



Lemonsoft Oyj

Significant changes progressing, effects expected to be visible in the second half of the year

Q1 Interim Report – January-March 2025

Presenters



Alpo Luostarinen
CEO

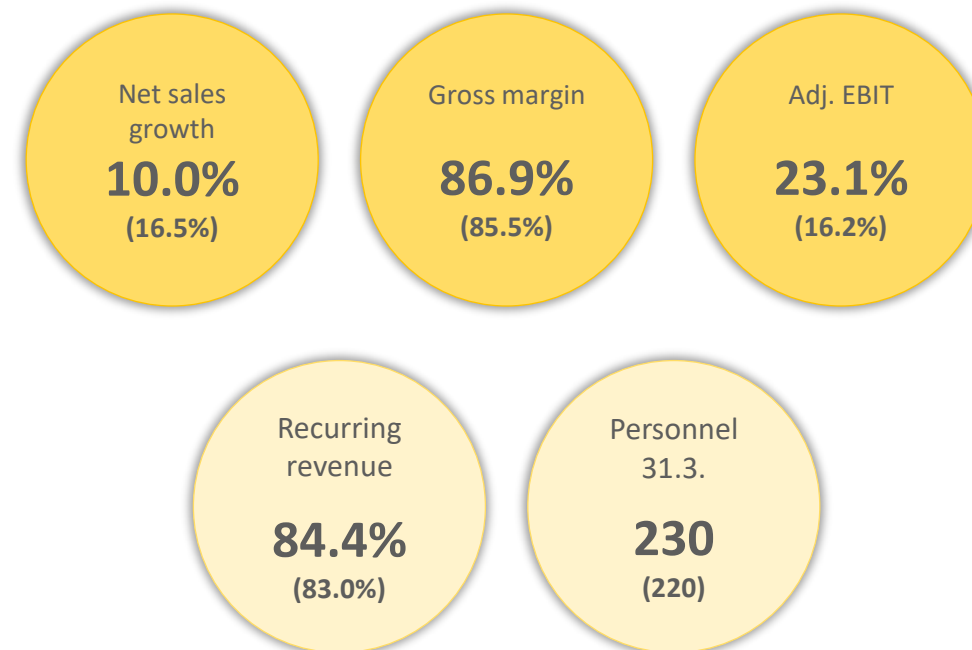
Q1'25: Net sales growth 10.0%, adjusted EBIT 23.1%

