

# Lemonsoft Oyj's Interim Report for 1 January - 31 March 2024



# Lemonsoft Oyj's Interim Report for 1 January - 31 March 2024 (unaudited) A challenging start to the year

## January - March 2024, IFRS

- Net sales increased 16.5% and were EUR 6,897 thousand (5,918)
- EBITDA was EUR 1,398 thousand (1,611), 20.3% (27.2) of net sales
- Adjusted EBITDA was EUR 1,400 thousand (1,618), 20.3% (27.3) of net sales
- EBIT was EUR 942 thousand (1,361), 13.7% (23.0) of net sales
- Adjusted EBIT was EUR 1,120 thousand (1,464), 16.2% (24.7) of net sales
- Profit of the review period was EUR 597 thousand (949), 8.7% (16.0) of net sales

## Key Figures, IFRS

EUR 1,000	1-3/2024	1-3/2023	Change	1-12/2023
Net sales	6,897	5,918	16.5 %	26,344
SaaS	4,955	4,505	10.0 %	19,146
Transaction	768	286	168.1 %	2,265
Consulting and other	1,174	1,127	4.2 %	4,933
Gross margin	5,942	5,164	15.1 %	23,285
Gross margin, % of net sales	86.1 %	87.3 %		88.4 %
EBITDA	1,398	1,611	-13.2 %	8,215
EBITDA, % of net sales	20.3 %	27.2 %		31.2 %
Adjusted EBITDA	1,400	1,618	-13.5 %	7,951
Adjusted EBITDA, % of net sales	20.3 %	27.3 %		30.2 %
EBIT	942	1,361	-30.7 %	6,890
EBIT, % of net sales	13.7 %	23.0 %		26.2 %
Adjusted EBIT	1,120	1,464	-23.5 %	7,195
Adjusted EBIT, % of net sales	16.2 %	24.7 %		27.3 %
Profit (Loss) of the period	597	949	-37.1 %	5,349
Profit (Loss) of the period, % of net sales	8.7 %	16.0 %		20.3 %
Equity ratio, %	64.6 %	73.7 %		61.9 %
Net debt	495	-8,301		1,010
Gearing, %	1.6 %	-29.3 %		3.3 %
Earnings per share (EPS)	0.04	0.05	-30.1 %	0.29
Return on invested capital, % (ROIC)	2.5 %	4.4 %		18.1 %
Return on equity, % (ROE)	1.9 %	3.5 %		18.9 %
Number of employees at the end of the period	220	182	20.9 %	208
Outstanding shares at the end of the period	18,562,005	18,538,019		18,562,005
Average outstanding shares during the period	18,562,005	18,441,633		18,527,914



## Interim CEO Kari Joki-Hollanti

The first quarter of the year was, as expected, challenging in terms of organic growth. Our net sales were 6,9 M€ and the growth in net sales was 16.5%. As in previous quarters, the growth in net sales came from acquisitions. Adjusted EBIT was 1,1 M€ and the adjusted EBIT margin was 16.2%.

According to the confidence indicator of the Confederation of Finnish Industries, the economic climate in Finland is weak and there are no signs of improvement in the short term. According to Statistics Finland, net sales in manufacturing, which is our most important industry, fell significantly in the second half of 2023. The decline has continued at a more moderate pace in the beginning of 2024, but political labor disputes and strikes have certainly not improved the situation. Our customers are typically subcontractors to large industrial companies, so the decline in sales affects them as well.

Our SaaS invoicing is based on active users, so customers' own adjustment measures are also reflected in our business. Based on industrial surveys, the business outlook for manufacturing businesses is particularly worrying. The business outlook balance figure was close to the levels seen during the financial crisis and has already fallen below the levels seen during the COVID-19 pandemic.

The number of our customers remained at the previous level. Revenue churn decreased slightly from the previous two quarters, but customers' adjustment measures were reflected in the reduction of active users. New customer sales remained at the previous level. More recently, customers have also been purchasing more affordable solutions, such as our Duunissa.fi work time management services and HelpostiLasku services.

