
- In March, the Japanese food company The Ajinomoto Group launched new Solein-containing products in Singapore.

- Customers presented Solein-containing products: KelpEat, the pioneering Italian food innovator dedicated to revolutionizing sustainable nutrition, introduced a Solein-powered high-protein snack in the Pitti Taste food fair in Florence in February. The Finnish food company Fazer introduced Solein-powered products in the Future Food-Tech event in the United States in March.
- As a part of the company's concept sales model, Solar Foods introduced its first own product concepts of a protein bar and a protein shake made with Solein in spring 2025.
- The company addressed inquiries from the European Food Safety Authority (EFSA) regarding the scientific opinion on the safety of Solein, which brings the company one step closer to introducing Solein to the European market.
- In May, Solar Foods confirmed successful 100-fold industrial scaling of Solein's production technology. Factory 01 has now achieved a productivity of 0.8 g/l/h and an energy efficiency value (O₂/CO₂) of 2.7.

Significant events after the review period

- Solar Foods partnered with American flavour house Sensapure Flavors to showcase Solein's suitability for endless flavour combinations. The companies showcased product concepts made with Solein at the IFT FIRST event in Chicago in July.
- In July, Solar Foods signed a Letter of Intent regarding commercialisation of 500–1,650 tonnes of Solein per year.
- The Japanese food company Ajinomoto introduced an ice cream made with Solein in connection with the World Aquatics Championships – Singapore 2025 in July.
- In August, Solar Foods refined the implementation of its strategy and the plan concerning the implementation of Factory 02 and estimated the total capital requirement.
- In August, Solar Foods and the City of Lappeenranta, Finland, announced they are preparing an agreement to reserve a site for the preliminary studies related to Factory 02. The company is also researching other potential locations for Factory 02.
- Solar Foods published changes to the responsibilities and composition of the Management Team, and will initiate change negotiations on 25 August 2025 to restructure the organisation.

Key figures

MEUR	1–6/2025	1–6/2024	Change, %	1–12/2024
Revenue	0	0	0	0
Other operating income	4.3	2.9	48 %	8.1
Operating profit/loss	-4.8	-4.4	9 %	-8.9
Profit/loss for the period	-5.4	-5.7	-5 %	-11.0
Equity ratio, %	46 %	51%	-9 %	50
Cashflow from investments	0.4	-4.5	-109 %	9.1
Cash and cash equivalents at the end of the period	12.7	24.2	-48 %	13.4
Basic and diluted loss per share (EPS), EUR	-0.22	-0.24	-8 %	-0.46
Personnel at the end of the period	57	40	42,5 %	53
Order book	1.5	0	N/A	0

CEO Rami Jokela: The new strategy period has begun, and the company has entered the international growth phase

At the beginning of the year, Solar Foods started a new strategy period with the aim of international growth. The strategy phase will guide the company until 2030 and focus on the commercialization of Solein first in the Health and Performance nutrition category, and scaling up production at both the existing production facility Factory 01 as well as the future Factory 02.

During the first months of the review period, the company laid a solid foundation for international growth: at the beginning of the year, Solar Foods started the pre-engineering of the industrial-scale Solein production plant, Factory 02. The company also signed significant Memorandums of Understanding for the commercialisation of a total of 6,000 tonnes of Solein production per year. If the collaboration, together with a Letter of Intent signed in July after the review period, leads to binding agreements, the total volume would correspond to 50–60% of Factory 02's full production capacity of 12,800 tonnes. Therefore, we are now exploring the option of building not only one but three facilities, Factories 02, 03 and 04, at the same location. If Solein were to replace beef in the food system, the three factories would enable a greenhouse gas emission reduction as substitution benefit in the order of 10 million tonnes CO₂ equivalent per year. This is equivalent to approximately 25% of Finland's annual emissions in 2023, or almost at par with Finland's annual road transport emissions (9Mt). We are currently preparing an implementation plan for a location in Lappeenranta that fulfils the requirements and is quickly executable, and the final decision on the location of Factory 02 will be made by the end of 2025. The investment decision is expected to be made during 2026.

As the company has shifted from a technical innovation to a commercial operator, it has also required new kinds of expertise. Among other things, we have strengthened our sales organization in the United States and made internal organizational changes to better reflect our strategic goals. During the review period, we also signed our first supply agreements in the United States with Superb Food and Kelpeat.

