

Lemonsoft Oyj's Half Year Report for 1 January - 30 June 2025



Lemonsoft Oyj's Half Year Report for 1 January - 30 June 2025 (unaudited) The transition phase regarding platform transfer and organization has reached a conclusion

April - June 2025, IFRS

- Net sales increased 5.3% and were EUR 7,397 thousand (7,027)
- EBITDA was EUR 1,618 thousand (1,578), 21.9% (22.5) of net sales
- Adjusted EBITDA was EUR 1,619 thousand (1,592), 21.9% (22.7) of net sales
- EBIT was EUR 939 thousand (1,153), 12.7% (16.4) of net sales
- Adjusted EBIT was EUR 1,187 thousand (1,343), 16.0% (19.1) of net sales
- Profit of the review period was EUR 516 thousand (739), 7.0% (10.5) of net sales

January - June 2025, IFRS

- Net sales increased 7.6% and were EUR 14,982 thousand (13,924)
- EBITDA was EUR 4,562 thousand (2,976), 30.5% (21.4) of net sales
- Adjusted EBITDA was EUR 3,644 thousand (2,992), 24.3% (21.5) of net sales
- EBIT was EUR 3,359 thousand (2,095), 22.4% (15.0) of net sales
- Adjusted EBIT was EUR 2,936 thousand (2,462), 19.6% (17.7) of net sales
- Profit of the review period was EUR 1,474 thousand (1,336), 9.8% (9.6) of net sales

Key Figures, IFRS

| EUR 1,000 | 4-6/2025 | 4-6/2024 | Change | 1-6/2025 | 1-6/2024 | Change | 1-12/2024 |
|--|------------|------------|---------|------------|------------|---------|------------|
| Net sales | 7,397 | 7,027 | 5.3 % | 14,982 | 13,924 | 7.6 % | 28,911 |
| SaaS | 5,534 | 5,013 | 10.4 % | 11,141 | 9,966 | 11.8 % | 20,774 |
| Transaction | 745 | 848 | -12.1 % | 1,539 | 1,615 | -4.7 % | 3,299 |
| Consulting and other | 1,118 | 1,165 | -4.0 % | 2,303 | 2,344 | -1.7 % | 4,838 |
| | | | | | | | |
| Gross margin* | 6,343 | 6,081 | 4.3 % | 12,938 | 11,978 | 8.0 % | 24,973 |
| Gross margin, % of net sales | 85.7 % | 86.5 % | | 86.4 % | 86.0 % | | 86.4 % |
| EBITDA | 1,618 | 1,578 | 2.6 % | 4,562 | 2,976 | 53.3 % | 7,329 |
| EBITDA, % of net sales | 21.9 % | 22.5 % | | 30.5 % | 21.4 % | | 25.3 % |
| Adjusted EBITDA | 1,619 | 1,592 | 1.7 % | 3,644 | 2,992 | 21.8 % | 7,522 |
| Adjusted EBITDA, % of net sales | 21.9 % | 22.7 % | | 24.3 % | 21.5 % | | 26.0 % |
| EBIT | 939 | 1,153 | -18.6 % | 3,359 | 2,095 | 60.3 % | 5,404 |
| EBIT, % of net sales | 12.7 % | 16.4 % | | 22.4 % | 15.0 % | | 18.7 % |
| Adjusted EBIT | 1,187 | 1,343 | -11.6 % | 2,936 | 2,462 | 19.3 % | 6,444 |
| Adjusted EBIT, % of net sales | 16.0 % | 19.1 % | | 19.6 % | 17.7 % | | 22.3 % |
| Profit (Loss) of the period | 516 | 739 | -30.1 % | 1,474 | 1,336 | 10.3 % | 4,031 |
| Profit (Loss) of the period, % of net sales | 7.0 % | 10.5 % | | 9.8 % | 9.6 % | | 13.9 % |
| | | | | | | | |
| Equity ratio, % | 55.8 % | 63.3 % | | 55.8 % | 63.3 % | | 60.4 % |
| Net debt | 6,072 | 2,459 | 147.0 % | 6,072 | 2,459 | 147.0 % | 2,755 |
| Gearing, % | 22.3 % | 8.4 % | | 22.3 % | 8.4 % | | 8.5 % |
| Earnings per share (EPS) | 0.03 | 0.04 | -26.8 % | 0.08 | 0.08 | 9.4 % | 0.22 |
| Return on invested capital, % (ROIC) | 2.4 % | 3.2 % | | 8.7 % | 5.9 % | | 13.0 % |
| Return on equity, % (ROE) | 1.7 % | 2.5 % | | 4.9 % | 4.5 % | | 12.8 % |
| Number of employees at the end of the period | 223 | 220 | 1.4 % | 223 | 220 | 1.4 % | 228 |
| Outstanding shares at the end of the period | 17,983,742 | 18,579,991 | | 17,983,742 | 18,579,991 | | 18,656,702 |
| Average outstanding shares during the period | 18,184,267 | 18,579,991 | | 18,382,398 | 18,570,998 | | 18,604,133 |

* The calculation of key figures has been changed for other operating income and the comparison periods have been changed accordingly.

CEO Alpo Luostarinen

The ongoing transformation phase progressed on many fronts and reached completion during the second quarter. The long-prepared platform transitions for Lemonsoft were successfully finalized, and at the same time, we reorganized our operations to better meet future needs. Our net sales for the second quarter were €7.4 million, corresponding to growth of 5.3%. Adjusted EBIT was €1.2 million, and the adjusted EBIT margin was 16.0%.