Financial development

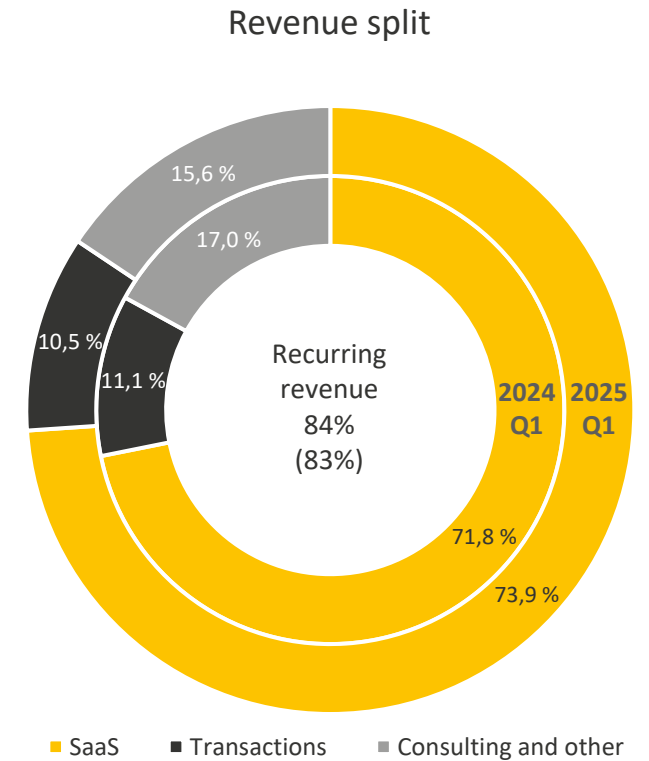
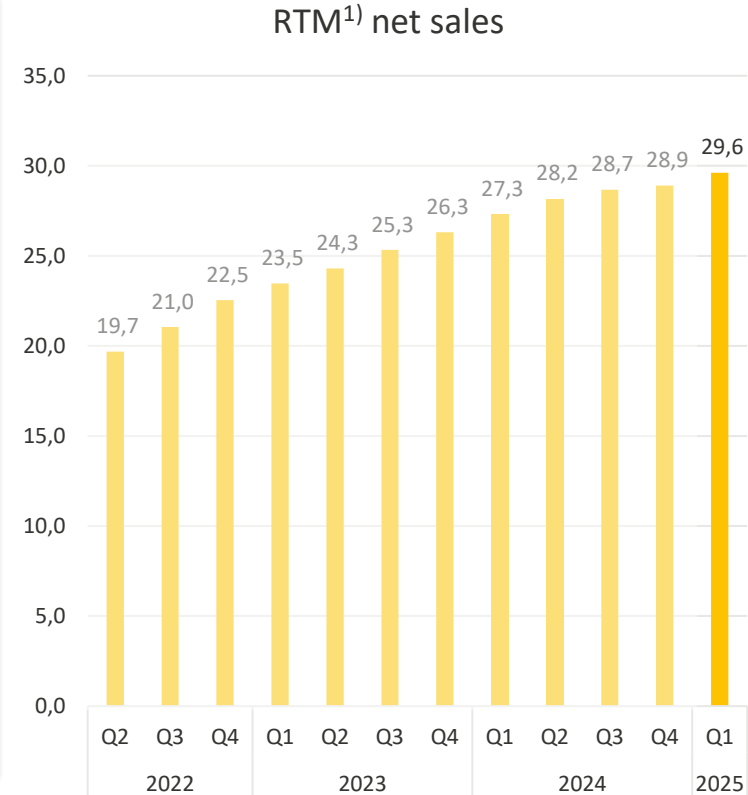
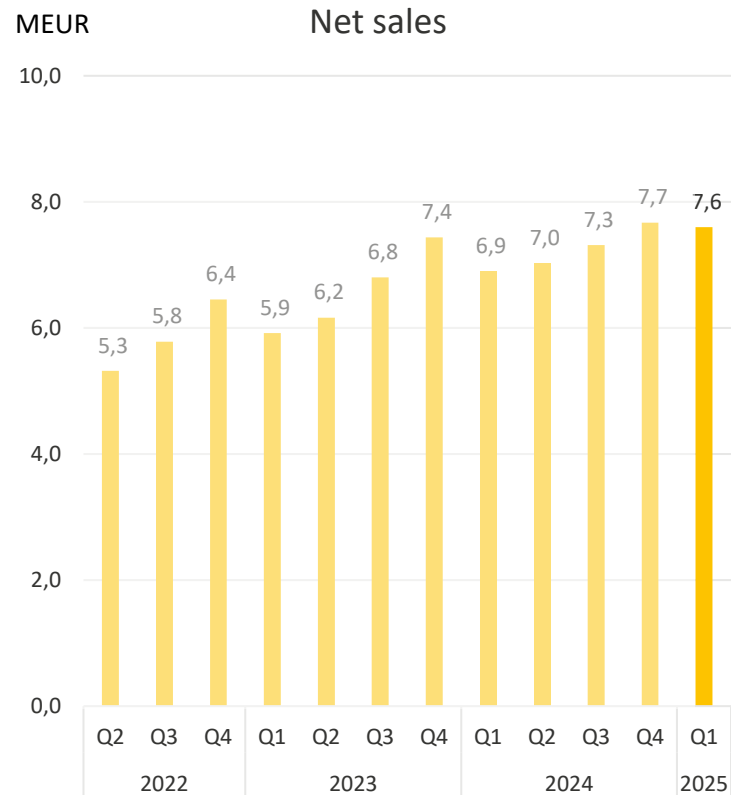
- Net sales growth was 10.0%, driven by both positive organic growth and the acquisitions of Spotilla and Applirent in July 2024. Recurring revenue (SaaS and transactions) grew 11.8%
- Organic growth was 3.1%, driven by increased upsell as well as Lemonsoft ERP and Kellokortti price increases implemented in the beginning of the year. Organic growth of recurring revenue 4.6%
- Gross margin increased from previous year to 86.9%
- Adjusted EBIT increased significantly from 16.2% to 23.1% of net sales. Increased profitability benefited from delayed salary increases and last year's acquisitions. Salary increases were delayed to Q2 due to local collective bargaining negotiations
- Recurring revenue share increased compared to the previous year, driven especially by growth in SaaS revenue while consulting revenue remained stable
- The number of employees rose from 220 to 230, primarily due to the acquisitions of Spotilla and Applirent