During the spring, we participated in various industry events in the United States, and met with customers especially in the Health & Performance Nutrition category. We initiated product and business development cooperations with partners. In the United States, the Health & Performance nutrition market has grown rapidly over 10% on annual basis, which reinforces the company's chosen strategic direction to focus on the Health & Performance nutrition segment in the first phase of commercialisation. Solein has also proven to excel in the category's products.

The company estimates that the target market will continue to grow in the future. The global supply restraint of protein, and especially whey protein, offers Solein an immediate growth opportunity. Solein offers customers a functional, versatile and nutrient-rich ingredient, which can be produced all year round more efficiently and with a lower environmental impact than traditional production methods.

In its sales, Solar Foods utilizes a concept sales model which focuses on products made with Solein developed by the company. The products meet the needs of customers and consumers and accelerate sales cycles. Over the past year the company has conducted customer and consumer studies that show that Solein is able to provide customers with significant added value in terms of its flavour profile, functionality, nutritional content and sustainability. Solar Foods aims to strengthen its value proposition in the competitive protein market by further developing these properties.

After the half-year review period we have reviewed our strategy, and the main outlines of our strategy will remain the same. During our strategy period aiming for international growth, our three most important focus areas are sales, increasing production capacity by implementing the Factory 02 production facility, and implementation of our investment program with for example international, strategic investors.

During the current strategy period, Solar Foods aims to sell the capacity of Factory 01 and secure sales agreements for the production capacity of Factory 02. The company will focus even more strongly on especially companies in the Health & Performance nutrition category, as well as international CPG companies (consumer packaged goods) and entering into strategic partnerships with them.

We have also refined the plans for the construction of Factory 02. Factory 02 is planned to be constructed in phases, ensuring an efficient cost structure and optimized unit economics. All the phases are estimated to achieve positive cash flow, and with the production parameters now achieved at Factory 01, Factory 02 would be profitable. We will continue to develop the parameters even further to achieve higher productivity and better energy efficiency for example through utilising AI and machine learning with leading partners. We will also concentrate on building a network of partners around us that supports us in achieving our goals and enables a lower equity requirement. We will also reorganise our organisation structure to utilise our personnel's unique knowhow about building Factory 01, and to focus those skills to planning and effectively implementing Factory 02. This reorganization will also serve to reinforce our Go-to-Market organization.

During the review period, Solar Foods has built a solid foundation for achieving international growth, and we expect the first products to be available to consumers in the United States during the second half of 2025. We will continue to support our customers in product development to bring new products to the market not only in the United States but also in Europe, where we expect novel food approval during 2026. In addition to EU, we have also applied for regulatory approval in the UK.

I would like to thank both the unique team of Solar Foods as well as all our stakeholders for the welcome I have received as the company's new CEO. It has been very inspiring to join a completely new kind of company with exceptional global interest. Solar Foods is a true pioneer in bringing gas fermentation to the food industry and utilizing it to achieve profitable business. Our goal is ambitious: we offer a superior source of protein, and we want to revolutionize food production.

Financial development

January-June 2025

Revenue for the review period was EUR 0 million (0).

The operating loss for the review period was EUR 4.8 million (4.4).

The operating loss increased compared to the comparison period, mainly due to an increase in personnel, higher other operating expenses and depreciation. During the review period, more grant income was recognized than in the comparison period.

Other operating income was EUR 4.3 million (2.9), consisting grants.

Amortization of tangible and intangible assets amounted to EUR 4.7 million (4.2).

Financial expenses amounted to EUR 0.6 million (1.4).

Solar Foods' loss-making result of EUR 5.4 million (5.7) reflects the company's development phase, where significant investments have been made to enable its future growth. The company's primary objective during the review period was to continue long-term product development, enhance production efficiency at the Factory 01 facility, and plan the new Factory 02 production plant.

The order book at the end of the period amounted to EUR 1.5 million (0), as the company signed a EUR 1.3 million agreement with Superb Food in March and a EUR 0.2 million agreement with KelpEat in May.

Financial position and cash flow

The company's balance sheet total at the end of the review period was EUR 38.5 million (56.6) of which the share of equity was EUR 17.6 million (28.2). The company's equity ratio at the end of the review period was 46% (51%). The balance sheet total and equity decreased due to the loss incurred in 2024, as well as the reduction in both long-term and short-term liabilities.

