

Lemonsoft Oyj commences its initial public offering on First North, publishes the prospectus approved by the Finnish Financial Supervisory Authority, and has submitted a listing application

Company announcement 8 November 2021 at 17.35 (EET)

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Lemonsoft Oyj ("**Lemonsoft**" or the "**Company**") announced on 26 October 2021 that it is planning an initial public offering comprising a Share Issue and a Share Sale (as defined below) (the "**Offering**") and on applying for its shares to be admitted to trading on the Nasdaq First North Growth Market Finland market maintained by Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") ("**First North**") (the "**Listing**"). The Company publishes the subscription price of the planned Offering (the "**Subscription Price**") and additional information on the Listing. The Finnish Financial Supervisory Authority (the "**FIN-FSA**") has today on 8 November 2021 approved the prospectus concerning the Offering (the "**Prospectus**"). The subscription period for the Offering commences tomorrow on 9 November 2021 at 10:00.

Lemonsoft has today submitted an application for the listing of the Company's shares for trading on the First North market maintained by Nasdaq Helsinki. The first trading day of the Company's shares at First North will be on or about 19 November 2021, provided that the Company's listing application will be approved. The trading symbol of the Company's shares is expected to be LEMON.

The Offering in Brief:

- The Subscription Price in the Offering is EUR 11.82 per Offer Share (as defined below). The subscription price in the Personnel Offering (as defined below) is 10 percent lower than the Subscription Price, i.e. EUR 10.64 per New Share (as defined below).
- The Company aims to raise gross proceeds of approximately EUR 15 million through the share issue by offering a maximum of 1,273,726 new shares in the Company (the "**New Shares**") for subscription (the "**Share Issue**") (assuming that a total of 46,992 New Shares will be subscribed for in the Personnel Offering (as defined below)). Assuming that all of the New Shares preliminarily offered in the Share Issue will be fully subscribed, the Company collects gross proceeds of approximately EUR 15 million in total.
- Based on the Subscription Price, the market value of the Company would be approximately EUR 200.9 million, which is based on the number of shares before the Offering.

- In addition, Kari Joki-Hollanti and Rite Internet Ventures Holding AB ("**Rite**") (together the "**Sellers**") will offer for purchase preliminarily a maximum of 3,294,705 existing shares of the Company (the "**Sale Shares**") (the "**Share Sale**", and together with the Share Issue, the "**Offering**"). The Sellers will receive gross proceeds of approximately EUR 39 million from the Share Sale assuming that the Sellers sell the maximum number of Sale Shares and the Over-Allotment Option (as defined below) is not exercised (and gross proceeds of approximately EUR 47 million assuming the Sellers sell the maximum number of Sale Shares and the Over-Allotment Option is exercised in full).
- The Offering consists of (i) a public offering to private individuals and entities in Finland (the "**Public Offering**"), (ii) private placements to institutional investors in Finland and, in accordance with applicable laws, internationally (the "**Institutional Offering**") and (iii) a personnel offering to employees employed by the Company or its group companies during the subscription period and to the members of the Company's Board of Directors and the Management Team (the "**Personnel Offering**"). Unless the context indicates otherwise, the New Shares, the Sale Shares and Additional Shares (as defined below) are together referred to herein as the "**Offer Shares**".
- Preliminarily a maximum of 465,313 Offer Shares are offered in the Public Offering, preliminarily a maximum of 4,741,390 Offer Shares in the Institutional Offering and preliminarily a maximum of 46,992 New Shares in the Personnel Offering.
- In connection with the Offering, Rite is expected to grant an over-allotment option to Danske Bank A/S, Finland Branch acting as the stabilising manager (the "**Stabilising Manager**"), which would authorise the Stabilising Manager to purchase at the Subscription Price a maximum of 685,264 additional shares (the "**Additional Shares**") solely to cover possible over-allotments in connection with the Offering (the "**Over-Allotment Option**"). The Over-allotment Option is exercisable within 30 days from the commencement of trading in the Shares on First North (i.e., on or about the period between 19 November 2021 and 18 December 2021) (the "**Stabilisation Period**").
- Ilmarinen Mutual Pension Insurance Company, Mandatum Asset Management Ltd, Teknik Innovation Norden Fonder AB, Aeternum Capital AS, Handelsbanken Fonder AB, ODIN Förvaltning AS, certain funds managed by Evli Fund Management Company Ltd, certain funds managed by parties owned by Aktia Bank plc, Grenspecialisten Förvaltning AB, SEB Investment Management AB and certain funds managed by Sp-Fund Management Company Ltd (the "**Cornerstone Investors**") have each individually given subscription undertakings in relation to the planned Offering. The subscription undertakings given by the Cornerstone Investors are subject to certain conditions being fulfilled, such as that the Subscription Price per share of the Offering corresponds to a market value of approximately EUR 201 million at maximum before the Offering and that the Company undertakes to allocate in the Offering such an amount of Offer Shares to the Cornerstone Investors, as covered by the subscription undertakings. The subscription commitments of the Cornerstone Investors are in total EUR 42.5 million or approximately 78.7 percent of the Offer Shares and votes vested by the Offer Shares, assuming that all Offer Shares preliminarily offered in the Offering are subscribed for in full, that a total of 46,992 New Shares are subscribed for in the Personnel Offering and that the Over-Allotment Option is not exercised (approximately 68.4 percent assuming that the Over-Allotment Option is exercised in full).