Our key customer industries turned cautiously upward in late spring. Particularly in the industrial sector, we saw positive developments driven by export demand, although the tensions in trade do cause significant uncertainty in growth prospects. Most of the new deals we secured during the second quarter were concentrated in the industrial sector, where we acquired a higher number of new customers than before. We have also made progress in developing a joint product offering with Spotilla and Applirent, which we acquired in summer 2024, allowing us to offer our shared customers a broader and more cost-effective solution. Customer churn has slightly increased during the spring, and prolonged financial difficulties among customers have also led to bankruptcies and contract terminations.

During the spring, we migrated our Lemonsoft customers from our own data center to the Microsoft Azure platform and fully decommissioned our old data center. The migration was completed successfully, allowing us to increase automation and significantly reduce manual interventions related to the platform. Some post-migration challenges with the new technology have been reported by customers, and we aim to resolve the remaining issues during early autumn. With the platform transition now behind us, we will focus in the autumn on developing new functionalities and improving usability, with a faster delivery pace through continuous releases.

We have also advanced several AI-related initiatives. Our Lemonsoft and Spotilla products have for some time included various AI-based features, such as in production planning, maintenance scheduling, and the processing of purchase invoices and receipts. During the last part of the year, we will introduce new productivity-enhancing features in the Lemonsoft product using agent-based solutions, and we are also exploring more advanced and comprehensive ERP data analysis capabilities.

In April - May, we conducted change negotiations aimed at significantly improving operational efficiency and reallocating resources toward growth areas. As a result of the negotiations, our headcount decreases from 230 to approximately 200. We simplified and clarified our organization by reducing hierarchy and merging teams. We also made other changes to

the organizations of Lemonsoft and Finvoicer during the spring and will be filling selected leadership roles related to these changes in the autumn.

In addition to the ongoing share buyback program, we executed a significant buyback of shares in May as a block trade through an accelerated reverse book-building process. We offered to repurchase our own shares totaling €7.8 million, and the final transaction value was €2.5 million. The acquired shares represented 2.2% of the total number of shares and were canceled after the repurchase. With the buyback, we aimed to improve Lemonsoft's capital structure efficiency and earnings per share.

Lemonsoft's significant transformation phase – both in terms of technology and organization – is gradually starting to be behind us. From here on, we will shift our focus to increasing customer value by accelerating the development of our product suite and organizational capabilities, thereby strengthening our position especially among industrial and wholesale customers.



Group Financial Development

Group financial result and profitability

April - June 2025

Net sales for the review period were EUR 7,397 thousand (7,027). Net sales increased by EUR 370 thousand, 5.3%. Organic growth of the review period was -2.0% and organic growth of the recurring revenue was 0.3%. Net sales increased due to the acquisition of Atmotics Oy (2024) and Applirent Oy (2024), whose net sales were not included in the comparison period.

The share of SaaS income was 74.8% (71.3), the share of transaction income 10.1% (12.1), and consulting and other income 15.1% (16.6).

EBITDA was EUR 1,618 thousand (1,578), 21.9% (22.5) of net sales. Adjusted EBITDA (adjustments specified in the Alternative performance measures section) was EUR 1,619 thousand (1,592), 21.9% (22.7) of net sales.

EBIT was EUR 939 thousand (1,153), 12.7% (16.4) of net sales. Adjusted EBIT (adjustments specified in the Alternative performance measures section) was EUR 1,187 thousand (1,343), 16.0% (19.1) of net sales.

Profit for the review period was EUR 516 thousand (739), 7.0% (10.5) of net sales.

Cash flow from operating activities was EUR 2,544 thousand (998).

January - June 2025

Net sales for the review period were EUR 14,982 thousand (13,924). Net sales increased by EUR 1,058 thousand, 7.6%. Organic growth of the review period was 0.6% and organic growth of the recurring revenue was 2.2%. Net sales increased mainly due to the acquisition of Atmotics Oy (2024) and Applirent Oy (2024), whose net sales were not included in the comparison period.

The share of SaaS income was 74.4% (71.6), the share of transaction income 10.3% (11.6), and consulting and other income 15.4% (16.8).

EBITDA was EUR 4,562 thousand (2,976), 30.5% (21.4) of net sales. Adjusted EBITDA (adjustments specified in the Alternative performance measures section) was EUR 3,644 thousand (2,992), 24.3% (21.5) of net sales. The most significant adjustment item is the recognition of additional purchase price as revenue.

EBIT was EUR 3,359 thousand (2,095), 22.4% (15.0) of net sales. Adjusted EBIT (adjustments specified in the Alternative performance measures section) was EUR 2,936 thousand (2,462), 19.6% (17.7) of net sales. The most significant adjustment item is the recognition of additional purchase price as revenue.

Profit for the review period was EUR 1,474 thousand (1,336), 9.8% (9.6) of net sales.

Cash flow from operating activities was EUR 4,401 thousand (2,464).

Balance sheet, financing and investments

The balance sheet total at the end of the review period was EUR 48,949 thousand (53,862 at the end of the year 2024). 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 1,309 thousand (126 at the end of the year 2024).

The Group has capitalized development expenses of EUR 413 thousand during the year 2025 (428 during the comparison period 2024). At the end of the review period, the Group's balance sheet included capitalized development expenses totaling EUR 2,874 thousand (2,734 at the end of the year 2024).

Total equity was EUR 27,289 thousand (32,526 at the end of the year 2024), equity decreased EUR 5,238 thousand. The decrease in equity was mainly due to the acquisition of own shares.

Equity ratio was 55.8% (60.4 at the end of the year 2024) and interest-bearing debt was EUR 11,837 thousand (10,405 at the end of the year 2024).