At the end of the review period, the company's net debt was EUR 5.5 million (-3.3). Non-current debt amounted to EUR 14.9 (18.2) million. Net gearing at the end of the review period was 31% (-12%).

In January–June 2025, cash flow from operating activities amounted to EUR 0.3 million (4.2). The change was due to a change in working capital. Cash flow from investing activities was EUR 0.4 million (-4.5) and cash flow from financing was EUR -1.3 million (8.1). The change from the comparison period was due to the company receiving more grant payments related to the previous financial year than its own investments during the current period were. During the review period, the company received EUR 9.5 million in grants related to the previous financial year. Cash flow from financing activities was lower than in the comparison period, as the previous period included a paid share issue of EUR 8.7 million, whereas during the review period, financing cash flow consisted solely of loan repayments.

Cash and cash equivalents at the end of the period were EUR 12.7 million (24.2).

Investments and R&D

Investments in tangible and intangible assets amounted to EUR 0.4 million (-4.5) during the review period. The change from the comparison period was due to the company receiving more grant payments related to the previous financial year than its own investments during the current period were. Investments consisted mainly of capitalized development costs.

Personnel and management

In the beginning of the review period, Solar Foods employed 53 people. During the review period, the number of employees grew to 57 people.

At the end of the review period, the company's Management Team consisted of Chief Executive Officer Rami Jokela, Chief Financial Officer Ilkka Saura, Chief Scientific Officer Juha-Pekka Pitkänen, Chief Sales Officer Juan Manuel Benitez-Garcia Chief, Chief Technology Officer Petri Tervasmäki, Chief Operating Officer Tiia Kuusimäki, and Chief Strategy and Product Officer Troels Nørgaard.

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. The shareholder agreements were terminated in connection with the company's listing.

At the end of the review period, Solar Foods's registered share capital was EUR 80,000, and the number of shares 24,688,127 (24,553,107).

The highest trading price of the Solar Foods share from January to June was EUR 7.63 and the lowest was EUR 3.0. The volume-weighted average share price in January to June was EUR 5.23 and the closing price at the end of the review period was EUR 5.4. Based on the closing price, the market capitalization of the shares was EUR 113.3 million. During the review period, the trading volume was 2,471,955 shares and the euro volume was EUR 12,935,034. The average number of shares during review period was 24,656,741 (23,696,543).

Solar Foods had a total of 7,186 (2,287) shareholders at the end of the review period on 30 June 2025. At the end of the review period, nominee registered shareholders held 15.41 percent of the company's shares. At the end of the period, Solar Foods did not hold own shares.

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 30 June 2025.

Shareholder	Number of shares	Of all shares and votes, %
Oy Karl Fazer Ab	3 148 064	12,75 %
Juha-Pekka Pitkänen	3 039 000	12,31 %
Lifeline Ventures Fund iii Ky	2 607 044	10,56 %
Pasi Vainikka	2 330 000	9,44 %
Skandinaviska Enskilda Banken Ab (Publ) Helsingin sivukonttori	1 964 410	7,96 %
VTT Ventures Oy	1 747 064	7,08 %
Citibank Europe Plc	1 604 399	6,50 %
Suomen Teollisuussijoitus Oy	1 441 910	5,84 %
Gobelet Oy	1 055 000	4,27 %
Jero Ahola	1 042 500	4,22 %
10 largest shareholders	19 979 391	80,93
Other shareholders	4 708 736	19,07
In total	24 688 127	100

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

Incentive schemes

At the end of the review period, the company had four stock option plans (2020A, 2020B, 2/2024 and 1/2025-H), under which option holders can subscribe for a maximum of 2,025,250 new shares or the company's own shares. At the end of the review period, of this amount, options entitling to subscribe for a maximum of 1,829,672 company shares were allocated and not subscribed, which immediately dilutes the shareholders' relative ownership in the company by approximately 7.5 percent, if all 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 review period was 24,688,127 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 review period, The Board of Directors of Solar Foods Oyj decided to distribute 20,000 stock options free of charge to the Chairperson 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 review period, 44,835 new shares were subscribed for under option Plan 2020A, and 2,243 new shares were subscribed for under option Plan 2020B, for a total of 47,078 new shares of the Company, which were registered in the Trade Register. The subscription price of the shares, totaling EUR 15,363.77, was recorded in full in the Company's reserve for invested unrestricted equity.

