SIILI®

Annual report 2024

Contents

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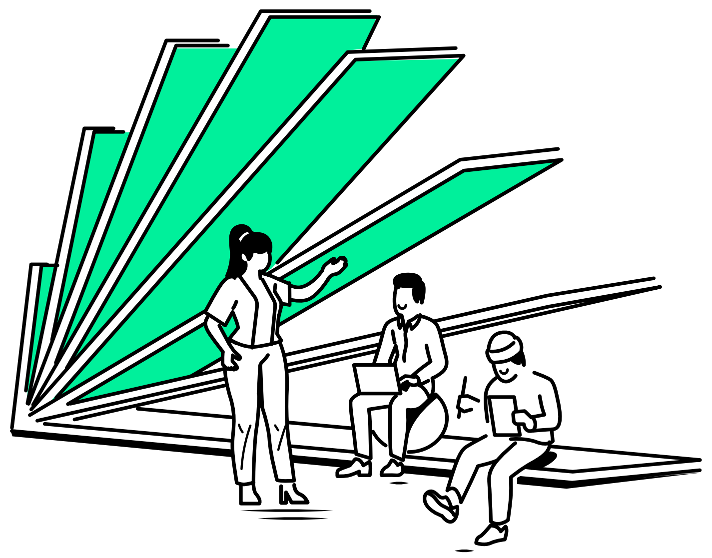
Year 2024 of Siili

In 2024 we placed data and AI at the centre of Siili's new strategy. We took several concrete steps towards our goal to be the frontrunner in AI transformation. We strengthened our AI capabilities through trainings and recruitments. The development of Siili's culture and leadership continued, and brought concrete results.



We published our new strategy **placing data and AI at the core of the strategy.**

We appointed **Maria Niiniharju** as VP, Private Business

IMPACT-DRIVEN
AI
AI-POWERED

We continued long-term partnerships and worked on several data and AI projects with exicting and new customers.

We achieved 10th place in the Young Professional Attraction Index survey by Academic Work.

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We published a handbook for AI powered developers, and **increased the number of our data and AI experts by 43%** compared to previous year.

We publish our first **sustainability statement** as part of 2024 report of the board of directors.

We signed an agreement to purchase the majority stake in **Integrations Group Oy.**

Siili in brief

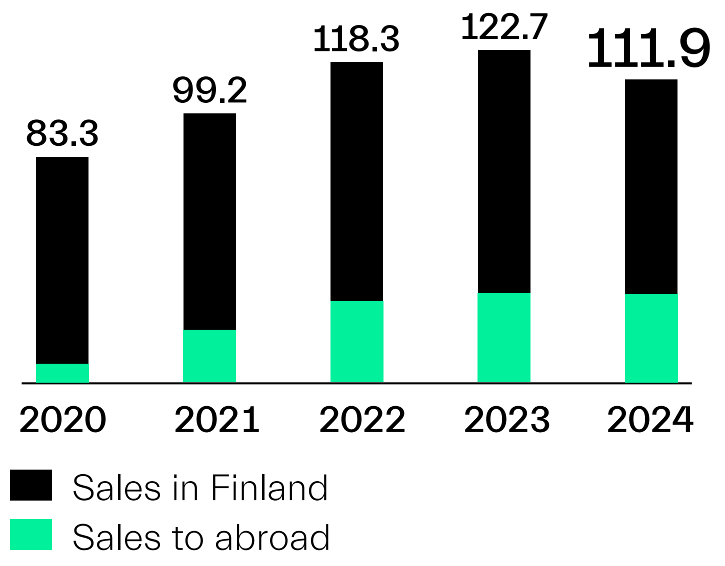
Siili is a frontrunner in AI-powered software development. We partner with our customers as they seek growth, efficiency and competitive advantage through digital solutions. our goal is to be the frontrunner of AI transformation. We don't just deliver ready-made solutions - we create partnerships based on trust, collaboration and concrete results.

Our competitive advantage is the ability to combine strong software development, AI, and industry expertise. This unique combination makes us qa pioneer in utilizing and developing AI solutions and strengthening our customers' competitiveness.

Siili is an international company, and in 2024 the share of our international business was 29% of our revenue. Our approximately 1,000 experts work in 8 countries. We have offices in Finland, Germany, Poland, Hungary, the Netherlands, the UK, Austria and USA. Our client base is focused on large corporateiona dn the public sector in Finland, the UK, the USA, Germany and the Netherlands. Our clients are mainly large corporations and organizations in the public and private sectors - especially in the finance, service, indusctrial and automotive sectors.

Siili has grown profitably since its founding in 2005.Siili's shares are listed on the Nasdaq Helsinki Stock Exchange.

Revenue, EUR million



In 2024, the share of international business was

29

%

In 2024, we employed

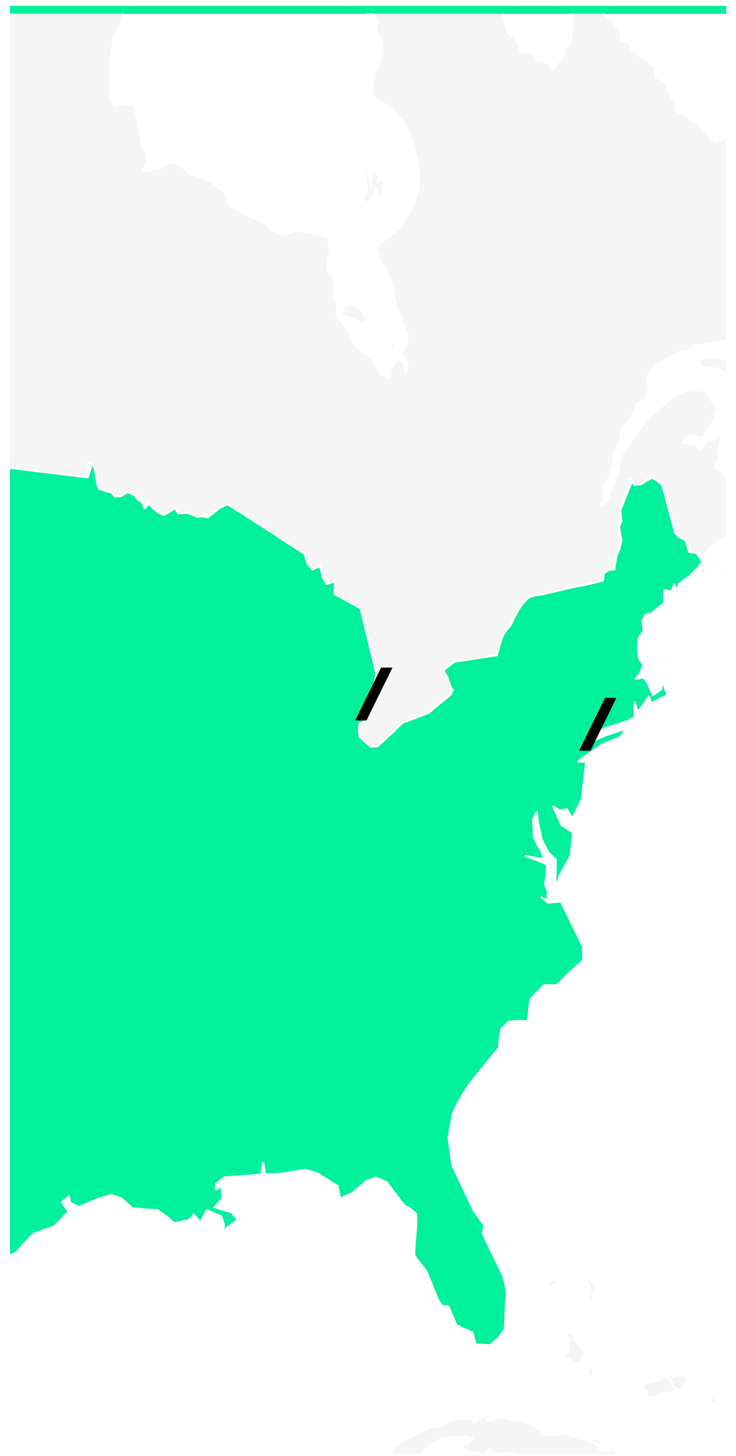
975

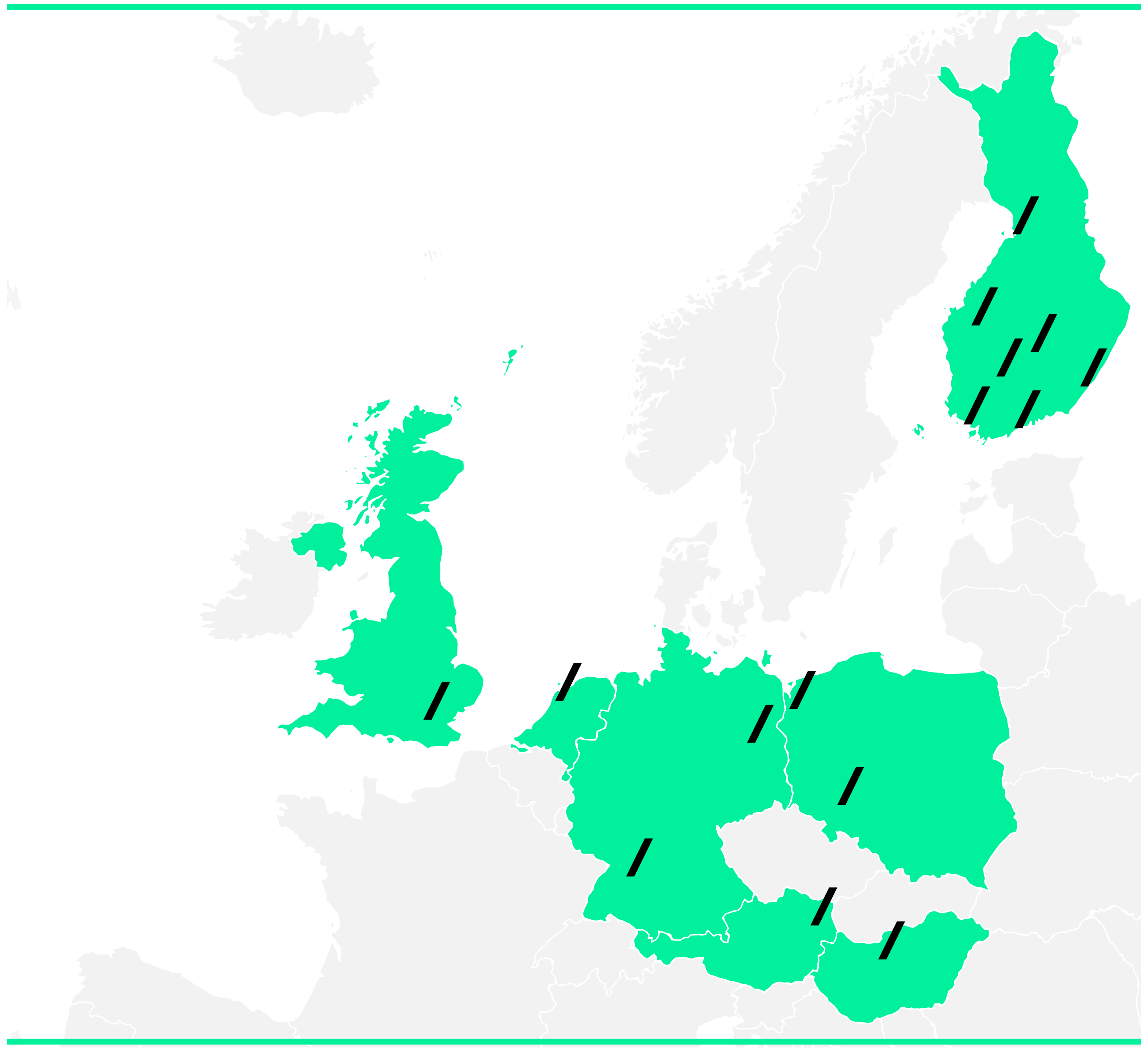
experts

Adj. EBITA in 2024

5.4

MEUR





Siili offices:
Helsinki
Tampere
Turku
Lappeenranta
Jyväskylä
Oulu
Kuopio
Seinäjoki
Joensuu
London
Amsterdam
Berlin
Stuttgart
Vienna
Budapest
Szczecin
Wroclaw
New York
Detroit

CEO’s review

2024 was another challenging year from a market perspective, both for Siili and the entire IT service sector. During the year, we focused on crystallising our strategy and creating a foundation for stronger competitiveness and profitability.

The market situation affected both Siili's revenue and the rate of growth both domestically and internationally. Full-year revenue amounted to approximately EUR 112 million, representing a decline of 9% year on year. The share of international operations in the Group’s revenue continued to increase and rose from the previous year’s level of 27% to 29% in 2024.

The slowdown in growth also weighed on profitability. Adjusted EBITA for the year was EUR 5.4 million, which corresponds to about 5% of revenue. This year, we aim to improve Siili's profitability by focusing on operational efficiency and growth with focus on the Data and AI business.

Despite the challenges of the operating environment, last year was, however, successful for Siili in many ways. During the first half of the year, we focused on designing our new strategy and streamlining the organisation. We also launched a three-level training programme in artificial intelligence for our consultants and continued to strengthen the data and AI expertise of the Siili team through both training and recruitment throughout the year.

Our new strategy has been well received

In the new strategy published in August, we placed data and artificial intelligence at the core of the strategy. Our objective is to be a pioneer in the AI transition as a developer of generative AI solutions and as an AI partner that reinforces its customers’ competitiveness. We have now three strategic priorities that strengthen our position as a leader in leveraging AI:

- Significant growth in Data and AI business
- Pioneer in AI-powered digital development
- Community of top talent

Our updated strategy and our promise “Impact driven, AI powered” have been well received in the markets. During the year, we were selected as a partner for several AI and data projects in line with our strategy. Towards the end of the year, we had many successful openings consistent with the strategy in projects dealing with, for example, AI strategies, training, and implementation. We will continue to focus on expanding our business with strategic customers and building long-standing partnerships.

We focus on improving our profitability

We continue to improve our operational efficiency. We will focus in particular on capacity and utilization management, cost efficiency, offer development and pricing optimization. Improving profitability is progressing according to plan in stages. We have made a concrete action plan to improve our efficiency and profitability and we will implement it with determination and monitor its progress.
Last year, we also started to develop our operating models towards more data-driven decision-making and better forecasting. In addition, we are strongly investing in the implementation of a new management model that increases efficiency, recruitments that support the strategy and optimization of subcontracting. We strive to seek profitable growth in growth areas in line with the strategy, while firmly protecting profitability in more challenging market segments.

We are strengthening our community of top talent

At the beginning of November, we strengthened the data and AI expertise of the management team when Maria Niiniharju took up the position as the leader of Siili’s Private Business and became a new member of Siili’s management team. In accordance with our strategy, we also expanded our competence through recruitment of data and AI experts, who we have now 43% more compared to previous year. Towards the end of the year, we strengthened our integration expertise by signing an agreement to purchase a majority stake in Integrations Group Oy. With Integrations Group, we will be a stronger partner for our customers in various demanding AI and data integration projects.

We aim to be the best community for digital development professionals, and we continued to develop our culture and leadership further last year. Our efforts to develop Siili's community were recognized in autumn when Siili achieved 10th place in the Young Professional Attraction Index survey by Academic Work. In 2025, we will celebrate Siili’s 20th anniversary.

With two decades of innovation and growth under our belt, this is a good time to continue Siili’s journey by focusing on the implementation of the strategy and the improvement of profitability during the year. Although we cannot see immediate signs of an improvement in market conditions, our successes in 2024 have proven the performance of our strategy. I want to extend my thanks to the entire Siili team and our customers for the past year. I am looking forward to the opportunity to build new and innovative solutions at the cutting edge of the AI transition.

Tomi Pienimäki
CEO
Siili Solutions Plc

Siili's strategy

Our strategy is based on strengthening our expertise, remaining at the forefront of technologial development and thus meeting our customers' needs.

We build long-term, parnership-based customer relationships, allowing us to combine our strong industry expertise with the best technologies and thus help our customers in strengthening their competitiveness.

During 2024, we were our customers' parter, as many of our customers invested at an accelerating pace in researching and testing the opportunities of artificial intelligence.

- During past year, Siili's teams helped customers identify essential uses of artificial intelligence for their business and conceptualize feasible solutions for them.
- During the year, we invested heavily in the continuous development of our personnel's AI expertise, and our software development teams enabled our customers to make huge leaps in utilizing artificial intelligence.
- In 2024, our focus in developing our own operations was, among other things, developing leadership and their competence. We want to be the best place to for for top talents.

We succesfully started the implementation of our new strategy in 2024. We will continue to focus on large enterprises and the public sector in Finland, the UK, Germany and the Netherlands. As before, we will continue to strengthen our delivery capabilities by expanding our skill base both in Finland and for example in Poland and Hungary.

Strategic priorities:

- Significant growth in Data and AI business
- Pioneer in AI-powered digital development
- Community of top talent

Long-Term Financial Goals:

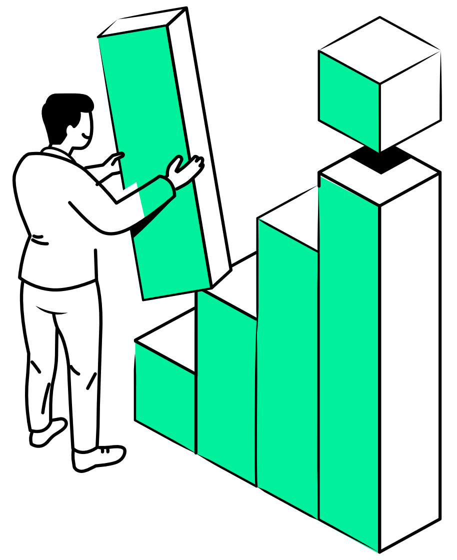
On 26 November 2024 we updated our long-term financial goals for 2025–2028.

- Annual revenue growth of 20 percent, of which organic growth accounts for about half
- Ajusted EBITA 12 percent of revenue
- The aim is to keep the ratio of net debt-to-EBITDA below two
- The aim is to pay a dividend corresponding to 30–70 percent of net profit annually.

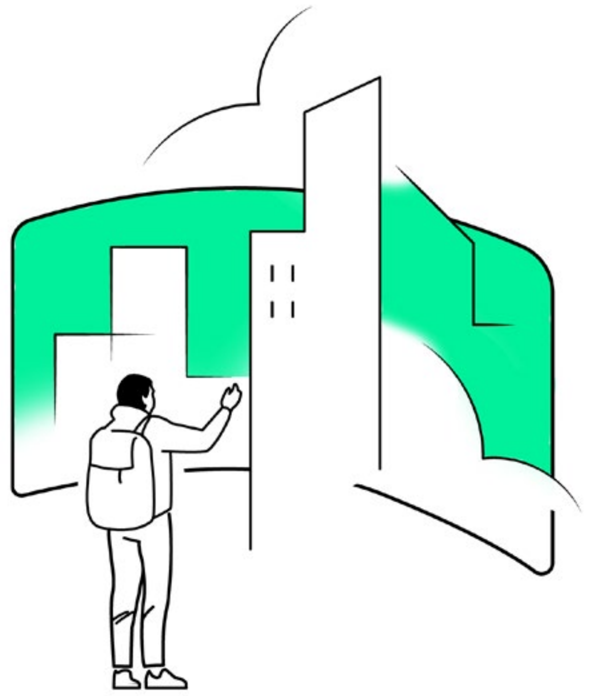
Sources of Growth:

We seek growth both organigally and through acquisitions. We focus on long-term customer relationships and build growth through our strong industry expertise and broad service offering.

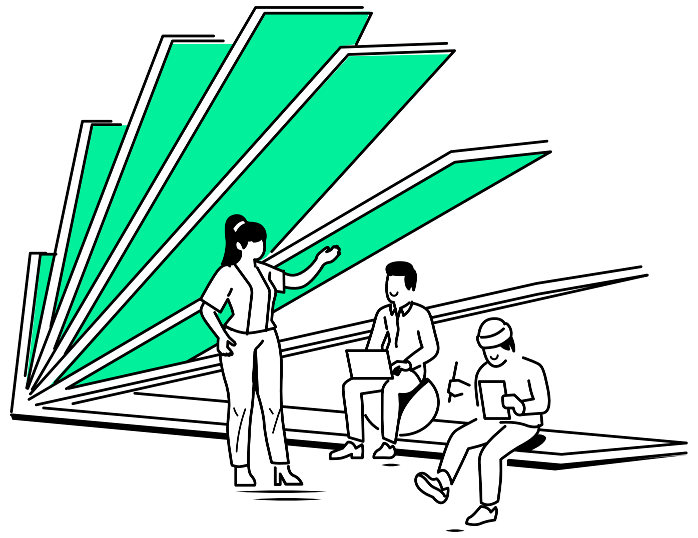
Make AI Real



SIGNIFICANT GROWTH IN DATA AND AI BUSINESS:
We expand our business in the growing market of data and generative AI, aiming to be the preferred partner for customers in the GenAI transformation.



PIONEER IN AI-POWERED DIGITAL DEVELOPMENT:
We reinforce our position as a pioneer in AI across the entire software development lifecycle, from design to implementation and maintenance. For Siili's customers, this means faster development cycles, and for Siili, improved productivity.



COMMUNITY OF TOP TALENT:
We strengthen our strong corporate culture and continuous learning opportunities. Our goal is to be the most desirable community among digital development professionals.

CORE VALUES

AMBITION · JOY · HUMANITY · RESPONSIBILITY

Sustainability

Driving sustainable, ethical and responsible AI

Responsible and ethical operations and compliance with laws are the foundation of Siili's business. We examine our responsibility from the perspective of environmental responsibility, social responsibility and good governance. Siili has taken the results of the double materiality analysis into account in its strategy process. Siili has started defining sustainability goals and indicators, and Siili's board of directors will confirm the sustainability goals during 2025. When renewing our strategy in 2024, we also took into account the results of the double materiality analysis and the views of key stakeholders, customers and employees, in our strategy work.

At the core of our strategy is also helping our customers to utilize the opportunities offered by artificial intelligence to develop business responsibility, as innovative IT solutions and the use of artificial intelligence make it possible to reduce environmental load and resource use. In addition, we place particular emphasis on social responsibility in relation to our own employees and those in our value chain.

Siili is publishing a sustainability statement for the first time as part of 2024 report of the board of directors. Siili's sustainability statement has been prepared in accordance with the EU Sustainability Reporting Directive (CSRD) and the Reporting Standards (ESRS).

	ENVIRONMENTAL	SOCIAL	GOVERNANCE
	Drive sustainable and responsible IT services	**With AI in our core, build the best community for digital development professionals**	**Ensure good governance**
Key focus areas based on double material analysis	- Climate change - Carbon footprint	- Work-life balance - Equal treatment - Development opportunities	- Company culture (including Code of Conduct, compliance and ethics, HR)
Key KPIs and targets	Reduce emissions by 2030 - Scope 1 & 2 emissions = 0 - Scope 3 emissions reduced by 20% compared to 2022	Key metrics from personnel survey - eNPS, target 65 by 2028 - Engagement, target 75 for 2025	Key targets - 0 security incidents - 0 Code of Conduct breaches
	Sustainable, ethical and responsible AI		

CEO Tomi Pienimäki:

In line with our strategy, our goal is to be a pioneer in the AI transformation. It is important for us to promote the utilization of artificial intelligence and the opportunities it offers in the most sustainable, ethical and responsible way possible.

Our operations affect the environment, our personnel, our customers and society. We engage in dialogue with our important stakeholders and develop our operations based on the feedback we receive. We want to be part of the discussion on the ethics of artificial intelligence and climate impacts, and help to find sustainable solutions to the responsibility issues related to the use of artificial intelligence.

Read how we support our customers' in their sustainability journey.
https://www.siili.com/cases

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Board of Directors' report and Financial Statements 2024

Board of Directors' report

Revenue

Revenue for the financial year decreased by 8.8% year on year (+3.7%) to EUR 111,899 (122,702) thousand. Revenue for the second half of the year decreased by 8.2% to EUR 52,713 (57,414) thousand. The share of international operations of the revenue was 29.0% (26.7%) for the financial year and 30.2% (27.7%) for the second half of the year. Revenue declined across the Group's operations from the previous year as a result of weak market conditions and the reduction in overall capacity due to efficiency-improvement measures.

Profitability

EBITA for the financial year totalled EUR 4,752 (8,409) thousand, representing a decline of EUR 3,657 year on year. The Group's profitability weakened during the period, and EBITA amounted to 4.2% (6.9%) of revenue. EBITA for the second half of the year was 4.0% (5.9%) of revenue. The year-on-year decline in profitability was primarily driven by the decrease in revenue due to stringent market conditions. Meanwhile, actions were taken to protect profitability through efficiency improvements affecting both personnel expenses and other expenses.

Subcontracting costs arising from the use of external services totalled EUR 23,344 (26,215) thousand, or 20.9% of revenue (21.4%) for the financial year. The use of subcontracting was reduced from the previous year. Employee benefit expenses for the financial year decreased to EUR 68,600 (72,180) thousand and amounted to 61.3% (58.8%) of revenue. The decrease in employee benefit expenses was due to a reduction in the number of personnel. During the financial year, the Group had a total of 975 (1,026) employees on average and 942 (1,007) at the end of the year. Other operating expenses decreased from the previous year to EUR 12,045 (12,645) thousand, or 10.8% (10.3%) of revenue.

Adjusted EBITA for the financial year was EUR 5,409 (8,742) thousand, or 4.8% (7.1%) of revenue. The adjustment items amounted to EUR 657 (333) thousand, consisting of personnel benefit expenses related to business restructuring as well as business acquisition expenses. The calculation of adjusted EBITA is presented under Calculation formulas for the key figures.

The Group's operating profit (EBIT) for the financial year was EUR 3,592 (6,909) thousand, or 3.2% (5.6%) of revenue. Net financial expenses for the financial year totalled EUR 76 (1,373) thousand. The profit for the period before taxes was EUR 3,516 (5,536) thousand, and earnings per share were EUR 0.43 (0.61).

Financing and capital expenditure

The Group's statement of financial position totalled EUR 84,604 (100,170) thousand at the end of the financial year, with EUR 41,592 (42,083) thousand consisting of shareholders' equity. The Group's equity ratio strengthened by 7.2 percentage points year on year to 49.7% (42.6%). At the end of the financial year, liquid funds amounted to EUR 20,331 (29,022) thousand, and the Group had EUR 19,283 (32,704) thousand of interest-bearing liabilities. The decrease in interestbearing liabilities was significantly affected by the acquisitions of additional stakes in Supercharge Kft and Vala Group Oy. Gearing was -2.5% (8.7%), and the ratio of net debt to EBITDA was -0.13% (0.30%). The Group's return on capital employed was 7.2% (10.7%).

The cash flow from operations was EUR 10,751 (7,489) thousand, representing an increase of 43.6% year on year. The growth in the cash flow from operating activities was driven by decrease in trade receivables related to the development of revenue, which had a positive impact on net working capital.

Cash flow from investing activities for the financial year was EUR -10,766 (-5,409) thousand, including the considerations totalling EUR 9,462 thousand paid to the minority interest for the acquisition of additional stakes on Supercharge Kft and Vala Group Oy.

Cash flow from financing activities in the review period amounted to EUR -8,638 (-9,254) thousand, including a dividend of EUR 2,109 thousand paid to the shareholders of Siili Solutions Plc, a dividend of 874 thousand paid to on-controlling shareholders of Supercharge Kft. and Vala Group Oy, and repayments of bank loans amounting to EUR 2,518 thousand.

Acquisitions and changes in group structure

During the financial year, Siili Solutions Plc increased its ownership in its subsidiaries Supercharge Kft and Vala Group Oy. In May, the company carried out share acquisitions whereby its ownership in Vala Group Oy increased to over 95% from the previous level of approximately 80% and its ownership in Supercharge Kft rose to 70% from 55%. The consideration for the shares in Vala Group Oy was approximately EUR 5.3 million, including a compensation of some EUR 1.6 million for the company's net cash assets and an adjustment for dilution of the company's option scheme under the shareholders' agreement. The consideration for the shares in Supercharge Kft was approximately EUR 4.2 million, including some EUR 0.5 million in compensation for the company's net cash.

Employees, management and governance

The number of employees at the end of the financial year was 942 (1,007), which marks a decrease of 65 (38) people, or -6.5% (-3.6%), from the end of the previous year. The average number of employees during the period was 975 (1,026).

At the end of the financial period, Siili's Management Team consisted of the following members: Tomi Pienimaki (CEO), Aleksi Kankainen (CFO), Taru Salo (CPO), Andras Tessenyi (CEO, Supercharge) and Maria Niiniharju (VP Private Business). Maria Niiniharju became a member of the Management Team on 1 November 2024.

Significant events during the financial year

PROFIT WARNING AND NEW FINANCIAL GUIDANCE FOR 2024

The company issued a profit warning on 17 September 2024 and lowered its guidance for revenue and adjusted EBITA for 2024.

RENEWED STRATEGY

On 13 August 2024 the company published a renewed strategy that sets AI data business to its core.

CHANGE IN THE MANAGEMENT TEAM

Maria Niiniharju (VP, Private Business) was appointed to the Management Team as of 1 November 2024. Kari Pirttikangas left the Management Team in March 2024 and Kenneth Lindfors in April 2024.

INCREASED OWNERSHIP IN VALA GROUP OY AND SURERCHARGE KFT

Siili completed a transaction that increased Siili's ownership in its subsidiary Vala Group Oy to over 95%. The purchase price of the shares was approximately 5.3 million euros. Siili increased ownership in its Hungarian subsidiary Supercharge Kft to 70%. The purchase price of the shares was approximately 4.2 million euros.

Risks and uncertainties

Siili is exposed to various risk factors related to its operational activities and business environment. The realisation of risks may have an unfavourable effect on Siili's business, financial position or company value. The most significant risks related to Siili's operations are described below, along with other known risks that may become significant in the future. In addition, there are risks that Siili is not necessarily aware of and which may become significant.

- The loss of one or more key clients, a considerable decrease in purchases, financial difficulties experienced by clients or a change in a client's strategy with regard to the procurement of IT services could have a negative effect on the company.
- Failure to achieve recruitment goals in terms of both quality and quantity, and failure to match supply to customer demand in a timely manner.
- Probability and adverse effects of the realisation of the aforementioned risks are more likely in an uncertain economic environment.
- Failure in pricing, planning, implementation and improving cost efficiency of customer projects.
- Loss of the contribution of key personnel or deterioration of the employer's reputation.
- Realisation of information security risks, for example, as a result of data breach and/or human error by an employee.
- General negative or weakened economic development and the resulting uncertainty in the clients' operating environment. The general economic cycle and changes in the clients' operating environment can have negative effects through slowing down, postponing or cancelling decision-making on IT investments.

Russia's war of aggression against Ukraine has not had and is not expected have a direct impact on Siili's business. However, the general uncertainty and inflation in 2024 continued to affect in particular our clients' investment decisions, thereby also weighing on Siili's business. Slow recovery of the economy is expected to continue to affect Siili's business and growth opportunities also in the current financial year. According to management observations and estimates, the impacts of the market environment in the financial year 2024 were moderate, and they are expected to reduce in 2025. We prepare for these effects by taking care of customer satisfaction and cost efficiency.

Intangible resources

Siili's key intangible resources include our skilled professionals, extensive subcontractor network, and strong brand. Additionally, Siili benefits from a number of key clients and strategic partnerships, which, together with our other intangible resources, support our long-term growth strategy and provide a competitive advantage.

Outlook for 2025 and financial goals for 2025–2028

Revenue for 2025 is expected to be EUR 108–130 million and adjusted EBITA EUR 4.7–7.7 million.

On 26 November 2024, the company announced the financial goals for the years 2025–2028 as follows:

- Annual revenue growth of 20%, with organic growth accounting for about half.
- EBITA 12% of revenue.
- The aim is to keep the ratio of net debt-to-EBITDA below two.
- The aim is to pay a dividend corresponding to 30–70 percent of net profit annually.

General meeting of shareholders

ANNUAL GENERAL MEETING

Siili Solutions Plc's Annual General Meeting (AGM) took place in Helsinki, Finland, on 3 April 2024. The Annual General Meeting adopted the financial statements and consolidated financial statements for the financial period 2023, discharged the CEO and the members of the Board of Directors from liability and decided to distribute a dividend of EUR 0.26 per share, totaling approximately EUR 2.1 million.

The number of members of the Board of Directors was confirmed as five (5). Harry Brade, Tero Ojanpera and Jesse Maula were re-elected to the Board and Henna Makinen and Katarina Cantell were elected as new members to the Board. The Annual General Meeting decided that the Chair of the Board of Directors is paid EUR 3,850 per month, the Deputy Chair of the Board and Chair of Audit Committee EUR 3,000 per month and the other members EUR 2,000 per month. The Chairs of the Board's Committees are paid EUR 200 per month for their work on the Committees, in addition to which all Committee members are paid a meeting fee of EUR 300 per meeting. In addition, the members of the Board of Directors receive compensation for travel expenses in line with the Company's business travel policy.

KPMG Oy AB, Authorised Public Accountants, were re-elected as the company's auditor, and KPMG will also act as the assurer of the Company's sustainability report. KPMG has assigned Leenakaisa Winberg, APA, ASA as the Company's responsible auditor and auditor of the sustainability report. The auditor's fees are paid against the auditor's reasonable invoice.

The Annual General Meeting authorised the Board of Directors to decide on the acquisition and/or acceptance as collateral of the company's own shares. A maximum of 813,800 shares may be acquired and/or accepted as collateral pursuant to the authorisation, corresponding to approximately 10 percent of all shares in the company. The shares are to be acquired in public trading arranged by Nasdaq Helsinki Ltd at the market price of the time of purchase. The company's own shares can be acquired in a manner other than in proportion to the shareholders' existing holdings.

The acquisition of shares will reduce the company's nonrestricted equity. The Board of Directors will decide on other terms and conditions related to the acquisition and/or acceptance as collateral of the shares. The authorisation is valid until the end of the next Annual General Meeting but not beyond 30 June 2025.

The Board of Directors was also authorised to decide on an issue of shares and an issue of special rights carrying entitlement to shares in accordance with chapter 10, section 1 of the Finnish Limited Liability Companies Act, in one or more tranches, either against consideration or free of charge. The maximum total number of shares issued, including shares issued on the basis of special rights, is 813,800, which corresponds to approximately 10% of all shares in the company. The Board of Directors may decide to issue new shares or to transfer treasury shares held by the company. The authorisation entitles the Board of Directors to decide on all terms and conditions for an issue of shares and an issue of special rights entitling their holders to shares, including the right to deviate from the shareholders' pre-emptive subscription right. The authorisation may be used for strengthening the company's balance sheet, for paying transaction prices related to acquisitions, in incentive plans or for other purposes decided by the Board of Directors. The authorisation is valid until the end of the next Annual General Meeting but not beyond 30 June 2025.

The Annual General Meeting adopted the remuneration policy and the remuneration report of the governing bodies of the company. The decisions of the Annual General Meeting were of advisory nature.

Corporate governance statement

Siili Solutions Plc issues the Corporate Governance Statement in compliance with the reporting requirements of the Finnish Corporate Governance Code 2025 issued by the Finnish Securities Market Association and effective as of 1 January 2025. The statement is issued separately from the Board of Directors' report.