Cash and cash equivalents at the end of the review period were EUR 5,765 thousand (7,650 at the end of the year 2024).

Personnel

The Group's number of employees was 223 (220) on 31 June 2025. We reported our Group personnel as follows:

- R&D 106 employees
- Customer functions 99 employees
- Other functions, a total of 18 employees

Share-based incentive plan

The Board of Directors of Lemonsoft Oyj has established a new share-based incentive plan for the key employees of the company in March 2024. The aim of the new plan is to align the objectives of the shareholders and the key employees in order to increase the value of the company in the long-term, to encourage the management to personally invest in the company's shares, to retain the target group at the company, and to offer them a competitive incentive plan in which the participants may earn shares as a reward for performance and their personal investment.

The new Performance Matching Share Plan 2024 - 2028 includes three performance periods, covering financial years 2024 - 2026, 2025 - 2027 and 2026 - 2028. The Board will decide annually on the commencement and details of a performance period. The prerequisite for participation in the plan and receiving the reward is that the person allocates freely transferable Lemonsoft Oyj shares held by him or her to the plan or acquires the company's shares in a number determined by the Board.

The rewards from the plan will be paid partly in the company's shares and partly in cash. The rewards will be paid by the end of May in the year following the end of the performance period. The cash proportion is intended for covering taxes and tax-related costs arising from the reward to the participant. In general, no reward will be paid if a participant's employment or service in the group ends before the reward payment.

The performance criterion in the first performance period 2024 - 2026 is the Total Shareholder Return of the company's share (TSR). The achievement of the required TSR levels will determine the proportion out of the maximum reward that will be paid to a participant. The target group of the plan consisted of 4 persons (the CEO and three members of the Management Team). The gross rewards from the first performance period 2024 - 2026 correspond to the value of an approximate maximum total of 77,000 Lemonsoft Oyj shares, including the proportion to be paid in cash. The final number of shares depends on the number of shares acquired by participants and the achievement of the TSR levels. The reward to be paid on the basis of the plan will be capped if the limits set by the Board for the payable reward from the performance period 2024 - 2026 are exceeded. The number of key employees changed during the performance period and consisted of 2 persons at the end of the reporting period.

The performance criterion in the second performance period 2025 - 2027 is the Total Shareholder Return of the company's share (TSR). The achievement of the required TSR levels will determine the proportion out of the maximum reward that will be paid to a participant. The target group of the plan for this period consists of 4 persons (including the CEO and three members of the Management Team). The gross rewards for this second period correspond to a maximum total of 102,675 Lemonsoft Oyj shares (including the cash portion). The final number of shares depends on the participant's share acquisition and achievement of the TSR levels. The reward to be paid on the basis of the plan will be capped if the limits set by the Board for the payable reward from the performance period 2025 - 2027 are exceeded. The number of key employees changed during the performance period and consisted of 3 persons at the end of the reporting period.

Shares and shareholders

Share capital and number of shares

The company has one series of shares, and all shares have equal rights. At the end of the review period, Lemonsoft Oyj's share capital consisted of 17,983,742 (18,579,991) shares. The average number of outstanding shares during the review period January-June was 18,382,398 (18,570,998).

Lemonsoft Oyj completes a reverse accelerated bookbuilding on 14 May 2025 and acquired 408,864 of its own shares. The total acquisition price of the shares was approximately EUR 2.5 million. On 19 May 2025, Lemonsoft Oyj cancelled the 408,864 shares acquired through the reverse accelerated bookbuilding announced on 14 May 2025.

On 21 May 2025, the Board of Directors of Lemonsoft Oyj desired to continue the company's share buyback program based on the authorisation granted by the Annual General Meeting held on 9 April 2025. Lemonsoft Oyj held 279,026 of its own shares at the end of the reporting period.

The company's share is traded on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Oy. During the review period April-June, the highest share price was EUR 7.70 and the lowest EUR 4.65. The closing price on 30 June 2025 was EUR 7.04. The market value of the company at the closing price of the review period was approximately EUR 129 million. Average daily trading volume during the review period was 21,325 shares (EUR 129,097).

On 30 June 2025, the company had a total of 2,173 shareholders. The company's largest shareholders can be found on the company's investor website at <https://investors.lemonsoft.fi/osakkeenomistajat/>.

Authorizations of the Board of Directors

Lemonsoft Oyj has decided in its Annual General Meeting on 9 April 2025 to authorize the Board of Directors to decide on the repurchase of the company's own shares on the following terms and conditions:

- By virtue of the authorization, the Board of Directors is authorized to decide on the repurchase of a maximum of 1,800,000 of the company's own shares. The proposed maximum number of shares to be repurchased corresponds to approximately 9.6% of the company's shares. The authorization includes the right to accept the company's own shares as a pledge.
- The company's own shares can be repurchased otherwise than in proportion to the existing shareholdings of the company's shareholders (directed repurchase).
- The company's own shares can be repurchased at the Nasdaq First North Growth Market Finland marketplace or outside of the marketplace.
- Own shares can be repurchased at a price formed on First North Growth Market Finland on the date of the repurchase or at a price otherwise determined by the markets.
- The shares shall be repurchased using the company's unrestricted equity.
- The shares shall be repurchased for the purpose of financing or carrying out acquisitions or other arrangements, to implement the company's incentive schemes, to develop the company's capital structure, or for other purposes as decided by the Board of Directors.
- The Board of Directors shall decide on the other conditions related to the repurchase of the company's own shares.