Other events

- Azure migration nearly finalized during Q1. Final steps executed during April
- On April 23, Lemonsoft's Chief Commercial Officer Tuomas Koivisto left his position in Lemonsoft's management team as well as his roles as Lemonsoft Oyj's Chief Commercial Officer (CCO) and as CEO of Finvoicer Group Oy. Lemonsoft will initiate the recruiting process to appoint a new CCO
- The provision for credit losses on trade receivables and financial receivables has been reassessed and the provision at the end of the reporting period is EUR 1,1 million (EUR 0.1 million at the end of the year 2024). The credit losses relate mainly to Finvoicer's invoice financing business



Spotilla and Applirent acquisitions driving sales growth – organic growth slightly improved



Operational Focus During Q1'25

Sales development

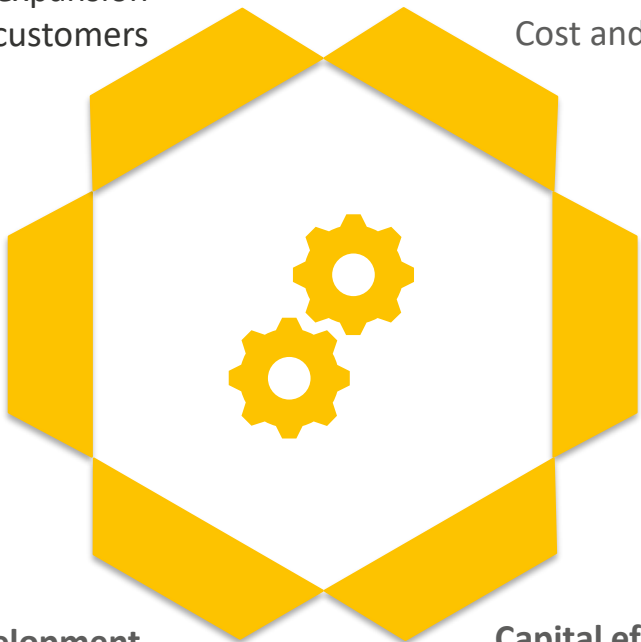
Continued higher volume in manufacturing and wholesale ERP deals
Piloting several pricing models to make deployment and expansion more attractive for new and existing customers

Technology transition

Critical Azure migration nearly finalized
Several hundred customer environments moved into cloud
Cost and efficiency improvement actions in process – effects by H2

Integration and group-level sales

All group companies moved into using Lemonsoft's software to enhance visibility across the group
Increased number of customers taking into use several solutions from Lemonsoft's offering



Organizational restructuring

Change negotiations initiated in April 2025 – objective to ensure significant cost savings and sustainable long-term competitiveness

Speed and efficiency of product development

Reorganizing towards new development after Azure migration finalized
Focus on achieving a significant improvement in the product development cycle time