Share and shareholders

The company has one series of shares, and all of its shares carry entitlement to equal rights. On 31 December 2024, the total number of shares in Siili Solutions Plc entered in the Trade Register was 8,140,263. At the end of the financial year, the company held a total of 27,954 of its own shares. On 31 December 2024, the members of the company's Board of Directors and Management Team owned a total of 25,291 shares in the company. In addition, an entity under the control of a Board member owns 1,301,267 shares.

During the financial year, the highest price of the company share was EUR 9.90 the lowest price was EUR 5.32, the average price was EUR 7.74, and the closing price at the end of the review period was EUR 5.66. The company's market capitalisation decreased by -41.4% from the end of 2023 and amounted to EUR 45.9 (78.3) million on 31 December 2024.

The company had a total of 5,784 (6,482) shareholders on 31 December 2024. The number of shareholders decreased by 10.8% from the end of 2023. A list of the largest shareholders is available on the company website at / https://sijoittajille.siili.com/en and in notes to the parent company's financial statements.

Events after the end of the financial year

ACQUISITION OF INTEGRATIONS GROUP OY

On 18 November 2024, Siili Solutions Plc announced it had signed an agreement to purchase a stake of 51% of the shares in the Finnish company Integrations Group Oy. The transaction in Integrations Group Oy shares was completed on 2 January 2025. Siili is committed to purchasing the remaining 49% of shares in Integrations Group Oy over the coming years in parts as detailed in the shareholders' agreement; hence, Integrations Group Oy is consolidated 100% in the Siili Group as of 2 January 2025. Integrations Group Oy is a company specialising in integration implementations and services, based in Espoo and Tampere. The company's unaudited revenue for the financial year 2024 was EUR 2.2 million, and its operating profit amounted to EUR 0.3 million. The company has 13 employees. Integrations Group Oy will continue to operate as a stand-alone company under its own brand.

The acquisition of the majority stake in Integrations Group executes on Siili's strategic objective to expand its business in the growing data and generative AI market. The acquisition does not have a material effect on the Siili Group's revenue, adjusted EBITA or balance sheet values. The company will prepare an acquisition cost calculation under IFRS 3 during the first year-half.

PROPOSALS OF THE SHAREHOLDERS' NOMINATION BOARD TO THE ANNUAL GENERAL MEETING 2024

The Shareholders' Nomination Board of Siili Solutions Plc submitted its proposals to the Annual General Meeting 2025 on 16 January 2025:

Decision on the number of members of the Board of Directors

The Shareholders' Nomination Board proposes that five (5) members be elected to the Board of Directors.

Election of the members of the Board of Directors

The Shareholders' Nomination Board proposes the re-election of the current members of the Board of Directors for the next term of office: Harry Brade, Jesse Maula, Henna Makinen and Katarina Cantell. Tero Ojanpera has announced that he is not available for re-election as member of the Board of Directors. Therefore, the Shareholders' Nomination Board proposes that Sebastian Nystrom be elected as new member to the Board of Directors.

The term of office of the members lasts until the end of the next Annual General Meeting. All persons proposed have given their consent to the election. Background information on each person proposed for the Board of Directors is available on the website of Siili Solutions Plc at / https://sijoittajille.siili.com/en

The proposed members Jesse Maula, Henna Makinen, Katarina Cantell and Sebastian Nystrom are considered independent of the company and its significant shareholders. Harry Brade is independent of the Company but not independent of its significant shareholder Lamy Oy. In addition, the Shareholders' Nomination Board recommends to the Board of Directors that it elect Harry Brade as its Chair and Jesse Maula as Deputy Chair.

Resolution on the remuneration of the members of the Board

The Shareholders' Nomination Board proposes that the members of the Board of Directors be paid as follows: The Chair of the Board of Directors is paid

EUR 3,850 per month, the Deputy Chair as well as the Chair of the Audit Committee EUR 2,500 per month and the other members EUR 2,000 per month. The Chairs of the Board of Directors' Committees are paid EUR 200 per month for their work on the Committee, in addition to which all Committee members are paid a meeting fee of EUR 300 per meeting. In addition, the members of the Board of Directors receive compensation for travel expenses in line with the Company's business travel policy. The company does not have other material events after the financial year.

THE BOARD OF DIRECTORS OF SIILI SOLUTIONS PLC ESTABLISHED A MATCHING SHARE PLAN FOR KEY EMPLOYEES AND RESOLVED ON A NEW PERFORMANCE PERIOD FOR THE PERFORMANCE SHARE PLAN

Matching Share Plan 2025-2027

The Board of Directors of Siili Solutions Plc has resolved to establish a Matching Share Plan directed to the key employees of the Group. The purpose of the plan is to commit the key employees to the company and to offer them a competitive incentive plan that is based on acquiring and accumulating Siili Solutions shares as well as to encourage them to personally invest in the company's shares. The plan also aims to align the interests of the shareholders and the key employees to increase the value of the company in the long term.

The Matching Share Plan 2025-2027 consists of one (1) matching period, which covers the years 2025-2027. The prerequisite for participation in the plan and receiving a reward is that a participant personally has acquired Siili Solutions shares within the limits set by the Board of Directors. Furthermore, payment of the reward is based on the participant's valid employment or director contract upon reward payment. The potential rewards from the plan will be paid after the end of the matching period.

The target group of the matching period 2025-2027 consists of approximately 30 key employees, including the CEO and members of the Management Team. As a reward for their commitment, Siili Solutions grants the participants a gross reward of two (2) matching shares for every three (3) shares committed to the plan. The rewards will be paid by the end of May 2028.

Performance period 2025-2027 of the Performance Share Plan 2023-2027

The Board of Directors of Siili Solutions Plc established the Performance Share Plan 2023-2027 for the key employees of the company in 2023. The Performance Share Plan 2023-2027 comprises three performance periods, covering the calendar years 2023-2025, 2024-2026 and 2025-2027. The key terms of the Performance Share Plan 2023-2027 were published in a stock exchange release on 24 January 2023.

The Board of Directors of Siili Solutions has resolved on the target group, the amount of the possible rewards and the performance criteria for the performance period 2025-2027.

During the performance period 2025-2027, the earning of rewards is based on the following performance criteria:
- Revenue (EUR) in 2025 (weight 40%);
- EBITA (EUR) in 2025 (weight 60%);
- Development of shareholder value (TSR) in 2025-2027.

The target group of the Performance Share Plan during the performance period 2025-2027 consists of approximately 45 key employees, including the Group's CEO and Management Team. The rewards will be paid by the end of May 2028.

General

The rewards to be paid based on the Matching Share Plan 2025–2027 and Performance Share Plan's performance period 2025–2027 correspond to the value of approximately 160,000 Siili Solutions Plc shares in maximum total, also including the portion to be paid in cash.

The rewards of the Matching Share Plan and the Performance Share Plan will be paid partly in Siili Solutions Plc shares and partly in cash. The cash proportions of the rewards are intended to cover taxes and social security contributions arising from the rewards to the participants. In general, no reward is paid if the participant's employment or director contract terminates during the performance period or the matching period.

A member of the Management Team is obliged to hold all the net shares paid to them under the new plans until the value of their total shareholding in the company corresponds to half of their annual salary. Such number of shares must be held as long as the membership in the Management Team continues.

Dividend proposal

In line with the dividend policy approved by its Board of Directors, Siili seeks to distribute 30-70% of its profit for the period to shareholders. In addition, an additional profit distribution can be made.

On 31 December 2024, the distributable assets of the parent company of Siili Solutions Plc amounted to EUR 35,291,522.61, including the profit for the period EUR 1,629,162.50. The Board of Directors proposes to the Annual General Meeting 2025 that a dividend of EUR 0.18 per share be paid for the financial year 2024. According to the proposal, a total dividend of EUR 1,460,215.62 would be paid. The proposed dividend represents approximately 42% of the Group's profit for the financial year.

No significant changes have taken place in Siili's financial position since the end of the financial year. The company has a good level of liquidity, and the Board believes that the proposed dividend will not pose a risk to liquidity.

Sustainability statement

General Disclosures

PRINCIPLES OF PREPARATION OF THE SUSTAINABILITY STATEMENT

Basis for preparation
The Siili Group is an independent provider of information systems development services that produces services for companies and the public sector. The Group's parent company, Siili Solutions Plc (Siili), is a Finnish public limited-liability company (Plc) providing software systems development services. The reporting covers the whole group, i.e., the parent company and all subsidiaries.

In accordance with the Finnish Accounting Act, Siili must publish a sustainability statement as part of its Board of Directors' report starting from the financial year 2024. Siili's sustainability statement was prepared in accordance with the Accounting Act and the European Sustainability Reporting Standards (ESRS). It was prepared on a consolidated basis, and the scope of consolidation matches the financial statements. The reporting period is the same as in financial reporting, i.e., the financial year from 1 January to 31 December 2024.

In preparing the sustainability statement, Siili's value chain was assessed through a double materiality analysis. Information on the value chain is reported to the extent it was deemed material.
Siili has not exercised the option to omit specific pieces of information relating to intellectual property, matters in the course of negotiation, impending developments or other exceptional situations. However, Siili invokes the confidentiality of information and does not disclose the results of its strategy scenario.

SPECIFIC CIRCUMSTANCES OF THE REPORT

In its sustainability reporting, Siili applies a time horizon under ESRS 1.6.4 for the medium and long term.

Siili omits the information prescribed by ESRS1–9 ("Anticipated financial effects from material physical and transition risks and potential climate-related opportunities") for the first year of preparing its sustainability statement in accordance with Appendix C of ESRS1.

This sustainability statement is Siili's first sustainability statement under the ESRS, so there are no revisions or material errors from previous reporting periods.

GOVERNANCE OF SUSTAINABILITY THEMES

Sustainability reporting by Siili aligns with the Company's standard principles and processes for financial reporting, risk management and internal control. Sustainability reporting highlights a corporate culture that supports sustainable development, the continuous development of operations, guidelines and policies as well as the transparency of activities. In the context of sustainability reporting, internal control focuses on the identification of risks through double materiality analysis. Internal control and risk management related to sustainable development focus on the most material identified risks.

Siili's Board of Directors and Chief Executive Officer are responsible for sustainability reporting in accordance with the Limited Liability Companies Act. Meanwhile, responsibility for sustainability reporting processes lies with the Chief Financial Officer (CFO) and the General Counsel. The identified risks associated with sustainability reporting are the accuracy of the reported information and the timeliness of reporting. To ensure the accuracy of reported information and the timeliness of reporting, Siili is committed to continuously develop systematic collection and management of data and the assignment of roles and providing instructions for responsible personnel.

The Board of Directors, supported by its Audit Committee, holds ultimate responsibility for the proper organisation of internal control related to financial reporting. The Board of Directors reviews and adopts sustainability reporting in connection with the financial statements. The Chief Executive Officer (CEO), supported by the CFO and the General Counsel, is responsible for implementing internal control related to financial statement reports.

The Audit Committee of Siili's Board of Directors monitors the outcomes of internal control and audits sustainability reporting practices as part of its audit duty. Siili's Board of Directors is responsible for the definition of internal control policies and for monitoring the effectiveness of guidance and control. Internal control is implemented at different levels within the Company by the Board of Directors, management and personnel, and in certain respects, also by an external partner.

GOVERNANCE AND STRATEGY OF SUSTAINABILITY

Role of the administrative, management and supervisory bodies, information provided to them and sustainability matters addressed by them
The sustainability statement provides information on the governance of sustainability. Further details on the general duties, composition, diversity and expertise of the administrative and supervisory bodies as well as the processes of internal control, internal audit and risk management are provided in the Corporate Governance Statement.

<u>Governance of sustainability at Siili Solutions</u>
Responsible and ethical operations as well as compliance with laws form the foundation of Siili's business. Responsibility for promoting sustainability rests with the Board of Directors, the CEO and the Group's Management Team. The Company's operating procedures are based on Siili's Code of Conduct and policies adopted by the Board of Directors.

Sustainability targets will be determined based on double materiality analysis and also integrated into Siili's business strategy. The development of sustainability will be advanced in line with actions based on these targets. Material sustainability topics are presented in the results of the double materiality analysis in section "Double-materiality analysis" and in the sections on the topical standards.

Governance of sustainability

<u>Board of Directors</u>
The duties of Siili's Board of Directors are determined in the Limited Liability Companies Act, according to which the Board of Directors shall see to the administration of the Company and the appropriate organisation of its operations and ensure the appropriate arrangement of the control of the Company's accounts and finances, in addition to which, the Board is tasked with monitoring and evaluating the organisation and internal control of sustainability reporting. Hence, the Board of Directors is also the highest-level body within the Company responsible for

the management of sustainability and the appropriateness of activities. It adopts the Company's sustainability targets and monitors their achievement. Furthermore, the Board of Directors adopts Siili's Code of Conduct steering its activities and more detailed instructions based on it.

Sustainability has been integrated into the Company's long-term strategy adopted by the Board of Directors, long-term business plans, risk assessments and annual action plans. The Board of Directors monitors progress towards the sustainable development goals in its meetings, and adopts a sustainability report at least on an annual basis. After their meetings, the Audit Committee and the HR Committee report to the Board of Directors on sustainability topics discussed by them. In addition to the sustainability report, the Board of Directors receives all material sustainability-related information, such as the results of the double materiality analysis and carbon footprint calculation.

Board of Directors' sustainability expertise

Siili's Board of Directors has actively participated in the double materiality analysis process, studied its results, and approved the determined materiality threshold and the final outcome of the process. The Board of Directors has actively monitored the preparation of the sustainability report and will monitor the execution on the sustainability targets to be established on a regular basis, at least annually. All members of Siili's Board of Directors are experienced in various management duties in sectors relevant to Siili, such as the IT and technology business, and many key customer sectors, including banking and finance as well as consumer business. Moreover, all members of the Board of Directors have served or are serving as board members in listed and unlisted companies. The educational background of the members is in technology, law, or business, and they have wide-ranging national and international expertise in the Company's sector, including AI and the data business. Members of Siili's Board of Directors also function in responsible positions at other companies that are obliged to prepare a sustainable development report. Furthermore, the Board of Directors has the option of using external experts to support its efforts.

Committees of the Board of Directors

Siili's Board of Directors has appointed an Audit Committee and HR Committee from among its members to assist the Board of Directors in the preparation of matters. The Board of Directors has adopted charters for the Committees, which outline the main duties and operating principles of the Committees. Following the close of the Annual General Meeting of Shareholders, the Board of Directors elects the chairs and members of the Committees. The Committees do not have independent decision-making authority, but the Board of Directors makes decisions on matters prepared by the Committees. The Chair of each Committee reports on the activities of the Committee in the Board meeting following a Committee meeting.

Siili's Audit Committee assists the Board of Directors in performing its supervisory duty regarding financial and sustainability reporting and control, risk management as well as internal and external audit. The Company's risk management also encompasses all material sustainability-related risks. In 2025, the Company integrate the risks identified in the double materiality analysis and their management into its business risk management processes.

The HR Committee prepares materials and provides advice on the personnel of the Company as well as matters related to the remuneration and incentives of the Company's management. The Committee is tasked with, among other things, reviewing the compatibility of the HR strategy and business strategy, the results of the job satisfaction survey, the performance of occupational safety and health enforcement, the diversity situation, as well as related plans and policies. In addition, the Committee prepares the principles underlying the performance and result criteria of the remuneration schemes and monitors their achievement. The HR Committee convenes at least four times a year, and receives all necessary information, reports and survey results to support its preparatory work.

Chief Executive Officer, Management Team and employees' representation

Siili's CEO steers and supervises the Company's business and is responsible for the day-to-day operational management of the Company, productisation as well as strategy implementation. The CEO also prepares matters for Board review is responsible for their implementation. The CEO is responsible for the promotion of the sustainability programme in accordance with instructions given by the Board of Directors. The CEO reports to the Board of Directors on sustainability-related material impacts, risks and opportunities, as well as progress towards sustainability targets.

The Company's Management Team prepares matters related to sustainability before the CEO presents them to the Board of Directors and supervises, for its part, the implementation of sustainability actions as well as impacts, risks and opportunities related to sustainability at least on an annual basis in the meetings of the Management Team.

Some of the members of the Management Team participated in workshops where Siili's material sustainability topics were analysed by double materiality analysis. In addition, the Management Team has used external experts to support its work related to sustainability topics, and it continues to have this option in the future. The members of the Management Team have been chosen for their positions based on their sectoral and business expertise.

Siili's employees are represented in the management team for the Finnish business by a staff representative. Siili does not have employee representation in other administrative or supervisory bodies.

Identity of the members of the administrative, management and supervisory bodies responsible for oversight of impacts, risks and opportunities

Harry Brade	Chair of the Board, Chair of the HR Committee
Jesse Maula	Vice Chair of the Board of Directors, Member of the Audit Committee, Member of the HR Committee
Henna Mäkinen	Member of the Board, Chair of the Audit Committee
Katarina Cantell	Member of the Board, Member of the Audit Committee Member of the HR Committee
Tero Ojanperä	Member of the Board, Member of the HR Committee
Tomi Pienimäki	Chief Executive Officer
Aleksi Kankainen	Chief Financial Officer
Taru Salo	Chief People Officer
Andras Tessenyi	Chief Executive Officer, Supercharge Kft
Maria Niiniharju	VP, Private Sector

Gender diversity ratio of the bodies, percentage share of independent Board of Directors' members

GOV-1 Composition and diversity of the members of the administrative, management and supervisory bodies

Number of executive and non-executive members	Group Management Team 5 persons Board of Directors 5 persons
Percentage of the members of the administrative, management and supervisory bodies by gender	Board of Directors and Management Team 40% female 60% male
Board of Directors' gender diversity calculated as an average ratio of female to male members	0.4
Percentage of Board of Directors' members who are independent	100% independent of the Company 80% independent of the largest shareholders

Corporate governance

Siili Solutions Plc is a Finnish public limited liability company listed on Nasdaq Helsinki Ltd (Helsinki Stock Exchange). Siili's corporate governance is based on legislation in force in Finland, the rules and regulations issued for listed companies by Nasdaq Helsinki and the Finnish Financial Supervisory Authority (FIN-FSA) as well as Siili's Articles of Association. Corporate governance in Siili's subsidiaries is also governed by the laws of the country of their domicile and by each subsidiary's Articles of Association. Siili's governance and control are rooted in honesty, accountability, equality and transparency.

In 2024, Siili fully complied with the Corporate Governance Code 2020 published by the Securities Market Association.

Integration of sustainability-related performance in incentive schemes

The remuneration policy for Siili's governing bodies is defined by the principles governing the remuneration of the Company's Board of Directors, chief executive officer and deputy CEO, if any.

The remuneration policy has been prepared in accordance with the Shareholder Rights Directive ((EU) 2017/828), which is primarily implemented in the Finnish Limited Liability Companies Act (264/2006, as amended), the Securities Markets Act (746/2012, as amended), Decree 608/2019 of the Ministry of Finance and the Corporate Governance Code. Siili's remuneration principles and the total remuneration of the administrative, management and supervisory bodies are described in more detail in the Remuneration Report and Remuneration Policy. The objective of the remuneration policy is to promote the Company's strategy, long-term financial success and the sustainable growth of shareholder value. Siili's sustainability targets or climate-related actions are not linked to the remuneration system.

DUE DILIGENCE

Siili has integrated compliance with the due diligence obligation into its corporate governance, strategy and administration, which adheres to the Finnish Corporate Governance Code for listed companies. Moreover, Siili has considered material sustainability topics in its strategy process, key business processes and operating systems, policies and ethical guidelines. Siili does not have a separate due diligence process related to sustainability.

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Sustainability reporting is carried out in compliance with Siili's principles and processes for regulatory reporting, risk management and internal control. Internal control for sustainability reporting has been organised based on the Group's governance model for internal control.

The assessment of risks related to sustainability reporting focuses particularly on reporting related to risks concerning the highest-materiality impacts, risks and opportunities based on the double materiality analysis as well as metrics involving the highest degree of calculation technical uncertainty.

Prioritisation is made in connection with the risk assessment primarily based on the materiality of the sustainability theme being reported and secondarily on the related calculation technical uncertainty.

Siili's Board of Directors is informed of internal control for sustainability reporting as part of other reporting on internal control. The outcomes of internal control are monitored, and the control is steered by the Board of Directors and the Management Team.

Business model, value chain and strategy

BUSINESS

The Siili Group is an independent provider of information systems development services, which provides services to both private companies and the public sector. Siili serves its customers end-to-end in the planning, development, and maintenance of digital services. The Siili Group consists of the parent company Siili Solutions Plc and its subsidiaries. The subsidiaries are located in Finland, Poland, Germany, the USA, Hungary, the UK and the Netherlands. The domicile of Siili Solutions Plc is Helsinki, and its shares are listed on Nasdaq Helsinki Ltd. Companies of the Siili Group comply with local legislation and requirements in all of their activities.

Siili does not operate in the fossil fuel, natural gas, chemical production, controversial weapons or production of tobacco sectors, and the sale of its services is not banned in any certain markets.

2024

Total Net Sales	**EUR 111,899 thousand**
Sales of work	96,396
Project deliveries	8,816
Licence sales	1,573
Maintenance and other services	5,114

Total number of workforce with employment contracts by head count

Area	**Number of personnel**
Finland	623 / 66%
Poland	122 / 13%
Hungary	170 / 18%
Rest of Europe and North America	27 / 3%
Total number of employees	**942**

STRATEGY

Siili has placed artificial intelligence at the core of its strategy. Siili has three strategic priorities that strengthen its position as a leading company in the utilisation of artificial intelligence.

- **Significant growth in Data and AI business:** We expand our business in the growing market of data and generative AI, aiming to be the preferred partner for customers in the GenAI transformation.
- **Pioneer in AI-powered digital development:** Vahvistamme asemaamme tekoälyn edelläkävijänä koko ohjelmistokehityksen elinkaaressa suunnittelusta toteutukseen ja ylläpitoon. Siilin asiakkaille tämä tarkoittaa nopeampaa läpimenoaikaa ja Siilille parempaa tuottavuutta.
- **Community of top talent:** We strengthen our strong corporate culture and continuous learning opportunities. Our goal is to be the most desirable community among digital development professionals.

Siili's competitive advantage is its ability to combine strong software development, AI, and industry expertise. This unique combination makes Siili a pioneer in utilizing and developing AI solutions and strengthening customers' competitiveness.

In its customer relationships, Siili focuses on large enterprises and the public sector in Finland, the UK, Germany, and the Netherlands. Siili will continue to strengthen its delivery capabilities by expanding its skill base both in Finland and Eastern Europe, for example in Poland and Hungary.

Siili's long-term financial goals for 2025–2028 are an annual revenue growth of 20%, of which organic growth accounts for about half, and an EBITA of 12% of revenue. The aim is to keep the ratio of net debt to EBITDA below two and to pay a dividend corresponding to 30–70% of net profit annually.

Siili's business and strategy support sustainable development because IT solutions can be used to reduce the environmental burden and the use of resources. Furthermore, Siili places a special emphasis on its social responsibility for its own employees and those in the value chain. One of the three strategic goals in Siili's strategy is to be a community of top talent. Siili develops its corporate culture and continuous learning opportunities aiming to be the most attractive community among digital development professionals. The key themes with an impact on Siili's emplyee experience are remuneration, competence development, well-being, culture, community spirit and meaningful customer projects. Siili's strategic priority is to be a pioneer in AI-powered digital development and the preferred partner for customers in generative AI projects. These strategic goals require the development of employees' competencies and allow employees to participate in meaningful customer projects. Siili has not set any sustainability-related targets for the financial year 2024, but it will evaluate and establish these targets in 2025.

VALUE CHAIN

The majority (approximately 90%) of Siili's business consists of the sales of work, which means in practice that Siili's expert team complements the customer's own organisation in designing, developing and maintaining digital services. In addition, Siili implements projects for its customers and functions as a retailer of licences. In the sales of work, the value chain consists of just Siili and the customer. In these services, Siili utilises both its own personnel and experts working for Siili on an entrepreneurial contract.

In the sale of end-to-end solutions, the value chain may begin from the suppliers of licences and off-the-shelf software used in the project and proceed from the customers to the end users of digital services. In addition, the value chain includes a small group of service providers supporting Siili's administration and operations, such as suppliers of work equipment, landlords and providers of advisory, accounting and IT services.

The most critical resources in Siili's value chain are competent employees. Siili invests in its employees' development opportunities by providing assignments where they can enhance their expertise. Well-being at work is maintained and enhanced, among other things, by focusing on the work community and culture through various types of training, events and activities promoting well-being, putting an emphasis on management and leadership, facilitating flexible ways of working and providing comprehensive occupational health services. The recruitment of new employees is supported by Siili's strong reputation as an employer.

INTERESTS AND VIEWS OF STAKEHOLDERS

The Siili Group's key stakeholders are its employees and potential employees, customers, cooperation partners, shareholders and the capital markets, including supervisory authorities, financiers, the surrounding societies and the media.

Siili engages in dialogue with its stakeholders and develops its activities based on stakeholder feedback received. The most important stakeholders with the most significant impact on the strategy and business are customers and employees. Siili's strategy is formulated on the basis of current and future customer need, and based on the strategy, an action plan is formed to outline the development of Siili's business. At Siili, employees are encouraged to participate in the continuous development of the business and service offering. Employee well-being is also a strategic objective.

Siili updated its strategy in August 2024. In connection with the strategy initiative, attention was given to the results of the double materiality analysis and the views of the key stakeholders, namely customers and employees. The strategy has artificial intelligence, data and the expertise of Siili's employees at its core. The strategy process ran parallel to the double materiality analysis, and sustainability-related impacts, risks, and opportunities were taken into account during the development of the strategy and the evaluation of different scenarios. AI and data are believed to offer significant new opportunities for Siili and its employees in the future, particularly through competence development. The strategy process was carried out in spring and summer 2024, and it involved over 100 Siili employees in various workshops and discussions. Actions were taken immediately to implement the strategy.

Siili's strategy work is continuous, and the strategy is updated when needed. Siili's Management Team and Board of Directors monitor the implementation of the strategy along with changes taking place in the operating environment as well as key signals from stakeholders in a systematic manner based on the annual plan and the established reporting structure of the organisation, in order to be able to react swiftly to any need to adjust the strategy. Employee well-being is monitored by the Board of Directors at least quarterly, and themes related to employee satisfaction, well-being and development are discussed by the HR Committee on a regular basis, at least annually.

The views of the key stakeholders were considered in the double materiality analysis, which is described in greater detail hereinafter.

Stakeholders

Stakeholder	Main topics	Stakeholder engagement and communication channels
Employees	Development opportunities	Growth discussions
		Vibemetrics tool
	Wellbeing and support by working community	Internal meetings and info events
		Personnel representation in Finnish Management Team
	Work-life balance	Events and parties
		Internal communications channels (e.g. Slack)
		Employee Sounding Board
	Rewarding and equal remuneration	Whistleblowing channel
Potential employees	Smooth recruitment process	Website, recruitment channels
	Interesting employment opportunities	
Customers	Expertise and know-how	Customer feedback and surveys
	Good reputation and ethical practices	Meetings, discussions and negotiations
	Effective and productive operations	Events and conferences
	Sufficient resources	Website and social media channels
Cooperation partners and workers in the value chain	Fair and equal treatment of partners	Meetings, discussions and negotiations
	Productive cooperation	Events
	Good reputation	
Shareholders	Development of shareholder value	Investor communications
	Transparent and topical communications	Investor meetings and events
	Corporate governance and risk management	Annual General Meeting
	Good reputation	Capital Markets Day
Financiers	Good financial performance	Meetings, discussions and negotiations
	Access to sufficient information	
Society	Compliance with legislation	
	Payment of taxes	
	Employment	
	Supporting societal development	
Media	Up-to-date interesting information	Press releases, discussions and interviews

DOUBLE MATERIALITY ANALYSIS

The due diligence process for Siili's double materiality analysis was based on the European Sustainability Reporting Standards, which include a comprehensive approach to identify, prevent and mitigate actual and potential negative impacts on the environment and people connected with the Company's activities. In addition, customer and employee satisfaction surveys were used in the identification and assessment of impacts, risks and opportunities.

The double materiality analysis was carried out in two stages, the first during 2022 and the second in spring 2024. In the first stage, stakeholders such as employees, subcontractors, customers and major shareholders were engaged in the analysis by soliciting their wishes and needs using both an online survey and focus group interviews. At the second stage, the assessment was supplemented based on the newly-published Directive and by evaluating the financial materiality of the topics as well as material impacts, risks and opportunities. At the second stage, the material sustainability topics were also confirmed. The exercise involved members of the Management Team and responsible personnel from various functions, who also represented the views of other stakeholders.

Based on the double materiality analysis, more comprehensive data collection, which had already been prepared from the beginning of 2024, was initiated and preparations for reporting under the Accounting Act were undertaken towards the end of the year.

Material impacts, risks and opportunities of sustainability

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

	Impact						
Sustainability topic	Impact description	Type of impact	Upstream value chain	Own operations	Downstream value chain	Term (Short / Medium / Long)	Further information in section:
E1: Climate change mitigation	Greenhouse gas (GHG) emissions generated by operations	Negative impact		x		S/M/L	E1
	Reduction of greenhouse gas (GHG) emissions	Positive impact		x	x	M/L	E1
	Increase in IT sector greenhouse gas (GHG) emissions due to AI solutions	Risk		x	x	M/L	E1
S1: Working conditions	Full freedom of association for employees and diverse opportunities to participate in Siili's decision-making	Positive impact		x		S/M/L	S1
	Applicability of employee-management collaboration practices used in Finland to other operating countries	Risk		x		S/M/L	S1
	Working time tracking and flexible working hours	Positive impact		x		S/M/L	S1
	Work-life balance of employees	Positive impact		x		S/M/L	S1
S1: Equal treatment and opportunities	Development and maintenance of employee competencies n	Positive impact		x		S/M/L	S1
	Enhancement of workforce diversity	Positive impact		x		S/M/L	S1
	Challenges of increasing diversity in the IT sector	Negative impact		x		S/M/L	S1
	Siili provides a safe working environment for all employees	Opportunity		x		S/M/L	S1
	Deterioration of employer brand if diversity development is not adequately prioritized	Risk		x		S/M/L	S1
G1: Corporate culture	Siili's strong and unique corporate culture	Positive impact	x	x	x	S/M/L	G1

Siili has identified material impacts, risks and opportunities related to climate changes as well as social and governance topics. The material topics are presented in the adjacent table.

In the double materiality analysis, material negative and positive impacts, as well as risks, were identified related to climate change mitigation and greenhouse gas emissions. With respect to Siili's employees, the analysis identified positive impacts and risks related to working conditions and equal treatment, alongside negative impacts and opportunities related to equal treatment. A positive impact associated with corporate culture was identified. The material impacts, risks and opportunities related to the topics are described in greater detail in the topic-specific sections. All material impacts, risks and opportunities are part of the ESRS disclosure requirements. Siili reports on the material impacts, risks and opportunities for the first time, so there are no changes in them compared to previous reporting.

In its strategy process of 2024, the Board of Directors considered the impacts, risks and opportunities determined based on the analysis. The well-being and competence of Siili's employees are a precondition for the business, and Siili's material impacts, risks and opportunities are closely tied to maintaining and enhancing them. A uniform corporate culture supports Siili's business operations. The material risks and opportunities defined based on the double materiality analysis did not result in significant financial impacts during 2024. No foreseeable financial impacts related to risks and opportunities are reported for 2024.

IDENTIFICATION AND ASSESSMENT OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Reported sustainability topics and sustainability metrics are based on a double materiality analysis carried out in two phases, the first one in 2022 and the second in spring 2024. The main objective of the double materiality analysis was to identify and assess the Company's impacts on the environment, society and governance, and to identify and assess the sustainability-related impacts, risks and opportunities that may affect the implementation of the Company's strategy and the achievement of its targets in the short, medium and long term. In assessing the impacts, risks and opportunities, attention was paid beyond Siili's own operations, to upstream and downstream operators in the value chain as well as other parties affected by the Company's operations. The assessment of Siili's own functions covered all market areas, i.e. Finland, the rest of Europe and North America.

In the first stage, stakeholders such as employees, subcontractors, customers and major shareholders were engaged in the analysis by soliciting their perspectives using both an online survey and interviews of a focus group selected among the stakeholders. Representatives of management, employees, Board of Directors, shareholders and customers, among others, were engaged in the interviews.

During the second stage, the assessment was expanded based on the requirements of the ESRS standard. The double materiality analysis of 2024 included a review of all topics listed in the Directive and with the intent to fully comply with the application requirements as well. With a view to the nature of Siili's business, there was no reason to focus on certain areas, business relations or actions in its own operations or those in the value chain.

The classification of sustainability impacts, risks and opportunities was based on a division into subtopics, i.e. topics, subtopics and sub-sub-topics. The sustainability topics were mapped in the short term, i.e. the past year, the medium term covering 1–5 years and the long term extending longer than 5 years. The total number of identified impacts, risks and opportunities related to the topics was 30, of which 10 concerned the environment, 16 pertained to social responsibility and 4 to governance. These included 13 risks and 8 opportunities.

The impacts, risks and opportunities were assessed and prioritised by estimating their severity, which reflected their scope, and for negative impacts, their remediability and financial materiality. As regards the risks and opportunities related to the topics, the estimated severity also reflected their probability of occurrence. Risks associated with human rights were deemed material due to the severity of the topic, even if the probability was low. The medium- and long-term risk associated with climate change mitigation was prioritised as a sustainability risk, and it was also deemed material based on stakeholders' information need.

The scale of measurement for severity, scale and remediability was a numerical assessment ranging from 1 to 5, while the estimated financial impact of Siili's various risk categories ranged from very low to very high. On this scale, a very low impact means an impact of less than 1% on revenue or profitability, an impact of 2–5% is regarded as medium and an impact of 5–10% as high. A very significant impact means an impact of over 10% on revenue or profitability. At a threshold value of 2, there were a total of 13 material impacts and 7 financially material impacts.

The process was carried out through workshops involving members of the Management Team and responsible personnel from various functions who preented stakeholders' views.

The results of the double materiality analysis emphasised in particular social responsibility and its sub-topics: equal treatment, working conditions and diversity. Another topic found relevant was corporate culture, which is supported by corporate governance, policies and processes. As regards environmental responsibility, the most relevant topics proved to be climate change mitigation and greenhouse gas emissions. Based on the materiality analysis, topics material from the perspective of the Company's operations, services and stakeholders were chosen.

Siili's Board of Directors confirmed the material topics in its meeting on 12 August 2024. Towards the end of 2024, preparations were launched for reporting under the Accounting Act. In this context, the datapoints to be reported on each topic were determined based on the Sustainability Reporting Standards and consulting EFRAG's Implementation Guidance, and the collection of required data was initiated.

Going forward, Siili will review its double materiality analysis on an annual basis as part of its regular business development. Siili will update and complement the double materiality analysis more extensively every other year. The identification, assessment and management process of sustainability-related impacts, risks and opportunities will be integrated into the overall risk management process. The integration of the targets and metrics to be determined based on the double materiality analysis into Siili's management system will be planned and implemented during the financial year 2025. The double materiality analysis will be reviewed during H2/2025.