The authorization is valid until the 2026 Annual General Meeting, but not beyond 30 June 2026. The authorization shall replace the authorization granted to the Board of Directors by the Annual General Meeting of 9 April 2024 regarding the repurchase of a maximum of 1,800,000 of the company's own shares.

The Annual General Meeting authorized the Board to decide on an ordinary or bonus issue of shares and the granting of special rights (as defined in Section 1, Chapter 10 of the Limited Liability Companies Act) in one or more instalments:

- This issue may total a maximum of 1,800,000 shares corresponding to a maximum of approximately 9.6% of all shares of the company. The authorization applies to both new shares and treasury shares held by the company. The authorization may be used to fund or complete acquisitions or other business transactions, for offering share-based incentive schemes, to develop the company's capital structure, or for other purposes decided by the Board of Directors.
- The authorization entitles the Board of Directors to resolve on all conditions of the issuance of shares and special rights entitling to shares, including the right to deviate from the shareholders' pre-emptive right.

The authorization is in force until the next Annual General Meeting; however, no longer than until 30 June 2026, and it replaces the previous authorizations.

Significant short-term risks and uncertainties

The deterioration of the economic situation and geopolitical changes may have direct and indirect effects on Lemonsoft's business. These may be reflected in the business operations of Lemonsoft's customer companies, for example, in reduced investments by industrial manufacturing companies and decreased needs of subcontracting chains, as well as business and bankruptcy risks. In turn, customers' business challenges may affect Lemonsoft's new customer acquisition, upsells from existing customers, and customer retention.

In the longer term, the biggest challenge for our industry is the availability of skilled personnel. Success of the Group and opportunities for growth depend largely on how well we can recruit, motivate, and engage more skilled personnel and develop our expertise.

In Lemonsoft's cost structure, the single most significant factor is personnel costs, and an increase in the general price level may increase the pressure to increase personnel costs. Lemonsoft constantly monitors the development of the situation from a risk management perspective and strives to ensure the continuation of profitable growth by optimizing its cost structure and pricing.

The ERP market is generally a highly competitive market, and the industry is fragmented. Smaller players are primarily focused in a specific sector of SMEs and larger players do not compete directly for customers in the same market. However, competition in Lemonsoft's operating markets may intensify due to existing competitors or agile new entrants.

Risks related to information security and the IT systems of service providers are a significant factor affecting the security and continuity of the Group's business. Lemonsoft constantly invests in high reliability and high security systems and strives to ensure the high quality of the services it purchases by selecting leading players in the industry as its key partners. European data protection regulations may also bring unexpected risks to Lemonsoft's operating environment.

Success in acquisitions and related integration work is a key factor for Lemonsoft's growth. The company has made several acquisitions in recent years and aims to continue to grow through acquisitions. There may be unexpected risks associated with target companies and their integration into Lemonsoft.

Dividends paid

The Annual General Meeting decided on 9 April 2025 that a dividend of EUR 0.14 per share will be paid according to the confirmed balance sheet for the accounting period ending on 31 December 2024. About total of EUR 2.6 million was paid on 23 April 2025.

Events after the review period

There were no significant events after the review period.

Profit forecast for 2025 (unchanged)

Lemonsoft estimates that the net sales for the financial year 2025 will increase by 0-10 percent compared to the financial year 2024, and that adjusted EBIT will be 18-24 percent of net sales in 2025.

Financial information

Lemonsoft Oyj will publish the following financial information in 2025:

- Interim Report January - September 2024 on Friday, 31 October 2025

Webcast for investors and media

Lemonsoft will host a live webcast for investors and the media in English on August 14, 2025 at 1:00pm EET.

The webcast can be followed online live via this link: <https://player.videosync.fi/lemonsoft/2025-q2-results>

A recording of the event and the presentation material will be available after the event at <https://investors.lemonsoft.fi/>.

Lemonsoft Oyj
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About Lemonsoft Oyj

Lemonsoft is a Finnish software company that designs, develops and sells ERP software solutions to streamline its customers' processes across different business lines and administration. The extensive offering of software solutions and related services enables the company to provide its customers with holistic service. The company's standardized and scalable software solutions are delivered mainly from the cloud and are based on the SaaS model in which customers pay a monthly service fee for the use of the software. The company operates in the ERP software market primarily as a service provider for SMEs. The company's customer base includes customers from especially industrial manufacturing, wholesale and retail, professional services automation, construction and accounting.

Get to know us better at www.lemonsoft.fi.

Distribution

Nasdaq Helsinki Oy

Principal media

Tables section

Consolidated income statement, IFRS

| EUR 1,000 | 4-6/2025 | 4-6/2024 | 1-6/2025 | 1-6/2024 | 1-12/2024 |
|---|--------------|--------------|---------------|---------------|---------------|
| NET SALES | 7,397 | 7,027 | 14,982 | 13,924 | 28,911 |
| Other operating income | 0 | 0 | 921 | 45 | 45 |
| Materials and services | -1,054 | -946 | -2,044 | -1,946 | -3,938 |
| Employee benefit expenses | -3,652 | -3,521 | -7,365 | -7,282 | -14,171 |
| Depreciation and amortization | -679 | -425 | -1,203 | -881 | -1,925 |
| Other operating expenses | -1,073 | -982 | -1,932 | -1,765 | -3,519 |
| EBIT | 939 | 1,153 | 3,359 | 2,095 | 5,404 |
| Financial income | 17 | 38 | 42 | 73 | 169 |
| Financial expenses | -213 | -154 | -1,407 | -257 | -654 |
| PROFIT (LOSS) BEFORE TAXES | 743 | 1,036 | 1,995 | 1,912 | 4,919 |
| Income taxes | -226 | -298 | -521 | -576 | -887 |
| PROFIT (LOSS) FOR THE PERIOD | 516 | 739 | 1,474 | 1,336 | 4,031 |
| PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO | | | | | |
| Owners of the parent company | 544 | 759 | 1,529 | 1,412 | 4,144 |
| Non-controlling interests | -27 | -20 | -55 | -76 | -113 |