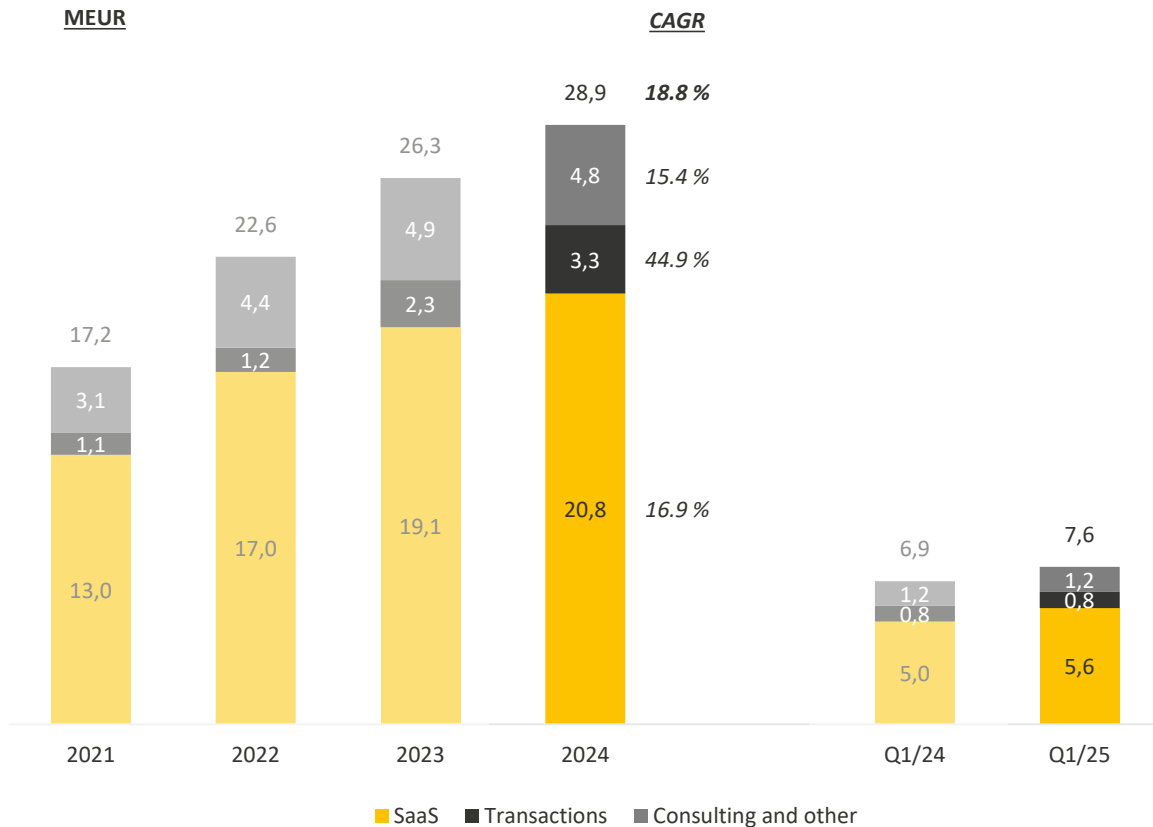
Capital efficiency

First phase of share buyback programme finalized – 160k shares worth €1m bought by end of Q1
Objective to improve capital efficiency and EPS



Financials

Q1'25 organic growth turned positive while acquisitions continued supporting growth