ASSESSMENT OF OTHER ENVIRONMENTAL TOPICS

Given the nature of Siili's business, which is based on the sale of work, environmental topics pertaining to degradation, water and marine resources, biodiversity, ecosystems, resource use and the circular economy were deemed not material with respect to Siili's business and value chain. Consequently, they were excluded from a more thorough assessment after an initial discussion. As a result, Siili did not screen or evaluate the locations of its sites, its business, assets or value chain from the perspective of impacts, risks, opportunities and dependencies concerning degradation, water and marine resources, biodiversity, ecosystems, resource use and the circular economy.

Siili's sites are offices, and therefore their location in or near biodiversity-sensitive areas was not speficially evaluated. In the double materiality analysis, Siili did not evaluate dependencies, systemic risks, transition risks, physical risks or opportunities related to biodiversity and ecosystems. Due to the nature of its business, Siili did not find it necessary to implement mitigation measures related to biodiversity. No separate consultations were conducted with respect to environmental topics.

DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE SUSTAINABILITY STATEMENT

The material disclosure requirements and datapoints reported in Siili's sustainability statement have been determined in accordance with EFRAG Implementation Guidance 3 and the ESRS. The datapoints to be reported were determined with a view to Siili's business and the outcome of the double materiality analysis, based on the topic-specific standards, sub-topics and sub-sub-topics material to the Company. The evaluation process concerning the materiality of the topics, including the materiality threshold, is described in the IRO-1 section.

List of disclosure requirements complied with

Standard	Disclosure Requirement	Section in the Sustainability Statement
ESRS 2	BP-1	Basis of preparation
	BP-2	Basis of preparation
	GOV-1 – GOV-5	Governance of sustainability themes; Governance and strategy of sustainability
	SBM-1 – SBM-3	Governance and strategy of sustainability
	IRO-1	Business model, value chain and strategy
	IRO-2	Disclosure requirements in ESRS covered by the sustainability statement
ESRS E1	E1 GOV-3	Integration of sustainability-related performance in incentive schemes
	E1-1	Targets and metrics
	E1 SBM-3	Material impacts, risks and opportunities related to climate change mitigation
	IRO-1	Material impacts, risks and opportunities related to climate change mitigation
	E1-2	Policies
	E1-3	Actions and progress towards targets in 2024
	E1-4	Targets and metrics; Actions and progress towards targets in 2024
	E1-5	Targets and metrics
	E1-6	Targets and metrics
ESRS E2	IRO-1	Assessment other environmental topics
ESRS E3	IRO-1	Assessment other environmental topics
ESRS E4	IRO-1	Assessment other environmental topics
ESRS E5	IRO-1	Assessment other environmental topics
ESRS S1	S1 SBM-2	Interests and views of stakeholders
	SBM-3	Interests and views of stakeholders
	S1-1	Social Responsibility
	S1-2	Policies
	S1-3	Policies
	S1-4	Policies
	S1-5	Policies
	S1-6	Policies
	S1-7	Metrics
	S1-8	Metrics
	S1-9	Metrics
	S1-13	Metrics
	S1-15	Metrics
	S1-17	Metrics
ESRS G1	G1 GOV-1	Governance and strategy of sustainability
	G1-1	Governance and strategy of sustainability

List of datapoints in cross-cutting and topical standards that derive from other EU legislation in accordance with ESRS 2 Appendix B

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmarks Regulation reference	EU Climate Law reference	Location in the sustainability statement / not material
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	x		x		Table: Board of Directors' gender diversity calculated as an average ratio of female to male members
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			x		Table: Composition and diversity of the members of the administrative, management and supervisory bodies, percentage of Board of Directors' members who are independent
ESRS 2 GOV-4 Statement on due diligence paragraph 30	x				Due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	x	x	x		Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	x		x		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	x		x		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			x		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				x	E1: Targets and metrics
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		x	x		Not material
ESRS E1-4 GHG emission reduction targets paragraph 34	x	x	x		E1: Actions and progress towards targets in 2024
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	x				Not material
ESRS E1-5 Energy consumption and mix paragraph 37	x				E1: Metrics
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	x				Not material
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	x	x	x		E1: Metrics
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	x	x	x		E1: Metrics
ESRS E1-7 GHG removals and carbon credits paragraph 56				x	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			x		Not material
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		x			Not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmarks Regulation reference	EU Climate Law reference	Location in the sustainability statement / not material
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		x			Transitional provision applied
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			x		Transitional provision applied
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	x				Not material
ESRS E3-1 Water and marine resources paragraph 9	x				Not material
ESRS E3-1 Dedicated policy paragraph 13	x				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	x				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	x				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	x				Not material
ESRS 2 – IRO-1 – E4 paragraph 16(a)(i)	x				Not material
ESRS 2 – IRO-1 – E4 paragraph 16(b)	x				Not material
ESRS 2 – IRO-1 – E4 paragraph 16(c)	x				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	x				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	x				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	x				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	x				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	x				Not material
ESRS 2 – SBM-3 – S1 Risk of incidents of forced labour paragraph 14 (f)	x				S: Social responsibility
ESRS 2 – SBM-3 – S1 Risk of incidents of child labour paragraph 14 (g)	x				S: Social responsibility
ESRS S1-1 Human rights policy commitments paragraph 20	x				S: Policies
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			x		S: Policies
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	x				S: Policies
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	x				S: Policies
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	x				S: Policies

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmarks Regulation reference	EU Climate Law reference	Location in the sustainability statement / not material
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	x		x		Not material
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	x				Not material
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	x		x		S: Actions and progress towards targets in 2024
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	x				S: Metrics
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	x				S: Metrics
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	x		x		S: Metrics
ESRS 2 – SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	x				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	x				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	x				Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	x		x		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			x		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	x				Not material
ESRS S3-1 Human rights policy commitments paragraph 16	x				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	x		x		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	x				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	x				Not material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	x		x		Not material
ESRS S4-4 Human rights issues and incidents paragraph 35	x				Not material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	x				G1: Policies
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	x				G1: Policies
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	x		x		Not material
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	x				Not material

ENVIRONMENT

A taxonomy of sustainable finance in the European Union

In 2020, the European Union adopted the so-called sustainable finance taxonomy, which obliges companies to report how the business they conduct affects certain, more precisely defined environmental goals in the regulation. The reportable goals and criteria have been defined for climate change mitigation and the adaptation to climate change, sustainable use and protection of water and marine resources, the transition to a circular economy and the prevention and reduction of environmental pollution, as well as the protection and restoration of biodiversity and ecosystems. Taxonomy-eligibility indicates whether a given economic activity falls within the scope of activities defined in the EU's Taxonomy Regulation. Meanwhile, taxonomy alignment indicates the sustainability of an eligible economic activity in terms of the technical evaluation criteria "significant contribution" and "do no significant harm". Taxonomy-aligned economic activity must also comply with minimum safeguards. This means that sustainable activities must respect a minimum level of human rights and comply with good business practices. Siili has assessed taxonomy eligibility and alignment against of all of these criteria.

Siili's assessment of taxonomy-eligible business activities is based on the European Commission's Delegated Regulation. Taxonomy eligibility indicates whether an economic activity falls within the scope of activities defined in the EU Taxonomy Regulation. Taxonomy alignment, on the other hand, describes the sustainability of an economic activity in accordance with the technical screening criteria for substantial contribution and "do no significant harm" (DNSH) assessments. To be considered taxonomy-aligned, an economic activity must also comply with minimum safeguards. This means that sustainable activities must respect fundamental human rights and adhere to good governance practices. Based on the Regulation, Siili's taxonomy-eligible business activities related to climate change adaptation include providing expertise in the field of information technology, developing, modifying, testing, and supporting software, designing computer systems that integrate computer hardware, software, and communication technologies, managing and operating clients' computer systems or data processing facilities on-site, as well as other professional and technical activities related to computing. Siili operates broadly in the field of IT consultancy and provides clients with expert services in information technology. Therefore, its business activities are taxonomy-eligible insofar as they relate to climate change adaptation. If a client engagement does not pertain to climate change adaptation, it is not considered taxonomy-eligible.

In terms of taxonomy alignment, Siili's business is primarily evaluated in terms of the criteria defined for Information and communication under the Commission Delegated Regulation. Regarding climate change mitigation, the criteria under "8.2 Data-driven solutions for GHG emissions reductions" under the Delegated Regulation and regarding climate change adaptation the criteria under "8.2 Computer programming, consultancy and related activities" under the Delegated Regulation apply to Siili's business. In addition, with respect to the circular economy criteria, "4.1 Provision of IT/OT data-driven solutions" and "5.6 Marketplace for the trade of second-hand goods for reuse" could be applicable, for example, when Siili provides consulting services for the development of online shops. Siili has assessed the taxonomy eligibility and taxonomy alignment of its business activities. The assessment was conducted by reviewing all customer engagements within the Siili Group against the EU Taxonomy criteria. Based on the initial analysis, a smaller subset of engagements was selected for further examination, where the evaluation was refined in more detail. Following this, revenue, operating expenditure, and capital expenditure data related to taxonomy-eligible engagements were collected from financial reporting.

For the year 2024, Siili has identified a few taxonomy-eligible customer engagements related to climate change adaptation. The identified taxonomy-eligible revenue accounted for less than 1% of Siili's total revenue. No taxonomy-eligible operating or capital expenditures were identified.

Siili has evaluated the taxonomy eligibility and taxonomy alignment of its business. For 2024, Siili has not identified any directly taxonomy-aligned business, since according to the assessment conducted, the taxonomy-eligible activities did not fulfil the criterion of contributing substantially to the achievement of at least one environmental objective. However, Siili has participated in numerous customer projects that indirectly support objectives aligned with the EU's sustainable finance taxonomy.

Siili will continue to actively identify taxonomy-eligible customer assignments and participate in projects that meet the taxonomy criteria.

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (”DOES NOT SIGNIFICANTLY HARM”)									
Economic Activities	**Code**	**Turnover**	**Proportion of Turnover, 2023 (%)**	**Climate Change Mitigation (%)**	**Climate Change Adaptation (%)**	**Water (%)**	**Pollution (%)**	**Circular Economy (%)**	**Biodiversity (%)**	**Climate Change Mitigation (Y/N)**	**Climate Change Adaptation ((Y/N)**	**Water (Y/N)**	**Pollution (Y/N)**	**Circular Economy (Y/N)**	**Biodiversity (Y/N)**	**Minimum Safeguards (Y/N)**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2022 (%)**	**Category enabling activity (E)**	**Category transitional activity (T)**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**%**																
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Computer programming, consultancy and related activities	CCA 8.2	896	1%	N/EL	EL	N/EL	N/EL	EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**896**	**1%**		100%														
Total (A.1. + A.2)		**896**	**1%**		100%														
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		111,003	99%																
Total (A+B)		**111,899**	**100%**																

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (”DOES NOT SIGNIFICANTLY HARM”)									
Economic Activities	**Code**	**CapEx**	**Proportion of CapEx, 2023 (%)**	**Climate Change Mitigation (%)**	**Climate Change Adaptation (%)**	**Water (%)**	**Pollution (%)**	**Circular Economy (%)**	**Biodiversity (%)**	**Climate Change Mitigation (Y/N)**	**Climate Change Adaptation (Y/N)**	**Water (Y/N)**	**Pollution (Y/N)**	**Circular Economy (Y/N)**	**Biodiversity (Y/N)**	**Minimum Safeguards (Y/N)**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2022 (%)**	**Category enabling activity (E)**	**Category transitional activity (T)**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**%**																
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**-**	**%**																
Total (A.1. + A.2)		**-**	**%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		-	%																
Total (A+B)		**-**	**100%**																

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (”DOES NOT SIGNIFICANTLY HARM”)									
Economic Activities	**Code**	**OpEx**	**Proportion of OpEx, 2023 (%)**	**Climate Change Mitigation (%)**	**Climate Change Adaptation (%)**	**Water (%)**	**Pollution (%)**	**Circular Economy (%)**	**Biodiversity (%)**	**Climate Change Mitigation (Y/N)**	**Climate Change Adaptation (Y/N)**	**Water (Y/N)**	**Pollution (Y/N)**	**Circular Economy (Y/N)**	**Biodiversity (Y/N)**	**Minimum Safeguards (Y/N)**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, 2022 (%)**	**Category enabling activity (E)**	**Category transitional activity (T)**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**%**																
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**-**	**%**																
Total (A.1. + A.2)		**-**	**%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		-	%																
Total (A+B)		**-**	**100%**																

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	**NO**

E: Environment
Based on the double materiality analysis, environmental topics material to Siili are related to climate change mitigation stemming from the increase in greenhouse gases due to artificial intelligence. Stakeholders' and customers' climate targets are another important factor, and Siili acknowledges its role in contributing to these targets. In addition, the EU's tightening regulation may extend to ICT solutions in the medium and long term.

E1 Climate Change

Material impacts, risks and opportunities related to change mitigation
Siili Solutions has identified material impacts related to climate change mitigation both in its value chain and its own operations. Climate change adaptation or physical climate change risks have not been proven material topics for Siili. Neither does Siili have property prone to damage caused by exceptional weather conditions.

Negative impacts
Climate change mitigation and greenhouse gas emissions: Siili's own operations generate greenhouse gases in the environment. The most significant amount of greenhouse gases in the entire value chain is caused in Siili's value chain, and not in Siili's own operations.

Positive impacts
Climate change mitigation and greenhouse gas emissions: Siili seeks to contribute to slowing down climate change by taking actions to reduce emissions. Many of Siili's customers have set climate targets, and as part of their value chain, Siili must seek to both reduce its own emissions and report on its climate impacts to its customers.

The climate is also a material topic to the personnel and investors. Thus, stakeholders place an requirement on Siili to actively engage in climate change mitigation.

Risks
Climate change mitigation and greenhouse gas emissions: In the medium and long term, the greenhouse emissions of the IT sector may increase for example due to AI solutions as a result of their high energy need if there is not enough renewable energy available or it is not used for other reasons. AI is at the core of Siili's strategy, and therefore the emissions of Siili and its customers may increase. The growth in emissions may raise Siili's costs if the Company begins to compensate its emissions or if regulation imposes a payment obligation on Siili for its emissions in the future. If the risk materialises, Siili will respond to the situation with actions available at the time. Siili analyzed its strategy and business resilience as part of the strategic process conducted in the summer of 2024. The resilience analysis did not include climate scenario analyses, but transition risks are assessed to be low, and physical risks are considered very low in the short, medium, and long term. The results of the strategic scenario analysis are entirely Siili's business secrets. Over the medium and long term, the strategy is also expected to evolve, driving business development. Therefore, Siili has strong resilience to address this risk.

Targets and metrics
The most significant environmental impacts of the ICT sector are caused by greenhouse gas emissions, whose share of global emissions is relatively small. The impact of the sector and digitalisation on greenhouse gas emissions is two-way: on one hand, many solutions and services generate emissions reductions, and on the other hand, servers and their use cause emissions. Siili's objective is to support its customers in developing various solutions reducing environmental impacts, and on the other hand, to reduce its own environmental impacts through various actions. A third objective is to monitor the growth of the energy need caused by the use of AI applications and the resulting growth in greenhouse gas emissions in the future.

The majority of total emissions in Siili's value chain are created downstream, i.e., from the use of digital services by customers and end users. The calculation of the greenhouse gas emissions caused by services is not yet systematic, but it is being developed actively. It is possible to have an impact on the emissions of a service by improving the energy-efficiency of the software and optimising its functionalities. Indeed, it is Siili's objective to enhance its expertise in this regard, so that it can contribute by developing lower-emission services for its customers.

Siili's own operations generate only limited environmental impacts since Siili's energy intensity as an expert organisation is low and its operations do not involve any other factors that burden the environment. Siili's objective is to undertake active climate actions and thereby strengthen its reputation as a responsible operator in its sector. Siili has not yet set measurable, group-level targtes for emission reductions, but the targets will be set during 2025. Simultaneously, Siili will set up processes by which the impacts and effectiveness of principles and actions are measured. In accordance with the continuous improvement policy, Siili seeks to reduce all of its environmental impacts, putting effort into identifying, measuring and reporting on them on an ongoing basis.

Siili's most significant direct environmental impacts are caused by greenhouse gas emissions stemming from, among other things, the procurement of products and services, commuting and business travel as well as office and equipment waste. Siili has calculated its emissions but aims to improve the accuracy of emissions calculation further and prepare a transition plan during 2025. Especially the aim is to reduce the use of monetary values in emission calculation of scope 3 goods and services and replace said monetary values with more specific good and service specific measuring units. More accurate emissions calculation will facilitate the setting of measurable emissions targets and the preparation of a transition plan, which have not been implemented yet.

The core of Siili's strategy consists of AI, the use of which is estimated to cause a significant increase in the need for energy in the future. As a result, a situation may emerge that fossil-free energy production does not grow at a comparable pace, and the use of fossil energy sources may increase further. This trend has already been evident in the emissions of data centres. Siili monitors the impacts of using artificial intelligence and aims to consider and minimise the emission impacts across the value chain from the planning stage.

Energy consumption and mix[1]

Energy consumption and mix (37)	2024
Total energy consumption from fossil sources (Mwh)[2] (37a)	788.3
Share of fossil sources in total energy consumption (%) (37a)	57.3%
Consumption from nuclear sources (Mwh) (37b)	65.5
Share of consumption from nuclear sources in total energy consumption (%) (AR34)	4.8%
Total energy consumption from renewable sources (MWh) (37c)	522.3
Fuel consumption for renewable sources (MWh)	0,0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh) (37c ii)	522.3
Consumption of self-generated non-fuel renewable energy (MWh)	0,0
Share of renewable sources in total energy consumption (%) (AR34)	38.0%
Total energy consumption (MWh) (37)	1,376.1

1 The fossil energy category encompasses the consumption of all energy whose source is not verified by a guarantee of origin certificate. Hence, the fossil energy category may also include consumption of energy from other sources.

2 Consumption of energy from fossil sources is reported in market-based terms.

Greenhouse gas (GHG) emissions

	Base year (2019)	N (2024)	% N / N-1
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO2eq)[1]	19.4	16.5	-14.9%
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO2eq)	179.8	299.9	66.8%
Gross market-based Scope 2 GHG emissions (tCO2eq)	266.9	338.6	26.9%
Significant Scope 3 GHG emissions (51) (tCO2eq)			
Total gross indirect greenhouse gas (GHG) emissions (Scope 3) (tCO2-eq).	1,385.1	1,818.1	31.3%
1 Purchased goods and services[2]	715.6	1,311.3	83.2%
2 Capital goods	168.0	45.8	-72.7%
3 Fuel and energy-related activities (not included in Scope1 or Scope 2 emissions)	12.9	76.3	491.5%
5 Waste generated in operations[3]	9.5	14.8	55.8%
6 Business travelling	292.7	170	-41.9%
7 Employee commuting	164.8	171.2	3.9%
8 Upstream leased assets	21.5	28.7	33.5%
Total GHG emissions			
Total GHG emissions (location-based) (tCO2eq)	1,584.3	2,134.5	34.7%
Total GHG emissions (market-based) (tCO2eq)	1,671.4	2,173.2	30.0%

GHG intensity per net revenue	Comparative	N	%N / N-1
Total GHG emissions (location-based) per net revenue (tCO2eq/Monetary unit)		19.1 tCO2/mEUR	
Total GHG emissions (market-based) per net revenue (tCO2eq/Monetary unit)		19.4 tCO2/mEUR	

1 Includes the emissions of the entire Siili Group.

2 Purchased goods and services include, among other things, the greenhouse gas emissions attributable to Siili Group's subcontracting. The subcontracting GHG emissions come from similar emission sources and in similar proportions as those of Siili's own employees. Hence, it was possible to incorporate relevant emission sources and factors by service into the calculation. The "Purchased goods and services category" includes various services beyond subcontracting, such as advisory, IT, accounting as well as marketing and communication services. As service-specific GHG emissions or emission factors are unavailable from the providers, the calculation is based on the cost of the services in euro terms. In addition, the "Goods and services" category includes the Siili Group's food and beverage purchases, whose GHG emissions were calculated based on the cost in euros instead of the product-specific emission factor.

3 Normal office waste (incl. paper waste) and electronics waste is generated in the operations of the Siili Group. The greenhouse gas emissions attributable to waste were estimated based on site square footage and workforce size.

Policies

Climate change mitigation actions in line with Siili's targets are steered by the Code of Conduct, in addition to internal policies, rules and guidelines concerning rented premises, products and services to be leased and bought, commuting and business travel. When renewing rental contracts. These policies encourage employees to make more sustainable choices in terms of emissions and environmental impact. Siili's policy is to seek to prioritise premises where renewable energy is used. Furthermore, products and equipment leased for the Company are procured with a preference for low-emission and energy-efficient options. As regards commuting, bicycling and public transit are encouraged. Efforts are made to replace business travel by holding meetings remotely. Furthermore, when arranging events, efforts are made to reduce food waste, and instructions are in place to sort different waste in offices.

Emissions calculation, especially with respect to Scope 3 emissions, is largely based on the volume of each product or service in euro terms, without consideration of the unit-specific emissions factor and environmental impacts of the product or service. Development of the calculation in 2025 will enable more detailed monitoring of Scope 3 emissions in particular as well as the planning of future actions.

Greenhouse Gas Emissions Accounting Principles

The calculation of Siili Solutions' greenhouse gas (GHG) emissions is based on the GHG Protocol Corporate Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The following emission factor sources have been used in the calculation methods:

Energy Consumption
(Electricity, District Heating, and Fuels):
- European electricity grid residual mix (AIB, 2023)
- International electricity emission factor sources (Carbon Footprint Ltd, 2023 & 2024)
- Finnish district heating emission data (Energiateollisuus, 2023)
- National energy statistics (Statistics Finland, 2023)

Purchased Goods and Services:
- Sector-specific emission factor sources (DEFRA, 2021 & 2024)
- Ecoinvent database across different versions (Ecoinvent 3.8, 3.10, 3.11)
- IDEMAT (2023) and INIES (2022)

Business Travel and Hotel Accommodations:
- ICAO's emission calculation tool for air travel (ICAO, 2024)
- Average hotel emission data (Hotel Footprinting Tool, 2025)
- VR Group's railway emission calculations (VR Group, 2023)

Commuting:
- Bicycle and car emissions comparison (Bikeradar, 2020)
- Finnish Environment Institute's consumption-based carbon footprint data (Finnish Environment Institute, 2019)

The selection of emission factor sources has prioritized up-to-date data, geographical relevance, and the use of standardized databases. The uncertainties associated with the selected emission factors mainly concern economic emission factors based on sector averages, as well as estimated hotel overnight stays in business travel calculations.

Calculation Methods and Assumptions

Scope 1 & 2:
Emissions have been calculated using both market-based and location-based electricity emission factors. Heat consumption estimates are based on floor area, and the electricity emission factor is selected either contractually or based on the residual mix.

Scope 3:
The emissions from purchased goods and services have primarily been estimated using economic emission factors, but some suppliers have provided primary emissions data (90% of emissions are based on financial data, 5% were calculated using proxy datasets, and 4% were based on supplier-reported values). For business travel emissions, country-specific average hotel emission factors have been applied.

Uncertainties in the calculation are particularly related to economic emission factors for goods and services, which are based on sector averages rather than precise product- or service-specific factors.

Siili Solutions reports Scope 1 biogenic emissions separately, which amounted to 1.0 tCO2e in the reporting year 2024. Scope 2 and Scope 3 biogenic emissions have not been calculated, as the company does not have significant sources of biofuels or biomass use in energy production. Should there be changes in the company's operations or operating environment, the coverage of biogenic emissions will be reassessed in future reporting.

Actions and progress towards targets in 2024
Siili is an expert organisation, and therefore it develops the depth and scope of its expertise on a continuous basis. Since the reduction of greenhouse gas emissions has emerged increasingly as a topic in customer projects, Siili seeks to strengthen its customers' knowledge of the emissions of digital services and possibilities to reduce them. In 2024 Siili focused particularly on sharing information internally and on enhancing emission calculation, especially regarding customer- and service-specific calculation. In addition, when entering new rental contracts, Siili has sought to shift to renewable-energy contracts. In 2025, Siili's Board of Directors will establish a set of targets concerning the reduction of GHG emissions. Additionally, Siili will prepare a transition plan and continue to develop carbon footprint calculation under the GHG Protocol. The carbon footprint calculation will be conducted with the assistance of an external expert partner. In 2024, Siili did not have other specifically allocated resources for the implementation of climate change-related actions, and the Company plans to implement its actions in 2025 with its current personnel resources, and with respect to carbon footprint calculation, in cooperation with an external partner.

Siili Solutions has calculated the carbon footprint of its own operations in accordance with the GHG Protocol. The calculation covers the emissions of own operations throughout the value chain (Scope 1, 2 & 3). Total emissions in 2024 amounted to 2x,173.2xxx t CO2e, mainly stemming from products and services purchased, waste generated, business travel and commuting and leased property. Total emissions were higher than in 2023 especially due to an increase in Scope 3 emissions, particularly purchased products and services.

S: Social responsibility
Siili's social responsibility concerns primarily its own employees and the network of experts supplementing their expertise. The focus of Siili's social responsibility is on fulfilling its responsibility as an employer. Thriving in the competition for the best workforce and expertise in the IT sector hinges on providing employees with a good working environment, practices that support occupational well-being, fair and competitive remuneration and opportunities for competence development.

Based on the double materiality analysis, Siili's material social responsibility topics relate to its own workforce, which included in the analysis also experts who are not employees but participate in customer projects on a contractual basis, i.e. as independent entrepreneurs. The sale of work by Siili relies on the employees' professional expertise and motivated effort. Siili's own workforce performs demanding expert work, and Siili's value or supply chain does not include working environments exposed to the risk of child labour or forced labour. Hence, child and forced labour are not material topics for Siili. Siili has not prepared a transition plan for climate change, and therefore related material impacts on own workforce have not been identified.

S1 Own workforce

Material impacts, risks and opportunities related to own workforce

Positive impacts

Freedom of association, the existence of works councils and the information, consultation and participation rights of workers: Employees have full rights of association in all countries of operation. Employees also have a representation in many governance bodies and various opportunities to have an impact on decision making. The highest number of impact mechanisms are place in Finland where the majority of the employees work. The collective bargaining agreement used in Finland was made at the employees' initiative. In all countries of operation, human resources management is conducted in compliance with local legislation.

Working time: Siili's employees have a good balance between work and leisure time, and their working hours are monitored and managed actively. Due to flexible working hours, personnel are free to work at times that suit them best. This arrangement enhances Siili's employer image, which is at a good level also compared to its peers.

Work-life balance: Siili offers longer-than-statutory family-related leave and sick child leave for its employees. Leisure activities provided by Siili enhance well-being at work.

Training and skills development: Expertise is Siili's end product. The rapid evolution of technology requires the continuous development of skills. Development needs and preferences are reviewed in growth discussions held twice a year. The objective is to cover the entire personnel in these reviews.

Diversity: Siili makes an effort to improve diversity and recruits new employees based on their competence and experience.

Negative impacts

IT consulting is traditionally a male-dominant sector, and diversity is therefore a widely acknowledged challenge therein. Even at the student phase, more men than women tend to gravitate towards the sector. Customer requirements for the team's expertise often emphasise experienced professionals, and as a result, it is challenging to increase the proportion of of young employees.

Opportunities

Measures against violence and harassment in the workplace: Making sure Siili offers all its employees a safe space to work, enabling its good employer reputation and high job satisfaction.

Risks

Freedom of association, the existence of works councils and the information, consultation and participation rights of workers: The methods used to promote collaboration between employees and the Company in Finland may not necessarily work or create added value elsewhere. On the other hand, it is also a risk if sufficient efforts are not made to involve local employees.

Diversity: If no efforts are made to enhance diversity, there is a risk that it may damage the employer image, which in turn has a negative impact on Siili's ability to recruit and retain the best experts.

Targets and metrics

Siili aims to offer each of its employees an opportunity to develop themselves in addition to just developing code, since employees' current competencies and skills are a prerequisite for the continuity of Siili's operations. The development of competencies is supported through providing wide-ranging assignments and training as well as a remuneration model that encourages one to use some of their working time in competence development and sharing information.

The development of employees' individual competencies is planned in growth discussions held on a bi-annual basis. Customer assignments constitute the core of Siili's business, and therefore competence development takes place primarily therein. Siili aims to find each employee a motivating customer assignment that supports their competence and career development.

Competencies can also be gained through coaching provided by the Siili Academy, and in the communities and competence groups consisting of employees. exploring various topics through sharing expertise. These communities maintain expertise and update their respective core competencies on an annual basis considering current trends and the market. In addition, Siili broadly supports the completion of certificates required by customers and partnerships.

In line with its strategy to be the most desirable community among digital development professionals, Siili pays particular attention to its employees' work-life balance and ensuring that actual working hours align with applicable contracts.

The diversity of personnel is a competitive factor for Siili. Siili treats its employees fairly and provides equal opportunities to everyone. Recruitment is based on competencies and suitability for the role, regardless of gender, age or nationality. In management recruitment, the candidate pool must include representatives of minorities. There is also an aim to increase the use of English within the organisation to facilitate recruitment and cooperation between different countries of operation.

Siili will establish more specific sustainability targets and select related metrics in 2025. Siili has started a process to compare the impact of its policies and actions on material sustainability-related impacts, risks and opportunities. Going forward, material risks related to own workforce will be monitored and managed as part of Siili's overall risk management process.

Policies

Siili's strategy guides the development of its own personnel and its human resources management. Siili's values – ambition, humane, joy and responsibility – are the foundation of everything it does.

Human resources management is based on international commitments and compliance with the legislation, collective bargaining agreements and policies applicable in each country of operation. Moreover, Siili's social responsibility actions are guided by its human resources policy, governance system based on the Corporate Governance Code, the Code of Conduct and the equality and non-discrimination plan updated in 2024. The Code of Conduct is part of the induction of each employee, and related training is arranged on an annual basis for employees and subcontractors. The contents of the equality and non-discrimination plan are communicated to the whole personnel, and Human Resources oversee its roll-out. Those working for Siili as contractual partners comply with a corresponding ethical policy which must be signed by the partner as part of the cooperation agreement.

In accordance with its Code of Conduct, Siili respects and promotes internationally acknowledged human rights standards, such as the UN's Universal Declaration of Human Rights, the UN's Guiding Principles on Business and Human Rights and the key conventions of the International Labour Organisation (ILO) in all of its activities. Siili does not use child labour or tolerate forced labour. Employees are free to decide whether they want to join a professional union or a similar advocacy group. Siili does not prohibit its employees from holding their political views, either. Similar principles guide Siili's activities also in its value chain, and they are included in the ethical principles accepted by its suppliers.

Siili is committed to providing its employees with a discrimination-free workplace, where all employees are treated with respect and dignity. Its practices align with ILO conventions concerning equal pay and discrimination. Siili makes sure that the wages, working conditions and employees' rights comply with national legislation and internationally accepted norms.

Siili fosters diversity, equity and inclusion at all levels of the organisation and ensures that all employees have equal opportunities regardless of gender identity, ethnicity, skin colour, age, disability, religion, and national or social origin. Commitment to DEI extends to all areas of the employment relationship, including recruitment, promotions and remuneration. Siili provides the same pay for the same job and offers advancement opportunities to under-represented groups. The Company seeks a balanced gender representation in managerial positions and aims to ensure that its recruitment practices promote diversity and inclusion. In addition, Siili providers regular training on non-discrimination, diversity and inclusion to ensure a respectful and inclusive workplace culture.

As a listed company, Siili reports on its financial situation and prospects on a regular basis in compliance with national legislation. This enables Siili's employees to have current information on Siili's business performance. Siili's Board of Directors is responsible for financial reporting as the supreme body.

Siili emphasises open dialogue with its employees. The starting point is that employees can discuss acute circumstances and challenges with their supervisor immediately. Siili also encourages its employees to give feedback and development suggestions on a continuous and structured basis through various mechanisms, such as anonymous channels provided in personnel surveys and employee briefings and in free form using a channel of their choice, such as Slack. Employees also have the option to present questions anonymously to the CEO on a regular basis, and the responses are video recorded and made available to all employees. The executive management and supervisors strive, where possible, to take received feedback into account in their decision-making and to communicate transparently on how employee feedback has been considered in the decisions made. Structurally, employee feedback is incorporated into decision-making through the Employee Sounding Board and the Finland Management Team, where an employee representative participates in meetings.

In growth discussions held semi-annually, each employee plans their development opportunities with their supervisor. Current topics are addressed in internal meetings and briefings, but Siili also hosts various free-format events. Moreover, the Company has many internal communication channels at its disposal. The work atmosphere and job satisfaction are measured regularly with the Vibemetrics tool. Employees may also submit anonymous reports of suspected violations and inappropriate behaviour through a whistleblowing system in place. Furthermore, employees have a representative in the management team for the Finnish business and in the Occupational Safety and Health Committee required by Finnish law. There is also an Employee Sounding Board consisting of employees, which provides its views and assessments to management. Responsibility for the effectiveness and functioning of communication between employees and management, other dialogue with employees and personnel communications rests with the Chief People Officer, while the responsibility for the Whistleblowing channel belongs to the General Counsel. Siili has a dedicated whistleblowing process, which is regularly reviewed and updated as needed. The whistleblowing channel is publicly accessible to all stakeholders, and Siili communicates its existence to employees regularly, at least once a year. Based on the feedback received, Siili assesses that its employees trust the grievance mechanisms and reporting processes and are well aware of their existence.

Siili aims to ensure that its policies or practices do not cause material negative impacts on employees. As part of this objective, Siili adheres to data security and protection guidelines in processing its employees' personal data.

Siili's Management Team, led by the CEO, is responsible for compliance with the policies. Furthermore, Human Resources, led by the Chief People Officer, is responsible for the management of material impacts. The policies are available on Siili's internal communication channel.

Actions and progress towards targets in 2024

The measures designed for managing material impacts and preventing and mitigating material negative impacts will be implemented using existing resources.

Training and skills development

In 2024, all Siili employees had an opportunity to prepare their individual learning plans as part of the updated growth discussions. The most important training topics were artificial intelligence, data security under the ISO27001 Standard, and regulatory compliance of operations. In addition, the commercial competencies of leading experts were enhanced. Targets were also met in the maintenance of the partnership level with Microsoft by obtaining 17 new certifications. Particular attention was also paid to the project transfer process to simplify it as much as possible. Moreover, the incentives in customer assignments were clarified so as to make them support competence development.

Working conditions

The updated personnel survey was adopted in 2024. According to the results, 93% of Siili employees feel their work-life balance is at a good level. Very high ratings were also given to working conditions that support efficient work, the internal dialogue culture and the freedom to be oneself at work. Siili's eNPS rose by 32 points from 2023 to 28 towards the end of 2024.

Efforts were made to strengthen Siili's community spirit through various actions. One of the methods was to improve the attractiveness of offices post-COVID. Other focus areas in 2024 included internal cooperation and employees' psychological safety.

Diversity

During 2024, Siili updated its equality and non-discrimination plan and safe space principles, and completed a discrimination survey. Regular communication on diversity, equity and inclusion was launched, and the Management Team was trained on inclusive leadership. Gender pay gaps were also surveyed during the year in a remuneration study, which indicated that any differences in pay were not dependent of the employee's gender but primarily of factors pertaining to the role and seniority. Siili also continued its efforts to attract women to its male-dominated sector through various events and initiatives.

Cooperation

Siili explores and actively tests ways to enhance collaboration between employees and management and to focus on the involvement of employees in other countries of operation besides Finland.