Nevertheless, our business is very profitable and stable. I think that now is the right time for us to continue investing in an excellent customer experience and product development. Businesses need efficient and usable ERP solutions for the future and, when demand recovers, we will be ready to increase our market share.



## Group Financial Development

### Group financial result and profitability

#### January - March 2024

Net sales for the review period were EUR 6,897 thousand (5,918). Net sales increased by EUR 979 thousand, 16.5%. Organic growth of the review period was -1.2% especially consulting and other income remained at a lower level than in the comparison period. Organic growth of the recurring revenue was positive. Net sales increased due to the acquisitions of Finvoicer Group Oy (2023), whose net sales were not included in the comparison period.

The share of SaaS income was 71.8% (76.1), the share of transaction income 11.1% (4.8), and consulting and other income 17.0% (19.0).

EBITDA was EUR 1,398 thousand (1,611), 20.3% (27.2) of net sales. Adjusted EBITDA (adjustments specified in the Alternative performance measures section) was EUR 1,400 thousand (1,618), 20.3% (27.3) of net sales. The EBITDA and adjusted EBITDA for the review period have been negatively affected by the compensation under the termination agreement with the CEO.

EBIT was EUR 942 thousand (1,361), 13.7% (23.0) of net sales. Adjusted EBIT (adjustments specified in the Alternative performance measures section) was EUR 1,120 thousand (1,464), 16.2% (24.7) of net sales. The EBIT and adjusted EBIT for the review period have been negatively affected by the compensation under the termination agreement with the CEO.

Profit for the review period was EUR 597 thousand (949), 8.7% (16.0) of net sales.

Cash flow from operating activities was EUR 1,578 thousand (1,477).

#### Balance sheet, financing and investments

The balance sheet total at the end of the review period was EUR 47,813 thousand (48,885 at the end of the year 2023).

The Group has capitalized development expenses of EUR 206 thousand during the year 2024. At the end of the review period, the Group's balance sheet included capitalized development expenses totalling EUR 2,442 thousand (2,352 at the end of the year 2023).

Total equity was EUR 31,032 thousand (30,422 at the end of the year 2023), equity increased EUR 610 thousand.

Equity ratio was 64.6% (61.9 at the end of the year 2023) and interest-bearing debt was EUR 7,810 thousand (8,399 at the end of the year 2023).

Cash and cash equivalents at the end of the review period were EUR 7,315 thousand (7,389 at the end of the year 2023).

## Personnel

The Group number of employees was 220 (184) on 31 March 2024. We reported our Group personnel as follows:

- R&D 96 employees
- Customer functions 111 employees
- Other functions, a total of 13 employees

## Share-based incentive plan

The Board of Directors of Lemonsoft Oyj has established a new share-based incentive plan for the selected key employees of the company. 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 consists 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 Plan will be capped if the limits set by the Board for the payable reward from the performance period 2024 - 2026 are reached.

## 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 18,562,005 (18,538,019) shares. The average number of outstanding shares during the review period January - March was 18,562,005 (18,441,633).

The company's share is traded on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Oy. During the review period October - December, the highest share price was EUR 7.62 and the lowest EUR 5.70. The closing price on 31 March 2024 was EUR 5.80. The market value of the company at the closing price of the review period was approximately EUR 107.7 million. Average daily trading volume during the review period was 3,232 shares (EUR 20,214).

On 31 March 2024, the company had a total of 2,470 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 2024 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 9.7% 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 2025 Annual General Meeting, but not beyond 30 June 2025. The authorization shall replace the authorization granted to the Board of Directors by the Annual General Meeting of 4 April 2023 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 2,000,000 shares corresponding to a maximum of approximately 10.8% 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 2025, and it replaces the previous authorizations.