Consolidated balance sheet, IFRS

| EUR 1,000 | 30.6.2025 | 30.6.2024 | 31.12.2024 |
|---|---------------|---------------|---------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Goodwill | 28,053 | 23,099 | 28,055 |
| Intangible assets | 7,761 | 7,023 | 8,123 |
| Tangible assets | 819 | 1,173 | 1,034 |
| Investments | 2,157 | 3,197 | 2,157 |
| Deferred tax assets | 22 | 7 | 22 |
| TOTAL NON-CURRENT ASSETS | 38,813 | 34,499 | 39,392 |
| CURRENT ASSETS | | | |
| Inventory | 85 | 111 | 88 |
| Trade and other receivables | 4,287 | 5,902 | 6,732 |
| Cash and cash equivalents | 5,765 | 5,372 | 7,650 |
| TOTAL CURRENT ASSETS | 10,137 | 11,385 | 14,470 |
| TOTAL ASSETS | 48,949 | 45,884 | 53,862 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 80 | 80 | 80 |
| Reserve for invested unrestricted equity | 15,900 | 17,767 | 18,448 |
| Retained earnings | 11,047 | 11,121 | 13,779 |
| Equity of the owners of the parent company | 27,027 | 28,967 | 32,307 |
| Share of non-controlling owners | 262 | 207 | 219 |
| TOTAL EQUITY | 27,289 | 29,174 | 32,526 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Loans from financial institutions | 8,684 | 5,456 | 7,770 |
| Lease liabilities | 166 | 191 | 158 |
| Deferred tax liabilities | 1,320 | 1,164 | 1,399 |
| TOTAL NON-CURRENT LIABILITIES | 10,169 | 6,811 | 9,326 |
| CURRENT LIABILITIES | | | |
| Loans from financial institutions | 2,672 | 1,872 | 2,172 |
| Lease liabilities | 316 | 312 | 306 |
| Advances received | 515 | 111 | 354 |
| Trade and other payables | 7,989 | 7,605 | 9,178 |
| TOTAL CURRENT LIABILITIES | 11,491 | 9,900 | 12,009 |
| TOTAL LIABILITIES | 21,661 | 16,710 | 21,336 |
| TOTAL EQUITY AND LIABILITIES | 48,949 | 45,884 | 53,862 |

Consolidated cash flow statement, IFRS

| EUR 1,000 | 4-6/2025 | 4-6/2024 | 1-6/2025 | 1-6/2024 | 1-12/2024 |
|--|---------------|---------------|---------------|---------------|---------------|
| Cash flow from operating activities: | | | | | |
| Profit (Loss) for the period | 516 | 739 | 1,474 | 1,336 | 4,031 |
| Adjustments: | 1,267 | 877 | 2,480 | 1,682 | 3,763 |
| Depreciation and amortisation | 679 | 425 | 1,203 | 881 | 1,925 |
| Other income and expenses without payment | 165 | 38 | -609 | 42 | 466 |
| Financial income and expenses | 196 | 116 | 1,365 | 183 | 485 |
| Taxes | 226 | 298 | 521 | 576 | 887 |
| Other adjustments * | 0 | 0 | 0 | 0 | 0 |
| Cash flow before change in working capital | 1,783 | 1,616 | 3,954 | 3,018 | 7,795 |
| Change in working capital * | 1,153 | 115 | 1,291 | 601 | -586 |
| Cash flow before financial items and taxes | 2,936 | 1,731 | 5,244 | 3,619 | 7,209 |
| Net financial items and taxes * | -392 | -733 | -844 | -1,156 | -1,856 |
| Net cash flow from operating activities (A) | 2,544 | 998 | 4,401 | 2,464 | 5,353 |
| Cash flow from investing activities: | | | | | |
| Acquisition of tangible and intangible assets | -190 | -227 | -413 | -435 | -812 |
| Other investments | 0 | 0 | 0 | -283 | -283 |
| Proceeds from sale of investments | 0 | 0 | 0 | 1,057 | 2,134 |
| Acquisition of subsidiary, net of cash acquired | 0 | 0 | -267 | -1,496 | -5,100 |
| Net cash flow from investing activities (B) | -190 | -227 | -679 | -1,157 | -4,060 |
| Cash flow from financing activities: | | | | | |
| Dividends paid | -2,590 | -2,599 | -2,590 | -2,599 | -2,599 |
| Repayments of non-current loans * | -231 | -12 | -1,165 | -510 | -1,949 |
| Proceeds from non-current loans | 2,500 | 0 | 2,500 | 0 | 4,000 |
| Acquisition of treasury shares | -3,406 | 0 | -4,252 | 0 | -89 |
| Repayments of lease liabilities | -98 | -103 | -197 | -216 | -444 |
| Proceeds from capitalization by non-controlling interests | 98 | 0 | 98 | 0 | 49 |
| Net cash flow from financing activities (C) | -3,728 | -2,714 | -5,606 | -3,324 | -1,032 |
| Change in cash and cash equivalents (A + B + C) increase (+) / decrease (-) | -1,374 | -1,943 | -1,885 | -2,017 | 261 |
| Cash and cash equivalents at the beginning of the period | 7,139 | 7,315 | 7,650 | 7,389 | 7,389 |
| Cash and cash equivalents at the end of the period | 5,765 | 5,372 | 5,765 | 5,372 | 7,650 |
| Change in cash | -1,374 | -1,943 | -1,885 | -2,017 | 261 |

* Changes have been made to the comparison periods so that the comparisons correspond to the recording method of the financial year 2025.