Summary of option programs and changes during the period

Option plan	Total number of Option rights at the end of the review period, pcs	Total number of allocated but not subscribed option at the end of the review period, pcs	Total number of subscribed and registered shares using option rights during the review period, pcs	Subscription price, EUR	Total Subscription price during the review period, total, EUR
2020A	284 000	196 165	44 835	0,20510	9 195,66
2020B	768 000	664 757	2 243	2,74994	6 168,12
2/2024	953 250	948 750	0	2,75000	0,00
1/2025-H	20 000	20 000	0	7,10000	0,00
Total	2 025 250	1 829 672	47 078		15 363,77

Solar Foods has a short-term incentive plan (STI) in place for the company's key personnel, designed to support the achievement of both the company's strategic goals and priorities, as well as increasing shareholder value. The STI is based on predefined performance criteria approved by the Board of Directors, which include both individual and company-wide objectives.

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:

Remuneration of the Board members

- 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 their 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.

KPMG Oy Ab, authorised public accountant organisation, 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' pre-emptive 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.

Significant events after the review period

Refining the plans concerning Factory 02 and publishing of an estimate for the total capital requirement for the ongoing strategy period

On 14 August 2025 Solar Foods refined the implementation of its strategy and plans concerning the production facility Factory 02. At the same time, the company estimated the total capital requirement. The main outlines of the company's strategy, published on 10 December 2024, remain the same. During the ongoing strategy period, the company will primarily focus on strengthening international growth and sales, increasing production capacity by building and commissioning Factory 02, and related to these, implementing the investment program.

The company has estimated its total capital requirement for implementing its growth strategy. This estimate is illustrated in the table below. Solar Foods expects to achieve an EBITDA of 33–37% by 2030, if phases 1 and 2 at Factory 02 have been implemented based on the already achieved production parameters.

Type of capital	Capital requirement with strategic partners, EUR million	Capital requirement without strategic partners, EUR million
Equity	25-35	70-80
Debt	65-75	165-175
Grants	90	90
Total	180-200	325-345

Changes in Management Team and restructuring of the organisation

To support its strategic goals, Solar Foods decided on 14 August 2025 to make changes in the responsibilities and composition of the Management Team, as well as initiate change negotiations to restructure the organisation. The aim of the changes in the Management Team and restructuring of the organisation is to support the company's international growth and sales goals. Also, the company wants to secure the utilization of its capabilities for the planning and realisation of the Factory 02 production facility. Change negotiations are not planned to result in personnel reductions or layoffs.

The following changes have been made to the responsibilities and composition of Solar Foods' Management Team:

Troels Nørgaard, Chief Strategy and Product Officer, has been appointed Chief Commercial and Product Officer. He continues as a member of Solar Foods Management Team. In his new role, Nørgaard is responsible for all commercial and product-related tasks, such as sales, marketing, and regulation, as well as product and food applications.

Juan Manuel Benitez-Garcia, Chief Sales Officer (CSO) has decided to pursue his career outside of Solar Foods. Benitez-Garcia will continue with the company until the end of 2025 but will not continue to be a part of Solar Foods' Management Team.

As of 14 August 2025, Solar Foods' Management Team consists of the following members:

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

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 little 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 in the coming years. The company is dependent on external financing and needs significantly more equity and debt 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 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 between Russia and Ukraine, the impact

of the COVID-19 pandemic, and geopolitical tensions including the trade war. These factors increase financial uncertainty, complicate business planning and predictability, and may hinder the company's growth potential. 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 both equity and debt 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 in the future.

Assessment of future development

The company will focus on the go-to-market activities in the Health & Performance Nutrition segment, particularly in the U.S. market. The company plans to transition to a concept-based sales model, introduce higher-priced products, and expand the design capacity of Factory 01. Additionally, Solar Foods is preparing a phased investment plan for Factory 02 to achieve positive EBITDA during strategic period 2025-2030.

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.

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. According to management's assessment, without additional financing, one or more covenants may be breached in Q2 2026, which could lead to early repayment of the loan. This may raise substantial doubt about the company's ability to continue as a going concern.

To address the situation, the company is in ongoing negotiations with various parties regarding additional financing and is also preparing a potential cost-saving plan to be implemented in early 2026.

In management's view, these measures will ensure compliance with the covenant terms for at least the next 12 months from the reporting date. Taking these actions into account, the company has sufficient

financial resources to continue its operations, and therefore, the half-year report has been prepared based on the going concern principle.