Key figures tables

Accounting Principles

The tables include the number of personnel in the Siili Group as of the financial statement date, 31 December 2024. The figures correspond to those presented in the consolidated financial statements. The personnel count includes all individuals with an employment contract with a Group company, excluding those on long-term sick leave or parental leave.

The gender distribution of personnel and the distribution of employment contract types have been collected from the Group's human resources management systems.

The number of non-employee workers is reported as full-time equivalent (FTE) employees as of December 2025. The number has been calculated by converting the total working hours in December into full-time equivalent hours for that month. The reported number of non-employee workers aligns with the information presented in financial reporting.

Regional and gender breakdown of personnel

Breakdown of workforce with employment contracts by gender

Gender	Number of employees with employment contract 2024
Men	701
Women	213
Other	1
Not reported	27
Total employees with employment contract	942

Breakdown of workforce with employment contracts by country

Country	Number of employees with employment contract 2024
Finland	623
Hungary	170
Poland	122
Germany, Netherlands, UK, Austria and USA	27

Employment contracts

	2024				
	Female	Male	Other	Not disclosed	Total
Number of workforce with employment contracts (number of employees)	213	701	1	27	942
On permanent employment contract (number)	206	633	1	27	867
On fixed-term employment contract (number)	-	3	-	-	3
Number of non-guaranteed hours employees	7	65	-	-	72

Employee turnover

Total number of departing employees and rate of employee turnover in 2024

Employee turnover	2024
Total number employees who left the Company[1]	179
Employee turnover (%)	19.0%

1 Total number of employees who left the Company includes those who resigned, retired, were terminated and whose fixed-term contract ended.

Types of workers without an employment contract

Workforce without an employment contract	2024
Total[1,2]	134

1 Includes independent entrepreneurs and agency workers.

2 This figure has been reported as at 31 December 2024 in the same way applied in financial reporting, as person-hours adjusted to the full amount of working hours in December.

Management gender breakdown

Management gender breakdown	Male	Female	Other	Not disclosed	Total
Senior management (persons)	3	2	-	-	5
Senior management (%)	60%	40%	0%	0%	100%

Breakdown of workforce with employment contracts by age

Breakdown of workforce by age	2024
Under 30 years	11.4%
30–50 years	77.5%
Over 50 years	11.1%

Participation of workforce with employment contracts in performance and career development reviews

Growth discussions	Male	Female	Other	Not disclosed	Total
Total number of personnel	701	213	1	27	942
Growth discussions completed (number)	413	149	1	27	591
Employees who participated in growth discussions by gender (%)	58.8%	70.4%	100%	100%	62.6%

Training hours of workforce with employment contracts

Training hours	Male	Female	Other	Not disclosed	Total
Employees[1]	96	82	14	27	91

1 Training hours include official training recorded in the hour reporting system as well as self study. In the Company's line of business, a significant part of learning and competence development takes place while working for customers and as part of assignment-based work. The reporting does not include the senior management's training hours, because senior management is not included in the scope of the reporting of working hours within the Company.

Entitlement of employees to family-related leaves and utilisation of these leaves

Family-related leaves	2024
Employees entitled to a family leave (number)[1]	869
Employees entitled to a family leave (%)	92.3%
Employees who used a family leave	
Female (%)	11.7%
Male (%)	12.9%
Other (%)	0.0%
Not disclosed (%)	11.5%

1 The figure excludes persons on a family-related leave or a long sick leave.

Remuneration metrics

Wage statistics[1]	2024
Gender pay gap (%)	19.1%
Annual total remuneration ratio (%)[2]	440.8%

1 Wage statistics relate to the remuneration of employees under employment contracts.
2 The ratio is calculated as the ratio between the remuneration of the Group's highest-paid individual and the median remuneration of other employees. The median remuneration of other employees is calculated as the average of the Group's company-specific median remunerations, weighted by the number of each company's number of employees.

Incidents of discrimination or harassment and human rights incidents

Incidents of discrimination or harassment and human rights incidents	2024[1]
Incidents of discrimination or harassment (number)	0
Reports of incidents of discrimination or harassment (number)	0
Consequences of incidents of discrimination or harassment (EUR)	0
Severe human rights incidents (number)	0
Consequences of severe human rights incidents (EUR)	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises:	0

1 Reporting comprises reports of discrimination, harassment or human rights incidents made through the Group's official whistleblowing channel or to authorities.

G: Governance of sustainability

Siili's governance is carried out in compliance with Finnish legislation and, with respect to subsidiaries' business, also local legislation. Siili's ways of operation are also based on its internal guidelines and policies on data security and data protection as well as compliance with insider regulations, and the Company's common values. Siili has a strong corporate culture, which supports the implementation of strategy and which is fostered throughout the organisation by various measures.

G1 Business conduct

Material impacts, risks and opportunities related to business conduct

Positive impacts

Corporate culture: Siili has a strong corporate culture that supports both internal cooperation, collaboration with customers and new customer acquisition.

Policies

Responsibility for Siili's corporate culture, ethics and compliance ultimately rests with the Company's Board of Directors, which discusses matters of corporate culture, ethics and compliance as part of its regular activities. In particular, the Board of Directors is responsible for supervision and goal setting. Siili's CEO and CFO participate in the Board of Directors' meetings as non-full members and they are responsible for implementing instructions provided by the Board of Directors throughout the organisation.

Siili's Board of Directors and executive management are experienced in, and skilled at, corporate governance and best practices in business conduct. The members of the Board of Directors and the Group Management Team are experienced in various management duties in sectors relevant to Siili. In addition, all members of the Board of Directors have served or are serving as board members in listed and unlisted companies. The education background of the members of the Board of Directors and the Group Management Team is in technology, law or business. Both the Board of Directors and executive management may employ external experts and advisors in different business situations.

Siili's corporate culture is based on Siili's values and strategy as well as common ways of operation, which are determined in the Code of Conduct and which are the subject of a training provided to all employees and subcontractors annually.

In addition to defined processes and clear operating guidelines, Siili's corporate culture includes solid and smooth cooperation and a flat organisation. For employees, the corporate culture provides freedom in terms of working hours and the location of work. Siili supports its collaboration-based corporate culture through various events organised for both the personnel and stakeholders.

Siili assesses the state of its corporate culture as part of stakeholder surveys, such as customer and personnel surveys, and by participating in various evaluations and conducting competitor surveys. The employer image is also assessed as part of recruitment processes. These various assessments and surveys determine the necessity and direction of development actions.

Actions contrary to the corporate culture are also monitored through an anonymous whistleblowing channel. Suspicions of misconduct may be reported through the whistleblowing portal at / www.siili.com, which is accessible to employees, customers and all other stakeholders alike. Whistleblowers are protected from retaliation and all reports are processed confidentially in accordance with the whistleblower protection process included in the Code of Conduct and meeting the requirements of Directive (EU) 2019/1937 and the Finnish Whistleblower Protection Act.

Siili aims to be a desirable partner for its customers and subcontractors, and cooperation is therefore based on active interaction and fair practices. Competition in the sector is intense but transparent since the selection criteria and conditions are generally defined in detail for competitive tendering. As a result, corruption, bribery and the grey economy are unlikely in the sector, as are unusually long invoice payment periods. Siili has not identified any activities more prone to corruption and bribery than others.

Siili's operations are based on fair competition, and the Company adheres to the ethical standards in compliance with international frames of reference, such as the UN Convention Against Corruption and Bribery. Siili requires its suppliers and cooperation partners to adhere to the same high level of ethics and responsibility, as defined in the Code of Conduct. Partners agree to the Code of Conduct as part of the conclusion of a supply contract. Siili only cooperates with suppliers meeting high ethical and social requirements as well as environmental standards. In overseeing the supplier network, attention is paid to authorities' channels, the Reliable Partner data service, and also public information sources and stakeholder notifications made through the anonymous whistleblowing channel or directly to the Company's responsible personnel. Corruption, bribery and the grey economy are unlikely in Siili's line of business. Any suspicions of corruption, bribery or other incidents in the business are immediately communicated to the Management Team, which will initiate an appropriate process depending on the situation and its requirements. Siili does not have a pre-defined process for processing such situations, but they are addressed on a case-by-case basis.

Siili monitors compliance with the Code through internal audits and regular reviews. Non-compliance with the Code may lead to disciplinary action, including the termination of the employment or business relationship.

Targets and metrics, actions and progress the targets

Siili has not yet set any sustainability-related targets for 2024 in respect of business conduct. Siili monitors the effectiveness of its policies and actions relative to material sustainability-related impacts, risks and opportunities, and will set targets and plan actions as needed. The Board of Directors will establish targets and metrics based on the double materiality analysis during the financial year 2025.

Key figures

	2024	2023	2022	2021	2020
Revenue, EUR 1,000	111,899	122,702	118,334	99,282	83,307
Revenue growth, %	-8.8%	3.7%	19.2%	19.2%	3.4%
Organic revenue growth, % [1]	-8.8%	0.1%	15.2%	5.7%	3.4%
Share of international revenue, %	29.0%	26.7%	25.2%	19.5%	8.2%
EBITDA, EUR 1,000	8,208	12,107	14,928	12,018	9,123
EBITDA, % of revenue	7.3%	9.9%	12.6%	12.1%	11.0%
EBITA, EUR 1,000	4,752	8,409	11,629	9,279	6,741
EBITA, % of revenue	4.2%	6.9%	9.8%	9.3%	8.1%
Adjusted EBITA, EUR 1,000	5,409	8,742	11,868	-	-
Adjusted EBITA, % of revenue	4.8%	7.1%	10.0%	-	-
EBIT, EUR 1,000	3,592	6,909	10,149	7,565	5,317
EBIT, % of revenue	3.2%	5.6%	8.6%	7.6%	6.4%
Profit for the period, EUR 1,000	3,449	4,986	3,748	5,136	4,401
Profit for the period, % of revenue	3.1%	4.1%	3.2%	5.2%	5.3%
Statement of financial position, EUR 1,000	84,604	100,170	106,063	81,480	61,363
Equity ratio, %	49.7%	42.6%	38.7%	31.1%	35.5%
Gearing, %	-2.5%	8.7%	4.5%	50.2%	-
Net debt/EBITDA	-0.13	0.30	0.12	-	-
ROE, %	8.2%	12.1%	11.5%	22.1%	21.0%
ROI, %	7.2%	10.7%	15.5%	15.7%	24.9%
Basic earnings per share (EPS), EUR	0.43	0.61	0.49	0.73	0.63
Diluted EPS, EUR	0.43	0.61	0.49	0.73	0.63
Equity per share, EUR	5.13	5.19	4.96	3.54	3.08
Dividend per share, EUR	0.18	0.26	0.20	0.18	0.28
Average number of shares	8,111,908	8,108,050	7,642,026	7,004,496	7,000,316
Number of shares at the end of the period	8,112,309	8,110,126	8,131,446	7,020,459	7,000,316
Average number of employees during the period	975	1,026	965	781	707
Number of employees at the end of the period	942	1,007	1,045	885	676
Number of full-time employees (FTE) at the end of the period	900	956	1,003	-	-
Number of full-time subcontractors (FTE) at the end of the period	133	135	223	-	-
Total full-time employees and subcontractors (FTE) at the end of the period	1,033	1,091	1,226	-	-

1 Calculation formula applied from 1 January 2023. The data for comparison periods is not adjusted accordingly.

Alternative performance measures

Siili Solutions Plc. uses alternative performance measures to descripe the trend of the Group's profitability. The alternative performance measures should be reviewed parallel with the IFRS key figures. EBITDA is calculated by adding depreciation, amortisation and impairment to operating profit. EBITA is calculated by adding amortisation and impairment for fair value adjustments on acquisitions to operating profit. Adjusted EBITA is calculated by adding items affecting comparability to EBITA, such as direct costs of acquisitions. Organic revenue growth is calculated based on comparable revenue, reflecting changes in the corporate structure. The management uses these key figures for the monitoring and analysis of business development, profitability, and our financial position.

Organic revenue growth, %

EUR 1,000	2024	2023
Revenue	111,899	122,702
Comparable pro forma -revenue in the comparison period	122,561	122,561
Organic revenue growth, %	**-8.8%**	**0.1%**

Calculation formula applied from 1 January 2023.

EBITA, Adjusted EBITA and EBITDA

EUR 1,000	2024	2022
EBIT	3,592	6,909
Amortisation and impairment for fair value adjustments on acquisitions	1,160	1,500
EBITA	**4,752**	**8,409**
Transaction costs / income (+/-) from business combinations	77	-
Restructuring costs	580	183
Other items affecting comparability	-	150
Adjusted EBITA	**5,409**	**8,742**
EBIT	3,592	6,909
Depreciation, amortisation and impairment	4,617	5,198
EBITDA	**8,208**	**12,107**

Gearing, %

EUR 1,000	2024	2022
Financial liabilities measured at amortized cost	9,597	13,047
Contingent considerations measured at fair value through profit or loss	9,686	19,658
Liquid funds	-20,331	-29,022
Net debt	**-1,049**	**3,682**
Equity	41,592	42,083
Gearing, %	**-2.5%**	**8.7%**

Calculation formulas for the key figures

Equity ratio, % = $$\frac{\text{Shareholders' equity}}{\text{Statement of financial position – advance payments received}} \text{*100}$$

Gearing, % = $$\frac{\text{Interest-bearing liabilities – liquid funds}}{\text{Shareholders' equity}} \text{*100}$$

Return on equity (ROE), % = $$\frac{\text{Profit/loss}}{\text{Average shareholders' equity + minority interest}} \text{*100}$$

Return on investment (ROI), % = $$\frac{\text{Profit before tax + financial expenses}}{\text{Shareholders' equity + average interest-bearing liabilities}} \text{*100}$$

EBITDA, % of revenue = $$\frac{\text{Operating profit before depreciation, amortization and impairment}}{\text{Revenue}} \text{*100}$$

EBITA, % of revenue = $$\frac{\text{Operating profit before amortization and impairment of the fair value adjustments of the business acquisitions}}{\text{Revenue}} \text{*100}$$

Adjusted EBITA = $$\frac{\text{EBITA +/- Transaction costs / income from business combinations + Restructuring costs + Other items affecting comparability}}{\text{Revenue}} \text{*100}$$

EBIT, % of revenue = $$\frac{\text{Operating profit}}{\text{Revenue}} \text{*100}$$

Profit for the period, % of revenue = $$\frac{\text{Profit for the period}}{\text{Revenue}} \text{*100}$$

Earnings per share (EPS), EUR = $$\frac{\text{Profit or loss for the period belonging to the shareholders of the parent company}}{\text{Weighted average of the number of shares during the financial period}}$$

Diluted earnings per share (EPS), EUR = $$\frac{\text{Profit or loss for the period belonging to the shareholders of the parent company}}{\text{Weighted average of the number of shares during the financial period (adjusted for the effect of the potential diluting ordinary shares)}}$$

Equity per share, EUR = $$\frac{\text{Shareholders' equity}}{\text{Number of shares on the closing date}}$$

Dividend per share, EUR = $$\frac{\text{Dividend for the period}}{\text{Number of shares at the end of the financial period, excluding own shares held by the company}}$$

Share of international revenue, % = $$\frac{\text{Revenue from countries other than Finland}}{\text{Revenue}} \text{*100}$$

Organic revenue growth, % = $$\frac{\text{Revenue - Comparable pro forma -revenue in the comparison period}}{\text{Comparable pro forma -revenue in the comparison period}} \text{*100}$$

Consolidated financial statements, IFRS

Consolidated income statement and statement of comprehensive income

EUR 1,000		Note	1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023
REVENUE		**2.1**	**111,899**	**122,702**
Other operating income		2.5	298	444
Materials and services		2.2	-23,344	-26,215
Employee benefit expenses		2.3, 2.4	-68,600	-72,180
Depreciation and amortization		3.1, 3.3	-4,617	-5,198
Other operating expenses		2.5	-12,045	-12,645
OPERATING PROFIT			**3,592**	**6,909**
Financial income		2.6	1,291	1,250
Financial expenses		2.6	-1,367	-2,623
PROFIT BEFORE TAXES			**3,516**	**5,536**
Income taxes		2.7	-67	-551
PROFIT FOR THE PERIOD			**3,449**	**4,986**
Attributable to:				
Shareholders of the parent company	100%		3,449	4,986
Earnings per share based on the profit attributable to shareholders of the parent company:				
Basic earnings per share (EUR), profit for the period		2.8	0.43	0.61
Diluted earnings per share (EUR), profit for the period		2.8	0.43	0.61

EUR 1,000		1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023
PROFIT FOR THE PERIOD		**3,449**	**4,986**
Other comprehensive income			
Items that may later be recognised through profit or loss			
Translation differences		-712	300
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,737**	**5,285**
Total comprehensive income for the period attributable to:			
Shareholders of the parent company	100%	2,737	5,285

Consolidated statement of financial position

EUR 1,000	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Goodwill	3.1, 3.2	31,868	32,490
Intangible assets	3.1	7,673	8,404
Tangible assets	3.3	850	1,259
Right-of-use assets	3.4	3,260	4,220
Other investments	5.4	1	1
Deferred tax assets	2.7	229	17
Receivables	5.4	163	159
Total non-current assets		**44,043**	**46,549**
Current assets			
Trade receivables	4.1	14,895	19,118
Other receivables	4.1	4,433	4,654
Current tax assets	4.1	902	826
Liquid funds	5.5	20,331	29,022
Total current assets		**40,561**	**53,620**
TOTAL ASSETS		**84,604**	**100,170**

EUR 1,000	Note	31 Dec 2024	31 Dec 2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	5.1	100	100
Reserve for invested unrestricted equity	5.1	26,765	26,748
Treasury shares		-461	-461
Translation differences	5.1	-1,236	-524
Retained earnings	5.1	16,424	16,219
Total shareholders' equity		**41,592**	**42,083**
Non-current liabilities			
Financial liabilities	5.6	3,717	6,230
Lease liabilities	3.4, 5.6	1,480	1,841
Other non-current interest-bearing liabilities	5.6	5,600	10,177
Deferred tax liabilities	2.7	957	1,118
Total non-current liabilities		**11,754**	**19,366**
Current liabilities			
Financial liabilities	5.6	6,600	2,513
Lease liabilities	3.4, 5.6	1,886	2,463
Trade and other payables	4.2	22,701	33,612
Current tax liabilities	4.2	49	121
Provisions	4.3	23	12
Total current liabilities		**31,259**	**38,721**
Total liabilities		**43,012**	**58,087**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**84,604**	**100,170**

Consolidated cash flow statement

EUR 1,000	Note	1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023
Cash flow from operating activities			
Profit for the period		3,449	4,986
Adjustments:			
Depreciation and amortisation		4,617	5,198
Share-based incentive scheme		189	269
Other adjustments		-1	48
Interest expenses and other financial expenses	2.6	1,367	2,623
Interest income	2.6	-1,291	-1,250
Taxes	2.7	67	551
Changes in working capital:			
Change in trade and other receivables		4,199	-1,015
Change in trade and other payables		-1,272	-1,792
Interest paid		-435	-869
Interest received		429	428
Taxes paid		-567	-1,686
Net cash flow from operating activities		**10,751**	**7,489**
Cash flow from investing activities			
Acquisitions of businesses and subsidiaries, net of cash acquired	3.5	-9,462	-4,172
Proceeds from the sale of tangible and intangible assets		18	24
Investments in tangible assets	3.3	-324	-756
Investments in intangible assets	3.1	-998	-523
Investments in and return of capital from an associated company		-	19
Net cash flow from investing activities		**-10,766**	**-5,409**

EUR 1,000	Note	1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023
Cash flows from financing activities			
Loan repayments	5.6	-2,518	-2,518
Repayments of lease liabilities	3.4	-2,703	-2,965
Share subscriptions with share options	5.1	17	53
Acquisition of treasury shares	5.1	-	-495
Divideds paid	5.1	-2,109	-1,622
Distribution of dividends to non-controlling interests		-874	-1,270
Transactions with non-controlling interests		-450	-437
Net cash flow from financing activities		**-8,638**	**-9,254**
Change in liquid funds		**-8,653**	**-7 173**
Change in liquid funds	5.5	29,022	36,315
Effect of changes in currency exchange rates		-38	-119
Liquid funds at the end of the period	5.5	**20,331**	**29,022**

Consolidated statement of changes in shareholders’ equity

		Equity attributable to shareholders of the parent company					
EUR 1,000	Note	Share capital	Reserve for invested unrestricted equity	Treasury shares	Translation differences	Retained earnings	Total shareholders' equity
Shareholders’ equity on 1 January 2024		**100**	**26,748**	**-461**	**-524**	**16,219**	**42,083**
Comprehensive income							
Profit for the period		-	-	-	-	3,449	3,449
Other comprehensive income (net of tax)							
Translation differences	5.1	-	-	-	-712	-	-712
Total comprehensive income for the period		**-**	**-**	**-**	**-712**	**3,449**	**2,737**
Transactions with owners							
Distribution of dividends	5.1	-	-	-	-	-2,109	-2,109
Share-based incentive scheme	2.4	-	-	-	-	189	189
Share subcriptions with share options	5.1	-	17	-	-	-	17
Distribution of dividends to non-controlling interests		-	-	-	-	-874	-874
Transactions with non-controlling interests		-	-	-	-	-450	-450
Total transactions with owners		**-**	**17**	**-**	**-**	**-3,244**	**-3,228**
Shareholders' equity on 31 December 2024		**100**	**26,765**	**-461**	**-1,236**	**16,424**	**41,592**
Shareholders' equity on 1 January 2023		**100**	**26,695**	**-**	**-824**	**14,349**	**40,321**
Comprehensive income							
Profit for the period		-	-	-	-	4,986	4,986
Other comprehensive income (net of tax)							
Translation differences	5.1	-	-	-	300	-	300
Total comprehensive income for the period		**-**	**-**	**-**	**300**	**4,986**	**5,285**
Transactions with owners							
Distribution of dividends	5.1	-	-	-	-	-1 622	-1 622
Share-based incentive scheme	2.4	-	-	33	-	214	247
Share subcriptions with share options	5.1	-	53	-	-	-	53
Acquisition of treasury shares	5.1	-	-	-495	-	-	-495
Distribution of dividends to non-controlling interests		-	-	-	-	-1,270	-1,270
Transactions with non-controlling interests		-	-	-	-	-437	-437
Total transactions with owners		**-**	**53**	**-461**	**-**	**-3,115**	**-3,524**
Shareholders' equity on 31 December 2023		**100**	**26,748**	**-461**	**-524**	**16,219**	**42,083**

Notes to the Consolidated Financial Statements

The notes to the Consolidated Financial Statements are grouped into sections based on their nature to make it easier to form an overall view. In the notes, accounting policies, decisions based on management's judgment and uncertainties related to estimates have been indicated with specific symbols.

Accounting policies

Management judgment and uncertainties related to estimates

1. Basic information on the Group

The Siili Solutions group ("Group") is an independent provider of information systems development services that provides services for companies and the public sector. The Group's parent company, Siili Solutions Plc, is a Finnish public limited company (Plc) providing software systems development services. The parent company is domiciled in Helsinki and its registered address is Ruoholahdenkatu 21, FI-00180 Helsinki, Finland. Copies of the financial statements are available online at / www.siili.com/en or at the company's registered address.

At its meeting of 7 March 2025, the Board of Directors of the company approved these Consolidated Financial Statements for publication. Under the Finnish Limited-Liability Companies Act, the shareholders may either adopt or reject the financial statements at the Annual General Meeting (AGM) held after their publication. The AGM may also decide to amend the financial statements.

GENERAL ACCOUNTING POLICIES

The general accounting policies of the Consolidated Financial Statements are described in this section. Accounting policies related to a specific note as well as descriptions of the use of management judgement and estimates are presented below as part of the relevant note.

ACCOUNTING POLICY

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), in compliance with the IAS and IFRS standards and the respective SIC and IFRIC interpretations effective in the EU as at 31 December 2024. The International Financial Reporting Standards refer to standards and their interpretations adopted for application in the Finnish Accounting Act and ordinances issued thereunder, in accordance with the procedure laid down in EU Regulation N:o 1606/2002. The notes to the Consolidated Financial Statements are also compliant with the requirements of Finnish accounting and company legislation complementing the IFRS regulations.

The Consolidated Financial Statements are prepared for the calendar year, which is the financial period of the Group's parent company and the subsidiaries.

The Consolidated Financial Statements are prepared based on original acquisition costs, unless indicated otherwise in the accounting policy, and the numeric financial statements information is presented in terms of thousands of euros.

CONSOLIDATION PRINCIPLES

Subsidiaries

The Consolidated Financial Statements comprise the financial statements of Siili Solutions Plc and its subsidiaries (together "the Group").

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to, or has the rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

Mutual in-Group shareholdings have been eliminated by the acquisition method. The consideration transferred and the assumed identifiable assets and liabilities of the acquired company are measured at fair value at the time of acquisition. Costs related to the acquisition, excluding those related to the issuance of liability or equity instruments, are recognised as expenses. The consideration transferred does not include transactions treated separately from the acquisition, which are usually recognised through profit or loss. A contingent consideration or the consideration for a minority share has been measured at fair value at the time of acquisition and recognised as a liability. A contingent consideration or consideration for a minority share is measured at fair value on the closing date of each reporting period, and the difference is recognised through profit or loss.

Acquired subsidiaries are consolidated into the Consolidated Financial Statements as from the date when the Group has acquired control, and disposed subsidiaries until the date when control ceases. All intra-group transactions, assets, liabilities, unrealised gains and internal distribution of profit are eliminated when preparing the Consolidated Financial Statements.

In the context of gradually executed acquisitions, the previous holdings are measured at fair value, and the resulting gain or loss is recognised through profit or loss. When the Group forfeits control in a subsidiary, the remaining ownership is measured at fair value as at the date when control is given up, and the difference is recognised through profit or loss.

All subsidiaries included in the Consolidated Financial Statements are wholly owned, except for Vala Group Oy and Supercharge Kft. On the financial statements date, the parent company owns 96.6% of shares in Vala Group Oy and 70% of shares in Supercharge Kft. Vala Group

Oy and Supercharge Kft are 100% consolidated into the Consolidated Financial Statements, since the non-controlling shareholders of these companies have the right to surrender their ownership and the parent also has the right to redeem the shares subject to certain conditions. Therefore, the ownership of non-controlling shareholders is not presented separately from the equity or result attributable to the shareholders of the parent company.

Functional and presentation currency

Figures indicating the result and financial position of the Group's entities are presented in the main currency of each company's operating area (functional currency). The Consolidated Financial Statements are presented in euros, which is the functional and presentation currency of the Group's parent company. Figures presented in the financial statements are rounded to the nearest thousand euros, unless otherwise indicated. Therefore, the aggregated sum of individual figures may differ from the presented sum.

Transactions in foreign currencies

Transactions in foreign currencies are recognised in the functional currency of the Group companies, using the exchange rate of the transaction date. Monetary assets and liabilities in foreign currencies are translated into the functional currency applying the foreign exchange rates of the closing date of the reporting period.

Non-monetary assets and liabilities in foreign currencies and measured at fair values are translated into the functional currency applying the foreign exchange rates of the fair value measurement date. Non-monetary items measured at initial acquisition cost are carried at the foreign exchange rate of the transaction date.

Gains and losses arising from transactions in foreign currencies and the translation of monetary items are recognised through profit or loss.

Translation of the financial statements of foreign Group companies

The assets and liabilities of foreign Group companies, including goodwill arising from business combinations and fair value allocations, are translated into euros using the foreign exchange rates of the closing date of the reporting period. Income and expense items in the comprehensive income statements of foreign Group companies are translated into euros using the average foreign exchange rate of the reporting period.

Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries as well as equity items accumulated after acquisition are recognised in translation differences under equity. Changes in translation differences are recognised in other comprehensive income items. When a subsidiary is sold wholly or partly, residual translation differences are recognised through profit or loss under sales gain or loss.

Operating profit

The IAS 1 Standard "Presentation of Financial Statements" does not define the concept of operating profit. The company has defined operating profit as the net sum of revenue and other operating income less:

- materials and services
- employee benefit expenses
- amortisation, depreciation and impairments, and
- other operating expenses.

Any other income statement items than those referred to above are presented under operating profit.

ACCOUNTING POLICIES REQUIRING MANAGEMENT'S JUDGMENT AND KEY UNCERTAINTIES RELATED TO ESTIMATES

The preparation of the financial statements in compliance with the IFRS requires the Group's management to make certain estimates and decisions based on judgement. In particular, this concerns circumstances where valid IFRS standards provide alternative accounting, valuation and presentation methods. Management has used judgment in applying accounting policies that have the most significant effect on the amounts presented in the financial statements. In addition, management must make forward-looking estimates and assumptions whose outcomes may differ from the initial estimates and assumptions.

Management's judgment pertaining to the selection and application of accounting policies

The Group's management makes decisions based on judgment, which relate to the selection and application of accounting policies.

The decisions based on judgement by the management of Siili Solutions in applying the accounting policies with the most significant effect on the amounts recognised in the Consolidated Financial Statements are related to the following areas:

Note	Judgement by management
6.1 Subsidiaries	Vala Group Oy and Supercharge Kft. are consolidated 100% into the Consolidated Financial Statements instead of carving out the share attributable to non-controlling shareholders. Both of the parties have a redemption right which is recognised as a liability at fair value through profit or loss.

Key uncertainties related to estimates

Estimates made in connection with the preparation of the financial statements are based on the management's best estimate on the closing date of the financial year. The estimates are based on previous experiences and forward-looking assumptions considered the most probable on the financial statements date. The Group monitors the realisation of estimates and assumptions and their drivers on an ongoing basis. Changes in estimates and assumptions are reflected in reporting on the financial year when the estimate or assumption is revised as well as all subsequent financial years.

Key uncertainties related to assumptions and estimates that could result in significant adjustment to reported carrying amounts within the Group during the next financial year are the following:

Note	Nature of estimates and assumptions
5.6 Financial liabilities and other interest-bearing liabilities	Assessment of the fair values of minority shares and contingent considerations from business combinations.

NEW AND AMENDED STANDARDS APPLIED IN THE FINANCIAL YEAR

Siili Solutions has applied the following amended standards effective as of 1 January 2024:
Classification of Liabilities as Current and Non-current – Amendments to IAS 1 Presentation of Financial Statements (effective for financial years beginning on or after 1 January 2024). The amendments are to promote consistency in application and clarify the requirements for determining if a liability is current or non-current. The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments require to disclose information about these covenants in the notes to the financial statements. The amendments also clarify transfer of a company's own equity instruments is regarded as settlement of a liability. Liability with any conversion options might affect classification as current or non-current unless these conversion options are recognized as equity under IAS 32.

The amendments to these Standards have not had a material impact on Siili Solutions' Consolidated Financial Statements.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

* = not yet endorsed for use by the European Union as of 31 December 2024.

In the financial year 2024, Siili Solutions has not yet applied the following new or reformed standards and interpretations already published by the IASB. The Group will adopt each standard and interpretation as from its effective date, or where the effective date is not the first day of the financial year, from the beginning of the financial year following the effective date. These reformed standards or interpretations are not expected to have a material impact on Siili Solutions' Consolidated Financial Statements.

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (effective for financial years beginning on or after 1 January 2025, early application is permitted). The amendments require to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

Annual Improvements to IFRS Accounting Standards—Volume 11* (effective for financial years beginning on or after 1 January 2026, early application is permitted). The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRS Accounting Standards to be grouped together and issued in one package annually. The amendments clarify the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter
- IFRS 7 Financial Instruments: Disclosures – Gain or loss on derecognition; Disclosure of differences between the fair value and the transaction price; Disclosures on credit risk
- IFRS 9 Financial Instruments –Derecognition of lease liabilities; Transaction price
- IFRS 10 Consolidated Financial Statements – Determination of a 'de facto agent'
- IAS 7 Statement of Cash Flows – Cost Method

IFRS 18 Presentation and Disclosure in Financial Statements*(effective for financial years beginning on or after 1 January 2027, early application is permitted). IFRS 18 will replace IAS 1 Presentation of Financial Statements. The key new requirements are as follows:

- Income and expenses in the income statement to be classified into three new defined categories—operating, investing and financing—and two new subtotals—"Operating profit or loss" and "Profit or loss before financing and income tax".
- Disclosures about management-defined performance measures (MPMs) in the financial statements. MPMs are subtotals of income and expenses used in public communications to communicate management's view of the company's financial performance.
- Disclosure of information based on enhanced general requirements on aggregation and disaggregation. In addition, specific requirements to disaggregate certain expenses, in the notes, will be required for companies that present operating expenses by function in the income statement.

2. Financial result

2.1 REVENUE

ACCOUNTING POLICY

Revenue is recognised in accordance IFRS 15 Revenue from the Contracts with Customers. Revenue recognised by the Group comprises sales revenue less indirect taxes in an amount it expects to be entitled to in exchange for the services transferred.

The Group's revenue from contracts with customers consists of payments for the sale of information systems development services. The Group's significant income streams from contracts with customers consist of the sale of work, project deliveries, licence sales, maintenance and other services constituting distinct performance obligations.

The Group recognises sales revenues on work sales billable by the hour, project deliveries, maintenance and the sale of other services over time as the service is being produced and control is transferred to the customer.

In the sale of work, services promised in the contract are treated as a single performance obligation consisting of a series of distinct services, where the sale concerns products that are substantially the same and transferred under the same control transfer model over time.

In recognising project revenues, the completion rate of the performance obligation is monitored throughout the whole project delivery. When the completion rate of a project delivery is determined, the work hours completed by the review date are compared to the total estimated number of work hours of the project.

Revenue received from a project in the initial phase of a project delivery is only recognised up to the amount of costs incurred until the completion rate of the project can be determined reliably. Sales revenues from a project are only recognised up to an amount of costs incurred corresponding to the expected recoverable amount. If the contract for a project delivery includes contingent consideration, such as a target bonus or a rebate to be granted, the variable consideration will only be recognised as sales revenue up to an amount that very likely will not be subject to a significant reversal in the future. If the total costs of a project are likely to exceed the total revenues from the project, the expected loss will be recognised immediately as an expense.

Revenue on licence sales is recognised, depending on the contract with the customer, either at a single point in time or over time. Licences recognised at a single point in time are treated as distinct performance obligations.

The Group applies a practical expedient concerning the presentation of the transaction price allocated to performance obligations remaining on the reporting date, and it does not present remaining performance obligations on contracts that have an original expected duration of one year or less or whose recognised sales revenues correspond to the value of the output produced by the Group for the customer by the review date.

The Group typically invoices sales revenues from customers at the end of the month of performance of the service, except for project deliveries, where invoicing takes place in accordance with the payment schedule defined in the contract with the customer. Invoices usually fall due within a month from the end of the month of performance of the service.

If the Group transfers services to a customer before the customer has paid the consideration or a payment falls past due, the contract is presented as a receivable (contract asset) excluding items presented as trade receivables. If a customer pays the consideration or the Group has an unconditional right to the consideration before the service is transferred by the Group to the customer, the contract is presented in the financial statements as a contract liability.

Income streams from contracts with customers do not include significant financing components or significant variable considerations.

Siili Solutions does not incur such material incremental costs from entering into a contract with a customer that would meet the capitalisation criteria. Any incremental costs are written off as expenses when they have arisen, since the asset item capitalised based on them would be recognised as an expense at the latest within a year from the incurrence of the incremental cost.