Consolidated statement of changes in equity, IFRS

| EUR 1,000 | Equity of the owners of the parent company | | | | Share of non-controlling owners | Total equity |
|--------------------------------------|--|--------------------------------------|-------------------|---------------|---------------------------------|---------------|
| | Share capital | Invested unrestricted equity reserve | Retained earnings | Total | | |
| Equity 1.1.2024 | 80 | 17,767 | 12,292 | 30,139 | 283 | 30,422 |
| Profit (Loss) for the period | | | 1,412 | 1,412 | -76 | 1,336 |
| Transactions with owners: | | | | | | |
| Directed share issue | | | | | | |
| Share based payments | | | 15 | 15 | | 15 |
| Dividends paid | | | -2,599 | -2,599 | | -2,599 |
| Acquisition of treasury | | | | | | |
| Equity 30.6.2024 | 80 | 17,767 | 11,121 | 28,967 | 207 | 29,174 |
| Equity 1.1.2025 | 80 | 18,448 | 13,779 | 32,307 | 219 | 32,526 |
| Profit (Loss) for the period | | | 1,529 | 1,529 | -55 | 1,474 |
| Transactions with owners: | | | | | | |
| Changes in non-controlling interests | | | | | 98 | 98 |
| Directed share issue | | | | | | |
| Share based payments | | | 33 | 33 | | 33 |
| Dividends paid | | | -2,590 | -2,590 | | -2,590 |
| Acquisition of treasury shares | | | -1,704 | -1,704 | | -1,704 |
| Cancellation of treasury shares | | -2,548 | | -2,548 | | -2,548 |
| Equity 30.6.2025 | 80 | 15,900 | 11,047 | 27,027 | 262 | 27,289 |

Accounting principles

The Group's Interim Report has been prepared in accordance with IAS34 Interim Financial Reporting. The annual financial statements release is unaudited.

The information in the Interim Report is presented in thousands of Euro, except when otherwise stated. All figures presented have been rounded, and consequently the sum of individual figures may deviate from the presented aggregate figure.

Notes

Distribution of net sales

| EUR 1,000 | 4-6/2025 | 4-6/2024 | Change | 1-6/2025 | 1-6/2024 | Change | 1-12/2024 |
|----------------------|----------|----------|---------|----------|----------|--------|-----------|
| Net sales | 7,397 | 7,027 | 5.3 % | 14,982 | 13,924 | 7.6 % | 28,911 |
| SaaS | 5,534 | 5,013 | 10.4 % | 11,141 | 9,966 | 11.8 % | 20,774 |
| Transaction | 745 | 848 | -12.1 % | 1,539 | 1,615 | -4.7 % | 3,299 |
| Consulting and other | 1,118 | 1,165 | -4.0 % | 2,303 | 2,344 | -1.7 % | 4,838 |

Goodwill

| EUR 1,000 | 6/2025 | 6/2024 | 12/2024 |
|---|---------------|---------------|---------------|
| Acquisition cost 1.1. | 29,914 | 24,956 | 24,956 |
| Additions | 0 | 0 | 4,958 |
| Deductions | 0 | 0 | 0 |
| Reclassifications | 0 | 0 | 0 |
| Acquisition cost at the end of the period | 29,914 | 24,956 | 29,914 |
| Accumulated depreciation and amortisation 1.1. | 1,859 | 1,855 | 1,855 |
| Accumulated depreciation and amortisation on deductions and transfers | 0 | 0 | 0 |
| Depreciation and amortisation for the period | 2 | 2 | 4 |
| Accumulated depreciation and amortisation at the end of the period | 1,861 | 1,857 | 1,859 |
| Book value at the end of the period | 28,053 | 23,099 | 28,055 |

Intangible assets

| EUR 1,000 | 6/2025 | 6/2024 | 12/2024 |
|---|--------------|--------------|--------------|
| Acquisition cost 1.1. | 10,707 | 8,466 | 8,466 |
| Additions | 413 | 428 | 2,241 |
| Deductions | 0 | 0 | 0 |
| Reclassifications | 0 | 0 | 0 |
| Acquisition cost at the end of the period | 11,119 | 8,894 | 10,707 |
| Accumulated depreciation and amortisation 1.1. | 2,584 | 1,301 | 1,301 |
| Accumulated depreciation and amortisation on deductions and transfers | 0 | 0 | 0 |
| Depreciation and amortisation for the period | 774 | 570 | 1,283 |
| Accumulated depreciation and amortisation at the end of the period | 3,358 | 1,871 | 2,584 |
| Book value at the end of the period | 7,761 | 7,023 | 8,123 |

Tangible assets

| EUR 1,000 | 6/2025 | 6/2024 | 12/2024 |
|---|------------|--------------|--------------|
| Acquisition cost 1.1. | 3,542 | 3,214 | 3,214 |
| Additions | 215 | 233 | 438 |
| Deductions | -3 | -95 | -110 |
| Reclassifications | 0 | 0 | 0 |
| Acquisition cost at the end of the period | 3,753 | 3,352 | 3,542 |
| Accumulated depreciation and amortisation 1.1. | 2,508 | 1,870 | 1,870 |
| Accumulated depreciation and amortisation on deductions and transfers | 0 | 0 | 0 |
| Depreciation and amortisation for the period | 426 | 309 | 638 |
| Accumulated depreciation and amortisation at the end of the period | 2,934 | 2,179 | 2,508 |
| Book value at the end of the period | 819 | 1,173 | 1,034 |