Accounting principles for the half-year report

Solar Foods Oyj's half-year report has been prepared in accordance with national accounting legislation (FAS) and following good accounting practices. The figures of the half-year report are unaudited. The figures presented are rounded off from the exact figures.

The financial information presented in this half-yearly report does not include all the notes to the financial statements of the company and should be read in conjunction with the financial statements for the fiscal year that ended on 31 December 2024.

TABLES (unaudited)
PROFIT AND LOSS (FAS, EUR)

	unaudited	unaudited	audited
	1–6/2025	1–6/2024	1–12/2024
Revenue	14,313	13,929	18,724
Work performed for own use	2,574,670	2,054,257	4,413,415
Other operating income	4,308,109	2,894,140	8,061,204
Personnel expenses			
Wages and salaries	-2,375,237	-1,407,497	-3,271,988
Social security expenses			
Pension expenses	-345,215	-251,212	-541,327
Other social security expenses	-92,938	-41,352	-116,894
Personnel expenses in total	-2,813,391	-1,700,061	-3,930,210
Depreciation and amortization			
Depreciation and amortization according to plan	-4,710,278	-4,214,549	-8,652,991
Other operating expenses	-4,157,540	-3,414,822	-8,829,659
Operating profit (loss)	-4,784,117	-4,367,106	-8,919,516
Financial income and expenses			
Other interest income and other financial income from others	478	2,336	2,815
Interest and other financial expenses to others	-606,240	-1,381,782	-2,104,949
Total financial income and expenses	-605,762	-1,379,782	-2,102,134
Profit before appropriations and taxes	-5,389,880	-5,746,552	-11,021,650
Profit (loss) for the period	-5,389,880	-5,746,552	-11,021,650

BALANCE SHEET (FAS, EUR)

	unaudited 30th June 2025	unaudited 30th June 2024	audited 31st December 2024
ASSETS			
Non-current assets			
Intangible assets			
Development expenses	3,936,751	3,894,129	3,680,499
Intangible rights	734,971	963,988	844,509
Other intangible assets	2,871,280	4,115,081	3,452,546
Total intangible assets	7,543,002	8,973,198	7,977,555
Tangible assets			
Machinery and equipment	10,637,118	16,552,611	13,952,991
Other tangible assets	166,640	507,736	337,188
Advance payments and construction in progress	928,849	164,021	26,754
Total tangible assets	11,732,607	17,224,367	14,316,933
Total non-current assets	19,275,609	26,197,565	22,294,488
Current assets			
Long-term receivables			
Other receivables	576,670	576,670	576,670
Total long-term receivables	576,670	576,670	576,670
Short-term receivables			
Accounts receivable	0	8,027	411
Other receivables	218,181	855,989	614,889
Prepayments and accrued income	5,660,036	4,695,967	9,800,681
Total short-term receivables	5,878,217	5,559,983	10,415,981
Total receivables	6,454,887	6,136,653	10,992,651
Cash and cash equivalents	12,737,891	24,225,086	13,396,494
Total current assets	19,192,778	30,361,739	24,389,146
TOTAL ASSETS	38,468,387	56,559,304	46,683,634

	unaudited 30th June 2025	unaudited 30th June 2024	audited 31st December 2024
EQUITY AND LIABILITIES			
Capital and reserves			
Subscribed capital	80,000	2,500	80,000
Reserve for invested unrestricted equity	51,409,984	51,408,623	51,394,621
Retained earnings	-28,534,522	-17,512,872	-17,512,872
Profit (loss) for the period	-5,389,880	-5,746,552	-11,021,650
Total capital and reserves	17,565,583	28,151,699	22,940,099
Liabilities			
Non-current liabilities			
Loans from credit institutions	14,911,667	18,223,333	16,567,500
Total non-current liabilities	14,911,667	18,223,333	16,567,500
Current liabilities			
Loans from credit institutions	3,311,667	2,716,667	3,014,167
Advances received	664,773	818,611	526,043
Trade payables	911,004	2,810,312	2,027,547
Other payables	101,845	3,142,575	777,711
Accruals and deferred income	1,001,848	696,108	830,567
Total current liabilities	5,911,137	10,184,272	7,176,035
Total liabilities	20,902,804	28,407,605	23,743,535
TOTAL EQUITY AND LIABILITIES	38,468,387	56,559,304	46,683,634