OPERATING SEGMENTS

The Group has one reportable segment, which provides its clients with information systems development services. The Group's highest operative decision maker is the Chief Executive Officer (CEO). Due to the business model, product portfolio, nature of operations and governance structure of Siili Solutions, the single reportable operating segment is the entire Group. Decisions concerning the Group's financial performance are based on EBITA. The figures for the reportable segment are equal to those for the Group. In the financial year 2024, the Group had 1 (2) customer accounting for more than 10% of the Group's external revenue, totalling 10.6% (20.8%).

Revenue

EUR 1,000	2024	2023
Sales in Finland	79,420	89,885
Sales to abroad	32,479	32,817
Total	**111,899**	**122,702**

Non-current assets

EUR 1,000	2024	2023
Sales in Finland	28,020	29,301
Sales to abroad	16,023	17,248
Total	**44,043**	**46,549**

Breakdown of revenue by income stream

EUR 1,000	2024	2023
Sales of work	96,396	107,021
Project deliveries	8,816	9,323
Licence sales	1,573	1,740
Maintenance and other services	5,114	4,619
Total	**111,899**	**122,702**

Assets and liabilities based on contracts with customers

EUR 1,000	2024	2023
Trade receivables (Note 4.1)	14,895	19,118
Contract-based assets (Note 4.1)	1,020	1,419
Contract-based liabilities (Note 4.2)	974	1,310
Total	**16,889**	**21,847**

Change in assets and liabilities based on contracts with customers

EUR 1,000	2024		2023	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Sales revenues for the reporting period included in contract-based liabilities on 1 Jan.	-	1,310	-	1,888
Increase in considerations from customers less monetary amounts recognised in the financial year	-	-336	-	-578
Asset items transferred into trade receivables	-1,419	-	-970	-
Increases due to fulfilment of performance obligation	2,439	-	2,389	-
Total	**1,020**	**974**	**1,416**	**1,310**

2.2 MATERIALS AND SERVICES

Materials and services consist of subcontracting costs and licence purchases due to the use of service labour.

EUR 1,000	2024	2023
Subcontracting services	21,906	24,802
Licence purchases	1,437	1,413
Total	**23,344**	**26,215**

2.3 EMPLOYEE BENEFIT EXPENSES

ACCOUNTING POLICY

The Group's pension plans are defined contribution plans. In a defined contribution plan, the Group makes fixed contributions into a separate entity, and the Group has no legal or constructive obligation to make further contributions. The contributions made to the defined contribution plans are charged to profit or loss under employee benefit expenses in the period to which the charge applies.

Salaries, bonuses and other employee benefit expenses

EUR 1,000	2024	2023
Salaries, wages and bonuses	57,960	60,414
Pension expenses	7,722	8,321
Share-based payments	189	269
Other personnel related costs	2,728	3,176
Total	**68,600**	**72,180**

CEO's and management's employee benefits

EUR 1,000	2024	2023
CEO's salary and other short-term benefits	250	283
CEO's share-based payments	71	62
Other management's salaries and other short-term benefits	592	763
Other management's share-based payments	39	60
Total	**951**	**1,168**

CEO's and management's employment benefits are presented on an accrual basis. The CEO's retirement age is determined under Finnish law. Pension contributions for the CEO (under the Employees Pension Act (TyEL)) recognised in the financial year 2024 amounted to EUR 43 (49) thousand.

Board of Directors' salaries and other remuneration

EUR 1,000	2024	2023
Harry Brade, Chair of the Board	50	49
Jesse Maula, Deputy Chair of the Board	31	25
Tero Ojanperä, Member of the Board	26	25
Henna Mäkinen, Member of the Board (as of 3 April 2024)	25	-
Katarina Cantell, Member of the Board (as of 3 April 2024)	20	-
Anu Nissinen, Deputy Chair of the Board (until 3 April 2024)	11	40
Kati Hagros, Member of the Board (until 3 April 2024)	6	25
Total	**168**	**162**

Number of Group personnel	**2024**	**2023**
Number of personnel at year-end	942	1,007
Average number of personnel	975	1,026

2.4 SHARE-BASED PAYMENTS

ACCOUNTING POLICY

The Group has a share-based incentive scheme in which payments are made in equity instruments. The option scheme is a market-based incentive scheme pursuant to IFRS 2. Benefits granted under the schemes are measured at fair value at the time of granting, and they are recognised as expenses evenly over the vesting period. The profit and loss effects of the schemes are presented in employee benefit expenses whose counterpart is retained earnings.

The expense determined at the time of granting the options is based on the Group's estimate of the number of options assumed to vest at the end of the vesting period. The Group updates its estimate of the final number of options on the closing date of each reporting period. The fair value of option schemes is determined based on the Black-Scholes options pricing model. When option rights are exercised, the proceeds received from share subscriptions, adjusted by transaction costs, if any, are entered into the unrestricted equity fund in accordance with the terms and conditions of the scheme.

Option and share-based incentive schemes

Key terms and conditions of the company's option and share-based incentive schemes are presented below.

Share savings plans

Siili Solutions Plc has a share savings plan SiiliX Share, established for the personnel in 2018, and related option plans. The purpose of the share savings plan is to provide Siili Group's employees an opportunity to save part of their salary and use it to acquire shares in the company. By incentivising its employees to acquire and hold shares in the company, Siili seeks to strengthen the link between its shareholders and employees and to promote the longstanding commitment of its employees to the activities of the company.

The share savings plan consists of savings periods beginning each year. Participants in the plan receive an option right in Siili Solutions Plc free of charge for every savings share they purchase in the savings period. As an exception, employees participating in a savings period of the plan for the first time receive two option rights for each savings share purchased. Subject to the release criterion set for the stock options being fulfilled, each stock option entitles its owner to subscribe for one new share in the company or an existing share held by the company in exchange for a share subscription price pursuant to the terms and conditions of the stock options for the savings period. The share subscription price for shares subscribed based on the stock options is the volume-weighted average trading price on Nasdaq Helsinki Ltd during the month specified in the terms and conditions for the savings period.

In the financial year 2024, the company had the following share savings plans in force: 2020A, 2021A, 2022A, 2023A and 2024A.

Share-based incentive schemes

The Siili Group has a long-term share-based incentive scheme established in 2020 for key personnel of the Group. The purpose of the scheme is to harmonise the interests of the shareholders and key personnel to increase the value of the company, to make the key personnel committed to the company and provide them with a competitive remuneration scheme based on earning shares in the company and on the performance of the shares.

The share-based incentive scheme has three years earnings periods, comprising the financial years 2020-2022, 2021–2023, 2022–2024 and 2023–2025. For the members of the Management Team, participation in the scheme is contingent on owning shares in Siili. The potential rewards under the scheme will be paid after the end of the earnings period, partly in company shares and partly in cash. The purpose of the cash component is to cover the taxes and tax-like payments incurred by the participant due to the reward. If a participant's employment or service contract with the company is terminated before the reward is paid, the reward is not, as a rule, paid.

The reward payable under the share-based incentive scheme is based on the Group's operating profit, revenue and total shareholder return.

The earnings period 2020-2022 of the share-based incentive scheme ended in the financial year 2023. Share rewards earned in the earnings period corresponded to 3,345 gross shares. A total of 2,046 net shares were given to the participants. The rewards were paid with treasury shares.

Assumptions made in the measurement of fair value

Fair value of the option as measured at grant	9.04
Share price at the end of reporting period	5.66
Expected volatility	29.8%
Contractual life (years)	3.2
Risk-free interest rate	2.7%
Expected dividends	2.3%

Effect of share-based payments on the result for the period

EUR 1,000	2024	2023
Share-based payments	189	247
Cash-based payments	-	21
Total	**189**	**269**

Scheme	Share savings plans	Share-based incentive
Maximum number granted	250,000	581,000
Original subscription price on average	12.54	-
Dividend deduction	Yes	-
Current subscription price on average	11.96	-
Vesting terms and conditions	Employment or service relationship and a release criterion based on share price performance in option schemes 2020A and 2021A.	Employment or service relationship and operating profit, revenue and total shareholder return.
End of subscription period	2025–2028	-
Contractual life on average (years)	3.3	3.2
Remaining contractual life on average (years)	1.8	1.2
Number of participants in the programmes at the end of the reporting period	445	92
Execution	Paid in shares	Paid in cash and shares

	Share savings plans		Share-based incentive	
Number of options and share based incentives	**2024**	**2023**	**2024**	**2023**
At the beginning of the financial year	56,309	35,273	253,986	201,386
New instruments granted	39,177	34,608	118,000	106,800
Forfeited	-4,834	-6,255	-47,800	-13,800
Executed	-2,183	-6,634	-	-3,345
Expired	-1,194	-683	-50,262	-37,055
At the end of the financial year	**87,275**	**56,309**	**273,924**	**253,986**

2.5 OTHER OPERATING INCOME AND EXPENSES

Other operating income includes revenue from operating activities not belonging to the principal activities of the company.

ACCOUNTING POLICY

Government grants

Government grants are recognised when it is reasonably certain that they will be received and that the Group meets the requirements for receiving the grant. Government grants are recognised through profit or loss in the financial year when the right to receive the grant was established. The Group's government grants are presented in other operating income.

Research and development costs

Research costs are recognised through profit or loss in the financial year in which they arise.

Development costs are capitalised in the statement of financial position only if the Group meets the criteria laid down in IAS 38 for the capitalisation of development costs. Capitalised development costs are amortised over their useful life. Amortisations are recognised for assets from the date when it is available for use. An asset that is not yet available for use is tested annually for impairment. Capitalised development costs are measured after initial recognition at cost less accumulated amortisation and impairment. Other development costs are recognised as expenses.

Previously expensed development costs cannot be capitalised again in subsequent periods. Expensed research and development costs are included in the consolidated income statement in other operating expenses.

Other operating income

EUR 1,000	2024	2023
Government grants	99	344
Other income items	199	101
Total	**298**	**444**

Other operating expenses

EUR 1,000	2024	2023
Voluntary personnel expenses	2,177	2,036
Travel expenses	639	878
Lease and vehicle expenses	687	549
IT expenses	4,387	4,534
Marketing, sales promotion and communications expenses	955	1,024
Expert services	1,709	1,507
Other operating expenses	1,492	2,117
Total	**12,045**	**12,645**

Audit fees

EUR 1,000	2024	2023
Group's auditor, KPMG		
Auditing	234	221
Statutory assurance opinions	17	21
Tax advisory	-	-
Other services	90	-
Total	**341**	**242**

Fees charged by KPMG Oy Ab are broken down as follows: auditing EUR 190 (179) thousand, statutory assurance opinions EUR 17 (21) thousand, including fees of 13 thousand euros charged for the assurance of the sustainability report, and other advisory services EUR 90 (0) thousand.

Research and development costs

EUR 1,000	2024	2023
Research and development costs written off as expenses	674	1,404
Capitalised development costs	909	519
Total	**1,583**	**1,923**

2.6 FINANCIAL INCOME AND EXPENSES

ACCOUNTING POLICY

Interest income and expenses are recognised using the effective interest rate method. Derivatives contracts concluded to hedge against interest rate risk as well as contingent considerations recognised on business combinations are measured at fair value through profit or loss. The accounting and valuation policies concerning financial assets and liabilities are described in more detail in Notes 3.5 Acquired businesses, 5.3 Fair values of financial assets and liabilities and 5.6 Financial liabilities and other interest-bearing liabilities.

Financial income

EUR 1,000	2024	2023
Interest income	217	402
Other financial income	5	23
Change in the fair value of contingent consideration	798	825
Foreign exchange gains	271	-
Total	**1,291**	**1,250**

Financial expenses

1 000 EUR	2024	2023
Interest expenses on financial liabilities measured at amortised cost	-112	-160
Interest expenses on lease liabilities measured at amortised cost	-206	-153
Interest derivatives	-57	-33
Other interest expenses	-24	-58
Effect of discounting of contingent consideration	-933	-1,376
Change in the fair value of contingent consideration	-37	-579
Other financial expenses	-18	-9
Foreign exchange losses	19	-255
Total	**-1 367**	**-2 623**
Total financial income and expenses	**-76**	**-1 373**

The financial items for the financial year included net income totalling EUR 761 (247) thousand due to the fair value adjustments of contingent considerations for Supercharge Kft and Vala Group Oy. Measurement differences arising from the discounting of contingent consideration liabilities totalled EUR 933 (1,376) thousand, recognised in interest expenses. Interest rate expenses for the financial year on bank loans totalled EUR 112 (160) thousand.

2.7 INCOME TAXES

ACCOUNTING POLICY

Taxes recognised on the income statement include current and deferred taxes. Taxes are recognised through profit or loss except where related to business combinations or items directly entered into equity or other items in the statement of comprehensive income.

The current tax charge is determined based on the taxable income using the tax rate valid (or substantively enacted) on the financial statements date. This tax is adjusted with any taxes relating to previous financial years.

Deferred taxes are recognised for temporary differences between the accounting value and tax bases of assets and liabilities as well as tax-loss carry forwards. Deferred taxes are determined using tax rates in force on the closing date of the reporting period or tax rates whose entry into force has been approved by that date. Deferred taxes are not recognised in respect of subsidiaries' retained earnings to the extent that the difference is unlikely to be unwound in the foreseeable future.

As a rule, a deferred tax liability is recognised on all temporary differences between the accounting value and tax bases of assets and liabilities. As an exception, no deferred tax liability is recognised on investments in subsidiaries in circumstances where the Group is able to choose the date of unwinding the temporary difference, and the temporary difference is unlikely to unwound in the foreseeable future.

However, deferred tax liability is not accounted for, if it arises from the initial recognition of goodwill. The most significant temporary differences arise from adjustments made based on fair values in connection with business acquisitions.

A deferred tax asset is recognised on deductible temporary differences and tax-deductible losses. A deferred tax asset is recorded on the basis of losses up to the amount that it is probable that the deferred tax asset can be used to offset taxable income in the future. The criteria for the recognition of deferred tax assets is assessed on the closing date of each reporting period.

Components of tax expenses

EUR 1,000	2024	2023
Current tax	-793	-1,299
Tax for previous financial years	376	605
Change in deferred taxes	349	142
Total	**-67**	**-551**

Reconciliation of the tax expense in the income statement and taxes according to the domestic 20% tax rate

EUR 1,000	2024	2023
Profit before taxes	3,516	5,536
Taxes according to domestic tax rate	-703	-1,107
Foreign subsidiaries' different tax rates	269	313
Tax-free income	220	179
Non-deductible expenses	-306	-466
Tax losses for the period, for which no deferred tax asset is recognised	-	-74
Utilisation of tax losses, for which no deferred tax asset is recognised	16	-
Tax for previous financial years	376	605
Other items	62	-1
Total	**-67**	**-551**
Effective tax rate	**-1.9%**	**-9.9%**

The effective tax rate for the financial year 2024 was reduced by a retroactive tax deduction for research and development activities received by the Group in the UK. Excluding tax adjustments for previous periods, the Group's effective tax rate for the financial year was 12.6%.

Change in deferred tax assets

EUR 1,000	1 January 2024	Recognised through profit or loss	Acquired businesses	Translation differences	31 December 2024
Lease liabilities	771	-129	-	-3	639
Tax losses carried forward	-	207	-	-	207
Other temporary difference	3	0	-	0	3
Total deferred tax assets, gross	**774**	**78**	**-**	**-3**	**849**
Netting, deferred tax liabilities	-757	-	-	-	-620
Total deferred tax assets, net	**17**	**-**	**-**	**-**	**229**

EUR 1,000	1 January 2023	Recognised through profit or loss	Acquired businesses	Translation differences	31 December 2023
Lease liabilities	995	-239	-	15	771
Other temporary difference	31	-28	-	0	3
Total deferred tax assets, gross	**1,026**	**-267**	**-**	**15**	**774**
Netting, deferred tax liabilities	-935	-	-	-	-757
Total deferred tax assets, net	**91**	**-**	**-**	**-**	**17**

Change in deferred tax liabilities

EUR 1,000	1 January 2024	Recognised through profit or loss	Acquired businesses	Translation differences	31 December 2024
Measurement of intangible assets at fair value in business combinations	981	-138	-	-23	820
Right-of-use assets	757	-134	-	-3	620
Other temporary difference	137	-	-	-	137
Total deferred tax liabilities, gross	**1,875**	**-272**	**-**	**-27**	**1,577**
Netting, deferred tax assets	-757	-	-	-	-620
Total deferred tax liabilities, net	**1,118**	**-**	**-**	**-**	**957**

EUR 1,000	1 January 2023	Recognised through profit or loss	Acquired businesses	Translation differences	31 December 2023
Measurement of intangible assets at fair value in business combinations	1,180	-218	-	19	981
Right-of-use assets	935	-193	-	15	757
Other temporary difference	135	2	-	-	137
Total deferred tax liabilities, gross	**2,250**	**-409**	**-**	**34**	**1,875**
Netting, deferred tax assets	-935	-	-	-	-757
Total deferred tax liabilities, net	**1,315**	**-**	**-**	**-**	**1,118**

At the end of financial year 2024, the Group had EUR 647 (1,697) thousand of unused tax losses, for which no deferred tax asset had been recognised, since the utilisation of the losses is uncertain in the foreseeable future. These tax losses are related to the Group's operations in Austria and the USA.

2.8 EARNINGS PER SHARE

Undiluted earnings per share

Undiluted earnings per share are calculated by dividing net profit for the period attributable to the shareholders of the parent company by the weighted average number of shares outstanding.

Undiluted earnings per share	2024	2023
Profit for the financial year, attributable to share-holders of the parent company, EUR 1,000	3,449	4,986
Weighted average number of shares during the period, thousand	8,112	8,108
Undiluted earnings per share (EUR/share)	**0.43**	**0.61**

Diluted earnings per share

Diluted earnings per share (EPS) are calculated similarly to undiluted EPS, but the weighted average number of shares used for the undiluted EPS accounts for the diluting effect of all potential ordinary shares.

Stock options included in the share savings plan are conditionally issued, and they are taken into account in calculating the diluted earnings per share. The options have a diluting effect when their subscription price is lower than the average market price of the share in the financial year or a shorter outstanding period.

The diluting effect is the difference between the number of shares to be issued and the hypothetical number of shares that would have been issued at the average market price of the financial year.

Diluted earnings per share	2024	2023
Profit for the financial year, attributable to share-holders of the parent company, EUR 1,000	3,449	4,986
Weighted average number of shares during the period, thousand	8,112	8,108
Effect of stock options, thousand	0	2
Weighted average number of shares used to cal-culate diluted EPS, thousand	8,112	8,110
Diluted earnings per share (EUR/share)	**0.43**	**0.61**

Directed share issues

Siili Solutions Oyj has not carried out directed share issues in the financial years 2024 or 2023.

3. Investments and acquisitions

3.1 GOODWILL AND INTANGIBLE ASSETS

ACCOUNTING POLICY

Goodwill

Goodwill is recognised on business combinations if the consideration transferred, interest of non-controlling shareholders in the acquiree and previously held interest in the acquiree exceed the fair value of the acquired net assets.

Goodwill is not subject to amortisation. Goodwill is tested for impairment at on an annual basis and additionally whenever indications arise that goodwill may have been impaired. Goodwill is measured at cost less accumulated impairment losses.

The Group's goodwill is allocated to three CGUs: Siili Solutions, Vala Group and Supercharge. Vala Group and Supercharge are CGUs separate from the rest of the Group, since they operate independently as profit centres. The Group's other business operations are run on a centralised basis, and also the management of the contract portfolio and allocation of the workforce to customers is made on a unified basis. As assessed by the Group's management, besides Vala Group and Supercharge, the Group does not have other independent and separate businesses or separate identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Customer relationships and other intangible assets

Customer relationships and other fair value adjustments

Existing customer relationships are recognised at fair value on the acquisition date. Customer contracts were acquired as part of business combinations in 2017–2023.

Other fair value adjustments on business combinations include the Supercharge and Vala Group brands as well as a non-compete agreement.

Other intangible assets

An intangible asset capitalised in the statement of financial position at initial cost if the cost can be measured reliably and it is probable that the Group will receive future economic benefit from the asset.

An intangible asset arising from development is capitalised if:

- if the completion of the intangible asset is feasible so that the asset is available for the Group to use or sell
- the Group intends to complete the intangible asset and use it or sell it
- the Group can demonstrate how the intangible asset will generate probable future economic benefits
- the Group can avail itself of adequate technical, financial and other resources to complete the development and to use or sell the completed intangible asset
- the Group can measure reliably the expenditure attributable to the intangible asset during its development.

The accounting treatment of cloud service arrangements depends on whether the cloud-based software is classified as an asset or a service contract. Arrangements where the company does not have control over the software are treated in accounting as service contracts providing the company the right to use the cloud service provider's applications during the contract period. Ongoing user right fees of the application software and configuration or tailoring costs are recognised in other operating expenses when the services are received. Prepayments to the cloud service provider for tailoring of software, where not distinct, are expensed during the contract period.

Intangible assets with a limited economic life are amortised on a straight-line basis as expenses through profit or loss over their economic life and tested for impairment if there are indications of potential impairment.

Amortisation of intangible assets, excluding goodwill, is recognised as expenses on a straight-line basis through profit or loss over their economic life from the date when the asset item is available for use.

Amortisation periods of intangible assets:

– Customer relationships	5–10 years
– Brand	10 years
– Development costs	5 years
– Other tangible assets	5 years

Sales gains and losses arising from the decommissioning and transfer of intangible assets are calculated as the difference between the consideration received from the transfer and the remaining acquisition cost, and they are recognised through profit or loss in the period when they arise.

Goodwill and intangible assets

EUR 1,000	Goodwill	Customer relationships	Brand	Development costs	Other intangible assets	Advance payments	Total
Acquisition cost 1 Jan 2024	32,490	13,285	3,310	813	468	190	50,555
Additions	-	-	-	615	-	307	922
Translation differences	-622	-269	-123	-	-0	-	-1,014
Reclassifications between items	-	-	-	497	-	-497	-
Acquisition cost 31 Dec 2024	31,868	13,016	3,187	1,910	468	0	50,449
Accumulated amortisation and impairment 1 Jan 2024	-	7,379	2,037	142	104	-	9,662
Amortisation	-	905	172	208	93	-	1,378
Translation differences	-	-91	-42	-	-1	-	-133
Accumulated amortisation and impairment 31 Dec 2024	-	8,193	2,168	349	197	-	10,907
Carrying amount 31 Dec 2024	**31,868**	**4,823**	**1,019**	**1,561**	**270**	**-**	**39,541**

EUR 1,000	Goodwill	Customer relationships	Brand	Development costs	Other intangible assets	Advance payments	Total
Acquisition cost 1 Jan 2023	31,866	13,050	3,230	359	467	126	49,097
Additions through business combinations [1]	220	60	-	-	-	-	280
Additions	-	-	-	242	1	276	519
Translation differences	404	175	80	-	0	-	659
Reclassifications between items	-	-	-	212	-	-212	-
Acquisition cost 31 Dec 2023	32,490	13,285	3,310	813	468	190	50,555
Accumulated amortisation and impairment 1 Jan 2023	-	6,109	1,845	15	11	-	7,980
Amortisation	-	1,239	178	126	93	-	1,636
Additions through business combinations [2]	-	-	-	-	-	-	-
Translation differences	-	31	14	-	-1	-	44
Accumulated amortisation and impairment 31 Dec 2023	-	7,379	2,037	142	104	-	9,662
Carrying amount 31 Dec 2023	**32,490**	**5,906**	**1,273**	**671**	**364**	**190**	**40,893**

1 The Group acquired the software business of Talentree Oy during the financial year 2023.

3.2 IMPAIRMENT TESTING

ACCOUNTING POLICY

On each closing date of a reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. In addition, the recoverable amount of goodwill and unfinished intangible assets is estimated annually regardless of whether there are any indications of impairment. Goodwill is also tested for impairment, in addition to the annual test, whenever there is any indication that the value may be impaired. According to the Group's established practice, the testing is carried out annually during the last quarter.

The need to recognise an impairment is considered at the level of cash generating units, i.e. the lowest level of units mainly independent from other units and whose cash flows are distinct and largely independent of other corresponding units' cash flows. Cash generating units are the lowest organisational level within the Group at which goodwill is monitored for internal management purposes.

The recoverable amount is the higher of the asset item's fair value less costs of disposal and its value in use. Value in use refers to the estimated net cash flows available from the asset item or cash generating unit concerned, discounted to their present value. The Group determines recoverable amounts by reference to calculations based on the value in use.

If the recoverable amount is lower than the carrying amount of the asset item, an impairment is recognised in the income statement as an expense and allocated primarily to goodwill and subsequently by making equally proportioned deductions from other asset items. Impairment losses recognised on other asset items than goodwill are reversed in case of a change in the estimates applied in determining the amount recoverable from the asset item.

The maximum amount of impairment loss to be reversed equals the carrying amount of the asset item if no impairment loss had been recognised. Impairment losses on goodwill may not be reversed under any circumstances.

MANAGEMENT'S JUDGMENT AND UNCERTAINTIES RELATED TO ESTIMATES

Carrying out an impairment test requires company management to make assumptions and estimates used as the basis for calculating the value of use of the cash-generating unit. Although company management finds its assumptions appropriate, actual future cash flows may deviate materially from the estimated cash flows. However, the general uncertainty and inflation in 2024 continued to affect in particular our clients' investment decisions, thereby also weighing on Siili's business. Slow recovery of the economy is expected to continue to affect Siili's business and growth opportunities also in the current financial year. According to management observations and estimates, the impacts of the market environment in the financial year 2024 were moderate, and they are expected to reduce in 2025. Management has taken into account the effects of these changes in the estimates applied to impairment testing.

Allocation of goodwill

For the purpose of impairment testing, goodwill is allocated to three cash generating units: Siili Solutions, Vala Group and Supercharge. Contrary to financial year 2022, Haallas Finland Oy has been tested as part of the Siili Solutions CGU, since its recoverable cash flows can no longer be reliably separated from those of the Siili Solutions CGU. Carrying amounts of goodwill allocated to the CGUs as at 31 December 2024:

EUR 1,000	2024	2023
Siili Solutions	16,311	16,311
Vala Group	7,222	7,222
Supercharge	8,335	8,957
Total	**32,490**	**31,866**

Impairment testing and assumptions used

The recoverable amount in impairment testing is determined on the basis of value in use. Impairment testing was carried out at 31 October 2024.

Impairment testing is also carried out immediately if there are indications of a potential impairment.

The cash flow estimates used in the testing of the recoverable amounts are based on Group management's estimates approved by the Board of Directors of the parent company. Forecasts for the next year are based on the Group's budgeted figures while the forecasts for the following four years are based on the Group's long-term targets. The growth rate applied to cash flows after the forecast horizon is 2%. The company's historical growth and the digitalisation of different economic sectors support the achievement of the growth targets for the following years.

The company applies the weighted average cost of capital (WACC) as the discount rate in impairment testing. Other key variables of the cash flow estimates involve assumptions of revenue growth as well as EBITDA and EBIT.

Assumptions underlying cash flow estimates	**Terminal growth rate**		**Post-tax WACC**	
	2024	**2023**	**2024**	**2023**
Siili Solutions	2.0%	2.0%	10.6%	11.1%
Vala Group	2.0%	2.0%	10.6%	11.1%
Supercharge	2.0%	2.0%	12.0%	15.6%

The impairment test carried out demonstrated that the amounts recoverable from the cash generating units exceed their carrying amounts and there is no need for goodwill impairment. According to a sensitivity analysis performed by the company testing the effect of changes in the terminal growth rate, WACC and EBIT rate on the recoverable amount, value-in-use calculations are the most sensitive to changes in the EBIT rate. A permanent decline of 3.6 percentage points in the EBIT rate of the Siili Solutions CGU, a permanent decline of 8.3 percentage points in the EBIT rate of the Vala Group CGU or a permanent decline of 5.8 percentage points in the EBIT rate of the Supercharge CGU would make the discounted present value of the cash flows equal with the carrying amounts. Any somewhat feasible change regarding other key assumptions would not trigger the need to recognise an impairment loss on any CGU.

3.3 TANGIBLE ASSETS

ACCOUNTING POLICY

Tangible assets are carried at acquisition cost less accumulated depreciation and impairment losses. The acquisition cost includes direct expenses incurred in the acquisition of a tangible asset item.

Significant renovation and overhaul expenses arising at a later date are included in each asset's carrying value. They can be recognised as a separate asset only if it is likely that the future economic benefits associated with the item will flow to the Group and if the acquisition cost of the asset can be reliably determined. Any remaining carrying amount pertaining to a renovated asset item is derecognised from the statement of financial position. Ordinary repair and maintenance expenses are recognised as expenses for the reporting period during which they were incurred.

These assets are depreciated on a straight-line basis over their estimated useful lives.

Depreciation periods of tangible assets:
- Machinery and equipment 3–5 years
- Renovation of leased premises 3–5 years

The useful life of an asset and the applicable depreciation method are reviewed at least at the end of each financial year and adjusted reflecting changes in expectations concerning economic benefit, if necessary.

A tangible asset is derecognised from the statement of financial position when transferred or when no future economic benefit is expected from using or transferring it. Sales gains and losses on disposal or transfer of tangible assets are recognised through profit or loss and presented in other operating income and expenses in the period when they arise.

Tangible assets

EUR 1,000	Renovation costs	Machinery and equipment	Advance payments	Total
Acquisition cost 1 Jan 2024	1,084	4,876	-	5,960
Additions	10	314	-	324
Disposals	-	-270	-	-270
Translation differences	-21	-55	-	-76
Acquisition cost 31 Dec 2024	1,060	4,865	-	5,925
Accumulated depreciation and impairment 1 Jan 2024	633	4,068	-	5,925
Depreciation	182	538	-	720
Disposals	-	-270	-	-270
Translation differences	-17	-47	-	-64
Accumulated depreciation and impairment 31 Dec 2024	785	4,290	-	5,075
Carrying amount 31 Dec 2024	**275**	**575**	**-**	**850**

EUR 1,000	Renovation costs	Machinery and equipment	Advance payments	Total
Acquisition cost 1 Jan 2023	695	4,491	-	5,186
Additions	280	202	274	756
Disposals	-	-97	-	-97
Translation differences	32	84	-	116
Reclassifications between items	77	197	-274	-
Acquisition cost 31 Dec 2023	1,084	4,876	-	5,960
Accumulated depreciation and impairment 1 Jan 2023	453	3,502	-	3,955
Depreciation	164	602	-	766
Disposals	-	-97	-	-97
Translation differences	17	61	-	77
Accumulated depreciation and impairment 31 Dec 2023	633	4,086	-	4,701
Carrying amount 31 Dec 2023	**451**	**808**	**-**	**1,259**

3.4 LEASES

ACCOUNTING POLICY

The Group as a lessee
The Group recognises the lease liability and the corresponding right-of-use asset at the commencement date of the lease contract.

Right-of-use assets are measured at cost less depreciations and impairments, if any. The acquisition cost includes the original amount of lease liability, initial direct costs, and lease payments made before the commencement date, less any incentives received.

The carrying amount of a right-of-use asset is adjusted to correspond to the change in the lease liability if the value of the lease liability is remeasured during the lease period. Leased right-of-use assets are tested for impairments if there are indications of impairment.

Lease liability is measured at the present value of future lease payments. Leases include fixed payments less any incentives received, variable leases based on an index or price level, as well as amounts the Group is expected to pay based on residual value guarantees. Leases also include the exercise price of purchase options where it is relatively certain that the Group will exercise the option, as well as penalty payments for terminating the lease if the lease period reflects the exercise of the option by the Group. The lease payments are discounted using the Group's incremental borrowing rate, adjusted with a view to the lease period and the special characteristics of the lease object and the economic environment of the Group companies.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from renegotiation or a change in an index, price level or the remeasurement of options.

Right-of-use assets are depreciated over the lease period on a straight-line basis. The period covered by an extension option or termination option is added to the lease period if it is reasonably certain that the Group will use the extension option or will not use the termination option.

Siili solutions applies practical expedients and does not recognise contracts shorter than 12 months or low-value contracts in the statement of financial position, but lease payments on these contracts are reported in the income statement as lease expenses. Furthermore, Siili solutions does not differentiate non-lease contract components from the lease contracts.

Depreciation periods of right-of-use assets:

- Buildings 3–5 years
- Machinery and equipment 3 years

MANAGEMENT JUDGMENT AND UNCERTAINTIES RELATED TO ESTIMATES

Siili Solutions has lease contracts related to office premises valid until further notice as well as lease contracts including extension and termination options. In assessing factors related to the lease period, management has to make estimates and assumptions. The lease period for lease contracts' valid until further notice has been estimated at 3 years based on management's judgment.

Right-of-use assets

EUR 1,000	Buildings	Machinery and equipment	Total
Acquisition cost 1 Jan 2024	10,800	320	11,120
Additions	1,961	184	2,145
Disposals	-4,748	-126	-4,874
Translation differences	27	1	27
Acquisition cost 31 Dec 2024	8,039	378	8,418
Accumulated depreciation and impairment 1 Jan 2024	6,704	196	6,901
Depreciation	2,397	122	2,519
Disposals	-4,167	-104	-4,271
Translation differences	10	1	11
Accumulated depreciation and impairment 31 Dec 2024	4,944	215	5,159
Carrying amount 31 Dec 2024	**3,096**	**164**	**3,260**

EUR 1,000	Buildings	Machinery and equipment	Total
Acquisition cost 1 Jan 2023	11,152	431	11,583
Additions	3,838	75	3,913
Disposals	-4,304	-188	-4,492
Translation differences	114	2	116
Acquisition cost 31 Dec 2023	10,800	320	11,120
Accumulated depreciation and impairment 1 Jan 2023	6,598	204	6,802
Depreciation	2,687	109	2,796
Disposals	-2,657	-119	-2,776
Translation differences	76	2	78
Accumulated depreciation and impairment 31 Dec 2023	6,704	196	6,901
Carrying amount 31 Dec 2023	**4,096**	**124**	**4,220**

Items recognised in the statement of financial position:

EUR 1,000	**31 Dec 2024**	**31 Dec 2023**
Right-of-use assets	3,260	4,220
Long-term leasing contract liability	1,480	1,841
Short-term leasing contract liability	1,886	2,463

Items recognised in the income statement:

EUR 1,000	**1 Jan–31 Dec 2024**	**1 Jan–31 Dec 2023**
Depreciations on right-of-use assets	-2,519	-2,796
Interest expenses on lease liability	-206	-153
Expenses on short-term leasing contracts	-44	-106
Expenses on low-value leasing contracts	-779	-821

Outbound cash flow due to lease contracts in the financial year 2024 amounted to EUR 3,526 (3,924) thousand. The maturity breakdown of lease liabilities is presented in Note 5.2 Financial risk management.

3.5 ACQUIRED BUSINESSES

ACCOUNTING POLICY

Business combinations are accounted for using the cost method. The consideration paid in connection with a business combination, contingent consideration if any, and the assets and liabilities of the acquired company are measured at fair value at the time of acquisition. Costs related to the acquisition are recognised as expense for the financial year.

Non-controlling interests in the acquiree are measured at fair value on each reporting date, and any fair value adjustment is recognised through profit or loss. Non-controlling interests are presented as liabilities recognised through profit or loss in circumstances where both parties have a concurrent purchase option and redemption right concerning non-controlling interests.