- The Offer Shares would correspond to approximately 25.0 percent of Shares and the number of votes vested by the Shares after the Share Issue, assuming that the Over-Allotment Option (as defined below) will not be exercised (approximately 28.7 percent assuming that the Over-Allotment Option is exercised in full) and assuming that the Sellers will sell the maximum number of Sale Shares and that the Company will issue 1,273,726 New Shares.
- Based on the Subscription Price, the value of the Offering would be approximately 53.9 million assuming that the Share Issue will be subscribed for in full, the maximum number of Sale Shares will be sold in the Share Issue and the Over-Allotment Option will not be exercised (approximately EUR 62.0 million assuming that the Over-Allotment Option will be exercised in full).
- The subscription period for the Offering commences on 9 November 2021 at 10:00. The subscription period for the Public and Personnel Offerings ends on or about 16 November 2021 at 16:00. The subscription period for the Institutional Offering ends on or about 18 November 2021 at 11:00. The Offering can be suspended on 15 November 2021 at 08:00 at the earliest. The Company's Board of Directors is entitled to extend the subscription periods of the Public, Institutional and Personnel Offerings.
- Trading on First North is expected to begin on or about 19 November 2021, provided that the Company's listing application will be approved. The trading code of the shares is LEMON.
- The Company, the Sellers, the members of the Company's Board of Directors and Management Team and the employees participating in the planned Personnel Offering are expected to commit to customary lock-up arrangements. The Sellers will remain major shareholders in the Company after the Offering.

Christoffer Häggblom, Chairman of the Board of Lemonsoft comments:

"We are very happy to take this next step in Lemonsoft's development. The purpose of the offering is to support Lemonsoft in the implementation of its growth strategy both organically and through acquisitions and to allow for a more efficient use of the Company's shares in the remuneration of personnel. We already have a group of excellent cornerstone investors accompanying Lemonsoft on its way to become a listed company, and we are looking forward to the next stages in Lemonsoft's growth."

Kari Joki-Hollanti, CEO of Lemonsoft comments:

"We are delighted to be able to offer investors an investment object that boosts Finnish companies and supports their growth. Our continuous product development, carried out in cooperation with our customers, ensures that in the future, we can serve our customers even better. We believe that an excellent employee experience also translates into an excellent customer experience, and we find it particularly important to incentivise and retain our employees through share-based schemes. These are some of the things that we will be able to do increasingly well as a result of the contemplated listing while also creating excellent prerequisites for Lemonsoft's growth."

Reasons for the Offering

The purpose of the Offering is to create the preconditions for the Company's listing on First North and, thus, enable the financing of its growth and expansion of its business operations in accordance with the Company's strategy. The Company expects the listing on First North to provide the Company a new channel for acquiring equity financing both from Finland and abroad, to create liquidity for the shares and to develop the Company's profile and reputation amongst potential customers, business partners, employees and investors. Furthermore, the purpose of the Offering is to expand the Company's ownership base amongst both Finnish private investors and domestic and international institutions. The Listing would also enable using the share as a means of payment in acquisitions and increase the Company's opportunities to use share-based incentive schemes to retain employees.

Use of Proceeds

The proceeds raised in the Offering are intended to be used for supporting Lemonsoft's growth strategy, including acquisition financing.