STATEMENT OF CASH FLOWS (FAS, EUR, unaudited)

	1-6/2025	1-6/2024	1-12/2024
Cash flows from operating activities:			
Profit before appropriations and taxes	-5,389,880	-5,746,552	-11,021,650
Adjustments for:			
Depreciation according to plan	4,710,278	4,214,549	8,652,991
Financial income and expenses	604,944	1,379,446	2,102,134
Operating profit before working capital changes:	-74,658	-152,557	-266,525
Working capital changes:			
Increase (-) or decrease (+) in trade and other receivables	2,590,529	1,812,115	-1,619,679
Increase (+) or decrease (-) in trade payables	-1,587,334	3,321,317	2,715,758
Cash generated from operations	1,003,195	4,980,875	829,554
Interest paid and payments for other finance costs	-618,907	-792,220	-1,555,395
Net cash from operating activities	309,631	4,188,654	-725,841
Cash flows from investing activities:			
Investments in tangible and intangible assets	-3,506,090	-6,123,053	-10,742,314
Investment grants received	3,880,826	1,648,611	1,648,611
Net cash used in investing activities:	374,736	-4,474,442	-9,093,703
Cash flows from financing activities:			
Proceeds from issuance of share capital	0	8,776,645	8,769,087
Execution of option rights	15,363	0	71,057
Costs for share issue	0	-653,148	-653,148
Proceeds from capital loan borrowings	0	0	0
Proceeds from long-term borrowings	0	0	0
Repayments of long-term loans	-1,358,333	0	-1 358 333
Net cash used in financing activities	-1,342,970	8,123,498	6,828,663

Net increase/decrease in cash and cash equivalents	-658,603	7,837,710	-2,990,882
Cash and cash equivalents at beginning of period	13,396,494	16,387,375	16,387,375
Cash and cash equivalents at end of period	12,737,891	24,225,086	13,396,494

STATEMENT OF CHANGES IN EQUITY (FAS, EUR)

	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		15,364		15,364
Profit (loss) for the period			-5,389,880	-5,389,880
Equity June 30, 2025	80,000	51,409,984	-33,924,402	17,565,582

	Subscribed capital	Reserve for invested unrestricted equity	Retained earnings	Total
Equity January 1, 2024	2,500	42,631,977	-17,512,872	25,121,605
Issue of shares	0	8,776,645	0	8,776,645
Profit (loss) for the period	0	0	-5,746,552	-5,746,552
Equity June 30, 2024	2,500	51,408,623	-23,259,424	28,151,699

	Subscribed capital	Reserve for invested unrestricted equity	Retained earnings	Total
Equity January 1, 2024	2,500	42,631,977	-17,512,872	25,121,605
Increase in share capital	77,500	-77,500		0
Issue of shares		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	51,394,621	-28,534,522	22,940,099

Off-balance sheet commitments

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 30th June 2025 (EUR thousand)
Financial loans	18,223.3
Rental guarantees	576.7
Rental mortgages	46,8
Business mortgage	21,200.0
Guarantees	6,750.0
Others	480.3
Rental liabilities	2025-2043 excl. VAT
Rental liabilities for the properties	22,046.1
Financial leasing	88.2

At the end of the financial year, unaudited grant settlements include a possible repayment liability corresponding to the amount of the grant received of EUR 19,160,386 (situation on 30 June 2025).

The company is obliged to review the VAT deductions made on a real estate investment completed in 2023 if the taxable use of the property decreases during the review period. The last review year will be 2032. The maximum amount of the liability is EUR 768,000 (situation on 30 June 2025).

Definitions and calculation formulas for key indicators

Indicator	Definition or calculation formula
Operating profit (EBIT)	= Net sales + other operating income – materials and services – personnel expenses – other operating expenses – depreciation and impairment
Equity ratio, %	= $\frac{\text{Equity at the end of the period} + \text{appropriations}}{\text{Balance sheet total at the end of the period} - \text{Advances received at the end of the period}} \times 100$
Net debt (-cash)	= Long-term interest-bearing liabilities+ short-term interest-bearing liabilities – cash in hand and in banks
Net gearing	= $\frac{\text{Net debt (- cash)}}{\text{equity} + \text{voluntary provisions} + \text{appropriations} + \text{equity loans}}$
Earnings (Loss) per share	= $\frac{\text{Profit (loss) for the period}}{\text{average amount of shares during the period}}$
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.