Lemonsoft Oyj's Board of Directors has decided on February 15, 2024 directed share issue and deviation from the shareholders' preemptive right based on the authorization given by the Annual General Meeting on 4 April 2023. The share issue is related to the acquisition of Finvoicer Group Oy, which Lemonsoft announced on June 1, 2023. New shares a total of 17,986 (112 thousand euros) were registered in the trade register on April 15, 2024. As a result of the share issue, the total number of Lemonsoft Oyj's outstanding shares increased to 18,579,991 shares.

## Significant short-term risks and uncertainties

The deterioration of the economic situation, the impact of inflation and events with a global impact, such as the war in Ukraine, 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 2024 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 2023. About total of EUR 2.6 million was paid in dividends after the review period, 22 April 2024.

## Events after the review period

There were no significant events after the review period.



## Outlook 2024

Lemonsoft's goal is to continue growth, both by increasing the number of software modules offered to its existing customer base and by expanding its customer base with new customer acquisition. The company estimates that the prevailing economic situation will continue to restrain the growth of new sales and the current customer base.

## Profit forecast for 2024

Lemonsoft estimates that the net sales for the financial year 2024 will increase by 10-18 percent compared to the financial year 2023, and that adjusted EBIT will be 23-28 percent of net sales in 2024.

## Financial information in 2024

Lemonsoft Oyj will publish the following financial information in 2024:

- Half-year Report January - June 2024 on Thursday, 8 August 2024
- Interim Report January - September 2024 on Tuesday, 5 November 2024

## For further information, please contact:

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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](http://www.lemonsoft.fi).

## Distribution

Nasdaq Helsinki Oy  
Principal media

## Tables section

### Consolidated income statement, IFRS

EUR 1,000	1-3/2024	1-3/2023	1-12/2023
<b>NET SALES</b>	<b>6,897</b>	<b>5,918</b>	<b>26,344</b>
Other operating income	45	0	493
Materials and services	-1,000	-754	-3,552
Employee benefit expenses	-3,761	-2,929	-12,350
Depreciation and amortisation	-456	-251	-1,325
Other operating expenses	-783	-624	-2,720
<b>EBIT</b>	<b>942</b>	<b>1,361</b>	<b>6,890</b>
Financial income	35	2	156
Financial expenses	-102	-10	-327
<b>PROFIT (LOSS) BEFORE TAXES</b>	<b>875</b>	<b>1,354</b>	<b>6,718</b>
Income taxes	-278	-404	-1,369
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>597</b>	<b>949</b>	<b>5,349</b>
<b>PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO</b>			
Owners of the parent company	653	928	5,303
Non-controlling interests	-56	21	47

## Consolidated balance sheet, IFRS

EUR 1,000	31.3.2024	31.3.2023	31.12.2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	23,100	15,718	23,102
Intangible assets	7,076	4,073	7,165
Tangible assets	1,194	1,315	1,344
Investments	3,197	3,878	3,961
Deferred tax assets	3	12	9
<b>TOTAL NON-CURRENT ASSETS</b>	<b>34,570</b>	<b>24,996</b>	<b>35,580</b>
<b>CURRENT ASSETS</b>			
Inventory	69	76	68
Trade and other receivables	5,860	2,676	5,847
Cash and cash equivalents	7,315	11,287	7,389
<b>TOTAL CURRENT ASSETS</b>	<b>13,244</b>	<b>14,039</b>	<b>13,304</b>
<b>TOTAL ASSETS</b>	<b>47,813</b>	<b>39,034</b>	<b>48,885</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	80	80	80
Reserve for invested unrestricted equity	17,767	17,571	17,767
Retained earnings	12,958	10,531	12,292
<b>Equity of the owners of the parent company</b>	<b>30,805</b>	<b>28,182</b>	<b>30,139</b>
<b>Share of non-controlling owners</b>	<b>227</b>	<b>150</b>	<b>283</b>
<b>TOTAL EQUITY</b>	<b>31,032</b>	<b>28,332</b>	<b>30,422</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loans from financial institutions	5,456	1,500	5,942
Lease liabilities	134	254	171
Deferred tax liabilities	1,176	703	1,188
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,766</b>	<b>2,457</b>	<b>7,301</b>
<b>CURRENT LIABILITIES</b>			
Loans from financial institutions	1,872	900	1,872
Lease liabilities	348	331	414
Advances received	131	776	162
Trade and other payables	7,665	6,238	8,714
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,015</b>	<b>8,245</b>	<b>11,163</b>
<b>TOTAL LIABILITIES</b>	<b>16,781</b>	<b>10,702</b>	<b>18,463</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>47,813</b>	<b>39,034</b>	<b>48,885</b>