In business combinations, goodwill is recognised at the excess of the sum of consideration transferred and the fair value of any non-controlling interests in the acquiree, over the fair value of the net identifiable assets acquired.

MANAGEMENT JUDGMENT AND UNCERTAINTIES RELATED TO ESTIMATES

The measurement of assets acquired and liabilities assumed, contingent as well as additional considerations, and fair values thereof, requires management's judgment.

Management believes that the estimates and assumptions applied are accurate enough to be used as the basis of fair value measurement. In addition, the Group reviews at least on every closing date of a financial year any indications of impairment in goodwill and the fair value of both tangible and intangible assets.

Acquisitions in financial period 2024

During the financial year, Siili Solutions Plc increased its ownership in its subsidiaries Supercharge Kft and Vala Group Oy. In May, the company carried out share acquisitions whereby its ownership in Vala Group Oy increased to 96.6% from the previous level of approximately 80% and its ownership in Supercharge Kft rose to 70% from 55%. The consideration for the shares in Vala Group Oy was approximately EUR 5.3 million, including a compensation of some EUR 1.6 million for the company's net cash assets and an adjustment for dilution of the company's option scheme under the shareholders' agreement. The consideration for the shares in Supercharge Kft was approximately EUR 4.2 million, including some EUR 0.5 million in compensation for the company's net cash.

Acquisitions in financial period 2023

In April 2023, Siili Solutions Plc acquired the software business of Talentree Oy based in the city of Kuopio. For Siili, the transaction marks a territorial expansion to Kuopio and an addition of 11 new professionals to its software development capabilities. Siili's objective is to make its Kuopio office one of the city's most attractive workplaces in the IT sector.

The acquisition price for Talentree Oy's software business consists of a fixed transaction price of EUR 147 thousand and a potential contingent consideration. The contingent consideration is capped at EUR 75 thousand, and it will be paid in the financial year 2024. The consideration will be paid entirely by cash consideration from Siili Solutions Plc's cash assets. The acquisition cost calculation includes a contingent consideration of EUR 50 thousand, and any subsequent adjustments thereto will be recognised at fair value through profit or loss.

In the business acquisition, customer relationships worth EUR 60 thousand were identified and recognised separately from goodwill. The goodwill of EUR 220 thousand recognised in the transaction consists of Talentree's capable personnel and geographical presence in Kuopio, enabling Siili's regional expansion. The goodwill is deductible in taxation. During the financial year, expert expenses of EUR 11 thousand were recognised in respect of the acquisition.

The business acquisition has not had a material impact on the Siili Group's revenue or EBITA for the financial year 2023.

Assets acquired and Liabilities assumed

EUR 1,000	Talentree Oy
Intangible assets	60
Current receivables	6
Current liabilities	-89
Acquired net assets	**-23**

Acquisition cost

EUR 1,000	
Consideration	147
Contingent consideration	50
Total acquisition cost	**197**
Fair value of acquired net assets	**-23**
Goodwill	**220**

Consideration for the acquisition in the cash flow statement

EUR 1,000	
Consideration paid in cash	147
Net consideration in the cash flow from investing activities	**147**

4. Working capital

4.1 TRADE AND OTHER RECEIVABLES

EUR 1,000	2024	2023
Trade receivables	14,895	19,118
Assets related to customer contracts	1,020	1,419
Other accrued income and prepaid expenses	2,924	2,620
Tax assets based on taxable income for the period	902	826
Other receivables	490	615
Total	**20,230**	**24,598**

Aging of trade receivables

EUR 1,000	Gross 2024	Net 2024	Gross 2023	Net 2023
Not past due	13,184	13,184	13,627	13,627
Past due				
1–30 days	1,604	1,604	5,062	5,062
31–60 days	36	36	264	264
61–90 days	-	-	17	17
more than 90 days	74	70	150	149
Total	**14,899**	**14,895**	**19,119**	**19,118**

In the financial year 2024, the Group recognised a credit loss of EUR 3 (174) thousand. Expected credit losses on assets related to customer contracts amount to EUR 4 (1) thousand.

Net contract assets

EUR 1,000	Gross	Expected credit loss	Credit loss allowance
Not past due	14,204	0.0%	-
1–30 days	1,604	0.0%	-
31–60 days	36	0.0%	-
61–90 days	-	0.0%	-
more than 90 days	74	5.3%	4
Total	**15,919**		**4**

4.2 TRADE AND OTHER PAYABLES

EUR 1,000	2024	2023
Current		
Trade payables	5,833	7,126
Payables related to customer contracts	974	1,310
Accrued expenses	10,371	9,625
Tax liabilities based on the taxable income for the period	49	121
Contingent consideration	4,086	9,481
Other liabilities	5,523	6,071
Guarantee provisions and provisions on onerous contracts with customers	23	12
Trade and other payables, total	**26,859**	**33,746**

4.3 PROVISIONS

ACCOUNTING POLICY

A provision is made when the Group has a legal or constructive obligation based on an earlier event and it is likely that the performance of the obligation will require a payment and the amount of the obligation can be estimated reliably. The amount recognised as a provision represents the best estimate of costs required to fulfil an existing obligation on the financial statements date. If the effect of the time value of money is material, provisions are measured at the present value of the expenditure required to cover the obligation. Changes in provisions are recognised in the income statement item in which the provision was initially made.

A provision is recognised on onerous contracts when the costs of performing on obligations exceed the economic benefit expected from the contract.

A contingent liability is a possible obligation arising from past events, whose existence will be confirmed only by the realisation of an uncertain future event beyond the Group's control. A present obligation that probably does not require fulfilment of payment obligation or that the amount cannot be defined reliably, is also considered as contingent liability. Contingent liabilities are presented in the notes.

Provisions include loss provisions related to customer projects and provisions related to onerous contracts, which are presented in short-term liabilities. Guarantee provisions are related to guarantee periods granted for certain customer projects, during which any flaws identified in the project delivery are corrected at the Group's expense. Provisions concerning onerous contracts cover the estimated net loss of the contracts.

EUR 1,000	Onerous contracts	Guarantee provisions	Total
31 December 2023	3	8	12
Increases	20	12	32
Used provisions	-12	-	-12
Reversals of unused provisions	-	-8	-8
Translation differences	-	0	0
31 December 2024	**11**	**12**	**23**

EUR 1,000	Onerous contracts	Guarantee provisions	Total
31 December 2022	44	65	109
Increases	76	12	88
Used provisions	-116	-14	-130
Reversals of unused provisions	-	-55	-55
Translation differences	-	1	1
31 December 2023	**3**	**8**	**12**

5. Capital structure

5.1 EQUITY

ACCOUNTING POLICY

The Group categorises instruments it has issued on the basis of their nature either as equity or financial liability. An equity instrument is any kind of an agreement indicating entitlement to an entity's assets after the deduction of all its liabilities. Incremental costs directly attributable to the issue or purchase of equity instruments are shown in equity as a deduction. The acquisition and transfer of treasury shares is presented as adjustments to equity. The equity capital consists of ordinary shares.

The following table presents changes in the number of shares and corresponding changes in equity.

EUR 1,000	Number of shares (1,000)	Share capital	Treasury shares	Reserve for invested unrestricted equity	Total
1 January 2024	8,110	100	-461	26,748	26,387
Exercise of stock options	2	-	-	17	17
31 December 2024	**8,112**	**100**	**-461**	**26,765**	**26,403**
Treasury shares held by the company	28				
Total number of shares	8,140				
1 January 2023	8,131	100	-	26,695	26,795
Exercise of stock options	7	-	-	53	53
Acquisition of treasury shares	-30	-	-495	-	-495
Transfer of treasury shares	2	-	33	-	33
31 December 2023	**8,110**	**100**	**-461**	**26,748**	**26,387**
Treasury shares held by the company	28				
Total number of shares	8,138				

Siili Solutions Plc has a single class of shares. All shares have an equal voting right and an entitlement to dividend and the company's assets. The shares do not have a nominal value.

The total number of shares at the end of financial year 2024 was 8,140,263 (8,138,080). In the financial year 2024, option rights 2020A were exercised to subscribe for 2,183 new shares in the company. All Siili Solutions Plc's shares issued have been paid in full.

Authorisations

The Annual General Meeting on 3 April 2024 authorised the Board of Directors to decide on the acquisition and/or acceptance as collateral of the company's own shares on the following terms:

A maximum of 813,100 shares may be acquired and/or accepted as collateral pursuant to the authorisation, corresponding to approximately 10 percent of all shares in the company. The shares are to be acquired in public trading arranged by Nasdaq Helsinki Ltd at the market price of the time of purchase. The company's own shares can be acquired in a manner other than in proportion to the shareholders' existing holdings. The acquisition of shares will reduce the company's non-restricted equity. The Board of Directors will decide on other terms and conditions related to the acquisition and/or acceptance as collateral of the shares. The authorisation is valid until the end of the next Annual General Meeting, but not beyond 30 June 2025. The authorisation repeals previous unused acquisition authorisations.

The Board of Directors was also authorised to decide on an issue of shares and an issue of special rights carrying entitlement to shares in accordance with chapter 10, section 1 of the Finnish Limited Liability Companies Act, in one or more tranches, either against consideration or free of charge. The maximum total number of shares issued, including shares issued on the basis of special rights, is 813,100, which corresponds to approximately 10% of all shares in the company. The Board of Directors may decide to issue new shares or to transfer treasury shares held by the company.

The authorisation entitles the Board of Directors to decide on all terms and conditions for an issue of shares and an issue of special rights entitling their holders to shares, including the right to deviate from the shareholders' pre-emptive subscription right. The authorisation may be used for strengthening the company's balance sheet, for paying transaction prices related to acquisitions, in incentive plans or for other purposes decided by the Board of Directors. The authorisation is valid until the end of the next Annual General Meeting, but not beyond 30 June 2025.

The authorisation replaces previous authorisations concerning the issuance of shares, option rights and other special rights entitling to shares.

More detailed information on valid incentive schemes for the Group's key personnel are presented in Note 2.4 Share-based payments.

Below is a description of the equity reserves.

Share capital

Share subscription price in connection with share issues is credited to share capital to the extent that it has not been decided in the share issue decision to be recorded in the reserve for invested unrestricted equity.

Treasury shares

During the financial year 2024, Siili Solutions Plc did not acquire or transfer treasury shares. At the end of the financial year, the company held 27,954 treasury shares.

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes other equity additions as well as the part of share subscription price that according to the share issue decision is not to be credited to the share capital. Proceeds from share issues decided after the the entry into force (1 September 2006) of the Limited-Liability Companies Act (21 July 2006/624) are recognised entirely in the reserve for invested unrestricted equity.

In the financial year, proceeds from share subscriptions using options 2020A totalling EUR 17 thousand, have been recognised in the reserve for invested unrestricted equity.

Translation differences

The translation differences fund comprises translation differences arising from the translation of foreign entities' financial statements.

Dividends

In 2024, a dividend of EUR 0.26 per share, totalling EUR 2,109 thousand was distributed (2023: EUR 0.20 per share, totalling EUR 1,622 thousand). In 2025, the Board of Directors has proposed the distribution of a dividend of EUR 0.18 per share.

5.2 FINANCIAL RISK MANAGEMENT

The Siili Solutions Group is exposed to certain financial risks in its normal business activities. The Group's management monitors business-related financial risks on a regular basis. The objective of the Group's risk management is to minimise the adverse effects of financial risks on the Group's result and financial position. Financial risks are mainly caused by credit risk associated with counterparties, funding liquidity risk as well as fluctuation of market interest rates and foreign exchange rates.

Credit risk

The management of credit risk and credit monitoring within the Group is centralised at the Finance department, which cooperates with the business units to minimise credit risk. In addition, the Group has credit insurance policy to minimise the impact of potential credit losses. The Group has certain individual large customers involving large concentrations of credit risk. According to the Group's management, these counterparties have a stable financial position, and therefore the realisation of credit risk is not considered probable. A credit loss is recognised on a trade receivable if there is objective evidence that payment of the trade receivable will not be performed in accordance with the original contractual terms. In the financial year 2024, the Group recognised a credit loss of EUR 3 (174) thousand.

The values of financial assets presented in the statement of financial position are the best indication of the Group's maximum credit risk amount. The maturity breakdown of trade receivables is presented in Note 4.1 Trade and other receivables.

Liquidity risk

Liquidity risk is related to the maintenance of the adequacy and continuity of funding required by the Group's operating capital, repayment of loans and investment expenditure. The objective of the management of liquidity risk is to maintain an adequate level of liquidity on an ongoing basis. To manage the risk, the Group assesses on a continuous basis the amount of financing required by its business operations to ensure the sufficiency of liquid funds within the Group for financing its operative activities and to repay maturing loans.

The objective is to ensure the availability and flexibility of funding to the Group by a balanced maturity breakdown, adequately long loan periods and adequate available credit lines. The Group's management estimates that the Group's liquidity is at a solid level. At the end of financial year 2024, the Group's liquid funds totalled EUR 20,331 (29,022) thousand, in addition to which the Group has undrawn overdrafts of EUR 2,500 (2,500) thousand at its disposal as at 31 December 2024. The Group has three long-term bank loans whose loan period is 7 years. The loan contracts include customary covenants, which have not been breached during the financial year. Management monitors the fulfilment of the covenant terms on a regular basis.

Group management has not identified significant concentrations of liquidity risk in its financial assets or sources of funding.

The following table presents an analysis of the maturity of contract-based financial liabilities. The figures are not discounted, and they include both interest payments and capital repayments.

31 Dec 2024 EUR 1,000	Carrying amount	Cash flow	2025	2026	2027	2028	2029	2030–
Bank loans	6,230	6,411	2,604	1,540	1,517	750	-	-
Contingent consideration	9,686	10,210	4,086	6,125	-	-	-	-
Lease contract liability	3,366	3,563	2,013	1,084	365	101	-	-
Trade and other payables [1]	11,356	11,356	11,356	-	-	-	-	-
Total	**30,639**	**31,541**	**20,059**	**8,749**	**1,882**	**851**	**-**	**-**

31 Dec 2023 EUR 1,000	Carrying amount	Cash flow	2024	2025	2026	2027	2028	2029–
Bank loans	8,743	9,055	2,644	2,604	1,540	1,517	750	-
Contingent consideration	19,658	20,326	8,655	5,833	5,838	-	-	-
Lease contract liability	4,304	4,569	2,619	1,299	378	173	101	-
Trade and other payables [1]	13,196	13,196	13,196	-	-	-	-	-
Total	**45,900**	**47,146**	**27,113**	**9,736**	**7,756**	**1,690**	**851**	**-**

1 Includes trade and other current payables (not deferred liabilities).

Exchange rate risk
A significant proportion of the Group's purchases and sales and the majority of its monetary items are denominated in euros. Therefore, the Group is not significantly exposed to foreign exchange risk.

The existing foreign exchange risk stems from commercial transactions in foreign currencies, monetary items in the statement of financial position and net investments in foreign subsidiaries.
As at the financial statements date, the Group has foreign subsidiaries Germany, Poland, Hungary, Netherlands, the UK, Austria and the USA.

Translation risk
The Group has net investments in foreign currencies, as a result of which is it exposed to risk stemming from the conversion of the investments into the functional currency of the parent company. The Group incurs translation risk from the Polish zloty, US dollar, Hungarian forint and the UK pound sterling. So far, these translation differences have not been significant, and the Group has not hedged against the risk.

The translation difference for the financial year 2024 was EUR -712 (300) thousand, and it is recognised in the statement of comprehensive income.

Transaction risk
Transaction risk arises from cash flows in other currencies than the functional currency of the unit concerned. In its operations, the Group is not exposed to significant transaction risk, and it has not hedged against this risk. Transaction risks related to business operations mainly arise from the Supercharge sub-group.

The main currency of sales within the Group is the euro. In addition, in the financial year 2024, the Group had sales of USD 12,734 (8,406) thousand, HUF 576,835 (652,131) thousand, and GBP 5,762 (7,014) thousand. The foreign exchange risk related to sales is significantly reduced by purchases in the same currency.

The Group's main purchasing currency is also the euro, in addition to which, in the financial year 2024, the Group had purchases of USD 2,006 (609) thousand, HUF 1,057,807 (1,022,075) thousand, and GBP 274 (278) thousand. Other sales and purchases in foreign currencies during the financial year were insignificant.

Foreign exchange rates applied
The Group has applied the following foreign exchange rates:

		Average rate of the year[1]		Rate of the financial statements date	
Country	**Currency**	**2024**	**2023**	**2024**	**2023**
Poland	PLN	4.3062	4.5420	4.2750	4.3395
USA	USD	1.0823	1.0813	1.0389	1.1050
Hungary	HUF	395.38	381.85	411.35	382.80
United Kingdom	GBP	0.8467	0.8698	0.8292	0.8691

1 The average rate of the year has been calculated based on the average daily rates.

Interest rate risk
The Group has a variable-rate bank loan, which exposes the Group to interest rate risk reflecting changes in market interest rates. The interest rate risk has been hedged by an interest rate swap entered into in the financial year 2019. The interest rate swap is measured at fair value through profit or loss, and it is recognised in Siili Solutions Plc's statement of financial position as an asset with the value of EUR 22 (78) thousand as at 31 December 2024. The interest rate swap agreement expires on 1 August 2025.

On the financial statement date 2024, the Group had bank loans totalling EUR 6,230 (8,743) thousand. Of the bank loan, EUR 5,212 thousand has been hedged by an interest rate collar contract fixing the interest rate payable on the loans at the level of 0.14%. The remainder of the bank loan is hedged by an interest rate swap.

In other respects, the Group's revenues and operative cash flows are mainly independent of market rate fluctuations. More detailed information on interest-bearing debt and the terms and conditions of bank loans is presented in Note 5.6 Financial liabilities and other interest-bearing liabilities.

Capital management
The objective of capital management is to maintain an optimal capital structure within the Group, allowing it the ensure normal operating preconditions and growth of shareholder value in the long term. The Group's management and the Board of Directors of the parent company monitor the company's capital structure and development of liquidity. The objective of the monitoring is to ensure the company's liquidity and flexibility of its capital structure to execute the growth strategy and dividend policy. Capital management is concerned with the equity shown in the statement of financial position, and its structure may be adjusted among other things through the generation of profit, distribution of dividend and issuance of shares.

The Group monitors the development of its equity as a proportion of the total capital (equity ratio). At the end of financial year 2024, the equity ratio stood at 49.7% (42.6%). The Group monitors the evolution of the capital structure also by the ratio of net debt and EBITDA.

EUR 1,000	2024	2023
Net debt	-1.049	3.682
EBITDA	8.208	12.107
Net debt/EBITDA	**-0.13**	**0.30**

5.3 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

ACCOUNTING POLICY

Financial assets

The Group's financial assets are classified in the following measurement categories: financial assets measured at amortised cost, and financial assets measured fair value through profit or loss. Financial assets are classified in connection with their initial recognition based on the contractual terms concerning their cash flows.

Financial assets measured at amortised cost include trade and other receivables which do not belong to derivatives assets. Payments related to these assets are fixed or measurable, the assets are unlisted and are not held by the Group for trading. This category includes the Group's financial assets received in exchange for transferring money, goods or services to the debtor. Assets classified into the category are measured at amortised cost using the effective interest rate method, less impairments, if any. Trade and other receivables are included in the statement of financial position according to their nature in current or non-current assets. Assets are included in non-current items if they mature in more than 12 months from the financial statements date.

Financial assets measured at fair value through profit or loss are recognised at fair value in the statement of financial position, and gains or losses due to fair value adjustments are recognised through profit or loss. The category includes an interest rate swap entered to hedge against interest rate risk.

The table presents the fair values and carrying amounts of each financial asset and liability item, which correspond to their values in the consolidated statement of financial position. The table also presents the fair value hierarchy levels.

		2024		2023		
EUR 1,000	Note	Carrying amount	Fair value	Carrying amount	Fair value	Fair value hierarchy
Financial assets						
Financial assets measured at amortised cost						
Non-current						
Receivables	5.4	163	163	159	159	2
Current						
Trade receivables	4.1	14,895	14,895	19,118	19,118	2
Other receivables	4.1	468	468	537	537	2
Liquid funds	5.5	20,331	20,331	29,022	29,022	2
Recognised at fair value through profit or loss						
Current						
Interest rate swap agreement		22	22	78	78	2
Total financial assets		**35,879**	**35,879**	**48,915**	**48,915**	
Financial liabilities						
Financial liabilities at amortised cost						
Non-current						
Bank loans [1]	5.6	3,717	3,717	6,230	6,230	2
Other interest-bearing liabilities [1]	5.6	1,480	1,480	1,841	1,841	
Current						
Bank loans [1]	5.6	2,514	2,514	2,513	2,513	2
Other interest-bearing liabilities [1]	5.6	1,886	1,886	2,463	2,463	
Trade and other payables	4.2	11,356	11,356	13,196	13,196	
Recognised at fair value through profit or loss						
Non-current						
Contingent consideration [1]	5.6	5,600	5,600	10,177	10,177	3
Current						
Contingent consideration [1]	5.6	4,086	4,086	9,481	9,481	3
Total financial liabilities		**30,639**	**30,639**	**45,900**	**45,900**	

1 Included in the statement of financial position item Financial liabilities.

Loans, other assets and financial liabilities are measured at amortised cost using the effective interest rate method except for contingent consideration, which is measured at fair value. The carrying amounts and fair values of financial assets and liabilities are considered to correspond to each other. The maturity breakdown of financial liabilities is presented in Note 5.2 Financial risk management.

Fair value measurement principles applied by the Group to all financial instruments

In measuring the fair values of the financial assets and liabilities presented in the table, the following assumptions were applied.

Trade and other receivables

The initial carrying amount of trade receivables and other receivables corresponds with their fair value, since discounting does not have a material effect, considering the maturity of the receivables.

Bank loans

The fair values of debts are based on discounted cash flows. The total interest rate consists of the risk-free interest rate and a company-specific risk premium.

Trade and other payables

The initial carrying amount of trade payables and other payables corresponds with their fair value, since discounting does not have a material effect, considering the maturity of the debts.

Contingent consideration

The carrying amount of contingent considerations corresponds to their fair value.

Fair value hierarchy levels

During the periods ended or the previous period, no intsruments were transferred from one fair value hierarchy level to another.

Level 1

The fair values of the hierarchy level 1 are based on the quoted (unadjusted) prices of identical assets or liabilities in active markets.

Level 2

The fair values of the level 2 instruments are based, to a significant extent, on inputs other than quoted prices but still to information that is observable for the assets or liability in question, either directly or indirectly.

Level 3

The fair values of the level 3 instruments are based on inputs about the asset or liability that are not based on observable market information but instead, to a signifant extent, on management's estimates and their utilisation in generally accepted valuation models. If the inputs used to measure fair value are categorised into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety at the same levels as the lowest level input that is signifant to the entire measurement.

A reconciliation of the level 3 non-current financial liabilities measured at fair value is presented in Note 5.6 Financial liabilities and other interest-bearing liabilities.

5.4 OTHER INVESTMENTS AND NON-CURRENT RECEIVABLES

EUR 1,000	2024	2023
Acquisition cost 1 Jan	1	1
Acquisition cost 31 Dec	**1**	**1**

EUR 1,000	2024	2023
Other long-term receivables	163	159
Total non-current assets	**163**	**159**

5.5 LIQUID FUNDS

ACCOUNTING POLICY

Liquid funds consist of cash in hand and at bank and current investments. Cash in hand and at bank include currency, bank deposits redeemable at notice and other very liquid short-term investments which are readily convertible into a pre-known cash amount and involving a low revaluation risk. Items qualifying as cash equivalents have a maturity of three months or less from the date of acquisition. Current investments consist of bank deposits and other liquid investments with a maturity of more than 3 months but no more than 12 months from the acquisition date. Utilised credit lines are included in current financial liabilities.

EUR 1,000	2024	2023
Cash and bank accounts	20,331	29,022
Cash in hand and at bank, total	**20,331**	**29,022**
Fixed-term deposits, maturity over 3 months but no more than 12 months	-	-
Total liquid funds	**20,331**	**29,022**

The company has accounts with an overdraft facility whose credit lines amount to EUR 2,500 thousand in total. At the end of the financial year 2024, no credit lines were utilised.

The liquid funds presented in the table correspond to the liquid funds under the cash flow statement.

5.6 FINANCIAL LIABILITIES AND OTHER INTEREST-BEARING LIABILITIES

ACCOUNTING POLICY

Financial liabilities are initially recognised at fair value. Subsequently, financial liabilities are recognised at amortised cost using the effective interest rate method, excluding contingent consideration or consideration for a minority interest, which are recognised at fair value through profit or loss. Transaction costs are included in the initial carrying amount of financial liabilities recognised at amortised cost. Financial liabilities are included both in non-current and current liabilities. Financial liabilities are classified as non-current where they mature in over 12 months from the financial statements date. Liabilities maturing in less than 12 months from the financial statements date are classified as current liabilities.

Non-current financial liabilities and other interest-bearing liabilities

EUR 1,000	2024	2023
Financial liabilities measured at amortised acquisition cost	5,197	8,071
Contingent consideration measured at fair value through profit or loss	5,600	10,177
Total	**10,797**	**18,248**

Current financial liabilities and other interest-bearing liabilities

EUR 1,000	2024	2023
Financial liabilities measured at amortised acquisition cost	4,399	4,975
Contingent consideration measured at fair value through profit or loss	4,086	9,481
Total	**8,485**	**14,456**

The fair values of financial liabilities are presented in Note 5.3 Fair values of financial assets and liabilities.

The maturity breakdown of financial liabilities is presented in Note 5.2 Financial risk management.

Bank loans and overdrafts

The Group has two bank loans drawn down in the financial year 2021, which are hedged by a seven-year interest-rate collar contract from the drawdown date. The interest rate collar provides a fixed reference rate of 0.14% for the loans. The interest paid for the loans consists of the reference rate and a loan margin of 1.35%. The loans have a maturity of seven years and are repaid in equal instalments every six months.

The Group also has one variable interest rate bank loan drawn down in 2018. The Group uses a six-year interest rate swap in the management of interest rate risk associated with this loan. The swap entered into effect in August 2019. The bank loan has a maturity of seven years and is repaid in equal instalments every six months.

Siili's bank loans include covenants that entitle the financial institution to terminate the loan agreement if the covenants are not met. The covenants are based on the company's interest-bearing net liability in relation to its EBITDA and on its equity ratio. These key figures are examined every six months, and the covenants were met on the financial statements date.

On the financial statements date 31 December 2024, the Group had undrawn credit lines of EUR 2,500 (2,500) thousand at its disposal.

Contingent consideration liabilities

In the financial year 2024, Siili acquired additional stakes in Supercharge Kft and Vala Group Oy. The considerations paid to minority interests for these additional stakes totalled EUR 9,422 thousand. Financial income due to fair value adjustment on contingent consideration liabilities under the acquisition agreements recognised in the period totalled EUR 761 (247) thousand, and measurement differences from discounting these liabilities totalled EUR 933 (1,376) thousand, recognised in interest expenses. At the end of the financial year, the Group had contingent consideration liabilities totalling EUR 9,686 (19,657) thousand, of which EUR 4,086 (9,481) thousand were short-term liabilities.

Changes in contingent considerations

EUR 1,000	Supercharge Kft.	Vala Group Oy	Talentree Oy	Total
1 Jan 2024	**12,495**	**7,122**	**40**	**19,657**
Effect of the unwinding of discounting	925	8	-	933
Fair value change on the agreement	-7	-755	-	-761
Paid contingent consideration for the acquisition	-	-	-40	-40
Payment to minority interest for additional stake	-4,167	-5,255	-	-9,422
Exchange rate fluctuation impact on the contingent liability	-681	-	-	-681
31 Dec 2024	**8,566**	**1,121**	**0**	**9,686**
Of which at the end of the financial year:				
Non-current	**4,480**	**1,121**	**-**	**5,600**
Current	**4,086**	**-**	**-**	**4,086**

EUR 1,000	Supercharge Kft.	Vala Group Oy	Haallas Finland Oy	Talentree Oy	Total
1 Jan 2023	**10,514**	**7,748**	**3,749**	**-**	**22,011**
Effect of the unwinding of discounting	1,278	98	-	-	1,376
Contingent consideration according to the agreement	-	-	-	50	50
Fair value change on the agreement	210	368	-815	-10	-247
Paid contingent consideration for the acquisition	-	-	-2,933	-	-2,933
Payment to minority interest for additional stake	-	-1,093	-	-	-1,093
Exchange rate fluctuation impact on the contingent liability	493	-	-	-	493
31 Dec 2023	**12,495**	**7,122**	**0**	**40**	**19,657**
Of which at the end of the financial year:					
Non-current	**8,324**	**1,853**	**-**	**-**	**10,177**
Current	**4,17141**	**5,269**	**-**	**40**	**9,481**

6. Other notes

6.1 SUBSIDIARIES

MANAGEMENT JUDGMENT AND UNCERTAINTIES RELATED TO ESTIMATES

The Group's management has applied particular judgment to the consolidation of Vala Group Oy and Supercharge Kft. in the Consolidated Financial Statements. As at the financial statements date, the Group owns 96.6% of Vala Group Oy and 70% of Supercharge Kft. Instead of separating the non-controlling interests, due to both parties' redemption right, a liability is recognised at fair value through profit or loss.

Changes in group structure

During the financial year, Siili Solutions Plc increased its ownership stake in its subsidiary Vala Group Oy to 96.6% and in Supercharge Kft to 70%.

The Group's parent and subsidiary relationships as at 31 December 2024 are as follows:

Name of the company	Group's holding	Domicile
Siili Solutions Plc	Parent	Helsinki, Finland
Siili One Oy	100%	Helsinki, Finland
Siili Spaiks Oy (dormant)	100%	Helsinki, Finland
Haallas Finland Oy	100%	Joensuu, Finland
Vala Group Oy [1]	96.6%	Helsinki, Finland
Siili Auto Oy	100%	Helsinki, Finland
Subsidiaries owned by Siili Auto Oy		
Siili Solutions Sp. z o.o.	100%	Wrocław, Poland
Siili Solutions GmbH	100%	Berlin, Germany
Siili Solutions Inc.	100%	Delaware, USA
Supercharge Kft. [1]	70%	Budapest, Hungary
Subsidiaries owned by Supercharge Kft.		
Supercharge London Ltd.	70%	London, United Kingdom
Supercharge Netherlands B.V.	70%	Amsterdam, Netherlands
Supercharge GmbH	70%	Vienna, Austria
Subsidiaries owned by Supercharge London Ltd.		
Supercharge Inc.	70%	Delaware, USA

1 Vala Group Oy and Supercharge Kft. are 100% consolidated into the Group.

6.2 RELATED PARTY TRANSACTIONS

The Group's related parties include the parent company and subsidiaries. Related parties also include the members of the parent company's Board of Directors, the CEO and rest of the Group's Management Team as well as their close family members.

Information on Group companies is presented in Note 6.1 Subsidiaries, while the remuneration of the CEO and rest of the Management Team is discussed in Note 2.3 Employee benefit expenses.

In the financial year 2024, the Group did not have other material related party transactions than transactions between Group companies. Siili Solutions Plc, the parent company of the group, has no outstanding loans to its subsidiaries. The parent company's trade and other receivables from subsidiaries, as well as its trade payables and other liabilities to subsidiaries, are disclosed in the notes to the parent company's financial statements. These related party transactions are undertaken on market terms.

6.3 COMMITMENTS AND CONTINGENT ASSETS

Commitments given on own behalf

EUR 1,000	2024	2023
Lease collateral	356	353
Company pledges	23,000	23,075
Corporate cards	95	83
Lease guarantees	324	324

Bearer bonds are held at Nordea Bank AB (publ), Finland branch.

More detailed information on financial liabilities is presented in Note 5.6 Financial liabilities and other interest-bearing liabilities.

Disputes and litigation

The Group does not have pending disputes or litigations.

6.4 MATERIAL EVENTS AFTER THE FINANCIAL YEAR

Acquisition of Integrations Group Oy

On 18 November 2024, Siili Solutions Plc announced it had signed an agreement to purchase a stake of 51% of the shares in the Finnish company Integrations Group Oy. The transaction in Integrations Group Oy shares was completed on 2 January 2025. Siili is committed to purchasing the remaining 49% of shares in Integrations Group Oy over the coming years in parts as detailed in the shareholders' agreement; hence, Integrations Group Oy is consolidated 100% in the Siili Group as of 2 January 2025.

Integrations Group Oy is a company specialising in integration implementations and services, based in Espoo and Tampere. The company's unaudited revenue for the financial year 2024 was EUR 2.2 million, and its operating profit amounted to EUR 0.3 million. The company has 13 employees. Integrations Group Oy will continue to operate as a stand-alone company under its own brand.

The acquisition of the majority stake in Integrations Group executes on Siili's strategic objective to expand its business in the growing data and generative AI market.

The acquisition does not have a material effect on the Siili Group's revenue, adjusted EBITA or balance sheet values. The company will prepare an acquisition cost calculation under IFRS 3 during the first year-half.

The Board of Directors of Siili Solutions Plc established a matching share plan for key employees and resolved on a new performance period for the performance share plan

Matching Share Plan 2025–2027

The Board of Directors of Siili Solutions Plc has resolved to establish a Matching Share Plan directed to the key employees of the Group. The purpose of the plan is to commit the key employees to the company and to offer them a competitive incentive plan that is based on acquiring and accumulating Siili Solutions shares as well as to encourage them to personally invest in the company's shares. The plan also aims to align the interests of the shareholders and the key employees to increase the value of the company in the long term.

The Matching Share Plan 2025–2027 consists of one (1) matching period, which covers the years 2025–2027. The prerequisite for participation in the plan and receiving a reward is that a participant personally has acquired Siili Solutions shares within the limits set by the Board of Directors. Furthermore, payment of the reward is based on the participant's valid employment or director contract upon reward payment. The potential rewards from the plan will be paid after the end of the matching period.

The target group of the matching period 2025–2027 consists of approximately 30 key employees, including the CEO and members of the Management Team. As a reward for their commitment, Siili Solutions grants the participants a gross reward of two (2) matching shares for every three (3) shares committed to the plan. The rewards will be paid by the end of May 2028.

Performance period 2025–2027 of the Performance Share Plan 2023–2027

The Board of Directors of Siili Solutions Plc established the Performance Share Plan 2023–2027 for the key employees of the company in 2023. The Performance Share Plan 2023–2027 comprises three performance periods, covering the calendar years 2023–2025, 2024–2026 and 2025–2027. The key terms of the Performance Share Plan 2023–2027 were published in a stock exchange release on 24 January 2023.

The Board of Directors of Siili Solutions has resolved on the target group, the amount of the possible rewards and the performance criteria for the performance period 2025–2027.

During the performance period 2025–2027, the earning of rewards is based on the following performance criteria:
- Revenue (EUR) in 2025 (weight 40%);
- EBITA (EUR) in 2025 (weight 60%);
- Development of shareholder value (TSR) in 2025–2027.

The target group of the Performance Share Plan during the performance period 2025–2027 consists of approximately 45 key employees, including the Group's CEO and Management Team. The rewards will be paid by the end of May 2028.

General

The rewards to be paid based on the Matching Share Plan 2025–2027 and Performance Share Plan's performance period 2025–2027 correspond to the value of approximately 160,000 Siili Solutions Plc shares in maximum total, also including the portion to be paid in cash.