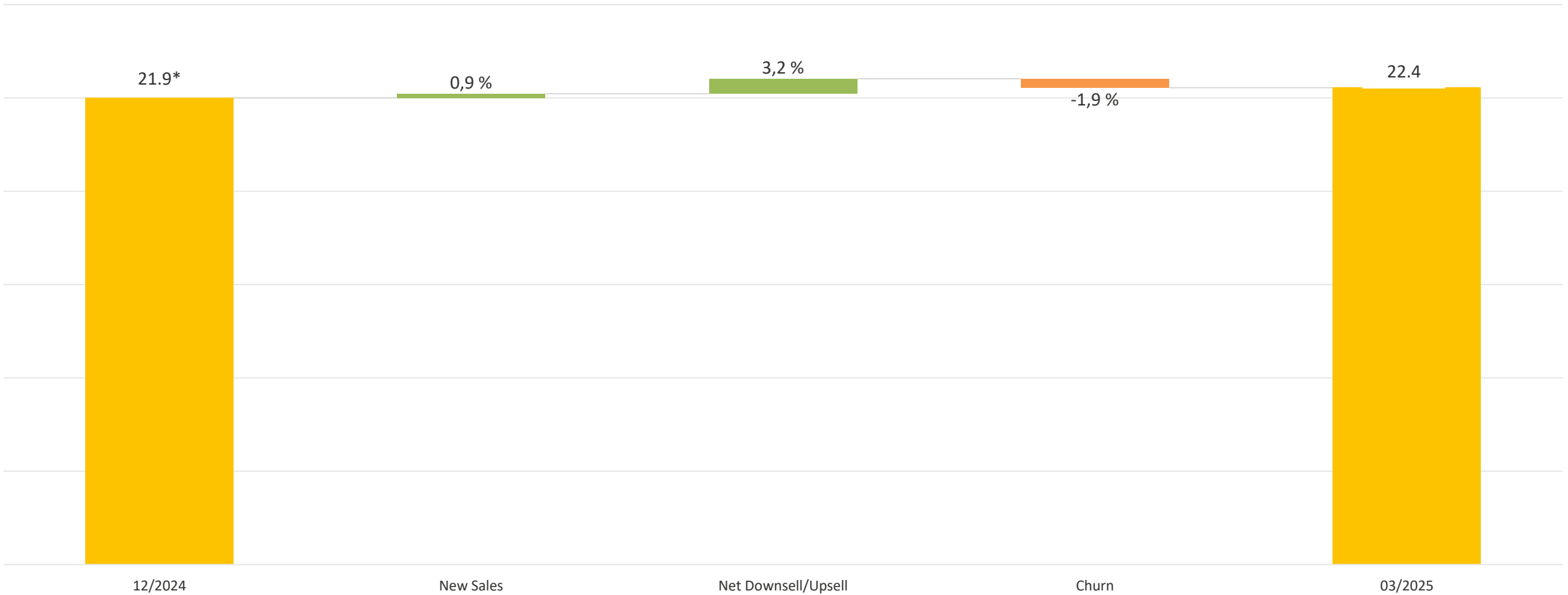


Net sales growth Q1'25

- Net sales for the review period were EUR 7,585 thousand (6,897). Net sales increased by EUR 687 thousand, 10.0%
- Net sales increased mainly due to the acquisition of Spotilla and Applirent, whose net sales were not included in the comparison period
- Organic growth of the review period was 3.1% and organic growth of the recurring revenue was 4.6%
- The share of SaaS income was 73.9% (71.8), the share of transaction income 10.5% (11.1), and consulting and other income 15.6% (17.0).

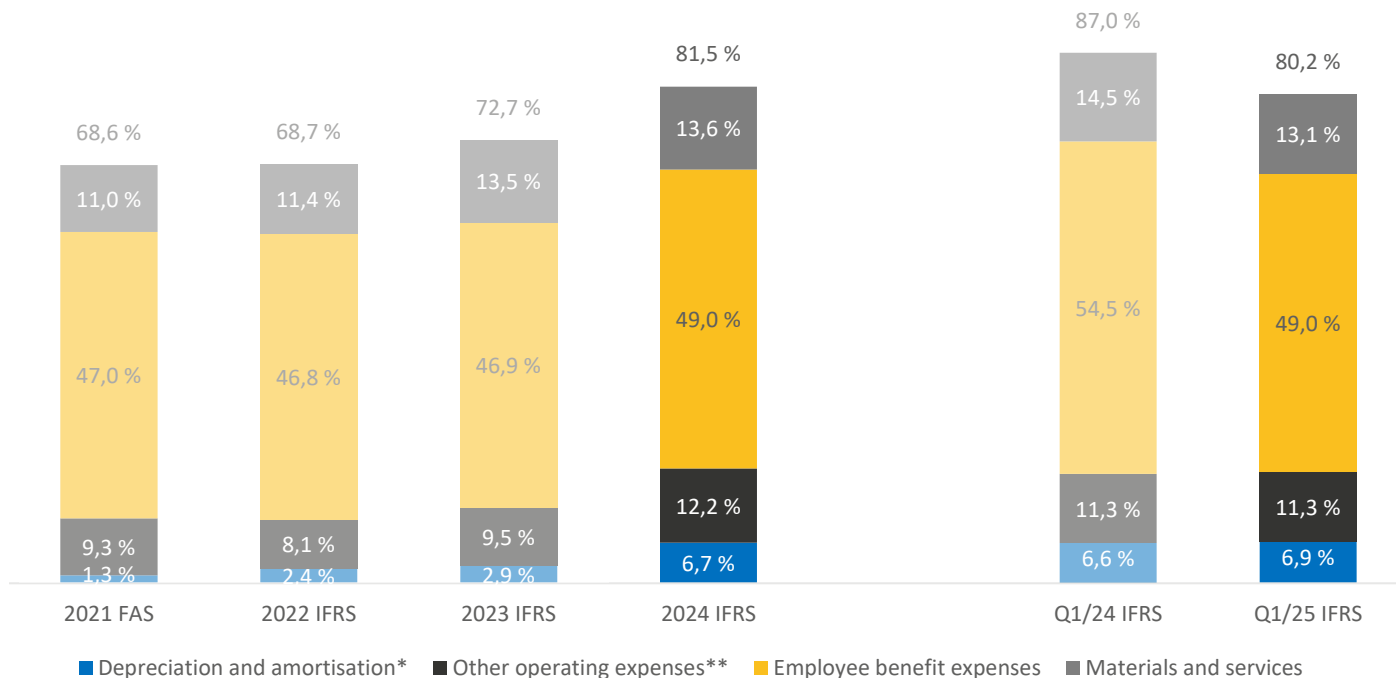
ARR growth during Q1'25

ARR Bridge Q1 2025



Focus on achieving a healthier cost base

Costs as % of net sales



* adjusted to exclude amortisation of intangible assets related to business combinations (IFRS)
 * adjusted to exclude depreciation related to merged group companies and amortisation of goodwill (FAS)
 ** adjusted to exclude M&A expenses +/- Other significant non-recurring items affecting comparability