## Consolidated cash flow statement, IFRS

EUR 1,000	1-3/2024	1-3/2023	1-12/2023
<b>Cash flow from operating activities:</b>			
Profit (Loss) for the period	597	949	5,349
Adjustments:	918	682	2,566
Depreciation and amortisation	456	251	1,325
Other income and expenses without payment *	4	-67	-705
Financial income and expenses	67	7	171
Taxes	278	404	1,369
Other adjustments *	112	88	406
Cash flow before change in working capital	1,515	1,631	7,916
Change in working capital *	486	211	-2,202
Cash flow before financial items and taxes	1,977	1,842	5,713
Net financial items and taxes	-423	-365	-1,428
<b>Net cash flow from operating activities (A)</b>	<b>1,578</b>	<b>1,477</b>	<b>4,286</b>
<b>Cash flow from investing activities:</b>			
Acquisition of tangible and intangible assets*	-208	-578	-1,865
Other investments	774	-1,000	-1,000
Acquisition of subsidiary, net of cash acquired	-1,496	-133	-6,452
<b>Net cash flow from investing activities (B)</b>	<b>-929</b>	<b>-1,711</b>	<b>-9,317</b>
<b>Cash flow from financing activities:</b>			
Dividends paid	0	0	-2,595
Repayments of non-current loans *	-610	-84	-3,168
Proceeds from non-current loans	0	0	6,800
Repayments of lease liabilities	-112	-88	-406
Proceeds from capitalization by non-controlling interests	0	0	98
<b>Net cash flow from financing activities (C)</b>	<b>-723</b>	<b>-171</b>	<b>729</b>
<b>Change in cash and cash equivalents (A + B + C) increase (+) / decrease (-)</b>	<b>-74</b>	<b>-405</b>	<b>-4,302</b>
Cash and cash equivalents at the beginning of the period	7,389	11,692	11,692
<b>Cash and cash equivalents at the end of the period</b>	<b>7,315</b>	<b>11,287</b>	<b>7,389</b>
Change in cash	-74	-405	-4,302

\* Changes have been made to the comparison periods so that the comparisons correspond to the recording method of the financial year 2023



## 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		
<b>Equity 1.1.2023</b>	<b>80</b>	<b>16,480</b>	<b>9,603</b>	<b>26,163</b>	<b>129</b>	<b>26,292</b>
Profit (Loss) for the period			928	928	21	949
<b>Transactions with owners:</b>						
Changes in non-controlling interests *						
Directed share issue		1,091		1,091		1,091
Share based payments						
Dividends paid						
<b>Equity 31.3.2023</b>	<b>80</b>	<b>17,571</b>	<b>10,531</b>	<b>28,182</b>	<b>150</b>	<b>28,332</b>
<b>Equity 1.1.2024</b>	<b>80</b>	<b>17,767</b>	<b>12,292</b>	<b>30,139</b>	<b>283</b>	<b>30,422</b>
Profit (Loss) for the period			653	653	-56	597
<b>Transactions with owners:</b>						
Changes in non-controlling interests						
Directed share issue						
Share based payments			13	13		13
Dividends paid						
<b>Equity 31.12.2024</b>	<b>80</b>	<b>17,767</b>	<b>12,958</b>	<b>30,805</b>	<b>227</b>	<b>31,032</b>