The rewards of the Matching Share Plan and the Performance Share Plan will be paid partly in Siili Solutions Plc shares and partly in cash. The cash proportions of the rewards are intended to cover taxes and social security contributions arising from the rewards to the participants. In general, no reward is paid if the participant's employment or director contract terminates during the performance period or the matching period.

A member of the Management Team is obliged to hold all the net shares paid to them under the new plans until the value of their total shareholding in the company corresponds to half of their annual salary. Such number of shares must be held as long as the membership in the Management Team continues.

Parent company's financial statements, FAS

Parent company's income statement

EUR	Note	1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023
REVENUE	3.1	**70,614,527.52**	**77,525,181.30**
Other operating income	3.2	263,190.96	416,905.96
Materials and services	3.3		
External services		-29,921,129.46	-32,346,271.98
		-29,921,129.46	-32,346,271.98
Employee benefit expenses	3.4		
Salaries and fees		-24,902,977.82	-27,112,745.01
Personnel-related expenses			
Pension expenses		-4,203,982.82	-4,815,406.73
Other personnel related expenses		-531,952.56	-769,123.48
		-29,638,913.20	-32,697,275.22
Depreciation, amortisation and impairments	3.5		
Depreciation and amortisation according to plan		-934,350.83	-1,051,947.31
		-934,350.83	-1,051,947.31
Other operating expenses	3.6	-8,434,505.95	-8,399,862.57
OPERATING PROFIT		**1,948,819.04**	**3,446,730.18**
Financial income and expenses	3.7		
Income from group undertakings		2,122,674.20	2,525,602.93
Other interest and financial income		222,080.55	398,571.25
Interest expenses and other financial expenses		-300,994.23	-215,940.16
		2,043,760.52	2,708,234.02
PROFIT BEFORE APPROPRIATIONS AND TAXES		**3,992,579.56**	**6,154,964.20**
Appropriations	3.8	-2,362,000.00	-2,353,000.00
Income taxes	3.9		
Taxes for the period		-1,417.06	-358,369.29
		-1,417.06	-358,369.29
PROFIT FOR THE PERIOD		**1,629,162.50**	**3,443,594.91**

Parent company's statement of financial position

EUR	Note	31 Dec 2024	31 Dec 2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	4.1		
Goodwill		191,751.32	637,558.27
Intangible rights		249,600.00	332,800.00
Other non-current costs		32,754.68	65,218.11
Development costs		1,019,114.12	671,259.07
Advance payments		0.00	189,864.75
Total intangible assets		1,493,220.12	1,896,700.20
Tangible assets	4.2		
Machinery and equipment		210,997.09	286,477.91
Total tangible assets		210,997.09	286,477.91
Investments	4.3		
Shares in Group companies		41,987,851.23	32,488,998.74
Total investments		41,987,851.23	32,488,998.74
Total non-current assets		**43,692,068.44**	**34,672,176.85**
CURRENT ASSETS			
Receivables			
Current	4.4. 4.5		
Trade receivables		7,928,264.55	12,059,656.13
Receivables from Group companies		586,615.49	2,636,046.96
Other receivables		58,500.54	61,510.46
Prepaid expenses and accrued income		2,784,929.19	2,569,931.38
Total current assets		11,358,309.77	17,327,144.93
Liquid funds		14,221,080.60	22,616,238.33
Total current assets		**25,579,390.37**	**39,943,383.26**
TOTAL ASSETS		**69,271,458.81**	**74,615,560.11**

EUR	Note	31 Dec 2024	31 Dec 2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	4.6, 4.7		
Share capital		100,000.00	100,000.00
Reserve for invested unrestricted equity		**27,467,910.53**	27,451,385.22
Treasury shares		-461.413.59	-461,413.59
Profit (loss) for previous financial years		7,213,563.70	5,879,169.13
Profit (loss) for the period		1,629,162.50	3,443,594.91
Total shareholders' equity		**35,949,223.14**	**36,412,735.67**
LIABILITIES			
Non-current liabilities	4.8		
Loans from financial institutions		3,716,679.42	6,230,357.96
Total non-current liabilities		3,716,679.42	6,230,357.96
Current liabilities	4.8-4.12		
Loans from financial institutions		2,513,678.57	2,512,821.42
Advances received		866,996.47	1,115,929.62
Trade payables		1,842,048.91	2,405,457.30
Liabilities to Group companies		17,026,901.77	18,351,936.02
Other liabilities		2,098,012.61	2,224,898.23
Accrued expenses		5,257,917.92	5,361,423.89
Total current liabilities		29,605,556.25	31,972,466.48
Total liabilities		**33,322,235.67**	**38,202,824.44**
TOTAL EQUITY AND LIABILITIES		**69,271,458.81**	**74,615,560.11**

Parent company's statement of cash flow

EUR	Note	1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023
Cash flow from operations			
Result before appropriations and taxes		3,992,579.56	6,154,964.20
Adjustments:			
Depreciation and amortisation according to plan	3.5	934,350.83	1,051,947.31
Financial income and expenses	3.7	-2,043,760.52	-2,708,234.02
Other non-payment income and expenses		26,746.64	102,298.74
Cash flow before change in working capital		**2,909,916.51**	**4,600,976.23**
Change in working capital			
Change in current non-interest-bearing trade receivables		4,706,023.57	-1,823,802.90
Change in non-interest-bearing liabilities		-1,041,164.44	-2,245,247.24
Cash flow from operations before financial items and taxes		**6,574,775.64**	**531,926.09**
Interest received		222,080.55	410,216.25
Interest paid and payments for other financial expenses of operating activities		-257,365.64	-203,436.84
Direct taxes paid		-377,656.18	-539,731.36
Cash flow from operations		**6,161,834.37**	**198,974.14**
Investments			
Investments in tangible and intangible assets	4.1, 4.2	-491,776.01	-631,169.76
Proceeds from the sale of tangible and intangible assets		7,559.10	13,948.00
Acquisition of subsidiaries	4.3	-9,538,852.49	-4,201,225.26
Dividends received from subsidiaries	3.7	2,672,674.20	1,975,602.93
Investments in and capital refunds from associated companies		0.00	18,891.00
Cash flow from investments		**-7,350,395.20**	**-2,823,953.09**

EUR	Note	1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023
Financing			
Non-current loans, repayments	4.8	-2,517,857.19	-2,517,857.16
Share subscriptions with stock options	4.6	16,525.31	52,946.08
Acquisition of treasury shares	4.6	-	-494,797.39
Dividends paid	4.6	-2,109,200.34	-1,621,796.96
Group contribution received		1,053,600.00	-
Group contribution paid		-2,653,000.00	-67,000.00
Change in Group cash pool liabilities		-996,664.68	410,228.65
Cash flow from financing		**-7,206,596.90**	**-4,238,276.78**
Net increase (+) / decrease (-) in liquid funds		**-8,395,157.73**	**-6,863,255.73**
Liquid funds at beginning of the financial year		**22,616,238.33**	**29,479,494.06**
Liquid funds at end of the financial year		**14,221,080.60**	**22,616,238.33**

Notes to the parent company's financial statements

1. Basic information on the company

Siili Solutions Plc is a Finnish public limited-liability company providing software systems development services. Its share is quoted on the main list of NASDAQ Helsinki Ltd since 20 April 2016. The company is domiciled in Helsinki and its registered address is Ruoholahdenkatu 21, Helsinki. Copies of the financial statements are available online at / www.siili.com/en or at the company's registered address.

The Board of Directors has approved these financial statements for publication on 7 March 2025. Under the Finnish Limited Liability Companies Act, the shareholders may either adopt or reject the financial statements after their publication. The Annual General Meeting may also decide to amend the financial statements.

2. Accounting policies

Siili Solutions Plc's financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS).

FOREIGN CURRENCY ITEMS

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the transaction date. Receivables and liabilities in foreign currencies on the balance sheet on the financial statements date are translated using the exchange rate prevailing on the financial statements date. Translation differences are recognised in the financial statements through profit or loss.

RECOGNITION OF REVENUE FROM SALES

Revenue consists of work sales, project deliveries, maintenance and licence sales. In calculating revenue, indirect taxes, discounts granted, and foreign exchange rate differentials are deducted from the sales revenue.

Sales revenue from services is recognised in the period when the service is delivered. Revenue from maintenance and licence sales is recognised over the contract period.

Income and expenses from project deliveries are recognised as revenue and expenses based on the completion rate when the outcome of the project can be reliably estimated. Revenue recognition based on completion rate is always based on estimates of total income and expenses over the project duration as well as a reliable measurement of the progress of the project. If estimates of the project's end result change, the income-adjusted sales will be changed in the financial year in which the change is first known and can be estimated. Any loss expected from a project is immediately recognised as an expense.

OTHER OPERATING INCOME

Proceeds from sale of PPE, government grants and charges for services delivered to subsidiaries are recognised in other operating income. Government grants are recognised in the period when the costs they are intended to compensate have emerged and the company considers itself entitled to the grant.

RESEARCH AND DEVELOPMENT COSTS

Any research costs related to the development of the company's services are directly written off as annual expenses in the income statement. Development costs are either expensed in the income statement or capitalised on the statement of financial position on a case-by-case basis.

PENSIONS

The statutory pension cover for the company's personnel is arranged by statutory pension insurance plans. Statutory pension costs are recognised as an expense in the year of accrual.

RENTS AND LEASE PAYMENTS

Rents and leasing expenses are recognised as annual expenses in accordance with Finnish accounting legislation.

TAXES

The income statement includes the company's income taxes based on taxable profit for the period as well as adjustments to prior year taxes.

TANGIBLE AND INTANGIBLE ASSETS

Tangible and intangible assets are recognised at initial acquisition cost and depreciated and amortised on a straight-line basis. The applicable depreciation and amortisation periods and methods are as follows:

- Intangible assets 3–10 years, straight-line
- Tangible assets 3–5 years, straight-line

TRADE AND OTHER RECEIVABLES

Trade and other receivables are measured at nominal value. A credit loss allowance is recognised on trade receivables based on case-specific risk assessment. The credit loss allowance is recognised through profit or loss as an expense for the period.

LIQUID FUNDS AND LOANS FROM FINANCIAL INSTITUTIONS

Liquid funds include cash and cash equivalents, bank accounts, the group account and highly liquid bank deposits with an agreed maturity. Utilised overdraft facilities are presented in current liabilities in the statement of financial position. Loans from financial institutions are included in current and non-current liabilities in the statement of financial position. Interest expenses are recognised in the period when they arise.

EQUITY AND DIVIDENDS

The Board of Directors' proposal on dividend distribution is not deducted from distributable equity until approved by the Annual General Meeting of shareholders.

TREASURY SHARES

The acquisition of treasury shares and related transaction costs are presented in the reserve of treasury shares. Transfers of treasury shares are presented as an increase in the reserve of treasury shares and as a reduction of retained earnings.

PROVISIONS

A provision is made when the company has a legal or constructive obligation based on an earlier event and it is likely that the performance of the obligation will require a payment and the amount of the obligation can be estimated reliably. The provision is presented in the statement of financial position either in non-current or current liabilities based on its nature.

DERIVATIVES INSTRUMENTS

Derivatives contacts entered into for hedging interest rate risk are measured at fair value. Interest rate differentials related to derivatives contracts recognised based on the accruals principle as financial income and expenses.

MANAGEMENT'S JUDGMENT AND THE USE OF ESTIMATES

The preparation of financial statements requires the management of the company to make estimates and assumptions affecting the contents of the financial statements. Although the estimates are based on management's best current view, the outcomes may differ significantly from the estimates. Any changes in estimates and assumptions are reflected in reporting for the financial year when the estimate or assumption is revised as well as all subsequent financial years. Estimates related to the financial statements are mainly related to the recognition of revenue from long-term projects, amortisation of goodwill and provisions.

Russia's war of aggression against Ukraine has not had and is not expected have a direct impact on Siili's business. However, the general uncertainty and inflation in 2024 continued to affect in particular our clients' investment decisions, thereby also weighing on Siili's business. Slow recovery of the economy is expected to continue to affect Siili's business and growth opportunities also in the current financial year. According to management observations and estimates, the impacts of the market environment in the financial year 2024 were moderate, and they are expected to reduce in 2025.

3. Notes to the income statement

3.1 BREAKDOWN OF REVENUE BY MARKET AREA

EUR	2024	2023
Sales in Finland	66,563,849.72	73,247,952.75
Sales to abroad	4,050,677.80	4,277,228.55
Total	**70,614,527.52**	**77,525,181.30**

EUR	2024	2023
Revenue from projects based on completion	985,262.82	1,524,098.44
% of revenue	1.4%	2.0%

3.2 OTHER OPERATING INCOME

EUR	2024	2023
Grants received	33,434.00	162,323.00
Other	10,042.10	28,635.00
Services to Group companies	219,714.86	211,999.96
Total	**263,190.96**	**402,957.96**

3.3 MATERIALS AND SERVICES

EUR	2024	2023
External services	29,921,129.46	32,346,271.98
Total	**29,921,129.46**	**32,346,271.98**

3.4 INFORMATION ON PERSONNEL AND RELATED PARTIES

EUR	2024	2023
CEO's salaries and remuneration	249,696.00	282,798.00
Board of Directors' salaries and remuneration	170,348.00	162,450.00
Other salaries and remuneration	24,482,933.82	26,667,497.01
Pension expenses	4,203,982.82	4,815,406.73
Other personnel related expenses	531,952.56	769,123.48
Total	**29,638,913.20**	**32,697,275.22**

More detailed information is provided in Note 6.2 Related-party transactions.

	2024	2023
Average number of personnel	372	403

3.5 DEPRECIATION, AMORTISATION AND IMPAIRMENTS

EUR	2024	2023
Tangible assets		
Machinery and equipment	125,351.37	115,051.12
Immaterial rights		
Goodwill	485,806.95	674,427.53
Other intangible assets	323,192.51	262,468.66
Total	**934,350.83**	**1,051,947.31**

3.6 OTHER OPERATING EXPENSES

EUR	2024	2023
Voluntary personnel-related expenses	1,190,011.60	1,144,294.16
Travel expenses	303,070.03	346,457.15
Lease and vehicle expenses	1,601,468.98	1,765,373.30
IT expenses	2,915,564.47	2,632,102.58
Marketing, sales promotion and communications expenses	730,591.14	609,235.31
Expert services	899,878.00	665,254.86
Service purchases from Group companies	63,119.01	318,280.69
Other operating expenses	730,802.72	918,864.52
Total	**8,434,505.95**	**8,399,862.57**

Audit fees (KPMG Oy Ab)

EUR	2024	2023
Audit fees	155,530.00	147,735.00
Statutory opinions	12,830.00	15,774.00
Tax services	0.00	0.00
Other services	90,000.00	0.00
Total	**258,360.00**	**163,509.00**

3.7 FINANCIAL INCOME AND EXPENSES

EUR	2024	2023
Dividends from Group companies	2,122,674.20	2,525,602.93
Interest income and other financial income	209,900.23	398,571.25
Foreign exchange gains	12,180.32	-
Interest expenses on loans from financial institutions	-124,417.72	-171,412.29
Impairment of a capital loan eceivable	0.00	18,891.00
Other financial expenses	-176,576.51	-54,976.87
Foreign exchange losses	0.00	-8,442.00
Total	**2,043,760.52**	**2,708,234.02**

3.8 APPROPRIATIONS

EUR	2024	2023
Group contribution received	0.00	300,000.00
Group contribution paid	-2,362,000.00	-2,653,000.00
Total	**-2,362,000.00**	**-2,353,000.00**

3.9 INCOME TAXES

EUR	2024	2023
Tilikauden verot	-1,417.06	-371,866.04
Tax for previous financial years	0.00	13,496.75
Total	**-1,417.06**	**-358,369.29**

4. Notes to the statement of financial position

4.1 GOODWILL AND INTANGIBLE ASSETS

EUR	Goodwill	Immaterial rights	Other non-current assets	Development costs	Advance payments	Total
Acquisition cost 1 Jan 2024	14,043,677.10	416,000.00	503,177.18	813,148.64	189,864.75	15,965,867.67
Additions	40,000.00	0.00	0.00	58,592.25	306,927.13	405,519.38
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
Reclassifications	0.00	0.00	0.00	496,791.88	-496,791.88	0.00
Acquisition cost 31 Dec 2024	14,083,677.10	416,000.00	503,177.18	1,368,532.77	0.00	16,371,387.05
Acc. amortisation 1 Jan 2024	-13,406,118.83	-83,200.00	-437,959.07	-141,889.57	0.00	-14,069,167.47
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
Amortisation for the period	-485,806.95	-83,200.00	-32,463.43	-207,529.08	0.00	-808,999.46
Acc. amortisation 31 Dec 2024	-13,891,925.78	-166,400.00	-470,422.50	-349,418.65	0.00	-14,878,166.93
Carrying amount 31 Dec 2024	**191,751.32**	**249,600.00**	**32,754.68**	**1,019,114.12**	**0.00**	**1,493,220.12**

EUR	Goodwill	Immaterial rights	Other non-current assets	Development costs	Advance payments	Total
Acquisition cost 1 Jan 2023	13,802,395.18	416,000.00	464,487.78	358,637.03	125,842.42	15,167,362.41
Additions	241,281.92	0.00	38,689.40	242,433.99	276,099.95	798,505.26
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
Reclassifications	0.00	0.00	0.00	212,077.62	-212,077.62	0.00
Acquisition cost 31 Dec 2023	14,043,677.10	416,000.00	503,177.18	813,148.64	189,864.75	15,965,867.67
Acc. amortisation 1 Jan 2023	-12,731,691.30	0.00	-385,180.66	-15,399.32	0.00	-13,132,271.28
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
Amortisation for the period	-674,427.53	-83,200.00	-52,778.41	-126,490.25	0.00	-936,896.19
Acc. amortisation 31 Dec 2023	-13,406,118.83	-83,200.00	-437,959.07	-141,889.57	0.00	-14,069,167.47
Carrying amount 31 Dec 2023	**637,558.27**	**332,800.00**	**65,218.11**	**671,259.07**	**189,864.75**	**1,896,700.20**

4.2 TANGIBLE ASSETS

EUR	Machinery and equipment
Acquisition cost 1 Jan 2024	2,329,971.63
Additions	49,870.55
Disposals	-239,761.48
Reclassifications	0.00
Acquisition cost 31 Dec 2024	2,140,080.70
Acc.depreciation 1 Jan 2024	-2,043,493.72
Disposals	239,761.48
Depreciation for the period	-125,351.37
Acc. depreciation 31 Dec 2024	-1,929,083.61
Carrying amount 31 Dec 2024	**210,997.09**

EUR	Machinery and equipment
Acquisition cost 1 Jan 2023	2,357,398.42
Additions	69,963.30
Disposals	-97,390.09
Reclassifications	0.00
Acquisition cost 31 Dec 2023	2,329,971.63
Acc. depreciation 1 Jan 2023	-2,025,832.69
Disposals	97,390.09
Depreciation for the period	-115,051.12
Acc. depreciation 31 Dec 2023	-2,043,493.72
Carrying amount 31 Dec 2023	**286,477.91**

4.3 INVESTMENTS

Shares in Group companies

EUR	2023	2022
Carrying amount 1 Jan	32,488,998.74	28,445,994.51
Increases in the period	9,500,659.76	4,043,004.23
Reclassifications	-1,807.27	0.00
Carrying amount 31 Dec	**41,987,851.23**	**32,488,998.74**

4.4 RECEIVABLES FROM GROUP COMPANIES

EUR	2024	2023
Trade receivables	565,461.20	1,032,446.96
Group cash-pool receivables	21,154.29	0.00
Dividend receivables	0.00	550,000.00
Group contribution receivables	0.00	1,053,600.00
Total	**586,615.49**	**2,636,046.96**

4.5 CURRENT RECEIVABLES

Prepaid expenses and accrued income

EUR	2024	2023
Receivables related to projects based on completion	154,722.26	175,979.84
Other allocation of income	107,980.99	204,581.47
Derivatives receivables	21,720.00	78,325.00
Other accrued income and prepaid expenses	1,038,553.94	555,601.86
Advances paid	1,461,952.00	1,553,190.01
Total	**2,784,929.19**	**2,567,678.18**

Trade and other current receivables

EUR	2024	2023
Trade receivables	7,928,264.55	12,059,728.14
Credit loss allowance	0.00	-72.01
Lease collateral receivables	58,177.46	58,177.46
Other short-term receivables	323.08	3,333.00
Total	**7,986,765.09**	**12,121,166.59**

4.6 CHANGES IN SHAREHOLDERS' EQUITY

EUR	2024	2023
Share capital 1 Jan	100,000.00	100,000.00
Share capital 31 Dec	100,000.00	100,000.00
Reserve for invested unrestricted equity 1 Jan	27,451,385.22	27,398,439.14
Share subscriptions with stock options	16 525,31	52,946.08
Reserve for invested unrestricted equity 31 Dec	27 467 910,53	27,451,385.22
Treasury shares 1 Jan	-461,413.59	0.00
Acquisitions of treasury shares	0.00	-494,797.39
Transfers of treasury shares	0.00	33,383.80
Treasury shares 31 Dec	-461,413.59	-461,413.59
Retained earnings 1 Jan	9,322,764.04	7,534,280.73
Distribution of dividends	-2,109,200.34	-1,621,727.80
Transfers of treasury shares	0.00	-33,383.80
Retained earnings 31 Dec	7,213,563.70	5,879,169.13
Profit for the period	1,629,162.50	3,443,594.91
Total shareholders' equity	**35,949,223.14**	**36,412,735.67**

4.7 STATEMENT OF DISTRIBUTABLE FUNDS

EUR	2023	2022
Reserve for invested unrestricted equity	27,467,910.53	27,451,385.22
Retained earnings	7.213.563.70	5.879.169.13
Profit for the period	1.629.162.50	3.443.594.91
Less capitalised development costs	-1,019,114.12	-861,123.82
Total distributable funds	**35,291,522.61**	**35,913,025.44**

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.18 (0.26) per share be paid for the financial period 2024.

4.8 INTEREST-BEARING LIABILITIES

EUR	2024	2023
Maturing in in the following the financial year	2,513,678.57	2,512,821.42
Maturing later	3,716,679.42	6,230,357.96
Total	**6,230,357.99**	**8,743,179.38**

Company has no liabilities liabilities maturing in more than five years.

Company pledges of EUR 23,000 thousand are placed as collateral for loans and a credit line of EUR 2,500 thousand. At the end of financial years 2023 and 2022, the credit line was not utilised.

4.9 ADVANCES RECEIVED

EUR	2024	2023
Advance payments received from projects based on completion	111,260.04	32,831.39
Advance payments received, other	755,736.43	1,083,098.23
Total	**866,996.47**	**1,115,929.62**

4.10 LIABILITIES TO GROUP COMPANIES

EUR	2024	2023
Trade payables	2,692,055.05	2,704,523.03
Other liabilities	0.00	3,747.30
Group contribution liability	2,362,000.00	2,653,000.00
Group cash-pool liability	11,972,846.72	12,990,665.69
Total	**17,026,901.77**	**18,351,936.02**

4.11 TRADE AND OTHER PAYABLES

EUR	2024	2023
Trade payables	1,842,048.91	2,405,457.30
Withholding tax liabilities	578,537.23	610,745.80
VAT liabilities	1,488,118.40	1,583,828.89
Other short-term payables	31,356.98	30,323.54
Total	**3,940,061.52**	**4,630,355.53**

4.12 ACCRUED EXPENSES

EUR	2024	2023
Salary costs	57,662.30	72,181.70
Vacation pay and related social costs	3,817,935.93	4,019,903.93
Social cost liabilities	602,043.29	727,516.94
Other accruals	780,276.40	541,821.32
Total	**5,257,917.92**	**5,361,423.89**

5. Other notes

5.1 COLLATERAL PROVIDED, COMMITMENTS AND OTHER GUARANTEES

Lease liabilities

EUR	2024	2023
Maturing in in the following the financial year	1,522,118.61	1,676,905.87
Maturing later	1,213,543.14	648,438.50
Total	**2,735,661.75**	**2,325,344.37**

Commitments provided

EUR	2024	2023
Lease collateral	86,500.55	86,500.55
Lease guarantees	314,427.03	113,062.78
Corporate cards	82,778.25	58,927.26
Total	**483,705.83**	**263,550.50**

Collateral

EUR	2024	2023
Company pledges	23,000,000.00	23,000,000.00
Total	**23,000,000.00**	**23,000,000.00**

5.2 SHARE

Largest registered shareholders as at 31 Dec 2024

	Number of shares	%
Lamy Oy	1,301,267	15.99%
Ilmarinen Mutual Pension Insurance Company	613,350	7.53%
Erina Oy	518,592	6.37%
Danske Invest Finland Equity Fund	429,294	5.27%
Elo Mutual Pension Insurance Company	415,000	5.10%
Varma Mutual Pension Insurance Company	324,034	3.98%
OP-Finland Small Cap Fund	298,979	3.06%
Säästöpankki Small Cap Mutual Fund	128,150	1.57%
Säästöpankki Kotimaa Fund	116,250	1.43%
Narvanto Kirsi Annuli	110,481	1.36%
Kurek Wojciech	77,625	0.95%
Aktia Nordic Small Cap Mutual Fund	58,250	0.72%
eQ Nordic Small Cap Mutual Fund	50,000	0.61%
Yli-Krekola Antti Veikko	49,200	0.60%
Oy Famkro Ab	45,400	0.56%
Järviseudun Peruna Oy	40,000	0.49%
Siljamäki Samuli Johannes	37,000	0.45%
Ilmoniemi Mika Kalervo	32,012	0.39%
Toiviainen Yrjö Tapio	30,094	0.37%
Siili Solutions Plc.	27,954	0.34%
20 largest, total	4,652,932	57.16%
Nominee registered, total	1,388,637	17.06%
Other shareholders	2,098,694	25.78%
Outstanding shares, total	**8,112,309**	**99.66%**
Treasury shares held by Siili Solutions Plc	27,954	0.34%
Total number of shares	**8,140,263**	**100.00%**

Breakdown of shareholdings 31 Dec 2024

	Number of shareholders	% of shareholders
1–100	3,230	55.84%
101–1,000	2,154	37.24%
1,001–10,000	352	6.09%
10,001–100,000	36	0.62%
100,001–1,000,000	10	0.17%
1,000,001–	2	0.03%
Total	**5,784**	**100%**

Shareholders by sector 31 Dec 2024

	Number of shareholders	% of shareholders
Private companies	164	2.84%
Financial and insurance institutions	12	0.21%
Public sector organizations	3	0.05%
Households	5,571	96.32%
Non-profit instit serving households	10	0.17%
Foreigners	16	0.28%
Nominee registered	8	0.14%
Total	**5,784**	**100%**

The company's shares are quoted on the main list of Nasdaq Helsinki Ltd since 20 April 2016.

Ticker symbol of the share	SIILI
ISIN code	FI4000043435
Highest price during the financial year (EUR)	9.90
Lowest price during the financial year (EUR)	5.32
Closing price at the end of the financial year (EUR)	5.66
Market capitalisation as at 31 December 2023 (EUR)	45,915,669.00
Trading volume 1 Jan–31 Dec 2023 (number of shares)	1,830,449.00
Average price 1 Jan–31 Dec 2023 (EUR)	7.74
Share turnover % of total number of shares	22.5%
Number of shares as at 31 December 2023	8,140,263

5.3 RELATED-PARTY TRANSACTIONS

Shareholdings of the members of the Board of Directors, CEO and Management Team (number of shares)

	2024	2023
Chief Executive Officer [1]	5,880	2,820
Board of Directors [2]	875	6,763
Management Team	4,785	22,227
Total	**11,540**	**31,810**

1 Tomi Pienimäki's controlled entity Greater Fool Oy held a total of 15,500 shares as at 31 December 2024, which are excluded from the holdings listed in the table.

2 Harry Brade's controlled entity Lamy Oy held a total of 1,301,267 shares as at 31 December 2024, which are excluded from the holdings listed in the table.

The company did not have other material related-party transactions than transactions between Group companies. These related party transactions are undertaken on market terms. Information on Group companies is presented in the Consolidated Financial Statement Note 6.1 Subsidiaries, while the remuneration of the CEO and rest of the Management Team is discussed in Note 2.3 Employee benefit expenses.

Signatures to the financial statements and Report of the Board of Directors

Confirmation of the Board of Directors and the CEO
We confirm that:

- the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face and
- that the sustainability report within management report is prepared in accordance with sustainability reporting standards referred to in Chapter 7 of the Accounting Act and with the Article 8 of Taxonomy Regulation

Helsinki, 7 March 2025

HARRY BRADE
Chair of the Board of Directors

KATARINA CANTELL
Member of the Board

HENNA MÄKINEN
Member of the Board

TERO OJANPERÄ
Member of the Board

JESSE MAULA
Member of the Board

TOMI PIENIMÄKI
Chief Executive Officer

Auditor’s note

Our auditor’s report has been issued today.

Helsinki, 7 March 2025
KPMG Oy Ab
Audit Firm

LEENAKAISA WINBERG
APA

Auditor’s Report

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

To the Annual General Meeting of Siili Solutions Plc

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Siili Solutions Plc (business identity code 1979903-5) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company’s balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group’s financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent 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.

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

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

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.5 to the consolidated financial statements.

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

MATERIALITY

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Valuation of goodwill and acquisition related intangible assets (reference to the consolidated financial statements and notes 3.1, 3.2 and 3.5)	
The Group has expanded its activities through acquisitions. As a result, the Group's assets include a significant amount of goodwill and acquisition-related intangible assets. At year-end 2024, the group had EUR 31.9 million of goodwill and EUR 5.8 million of intangible assets. Goodwill and intangible assets are tested for impairment annually. Estimating future cash flows in impairment tests involves a significant amount of management judgment in respect of revenue growth, profitability, long-term growth rate and discount rates, among others. Valuation of goodwill and acquisition related intangible assets are considered a key audit matter due to the significant carrying values and high level of management judgement involved.	Our audit procedures regarding impairment testing included, among others: – Assessing the key assumptions used in the calculations, such as profitability levels, discount rates used and long-term growth rate. – Assessing whether the methods and the key assumptions used are appropriate and have been consistently applied year-on-year. – Involving KPMG valuation specialists when considering the appropriateness of the assumptions used in relation to market and industry information and testing the technical accuracy of the calculations. In addition, we have assessed the appropriateness of the group's disclosures in respect of the impairment testing.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Revenue recognition (reference to the consolidated financial statements and notes 2.1)	
Revenue recognition is one of our focus areas for example due to following: – The company's services consist of tailormade software solutions, and majority of the consolidated revenue is based on hourly billing. Revenue based on service hours is recognized in the financial period in which the provided service was performed. The correctness of the working hours entered in the time tracking system as well as the efficiency of management's controls over those hours are emphasized when assessing the appropriateness of revenue recognition. – Regarding fixed price projects the satisfaction of the performance obligation shall be monitored throughout the project delivery. Revenue recognition based on satisfaction of performance involves management judgment and estimates especially when forecasting total costs of the project and resources needed.	– Our audit procedures covered assessment of the control environment relating to revenue recognition, as well as testing the operating effectiveness of the associated key controls. In addition, we performed substantive and analytical procedures over revenue. – We assessed group's revenue recognition principles in relation to IFRS standards. – We assessed the processes for tracking, recording and invoicing sales. In addition, we assessed the accuracy of the recognition of revenue on accrual basis. – We assessed the appropriateness of the revenue recognized for projects based on satisfaction of performance and evaluated company's process for identifying potential losses related to these projects. – In addition, we have assessed the appropriateness of the group's disclosures in respect of revenue.

We have not identified key audit matters relating to the parent company's financial statements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and 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 parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or 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 parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Reporting Requirements

INFORMATION ON OUR AUDIT ENGAGEMENT

We were first appointed as auditors by the Annual General Meeting on 12.3.2010, and our appointment represents a total period of uninterrupted engagement of 14 years. Siili Solutions Plc became a public interest entity on 20.4.2016. We have been the company's auditors since it became a public interest entity.

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

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. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

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

Helsinki, 7 March 2025
KPMG OY AB

Leenakaisa Winberg
Authorised Public Accountant, KHT

Assurance Report on the Sustainability Statement

This document is an English translation of the Finnish Assurance Report on the Sustainability Report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of Siili Solutions Plc

We have performed a limited assurance engagement on the group sustainability statement of Siili Solutions Plc (business identity code 1979903-5) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

OPINION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Siili Solutions Plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

BASIS FOR OPINION

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorized Group Sustainability Auditor section of our report.

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

OTHER MATTER

We draw attention to the fact that the group sustainability statement of Siili Solutions Plc that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

AUTHORIZED GROUP SUSTAINABILITY AUDITOR'S INDEPENDENCE AND QUALITY MANAGEMENT

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

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorized sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director of Siili Solutions Plc are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

INHERENT LIMITATIONS IN THE PREPARATION OF A SUSTAINABILITY REPORT

Preparation of the sustainability statement requires company to make materiality assessment to identify relevant matters to report. This includes significant management judgement and choices. It is also characteristic to the sustainability reporting that reporting of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty. Furthermore, when reporting forward looking information company has to disclose assumptions related to potential future events and describe company´s possible future actions in relation to these events. Actual outcome may differ as forecasted events do not always occur as expected.

RESPONSIBILITIES OF THE AUTHORIZED GROUP SUSTAINABILITY AUDITOR

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. 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 decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain 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.

DESCRIPTION OF THE PROCEDURES THAT HAVE BEEN PERFORMED

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We interviewed Siili Solutions Plc's management and persons responsible for the preparation and gathering of the sustainability information.
- We familiarized with interviews to the key processes related to collecting and consolidating the sustainability information.
- We got acquainted with the relevant guidances and policies related to the sustainability information disclosed in the sustainability statement.
- We acquainted ourselves to the background documentation and other records prepared by the company, as appropriate and assessed how they support the information included in the sustainability statement.
- In relation to the double materiality assessment process, we interviewed persons responsible for the process and familiarized ourselves with the process description prepared of the double materiality assessment and other documentation and background materials.
- In relation to the EU taxonomy information we interviewed the management of the company and persons with key roles in reporting taxonomy information to understand how taxonomy eligible activities have been identified, we obtained evidence supporting the interviews and reconciled the reported EU taxonomy information to supporting documents and to the bookkeeping, as applicable.
- We assessed the application of the ESRS sustainability reporting standards reporting principles in the presentation of the sustainability information.

Helsinki, 7 March 2025
KPMG OY AB
Authorized Sustainability Audit Firm

Leenakaisa Winberg
Authorized Sustainability Auditor, KRT

SIILI®

Corporate Governance Statement 2024

Corporate Governance Statement 2024

1. Overview

Siili Solutions Plc (Siili, the Company) is a Finnish public limited liability company listed on Nasdaq Helsinki Ltd (the Helsinki Stock Exchange). Siili's corporate governance is based on legislation in force in Finland, the rules and regulations issued for listed companies by the Helsinki Stock Exchange and the Finnish Financial Supervisory Authority (FIN-FSA) as well as Siili's Articles of Association. Corporate governance in Siili's subsidiaries is also governed by the laws of the country of their domicile, and by each subsidiary's Articles of Association. Siili's governance and control are based on honesty, accountability, equality and transparency.