Financial assets and liabilities

| EUR 1,000 | Level | Fair value through profit or loss | Amortised cost | Carrying amount | Fair value 30.6.2025 |
|--|-------|-----------------------------------|----------------|-----------------|----------------------|
| Non-current financial assets | | | | | |
| Equity investments | 3 | 2,157 | 0 | 2,157 | 2,157 |
| Total non-current financial assets | | 2,157 | 0 | 2,157 | 2,157 |
| Current financial assets | | | | | |
| Trade receivables | | 0 | 2,344 | 2,344 | 2,344 |
| Financial receivables | | 0 | 842 | 842 | 842 |
| Other receivables | | 0 | 1,100 | 1,100 | 1,100 |
| Cash and cash equivalents | | 0 | 5,765 | 5,765 | 5,765 |
| Total current financial assets | | 0 | 10,052 | 10,052 | 10,052 |
| Non-current financial liabilities | | | | | |
| Loans from financial institutions | 2 | 0 | 8,684 | 8,684 | 8,684 |
| Lease liabilities | | 0 | 166 | 166 | 166 |
| Total non-current financial liabilities | | 0 | 8,850 | 8,850 | 8,850 |
| Current financial liabilities | | | | | |
| Loans from financial institutions | 2 | 0 | 2,672 | 2,672 | 2,672 |
| Lease liabilities | | 0 | 316 | 316 | 316 |
| Advances received | | 0 | 515 | 515 | 515 |
| Trade payables | | 0 | 1,235 | 1,235 | 1,235 |
| Contingent consideration | 3 | 2,705 | 0 | 2,705 | 2,705 |
| Other payables | | 0 | 4,050 | 4,050 | 4,050 |
| Total current financial liabilities | | 2,705 | 8,787 | 11,491 | 11,491 |

Group's commitments

| EUR 1,000 | 6/2025 | 6/2024 | 12/2024 |
|---|---------------|---------------|---------------|
| Collateral securities | | | |
| Cash pledges (movable object, security) * | 1,073 | 1,073 | 1,073 |
| Business mortgage, parent company | 15,000 | 15,000 | 15,000 |
| Total collateral securities | 16,073 | 16,073 | 16,073 |

* The value of cash pledges corresponds to the purchase price of the pledged real estate shares.

Business acquisitions 2024

Atmotics Oy

On 1 July, 2024, Lemonsoft Oyj has acquired the entire share capital of Atmotics Oy, a software company focused on maintenance and field service management. With the acquisition, Lemonsoft strengthened its offering for industrial manufacturing customers and will offer more possibilities to streamline their business processes.

The purchase price for the share capital of Atmotics Oy was EUR 2.2 million and the net debt-free enterprise value is EUR 2.0 million. The purchase price was paid fully in cash at closing and was financed with a bank loan.

In addition, the parties have agreed on an additional purchase price for 2025 - 2027, which will be based on the company's Rule of 40 (revenue growth-% + EBIT-%) figure for each fiscal year. The additional purchase price amounts to a maximum of EUR 1.25 million, and if realized, will be paid fully in cash.

Identifiable assets acquired and liabilities assumed are valued at their fair values at the date of acquisition. Acquired assets include intangible assets recognized separately from goodwill, consisting of customer relationships and technology. The goodwill is based on the expected synergy benefits from the acquisition of Atmotics Oy, as well as on utilizing the growth of the joint sales and marketing network and expanding customer relationships within the Group. Goodwill is not deductible in taxation. Acquisition-related costs of EUR 91 thousand are included in the Other operating expenses item in the consolidated income statement.

Applirent Oy

On 1 July, 2024, Lemonsoft Oyj has acquired the entire share capital of Applirent Oy, a software company specializing in rental industry and fleet management ERP solutions. Through this acquisition, Lemonsoft expanded its offering to meet the needs of the rental business and will offer more possibilities to streamline their business processes.

The purchase price for the share capital of Applirent Oy was approximately EUR 2.3 million, and the net debt-free enterprise value is EUR 2.0 million. The purchase price was paid 75% in cash and 25% in shares at closing.

In addition, the parties have agreed on an additional purchase price based on Applirent Oy's EBIT for the years 2024 - 2026. The additional purchase price amounts to a maximum of EUR 0.8 million, and if realized, will be paid fully in cash.

Identifiable assets acquired and liabilities assumed are valued at their fair values at the date of acquisition. Acquired assets include intangible assets recognized separately from goodwill, consisting of customer relationships and technology. The goodwill is based on the expected synergy benefits from the acquisition of Applirent Oy, as well as on utilizing the growth of the joint sales and marketing network and expanding customer relationships within the Group. Goodwill is not deductible in taxation. Acquisition-related costs of EUR 86 thousand are included in the Other operating expenses item in the consolidated income statement.

Lemonsoft Group's net sales in 1.1.2024 - 31.12.2024 would have been approximately EUR 29.8 million and profit for the period approximately EUR 4.3 million if the businesses acquired during the period had been consolidated from the beginning of 2024.