\* Change in the ownership of the subsidiaries transferred to Retained earnings

## Accounting principles

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

The information in the annual financial statements release 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	1-3/2024	1-3/2023	Change	1-12/2023
Net sales	6,897	5,918	16.5 %	26,344
SaaS	4,955	4,505	10.0 %	19,146
Transaction	768	286	168.1 %	2,265
Consulting and other	1,174	1,127	4.2 %	4,933

### Goodwill and intangible assets

EUR 1,000	3/2024	3/2023	12/2023
Acquisition cost 1.1.	33,422	22,826	21,779
Additions	206	556	11,643
Deductions	0	0	0
Reclassifications	0	0	0
Acquisition cost at the end of the period	33,629	23,382	33,422
Accumulated depreciation and amortisation 1.1.	3,156	3,471	2,424
Accumulated depreciation and amortisation on deductions and transfers	0	0	0
Depreciation and amortisation for the period	297	121	732
Accumulated depreciation and amortisation at the end of the period	3,452	3,592	3,156
<b>Book value at the end of the period</b>	<b>30,176</b>	<b>19,791</b>	<b>30,267</b>

### Tangible assets

EUR 1,000	3/2024	3/2023	12/2023
Acquisition cost 1.1.	3,214	2,659	2,659
Additions	9	63	591
Deductions	0	0	-36
Reclassifications	0	0	0
Acquisition cost at the end of the period	3,223	2,722	3,214
Accumulated depreciation and amortisation 1.1.	1,870	1,277	1,277
Accumulated depreciation and amortisation on deductions and transfers	0	0	0
Depreciation and amortisation for the period	159	130	593
Accumulated depreciation and amortisation at the end of the period	2,029	1,406	1,870
<b>Book value at the end of the period</b>	<b>1,194</b>	<b>1,315</b>	<b>1,344</b>

## Financial assets and liabilities

EUR 1,000	Level	Fair value through profit or loss	Amortised cost	Carrying amount	Fair value 31.12.2023
<b>Non-current financial assets</b>					
Equity investments	3	2,157	0	2,157	2,157
Investments	2	1,039	0	1,039	1,039
<b>Total non-current financial assets</b>		<b>3,197</b>	<b>0</b>	<b>3,197</b>	<b>3,197</b>
<b>Current financial assets</b>					
Trade receivables		0	2,578	2,578	2,578
Other receivables		0	3,281	3,281	3,281
Cash and cash equivalents		0	7,315	7,315	7,315
<b>Total current financial assets</b>		<b>0</b>	<b>13,175</b>	<b>13,175</b>	<b>13,175</b>
<b>Non-current financial liabilities</b>					
Loans from financial institutions	2	0	5,456	5,456	5,456
Lease liabilities		0	134	134	134
<b>Total non-current financial liabilities</b>		<b>0</b>	<b>5,590</b>	<b>5,590</b>	<b>5,590</b>
<b>Current financial liabilities</b>					
Loans from financial institutions	2	0	1,872	1,872	1,872
Lease liabilities		0	348	348	348
Advances received		0	131	131	131
Trade payables		0	1,605	1,605	1,605
Contingent consideration	3	1,954	0	1,954	1,954
Other payables		0	4,106	4,106	4,106
<b>Total current financial liabilities</b>		<b>1,954</b>	<b>8,061</b>	<b>10,015</b>	<b>10,015</b>

## Group's commitments

EUR 1,000	3/2024	3/2023	12/2023
<b>Collateral securities</b>			
Cash pledges (movable object, security) *	1,073	1,073	1,073
Business mortgage, parent company	15,000	2,000	15,000
<b>Total collateral securities</b>	<b>16 073</b>	<b>3 073</b>	<b>16 073</b>

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

## Business acquisitions 2023

### Finvoicer Group Oy

On 1 June 2023, Lemonsoft Oyj acquired the entire share capital of Finvoicer Group Oy, a software company focused on invoice lifecycle management. With the acquisition, Lemonsoft strengthens its offering in invoice lifecycle management by providing its customers with more comprehensive solutions, including invoice delivery, reminders and debt collection, invoice financing and digital financial management. In addition to the parent company Finvoicer Group Oy, Finvoicer Group includes 100-percent owned subsidiaries Finvoicer Rahoitus Oy, specializing in invoice financing, and Billgo Oy, providing invoicing software for small businesses under the brand HelpostiLasku.