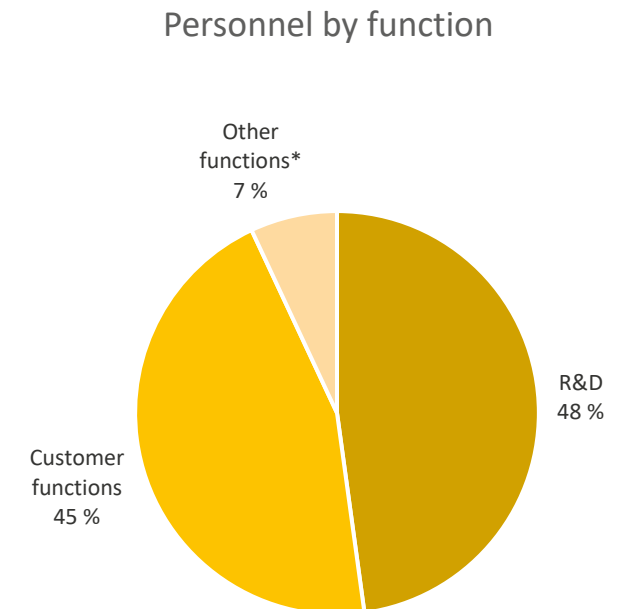
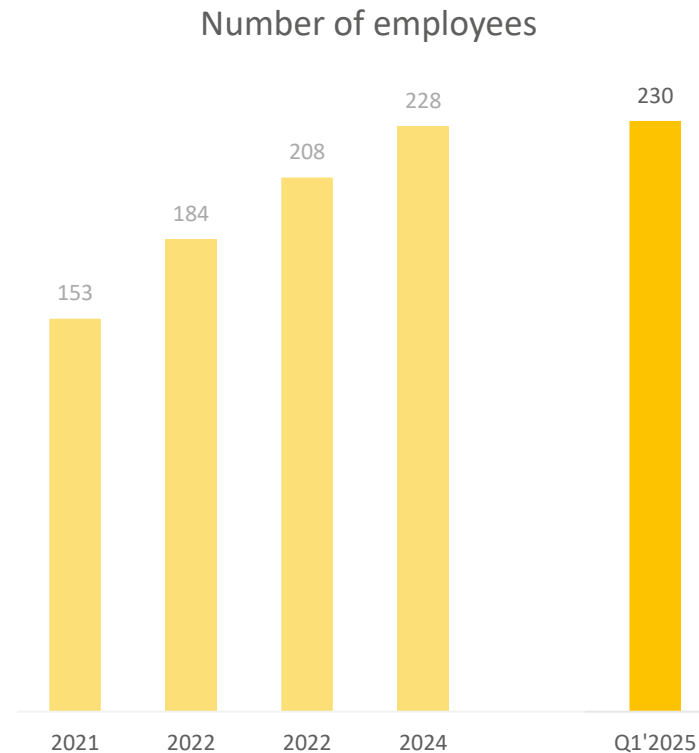
Cost structure

- Gross margin was higher than previous year, with materials and services 13.1% of net sales in Q1'25
- Employee expenses returning to a healthier level after an exceptionally high year
- Salary increases were delayed due to local collective bargaining negotiations
- Employee benefit expenses and materials and services affected in total by 223 KEUR of capitalized development expenses
- Employee benefit expenses of the previous period has been negatively affected by the compensation under the termination agreement with the CEO
- Other operating expenses as planned

Personnel increased slightly in Q1'25 – Initiated change negotiations to ensure efficiency and to allocate resources to strategic growth areas

Selected changes to improve performance

- Headcount increased marginally in Q1'25 — from 228 to 230 employees
- We initiated change negotiations to safeguard long-term, sustainable profitable growth and competitiveness in a continuously changing environment, as well as to restructure the organization and reallocate resources to strategic growth areas
- Potential personnel reduction need up to 35 employees



* Other functions includes financial administration, HR, information management and business development

More information

Upcoming events in 2025

- Half-year Report January – June 2025 on 14 August 2025
- Interim Report January – September 2025 on 31 October 2025

Investor Relations contact

Alpo Luostarinen

CEO

alpo.luostarinen@lemonsoft.fi

+358 50 911 3507

Mari Erkkilä

CFO

mari.erkkila@lemonsoft.fi

+358 40 768 1415

Links

Visit our investor website:

investors.lemonsoft.fi



lemonsoft ●