Siili fully complies with the Corporate Governance Code 2025 published by the Securities Market Association, taking into consideration the transitional provision of recommendation number 8. The Corporate Governance Code is available on the website of the Securities Market Association at / www.cgfinland.fi/en/.

This Corporate Governance Statement has been prepared separately from the report of the Board of Directors, and it has been reviewed by both Siili's Audit Committee and Board of Directors. The Statement is published on the Company website at / https://sijoittajille.siili.com/en.

2. Descriptions concerning corporate governance

The Company's statutory governing bodies are the General Meeting of Shareholders, the Board of Directors and the Chief Executive Officer (CEO). The General Meeting appoints the members of the Board of Directors, and the Board of Directors appoints the CEO. The Board of Directors' work is enhanced by two (2) Board committees whose members are elected by the Board of Directors among its members. In the operative management of the Company, the CEO is assisted by the Management Team, which is appointed by the Board of Directors at the CEO's proposal.

GENERAL MEETING

Siili's shareholders exercise their decision-making power at the General Meeting of Shareholders. The shareholders' rights and duties of the General Meeting of Shareholders are determined in the Limited Liability Companies Act.

The Annual General Meeting (AGM) is held annually before the end of June, usually at the end of March or early April. The matters on the agenda of the Annual General Meeting are determined in the Limited Liability Companies Act. In the Annual General Meeting of 3 April 2024, 19 shareholders were represented personally or by proxy, representing 4,963,956 shares and votes (approximately 61,2% of shares issued and outstanding). The Annual General Meeting was held in Helsinki, Finland, in the event venue Eliel at Sanomatalo, Töölönlahdenkatu 2. The shareholders also had the opportunity to exercise their voting right by voting in advance.

In accordance with the Limited Liability Companies Act, Siili will hold an Extraordinary General Meeting (EGM) if the Board of Directors considers it necessary, or if the auditor or shareholders together holding one tenth of all shares so demand in writing in order for a given matter to be dealt with. In 2024, no Extraordinary General Meetings were held.

The minutes of the AGM are available on the Company website at / https://sijoittajille.siili.com/en.

SHAREHOLDERS' NOMINATION BOARD

The Shareholders' Nomination Board consists of five (5) members, of whom the Company's four (4) largest shareholders are each entitled to nominate one (1). The Chair of the Board of Directors serves as the fifth member of the Board in the role of an expert. The members of the Board are appointed annually, and the term of office of the members ends when new members have been appointed to the Board. The largest shareholders are determined as at 31 August.

In 2024, the Shareholders' Nomination Board of the Company consisted of the following members:

- Heikki Westerlund, Lamy Oy, (Chair)
- Timo Luhtaniemi, Erina Oy
- Niko Syrjänen, Elo Mutual Pension Insurance Company (as of 17 September 2024)
- Jukka Vähäpesola, Elo Mutual Pension Insurance Company (until 17 September 2024)
- Esko Torsti, Ilmarinen Mutual Pension Insurance Company
- Harry Brade, Chair of the Board of Directors of Siili Solutions Plc

The duties of the Nomination Board are:

- preparing and presenting to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal on i) the number of members of the Board of Directors; ii) the Chair and Deputy Chair of the Board of Directors; iii) the remuneration of the members, Chair and Deputy Chair of the Board of Directors
- seeking prospective successors for the members of the Board of Directors
- responding to questions posed by shareholders in a General Meeting, particularly regarding the performance of the duties of the Nomination Board and its proposals
- providing a report on its activities to the Annual General Meeting on an annual basis.

The members of the Nomination Board are not entitled to remuneration for their duty, unless the General Meeting decides otherwise. The Company will compensate reasonable costs and expenses incurred by the members against receipts approved by the Company.

The Nomination Board Committee convened four (4) times in 2024. The average rate of attendance of the members at Nomination Board meetings was 100%. All the members in the Nomination Board are men.

BOARD OF DIRECTORS

Composition

In accordance with the Articles of Association, the Board of Directors of the Company has three to six ordinary members. The Board of Directors elects the Chair from among its members. The term of office of a Board member begins at the end of the election meeting and lasts until the closing of the following Annual General Meeting. The Annual General Meeting of 2024 elected five (5) members to the Board of Directors. The members elected at the AGM were the following: Harry Brade, Tero Ojanperä, Jesse Maula, Henna Mäkinen and Katarina Cantell.

Board of Directors, 31 December 2024

Harry Brade, Chair of the Board
- B. 1969
- Education: M.Sc. (Tech.), MBA
- Principal occupation: Managing Director, Lamy Oy
- On the Board of Directors since 2016
- Independent of the Company
- Number of shares: 0*

*Harry Brade's controlled entity Lamy Ltd held a total of 1,301,267 shares as at 31 December 2024.

Tero Ojanperä
- B. 1966
- Education: D.Sc. (Tech.)
- Principal occupation: Entrepreneur, Board Professional
- On the Board of Directors since 2020
- Independent of the Company and its significant shareholders
- Number of shares: 875

Jesse Maula
- B. 1976
- Education: M.Soc.Sc.
- Principal occupation: CEO, Avidly Plc
- On the Board of Directors since 2021
- Independent of the Company and its significant shareholders
- Number of shares: 0

Henna Mäkinen
- B. 1981
- Education: LL.M., M.Sc. (Econ)
- Principal occupation: CFO, Pixieray Oy
- On the Board of Directors since 2024
- Independent of the Company and its significant shareholders
- Number of shares: 0

Katarina Cantell
- B. 1981
- Education: PhD
- Principal occupation: CEO, Adalyon Oy
- On the Board of Directors since 2024
- Independent of the Company and its significant shareholders
- Number of shares: 0

Activities

The duties of the Board of Directors are determined in the Limited Liability Companies Act, according to which the Board of Directors shall see to the administration of the Company and the appropriate organisation of its operations and ensure the appropriate arrangement of the control of the Company accounts and finances. Siili's Articles of Association do not provide additional duties for the Board of Directors.

According to its Charter, Siili's Board of Directors convenes at least eight (8) times annually. In 2024, the Board of Directors convened fourteen (14) times, in addition to which it made resolutions in writing without holding a meeting. The average rate of attendance of the members in meetings of the Board of Directors was 99%.The Chief Executive Officer and the Chief Financial Officer attend to the Board's meetings.

Member	Attendance per meeting	Attendance
Harry Brade, Chair	14/14	100%
Anu Nissinen, Deputy Chair (until 3 April 2024)	2/2	100%
Kati Hagros (until 3.4.2024)	2/2	100%
Tero Ojanperä	14/14	100%
Jesse Maula	14/14	100%
Henna Mäkinen (as of 3 April 2024)	12/12	100%
Katarina Cantell (as of 3 April 2024)	11/12	92%

The Charter of the Board of Directors

The Board of Directors has adopted a Charter for itself. According to the Charter, the Board of Directors handles and decides on matters that are significant for the Group financially, from a business perspective or as a matter of principle.

According to the Charter, the main duties of the Board of Directors are:
- adopting the Company's strategy, plan of operations and budget as well as monitoring operative activities and materialisation of budgets
- reviewing and approving the consolidated financial statements, half-year report, Board of Directors' report and related stock exchange releases
- deciding on the Company's structure and core organisational structure
- deciding on investments, corporate transactions, contingent liabilities and other significant resolutions
- ensuring the appropriateness of the Company's accounting and financial management
- preparing the dividend policy
- adopting the Company's funding policy
- appointment and dismissal of the CEO and deciding on related contracts
- appointment and dismissal of the deputy to the CEO and deciding on related contracts
- ensuring and supervising the functioning of the management system
- approving proposals concerning the members of the Management Team and their remuneration
- approving and supervising internal controls as well as risk management and reporting processes
- adopting the HR policy and remuneration schemes
- preparing matters to be resolved by the General Meeting of Shareholders
- deciding on values followed in the Company's activities
- adopting the Board of Directors' diversity principles.

Diversity of the Board of Directors

Proposals concerning the Board of Directors must take into account not only the qualifications of the candidates but also the need to ensure diversity within the Board and the diversity principles confirmed by Siili's Board. A person elected as a Board member must have the necessary qualifications for the role and the ability to allocate sufficient time to the position. The number of Board members and the composition of the Board must enable the effective performance of its duties. The Board must include representatives of both genders. All Board members must have experience in various leadership roles across different industries, as well as prior Board experience in either listed or unlisted companies. As a whole, the Board should represent a diverse range of national and international expertise relevant to the company's industry.

During the financial year 2024, the diversity principles have been met. As of December 31, 2024, Siili's Board consisted of five (5) members. All Board members have experience in leadership roles within industries relevant to Siili, such as IT and technology business, as well as key industries for Siili's clients, including banking and financial services, and consumer business. Additionally, all Board members have served or are currently serving on the Boards of both listed and unlisted companies. The educational backgrounds of the Board members are in technology, law, or business, and they possess extensive national and international expertise in the company's industry, including artificial intelligence and data-driven business.

The gender distribution within the Board is 60% men (3/5) and 40% women (2/5), thereby meeting the gender representation objective set forth in Section 6, Article 9a of the Finnish Limited Liability Companies Act. The longest tenure of a Board member is nine years, while the shortest is one year. The ages of the Board members range from 43 to 58 years.

Evaluation of the Board of Directors' work

The Board of Directors evaluates its activities on an annual basis. The purpose of the evaluation of the Board's activities is to examine the Board's success during the year and to function as a basis in assessing the way of operation and composition of the Board and the election of potential new directors. In 2023, the evaluation of the Board was assigned to an external service provider.

Board Committees

The Board of Directors of Siili has two (2) committees: the Audit Committee and the HR Committee. The Committees assist the Board of Directors in the preparation of various matters. The Board of Directors has adopted charters for the Committees, which include the main duties and operating principles of the Committees. After the closing of the Annual General Meeting of Shareholders, the Board of Directors elects the chairs and members of the Committees.

The Committee does not have any independent decision-making authority, but the Board of Directors makes decision on matters prepared by the Committees. The Chair of each Committee reports on the activities of the Committee in the Board meeting following a Committee meeting.

<u>Audit Committee</u>

In 2024, the Audit Committee had three (3) members. The majority of the members of the Audit Committee must be independent of the Company and at least one (1) member must be independent of the Company's significant shareholders. In electing the members of the Audit Committee, the competence requirements posed for the members are taken into consideration.

Siili's Audit Committee assists the Board of Directors in performing its supervisory duty regarding financial reporting and control, risks management as well as internal and external audit. The Chair of the Committee together with the members of the Committee decides on the number and schedule of the Committee's meetings. The Committees convenes at least three (3) times a year.

In its constitutive meeting on 3 April 2024, the Board of Directors elected Henna Mäkinen as the Chair of the Audit Committee and Katarina Cantell and Jesse Maula as its other members.

The Audit Committee convened four (4) times in 2024. The average rate of attendance of the members in the meetings of the Audit Committee was 100%.

Member	Attendance per meeting	Attendance
Anu Nissinen, Chair (until 3 April 2024)	1/1	100%
Henna Mäkinen, Chair (as of 3 April 2024)	3/3	100%
Kati Hagros (until 3 April 2024)	1/1	100%
Jesse Maula	4/4	100%
Katarina Cantell (as of 3 April 2024)	3/3	100%

According to the Charter of the Audit Committee, the duties of the Audit Committee are, among other things:

- monitoring the economic conditions, financial position and the accounting process
- supervising the financial reporting process
- monitoring the efficiency of the Company's internal control and risk management systems
- reviewing the accuracy of the Company's financial result on a half-yearly basis together with the Company's financial management and auditors
- monitoring and discussing significant financial risks as well as management actions to monitor and manage the risks and report on them
- examining significant findings by auditors and management responses to them
- monitoring transactions by the Company's management and their closely associated persons and any potential conflicts of interest related to them
- discussing the Company's Corporate Governance Statement
- assessing the processes aimed at ensuring compliance with laws and regulations
- assessing the impartiality of the statutory auditor or audit firm and, in particular, the offer of ancillary services to the company being audited
- preparing a proposal on the election of the auditor for the General Meeting of Shareholders.

In addition, the Audit Committee may have other tasks which are appropriate to fulfil its duty.

<u>HR Committee</u>

The HR Committee prepares material and provides advice concerning the personnel of the Company as well as matters related to the remuneration and incentives of the Company management.

The Chair of the Committee together with the members of the Committee decides on the number and schedule of the Committee's meetings. The Committee convenes at least two (2) times a year.

In 2024, the HR Committee had three (3) members until 3 April 2024 and four (4) members as of 3 April 2024. In its constitutive meeting on 3 April 2024, the Board of Directors elected among its members Harry Brade as the Chair of the HR Committee and Katarina Cantell, Jesse Maula and Tero Ojanperä as its members.

The HR Committee convened five (5) times in 2024. The average rate of attendance of the members in the meetings of the HR Committee was 100%.

Member	Attendance per meeting	Attendance
Harry Brade, Chair	5/5	100%
Anu Nissinen (until 3 April 2024)	2/2	100%
Tero Ojanperä	5/5	100%
Jesse Maula (as of 3 April 2024)	3/3	100%
Katarina Cantell (as of 3 April 2024)	3/3	100%

Duties related to human resource practices:
- assessment of the compatibility of the HR strategy and business strategy
- assessment of the results of the employee satisfaction survey in a regular basis
- assessment of the functioning of the organisational structure and successor plans for key managerial positions on a regular basis
- assessment of the status, actions and targets of employment relationship matters
- assessment of the status, actions and targets of occupational safety matters
- assessment of the achievement of diversity within the company (incl. women's share in various positions) and related plans
- assessment of matters related to corporate responsibility and ethics from the perspective of the duties of the HR Committee
- other themes related to human resources considered necessary to highlight by the Committee or executive management.

Duties related to appointment and remuneration matters:
- preparation of the CEO's remuneration and other benefits as well as the CEO contract for the Board of Directors
- development of the remuneration schemes for the CEO and the rest of the Management Team for the Board of Directors, including the assessment of remuneration and ensuring its appropriateness
- preparation of principles of the performance and result criteria of the remuneration schemes and monitoring their achievement
- preparation of any share remuneration schemes or share-based remuneration schemes
- review of the Remuneration Report
- monitoring the evaluation and remuneration of performance of senior executive management
- ensuring that the Company has functioning systems and practices in place for successor planning and talent management, incl. systematic definition, assessment, development and engagement of key personnel
- evaluation of the appropriateness and effectiveness of remuneration on a regular basis
- preparation of proposals to the Board of Directors on the development of remuneration as a whole and on the renewal of incentive schemes or pension schemes
- monitoring and evaluation of risks related to the remuneration policy and practices in a versatile manner and recommending how to mitigate these risks
- preparing and executing a successor planning process for the CEO and rest of the Management Team. In addition, the HR Committee may have other tasks which are appropriate to fulfil its duty.

MANAGING DIRECTOR

In accordance with the Limited Liability Companies Act, the CEO shall see to the executive management of the Company in accordance with instructions and orders given by the Board of Directors and ensure that the accounts of the Company are in compliance with the law and that its finances have been arranged in a reliable manner. The CEO steers and supervises the Company, its businesses and is responsible for the day-to-day operational management of the Company as well as strategy implementation, and prepares items for Board review and bears responsibility for their execution.

Mr Tomi Pienimäki serves as the Company's CEO.

MANAGEMENT TEAM

In the operative management of the Company, the CEO is assisted by the Management Team. The Management Team assists the CEO in the operative administration of the Company in accordance with guidelines and instructions given by the Board of Directors for example in the preparation and execution of the strategy, policies and other matters concerning both the businesses and the Company as a whole. The Management Team meets on a regular basis, at least eleven (11) times a year. The CEO leads the operation of the Management Team. As per 31 December 2024 the Management Team comprised of five (5) members, three (3) of which men (60%) and two (2) women (40%).

Tomi Pienimäki, CEO
- B. 1973
- Education: D.Sc (Tech.), M.Sc. (Econ.)
- Number of shares: 21,380

Aleksi Kankainen, CFO
- B. 1977
- Education: M.Sc. (Econ.)
- Number of shares: 3,036

Taru Salo, CPO
- B. 1980
- Education: M.Sc. (Econ.)
- Number of shares: 1,749

Andras Tessenyi, CEO, Supercharge Kft
- B. 1986
- Education: B.Sc (Tech)
- Number of shares: 0

Maria Niiniharju, VP, Private Business
- B. 1982
- Education: Master of Business Administration (MBA)
- Number of shares: 0

3. Internal control and risk management

INTERNAL CONTROL

The purpose of the Company's internal control is to ensure that the Company operates efficiently, information published by it up-to-date and reliable, and that valid regulation is complied with. Internal control seeks to enhance the implementation of the Board of Directors' control function. The Board of Directors bears the main responsibility for the supervision of accounting and finance. The cornerstones of internal control within the Company are group-level guidelines, defined controls in operational processes, and the regular assessment of deviations.

INTERNAL CONTROL OF FINANCIAL REPORTING

Financial reporting processes are an integral part of the Company's internal control system. The objective of the internal control of financial reporting is to ensure that Siili's operations are productive and that decision-making is based on accurate and reliable information as well as an adequate identification of business risks. Internal control also helps ensure that financial reporting, including financial statements and half-yearly reports, are compliant with generally accepted standards as well as valid laws and regulations.

The Board of Directors is responsible for ensuring that the internal control of accounting and financial management is arranged appropriately. The Audit Committee of the Board of Directors supervises the financial reporting process and the effectiveness of related control measures. The Chief Financial Officer is responsible for reporting observations to the members of the Board of Directors.

Business directors are responsible for reporting on matters concerning their own unit's development, strategy and annual plans as well as business and profit developments and internal organisation of the unit. The CFO reports the operational result on a monthly basis to the Board of Directors and the Management Team. Reporting as well as related analyses and comparisons are a key part of control and supervision conducted using financial reporting. The Board of Directors and the Management Team of the company review financial reports regularly and monitor the materialisation of the most recent forecasts and budgets on a monthly basis. If actual results deviate from them, the members of the Management Team are responsible for initiating corrective actions.

The Group's Accounting and Controller function is responsible for defining uniform accounting and reporting principles, providing instructions and developing the reporting system on a continuous basis. Siili's subsidiaries have their own accounting, and they report external reporting figures on a monthly basis to the parent company as instructed by it. The Group's accounting department takes care of the Group's internal and external accounting and validates external reporting before it is submitted to the Board of Directors. Accounting and related support functions for the subsidiaries of the Siili Group have mainly been outsourced to external service providers, which report directly to Group Accounting in accordance with defined reporting models. All group companies apply a uniform reporting model and chart of accounts. The Group Accounting department instructs the subsidiaries in the compilation of half-yearly reports and financial statements and prepares the Consolidated Financial Statements.

RISK MANAGEMENT

Siili's Board of Directors is responsible for the appropriate and effective organisation of risk management. Siili's Board of Directors has adopted a risk management policy used to identify the Group's strategic, operational, financial and hazard risks.
In the course of its activities, the Company takes risks related to its strategy and the implementation of the objectives, balanced with its risk capacity.
The objective of risk management is proactive and comprehensive management of these risk areas, which enables the achievement of the Company's strategy and financial targets in a controlled manner. Risk management is included as part of the Company's business processes. Risks at Siili are categorised into strategic, operational, financial and hazard risks.

Siili's most significant risks, material changes therein, and the management measures are reported to the audit committee of Siili's Board of Directors in connection with the review of the half-yearly report and financial statements. The Chair of the Audit Committee reports on risk management to the Board of Directors as part of Audit Committee reporting Siili's Board of Directors reviews the most significant risks and their management measures, and evaluates the effectiveness and operability of risk management.

4. Other information

INTERNAL AUDIT

The Company has a group internal audit function. The CFO is responsible for organising it. An external audit firm is employed in the practical audit activities. The function reports to the Company's Audit Committee and the Board of Directors. The Audit Committee is briefed on the results of internal audit by the audit firm carrying out internal audit, and it monitors and supervises the implementation of corrective actions within the Company.

RELATED PARTY TRANSACTIONS

The Legal function of the Company maintains a list of related parties and keeps it available to Group Accounting. Related parties are regularly briefed on their obligation to disclose any related-party transactions. Related-party transactions are allowed insofar as they are in line with the purpose and interests of the Company and are commercially justified. Related-party transactions are conducted in compliance with valid legislation and the Corporate Governance Code. Related-party transactions are concluded at arm's length and decisions are made in accordance with the Company's approval guidelines and established decision-making practices. Group Accounting and the Legal function identify, assess and monitor related-party transactions as part of the Company's normal processes. Group Accounting also monitors related-party transactions as part of the Company's usual reporting and control processes. Matters related to the Company's related-party transactions are reported to the Audit Committee at least on an annual basis. Information on the Company's related party-transactions are disclosed annually in the notes to the Consolidated Financial Statements.

The Board of Directors decides on related party transactions that are not conducted in the ordinary course of business of the Company or are not implemented on arm's-length terms.

Transactions with related parties are prepared carefully, and with a view to rules on conflicts of interests.

INSIDER MANAGEMENT

In addition to applicable legislation and authorities' regulations, Siili complies with the guidelines for insiders issued by the Helsinki Stock Exchange. The Company's insider guideline adopted by the Board of Directors describes and details the Company's insider management practices. The Company's General Counsel is in charge of insider issues and insider management within the Company.

Siili maintains a project-specific insider list of projects constituting inside information. Each person receiving inside information pertaining to a project is recorded in the project-specific insider list. Persons included in an insider list are notified in writing about their inclusion in the insider list, related obligations and the consequences of insider dealing and unlawful disclosure of inside information.

At Siili, persons discharging managerial functions within the meaning of the Market Abuse Regulation (MAR) include the members of the Board of Directors, the CEO and the rest of the Management Team (Managers). Managers and their closely associated persons must notify Siili and the FIN-FSA of any transactions on Siili's shares, debt instruments or derivatives or other financial instruments related to them without delay and at the latest two (2) business days after the execution of the transaction.

At Siili, Managers and certain personnel participating in the preparation of financial reporting or receiving information on its content before publication may not trade in securities issued by the Company or conduct certain other transactions related to the Company's financial instruments in the 30 days preceding the publication of the Company's half-yearly report or financial statements bulletin (so-called closed window). The closed window ends at the closing of the publication date.

AUDIT

The duty of the auditor is to verify that the financial statements give a true and fair view of the Company's result and financial position during the financial year. The Company's auditor provides the shareholders with the statutory auditor's report in connection with the Company's annual financial statements.

The purpose of the assurance of the sustainability report is to verify that the report complies with the applicable requirements and standards for sustainability reporting. The company's sustainability reporting assurer provides shareholders with the assurance report on sustainability reporting as required by law.

The auditor and the sutainability asuurer are elected in the Annual General Meeting and their term of office covers the current financial year and ends at the close of the next Annual General Meeting following the election.

The Company's Annual General Meeting of 3 April 2024 re-elected KPMG Oy Ab (business ID: 1805485-9) as the auditor, with Authorised Public Accountant Leenakaisa Winberg as the principal auditor. The company has appointed KPMG Oy Ab to act also as the sustainability reporting assurer, Authorised Sustainability Auditor Leenakaisa Winberg as the principally responsible sustainability reporting assurer.

Fees paid to KPMG in the Consolidated Financial Statements 2024 amounted to EUR 250,8 thousand for statutory auditing and statements and EUR 90 thousand for services unrelated to statutory auditing and statements.

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Remuneration report of the governing bodies 2024

Remuneration report of the governing bodies 2024

Overview

This Remuneration Report has been prepared in compliance with the guidelines on remuneration provided in the Finnish Corporate Governance Code 2025.

The Annual General Meeting of 3 April 2024 of Siili Solutions Plc ("Siili" or "Company") was in favour of the remuneration policy and remuneration report presented. In 2024, the Company complied with the remuneration policy in the remuneration of the governing bodies. There were no deviations from the remuneration policy nor any clawbacks of rewards.

The objective of the remuneration policy for the Company's governing bodies is to promote the Company's business strategy, long-term financial success and sustainable growth of shareholder value. To that end, the Company has established remuneration practices that support the Company's business strategy and annual plans, while promoting its current strategic targets. When strategic focus areas or the company's financial position change, the remuneration bases and criteria can be reviewed and updated.

This Remuneration Report presents the remuneration of Siili's governing bodies, i.e. the Board of Directors and the CEO for the financial year 2024. Information on the remuneration of the rest of the Management Team is published at an aggregate level on Siili's website at / https://sijoittajille.siili.com/en/remuneration#muunjohtoryhmanpalkitseminen

The following table presents the development of the remuneration of the Board of Directors and the CEO in comparison with the development of the average remuneration of the Group's employees and the Group's financial performance over the past five years.

EUR 1,000	2024	2023	2022	2021	2020
Total remuneration of the Chair of the Board	51.3	48.8	45.9	46.2	46.2
Total remuneration of the Deputy Chair of the Board	30.6	39.9	37.5	37.8	37.8
Average annual remuneration of a Board member[1]	24.3	24.6	22.9	22.9	22.8
Total remuneration of the CEO	233	283	463	468	352.7
Average annual remuneration of an employee[2]	59.2	58.6	58.5	61.3	60.5
Group revenue	111,899	122,702	118,334	99,282	83,307
Group EBITDA	8,208	12,107	14,928	12,018	9,123

1 Total annual remuneration of a Board member, including Committee fees.

2 The average remuneration of an employee is calculated by deducting other personnel-related expenses and share-based payments from employee benefit expenses and dividing the result by the average number of employees during the financial year.

Remuneration of the Board of Directors for the financial year 2024

In accordance with the resolution of the Company's AGM of 3 April 2024, the remuneration of the Board of Directors is as follows:

- The Chair of the Board of Directors is paid EUR 3,850 per month.
- The Deputy Chair of the Board and the Chair of the Audit Committee is paid EUR 2,500 per month.
- Other members of the Board of Directors are paid EUR 2,000 per month.
- The Chairs of the Committees are paid EUR 200 per month for their work on the Committee.
- All Committee members are paid a meeting attendance fee of EUR 300 per meeting.

In addition, the members of the Board of Directors receive compensation for travel expenses in line with the Company's business travel policy.

In 2024, the members of the Board of Directors did not receive compensations or rewards unrelated to their work on the Board. Members of the Board of Directors were not included in the scope of the Company's share-based incentive schemes and no rewards were paid to them in the form of shares. No other economic benefits, such as pension contributions, were paid for members of the Board of Directors. Members of the Board of Directors have not received rewards from other Group companies.

There are no rewards related to Board remuneration falling due.

The rewards paid to the members of the Company's Board of Directors in the financial year 2023 for their work on the Board of Directors and its Committees are presented in the following table:

	Board fee, EUR	Chair of the Committees	Committee meetings, EUR	Total, EUR
Harry Brade	46,200	2,400	1,500	50,100
Anu Nissinen (until 3 April 2024)	9,143	610	900	10,652
Kati Hagros (until 3 April 2024)	6,095	-	300	6,395
Tero Ojanperä	24,000	-	1,500	25,500
Jesse Maula	28,500	-	2,100	30,600
Henna Mäkinen (as of 3 April 2024)	22,500	1,800	900	25,200
Katarina Cantell (as of 3 April 2024)	18,000	-	1,500	19,500
Total				**167,948**

Remuneration of the CEO for the financial year 2024

The remuneration of the CEO consists of a fixed monthly salary (including fringe benefits), a short-term incentive scheme and a long-term incentive scheme (share reward scheme, periods 2022–2024, 2023–2025 and 2024–2026).

In 2024, the CEO was not paid supplementary pension benefits or other economic benefits, and the CEO has not received rewards from other Group companies.

COMPONENTS OF VARIABLE REMUNERATION: SHORT-TERM INCENTIVES

The CEO's short-term incentive at the target level is 55% and at the maximum 100% of the fixed annual salary. The short-term incentive is linked to the achievement of the Siili Group's financial targets in terms of revenue (weight 30%), EBITA (weight 50%), personnel satisfaction (weight 10%) and utilization in Siili Finland (weight 10%).

None of the minimum targets of the CEO's short-term incentive scheme were achieved in the financial year 2024, and therefore no rewards under the short-term incentive scheme were accrued for 2024.

With respect to Group revenue, the realization was 85% of the target level, 59% of the EBITA target level, 50% of the employee satisfaction target level and 97% of the utilization target level.

COMPONENTS OF VARIABLE REMUNERATION: LONG-TERM SHARE REWARD SCHEME

In the long-term share reward scheme 2020–2022, the third earning period covers the financial years 2022–2024. The long-term share reward scheme 2023–2027 has three earning periods of three years each, comprising the financial years 2023–2025, 2024–2026 and 2025–2027. Participation in an earning period requires the CEO to have shareholdings in the Company, and the CEO must hold all shares paid based on the scheme for as long as his CEO contract is valid. Payment of the share rewards is based on the Group's EBIT (weight 60%), revenue (weight 40%) and a multiplier based on the total return of the Siili share. The potential reward is paid partly in Company shares and partly in cash. The purpose of the cash component is to cover the taxes and tax-like payments incurred by the participant due to the reward. During financial year 2024 no long-term incentives ere paid out or accrued to the CEO.

No supplementary pension benefits have been paid to the CEO. No other financial benefits have been paid to the CEO, and the CEO has not received rewards from other Group companies.

CEO'S TOTAL REMUNERATION IN 2024:

	Monthly salaries, EUR	Taxable fringe benefits, EUR	Performance-based bonuses, EUR	Other remuneration, EUR	Total, EUR
Tomi Pienimäki[1]	233,316	16,380	0	0	249,696

1 Remuneration presented in this table includes all components under the CEO contract.

Board of directors

Harry Brade

b. 1969, M.Sc. (Tech.), MBA, CEFA

Chair of the Board of Directors

Chair of the HR Committee

Lamy Ltd, CEO and
Investment Director

Independent of the company

Number of shares: 0*

*) Harry Brade's controlled entity Lamy Ltd held a total of 1,301,267 shares as at 31 December 2024.

Jesse Maula

b. 1976, M.Sc. (Soc.)

Vice Chair of the Board of Directors

Member of the Audit Committee

Member of the HR Committee

Avidly Plc, CEO

Independent of the company
and its significant shareholders

Number of shares: 0

Henna Mäkinen

b. 1981, M.Sc. (Econ.)

Member of the Board

Chair of the Audit Committee

Pixieray Ltd, CFO

Independent of the company
and its significant shareholders

Number of shares: 0

Katarina Cantell

b. 1981, PhD

Member of the Board

Member of the Audit Committee

Member of the HR Committee

Adalyon Oy, CEO

Independent of the company
and its significant shareholders

Number of shares: 0

Tero Ojanperä

b. 1966, D.Sc. (Tech.)

Member of the Board

Member of the HR Committee

Entrepreneur, Board Professional

Independent of the company
and its significant shareholders

Number of shares: 875

The composition of the Board of Siili Solutions Plc and the members' shareholdings are presented as at 31 December 2024.

Management team

Tomi Pienimäki

b. 1973, D.Sc. (Tech.), M.Sc. (Econ.)

Chief Executive Officer

Number of shares: 5,880*

* In addition, Tomi Pienimäki's controlled entity Greater Fool Oy held a total of 15,500 shares as at 31 December 2024

Andras Tessenyi

b. 1986, B.Sc.

CEO, Supercharge Kft

Number of shares: 0

Aleksi Kankainen

b. 1977, M.Sc. (Econ.)

Chief Financial Officer

Number of shares: 3,306

Maria Niiniharju

b. 1982, MBA

VP Private Business (as of Nov 2024)

Number of shares: 0

Taru Salo

b. 1980, M.Sc. (Econ.)

Chief People Officer

Number of shares: 1,749

Siili Solutions Plc shares held by the members of the Management Team and their controlled entities as at 31 December 2024.

Information for shareholders

Financial calendar for 2025

The Annual General Meeting
will be held on 8 April 2025.

The business review for 1 January–31 March 2025
will be published on 22 April 2025.

The half-year report for 1 January–30 June 2025
will be published on 12 August 2025.

The business review for 1 January–30 September 2025
will be published on 21 October 2025.

SILENT PERIOD

In its communications, Siili observes a silent period beginning 30 days before the publication of a business review, half-year report or financial statements bulletin. During the silent period, Siili will not comment on the company's financial position, markets or future prospects. During the period, Siili's management will not meet with representatives of the capital markets or the financial media industry or discuss matters related to the company's financial position or prospects. The dates of the silent periods are disclosed in the Investor Calendar available on Siili's website.

GENERAL MEETING OF SHAREHOLDERS

The shareholders of Siili Solutions Plc are invited to the Annual General Meeting to be held on Tuesday 8 April 2025 at 2:00 pm in the event venue Eliel at Sanomatalo, Töölönlahdenkatu 2, 00100 Helsinki, Finland.

Shareholders registered on 27 March 2025 (record date for the AGM) in the shareholders' register held by Euroclear Finland Oy, have the right to participate in the Annual General Meeting. Shareholders whose shares are registered on their personal Finnish book-entry account are registered in the shareholders' register of the company.

Registration and advance voting will begin on 14 February 2025 at 10:00 am. Shareholders registered in the company's shareholder register who want to participate in the Annual General Meeting by voting in advance must register for the meeting and submit their votes by 1 April 2025 at 16:00, so that the registration and votes are received by the company by that time.

In connection with the registration, the shareholder must provide the information requested, including the shareholder's name, date of birth, email address and telephone number. Personal data given by shareholders to Siili Solutions Plc or Innovatics Oy will be used only in connection with the Annual General Meeting and the processing of related necessary registrations.

Shareholders with a Finnish book-entry account may register and vote in advance on certain items on the agenda of the AGM between 14 February 2025 at 10:00 am and 1 April 2025 at 16:00 pm in the following ways:

a) Through the company website
using the service available at
/ https://sijoittajille.siili.com/general-meeting2025.
b) By email at agm@innovatics.fi.

Proposals subject to advance voting are considered to have been presented unchanged at the General Meeting, and advance votes will be taken into account in a voting possibly arranged at the AGM venue also in circumstances where an alternative decision has been proposed on the matter. Taking the votes into account requires that shareholders who voted in advance are registered in the company's shareholder register maintained by Euroclear Finland Ltd on the record date of the AGM. Shareholders who have voted in advance cannot request information under the Finnish Limited Companies Act or request a vote at the General Meeting if they or their proxy representative are not present at the General Meeting venue.

Instructions for advance voting are available on the company website at
/ https://sijoittajille.siili.com/general-meeting2025.

Holders of nominee-registered shares have the right to participate in the AGM by virtue of shares that would enable them to register for the company's shareholder register maintained by Euroclear Finland Ltd on the record date of the AGM, i.e. 27 March 2025. In addition, the right to participate requires that the holder of such shares has been registered for the temporary shareholder register held by Euroclear Finland Ltd at the latest on 3 April 2025 by 10:00 am. As regards nominee-registered shares, this is regarded as registration for the Annual General Meeting. Changes in shareholdings after the record date for the AGM do not affect the right to participate in the AGM or the number of votes of the shareholder.

DISTRIBUTION OF DIVIDEND

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.18 per share be paid from the company's distributable funds on the adopted balance sheet for the financial year 2024, totalling approximately EUR 1.46 million, and that the remainder of the distributable funds be retained in shareholders' equity. The dividend is to be paid to shareholder registered in the shareholders' register held by Euroclear Finland Oy on the dividend record date 10 April 2025. The Board proposes that the dividend be paid on 17 April 2025.

INVESTOR RELATIONS

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