The purchase price for the share capital of Finvoicer Group Oy was EUR 6.2 million and the net debt-free enterprise value was EUR 7.6 million. 97% of the purchase price was paid in cash and 3% in shares at closing.

In addition, the parties agreed on a contingent consideration based on Finvoicer's financial results for 2023 - 2025. The contingent additional purchase price amounts to a maximum of EUR 3.3 million, and if realized, will be paid primarily 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 Finvoicer Group 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 214 thousand are included in the Other operating expenses item in the consolidated income statement.

Lemonsoft Group's net sales in 1.1.2023 - 31.12.2023 would have been approximately EUR 28 million and profit for the period approximately EUR 5.5 million if the businesses acquired during the period had been consolidated from the beginning of 2023.

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

EUR 1,000	Finvoicer Group Oy (2023)
<b>Consideration transferred</b>	
In cash	5,963
In shares	195
Contingent consideration	3,250
<b>Total consideration transferred</b>	<b>9,408</b>
<b>Assets acquired and liabilities assumed at the date of acquisition</b>	
Customer relationships	1,421
Technology	1,132
Other intangible assets	0
Right-of-use assets	147
Other tangible assets	37
Trade and other receivables	2,477
Cash and cash equivalents	415
<b>Total assets</b>	<b>5,629</b>
Lease liabilities	147
Trade and other payables	2,952
Deferred tax liabilities	511
<b>Total liabilities</b>	<b>3,610</b>
<b>Total acquired net assets</b>	<b>2,019</b>
<b>Total consideration transferred</b>	<b>9,408</b>
<b>Goodwill</b>	<b>7,389</b>
<b>Cash flow impact of acquisitions</b>	
Consideration paid in cash	5,963
Cash and cash equivalents transferred	-415
<b>Net cash flow on acquisition</b>	<b>5,548</b>

### Events after the review period

There were no significant events after the review period.

## Key figures

### Alternative performance measures

#### Adjusted EBITDA

EUR 1,000	1-3/2024	1-3/2023	1-12/2023
EBITDA	1,398	1,611	8,215
EBITDA, % of net sales	20.3 %	27.2 %	31.2 %
<i>M&amp;A expenses</i>	2	7	229
<i>Recognition of contingent consideration</i>	0	0	-493
Adjusted EBITDA	1,400	1,618	7,951
Adjusted EBITDA, % of net sales	20.3 %	27.3 %	30.2 %

#### Adjusted EBIT

EUR 1,000	1-3/2024	1-3/2023	1-12/2023
EBIT	942	1,361	6,890
EBIT, % of net sales	13.7 %	23.0 %	26.2 %
<i>M&amp;A expenses</i>	2	7	229
<i>Recognition of contingent consideration</i>	0	0	-493
<i>Amortisation of intangible assets related to business combinations</i>	176	96	569
Adjusted EBIT	1,120	1,464	7,195
Adjusted EBIT, % of net sales	16.2 %	24.7 %	27.3 %

#### Organic growth of net sales

EUR 1,000	1-3/2024	1-3/2023	1-12/2023
Net sales	6,897	5,918	26,344
<i>Impact of acquisitions</i>	-1,048	-856	-4,235
Net sales of comparison period	5,918	5,002	22,550
Organic growth of net sales, %	-1.2 %	1.2 %	-2.0 %



## Calculation of key figures

### Gross Margin

Net sales + Other operating income - 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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