Listing and Publication of the Offering

Before the Offering, the Shares of the Company have not been subject to trading on any regulated market or multilateral trading facility. The Company has today on 8 November 2021 submitted a listing application to Nasdaq Helsinki for the listing of the Company's shares on the multilateral First North market maintained by Nasdaq Helsinki under the trading symbol LEMON. The first trading day of the Company's shares at First North will be on or about 19 November 2021, provided that the Company's listing application will be approved.

The FIN-FSA has today on 8 November 2021 approved the Company's Finnish Prospectus relating to the Offering. The Finnish Prospectus will be available as an electronic version on the Company's website at investors.lemonsoft.fi/listautuminen and Danske Bank's website at www.danskebank.fi/lemonsoft on or about 9 November 2021. The Finnish Prospectus will also be available upon request at the Company's registered office at Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland.

An English language translation of the Finnish Prospectus will be available as an electronic version on the Company's website at investors.lemonsoft.fi/ipo and Danske Bank's website at www.danskebank.fi/lemonsoft-en on or about 9 November 2021.

The places of subscription in the Offering are the Sole Global Coordinator Danske Bank A/S, Finland Branch ("**Danske Bank**") and Nordnet Bank AB ("**Nordnet**"). Danske Bank acts as a subscription place in the Public Offering, the Institutional Offering and the Personnel Offering. Nordnet acts as a subscription place in the Public Offering for its own customers.

Summary of Certain Key Dates

Prospectus available	9 November 2021
Subscription period of the Offering commences	9 November 2021 at 10:00
Subscription period of the Offering can be suspended at the earliest	15 November 2021 at 08:00
Subscription period for the Public and Personnel Offerings ends (on or about)	16 November 2021 at 16:00
Subscription period for the Institutional Offering ends (on or about)	18 November 2021 at 11:00
Results of the Offering published (on or about)	18 November 2021
The Offer Shares will be registered with the Finnish Trade Register (on or about)	18 November 2021
Entry of Offer Shares into book-entry accounts begins (on or about)	19 November 2021
Trading in the shares on First North begins (on or about)	19 November 2021

Advisers in the Offering

Danske Bank A/S, Finland Branch is acting as the Sole Global Coordinator in the Offering ("**Sole Global Coordinator**") and as the certified adviser in accordance with the rules of Nasdaq First North Growth Market Rulebook. Castrén & Snellman Attorneys Ltd is acting as the legal adviser to the Company. Roschier, Attorneys Ltd. is acting as the legal adviser to the Sole Global Coordinator. Miltton Oy is acting as communications adviser to the Company.

Additional Information:

Kari Joki-Hollanti, CEO, +358 40 768 1415

Alpo Luostarinen, M&A Manager, +358 50 911 3507

Certified Adviser:

Danske Bank A/S, Finland Branch, +358 40 841 3052

About Lemonsoft

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 standardised 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 in Finland primarily as a service provider for SMEs. As of the date of this press release, the Company's customer base consists of over 6,600 customer companies using the Company's software solutions, including customers from especially industrial manufacturing, wholesale and retail, professional services automation, construction and accounting.

More information available at www.lemonsoft.fi

IMPORTANT INFORMATION

This announcement is not being made in and copies of it may not be distributed or sent into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or any other jurisdiction in which the distribution or release would be unlawful.

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The issue, purchase or sale of securities in the Offering are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company and the Sole Global Coordinator assume no responsibility in the event of a violation of such restriction, by any person.

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by the Company in any jurisdiction where such offer or sale would be unlawful. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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This announcement is for information purposes only and under no circumstances shall constitute an offer or invitation, or form the basis for a decision, to invest in any securities of the Company. The Sole Global Coordinator is acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offering. The Sole Global Coordinator will not regard any other party or person as its client in relation to the Offering and will not be responsible to anyone other party or person for providing the protections afforded to its clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

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Forward-Looking Statements

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialise or prove to be correct. Because these forward-looking statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. The Company does not guarantee that the assumptions underlying the forward-looking statements in this announcement are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this announcement or any obligation to update or revise the statements in this announcement to reflect subsequent events or circumstances. Undue reliance should not be placed on the forward-looking statements in this announcement. The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this announcement.

Attachments

[Lemonsoft Oyj commences its initial public offering on First North, publishes the prospectus approved by the Finnish Financial Supervisory Authority, and has submitted a listing application](#)