The following table shows the total fair values of the assets and liabilities acquired.

| EUR 1,000 | Atmotics Oy (2024) | Applirent Oy (2024) |
|---|--------------------|---------------------|
| Consideration transferred | | |
| In cash | 2,185 | 1,729 |
| In shares | 0 | 570 |
| Contingent consideration | 1,250 | 800 |
| Total consideration transferred | 3,435 | 3,099 |
| Assets acquired and liabilities assumed at the date of acquisition | | |
| Customer relationships | 245 | 422 |
| Technology | 401 | 369 |
| Other intangible assets | 0 | 0 |
| Right-of-use assets | 17 | 27 |
| Other tangible assets | 1 | 0 |
| Trade and other receivables | 43 | 40 |
| Cash and cash equivalents | 344 | 536 |
| Total assets | 1,051 | 1,394 |
| Lease liabilities | 17 | 27 |
| Trade and other payables | 280 | 257 |
| Deferred tax liabilities | 129 | 158 |
| Total liabilities | 426 | 442 |
| Total acquired net assets | 625 | 952 |
| Total consideration transferred | 3,435 | 3,099 |
| Goodwill | 2,810 | 2,147 |
| Cash flow impact of acquisitions | | |
| Consideration paid in cash | 2,185 | 1,729 |
| Cash and cash equivalents transferred | -344 | -536 |
| Net cash flow on acquisition | 1,841 | 1,193 |

Events after the review period

There were no significant events after the review period.

Key figures

Alternative performance measures

Adjusted EBITDA

| EUR 1,000 | 4-6/2025 | 4-6/2024 | 1-6/2025 | 1-6/2024 | 1-12/2024 |
|---|----------|----------|----------|----------|-----------|
| EBITDA | 1,618 | 1,578 | 4,562 | 2,976 | 7,329 |
| EBITDA, % of net sales | 21.9 % | 22.5 % | 30.5 % | 21.4 % | 25.3 % |
| M&A expenses | 0 | 14 | 3 | 16 | 194 |
| Recognition of contingent consideration | 0 | 0 | -921 | 0 | 0 |
| Adjusted EBITDA | 1,619 | 1,592 | 3,644 | 2,992 | 7,522 |
| Adjusted EBITDA, % of net sales | 21.9 % | 22.7 % | 24.3 % | 21.5 % | 26.0 % |

Adjusted EBIT

| EUR 1,000 | 4-6/2025 | 4-6/2024 | 1-6/2025 | 1-6/2024 | 1-12/2024 |
|--|----------|----------|----------|----------|-----------|
| EBIT | 939 | 1,153 | 3,359 | 2,095 | 5,404 |
| EBIT, % of net sales | 12.7 % | 16.4 % | 22.4 % | 15.0 % | 18.7 % |
| M&A expenses | 0 | 14 | 3 | 16 | 194 |
| Recognition of contingent consideration | 0 | 0 | -921 | 0 | 0 |
| Amortisation of intangible assets related to business combinations | 247 | 176 | 495 | 351 | 846 |
| Adjusted EBIT | 1,187 | 1,343 | 2,936 | 2,462 | 6,444 |
| Adjusted EBIT, % of net sales | 16.0 % | 19.1 % | 19.6 % | 17.7 % | 22.3 % |

Organic growth of net sales

| EUR 1,000 | 4-6/2025 | 4-6/2024 | 1-6/2025 | 1-6/2024 | 1-12/2024 |
|--------------------------------|----------|----------|----------|----------|-----------|
| Net sales | 7,397 | 7,027 | 14,982 | 13,924 | 28,911 |
| Impact of acquisitions | -509 | -775 | -981 | -1,823 | -2,784 |
| Net sales of comparison period | 7,027 | 6,163 | 13,924 | 12,082 | 26,344 |
| Organic growth of net sales, % | -2.0 % | 1.4 % | 0.6 % | 0.2 % | -0.8 % |

Organic growth of the recurring revenue

| EUR 1,000 | 4-6/2025 | 4-6/2024 | 1-6/2025 | 1-6/2024 | 1-12/2024 |
|---|----------|----------|----------|----------|-----------|
| Recurring revenue (SaaS + Transaction) | 6,279 | 5,861 | 12,679 | 11,581 | 24,073 |
| Impact of acquisitions (SaaS + Transaction) | -435 | -598 | -849 | -1,410 | -2,115 |
| Recurring revenue of comparison period | 5,861 | 5,064 | 11,581 | 9,855 | 21,411 |
| Organic growth of recurring revenue, % | -0.3 % | 3.9 % | 2.2 % | 3.2 % | 2.6 % |

Calculation of key figures

Gross Margin

Net sales - Materials and services

EBITDA

EBIT + Depreciation and amortisation

Adjusted EBITDA

EBIT + Depreciation and amortisation + M&A expenses +/- Other significant non-recurring items affecting comparability

EBIT

Net sales + Other operating income - Materials and services - Employee benefit expenses - Other operating expenses - Depreciation and amortisation

Adjusted EBIT

EBIT + Amortisation of intangible assets related to business combinations + M&A expenses +/- Other significant non-recurring items affecting comparability

Equity ratio, %

Equity +/- Non-controlling interests x100 / (Balance sheet total - Advances received)

Net debt

Loans from credit institutions + Lease liabilities - Cash and cash equivalents

Gearing, %

(Loans from credit institutions + Lease liabilities - Cash and cash equivalents) x100 / Equity

Earnings per share (EPS)

Profit (loss) for the period attributable to owners of the parent company / Weighted average number of ordinary shares outstanding during the financial year

Return on invested capital (ROIC), %

(Profit (loss) for the period + Financial expenses + Tax expense) / (Equity + Loans from credit institutions + Lease liabilities)

Return on equity (ROE), %

Profit (loss) for the period / ((Equity at the beginning of the period + Equity at the end of the period) /2)



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