

Lemonsoft Oyj

# Financial statements and report of the Board of Directors

1 January–31 December 2021

The financial statements shall be kept until 31 December 2031.

**Lemonsoft Oyj**  
**Financial statements 1 January–31 December 2021**

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## Report of the Board of Directors

### Lemonsoft group

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The Lemonsoft group is comprised of the parent company Lemonsoft Oyj and its subsidiaries Metsys Oy (0920514-1) and Planmill Oy (2062705-4), in which the parent company's holding is 100%, as well as Lixani Oy (2624244-6) and WorkIn Oy (3165937-7), in which the parent company's holding is 51%.

The group's main business is software design and production.

### Major events during the financial period

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On 1 February 2021, Lemonsoft Oyj acquired the shares in Metsys Oy (0920514-1).

Aacon Oy (2299480-0), acquired by Lemonsoft in January 2020, was merged into Lemonsoft Oyj on 31 March 2021.

Lemonsoft Oyj acquired the Talosofta business from Alma Mediapartners Oy on 30 June 2021.

On 1 August 2021, Lemonsoft Oyj acquired the shares in Planmill Oy (2062705-4).

The shareholders resolved unanimously on 30 August 2021 to change the form of the Company to a public limited company and increase the Company's share capital through an increase from reserves under the Limited Liability Companies Act to achieve the threshold of EUR 80,000 required for public limited companies. The shareholders also unanimously resolved on 30 August 2021 to split the shares so that 24,999 new shares were issued for each existing share.

Lemonsoft Oyj was listed on the Nasdaq First North marketplace on 17 November 2021.

The current COVID-19 pandemic has had a minor impact on the group's operations.

### Major events after the financial period

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No major events have taken place after the end of the financial period.

### Estimate of probable future development

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Lemonsoft aims to continue steady growth by increasing the number of software modules offered to the current customer base and by increasing the customer base by acquiring new customers.

Lemonsoft estimates that the net sales for the 2022 financial period will increase by 23–28 per cent compared to 2021, and that adjusted EBIT will be 30–35 per cent of net sales in 2022.

### Scope of research and development activities

All product development expenses incurred in 2021 were recognized directly through profit or loss.

### Estimate of the most significant risks and uncertainties associated with operations

The biggest challenge affecting our industry is the availability of skilled employees. Following strong growth, Lemonsoft invests strongly in recruiting new talent. The company's success and opportunities for organic growth are largely dependent on how well we can procure more competent personnel in our company, motivate and commit them and maintain and develop the competence we have.

Any weakening of the business of Lemonsoft's customer companies could translate into e.g. decreased investments by manufacturing companies and lower need for subcontracting chains. This would also have a negative impact on the demand for ERP systems, which can slow down the development of sales to new customers and add-on sales from the existing customer base.

The risks associated with data security and service providers' IT systems are a significant factor affecting the delivery reliability and continuity of the company's business. Lemonsoft continuously invests in high operational reliability and systems with high data security, aiming to ensure the high quality of the services it acquires by choosing industry-leading vendors as its most significant partners. European data protection regulations may also result in unexpected risks in Lemonsoft's operating environment.

Success in acquisitions and related integration work is significant for Lemonsoft's growth. The company has completed several acquisitions in recent years and also aims to grow through M&As going forward. The acquired companies and their integration into Lemonsoft can involve unexpected risks.

### Non-financial key figures concerning the personnel

	2021	2020	2019
Average number of Group employees during the financial period	129	102	-
Average number of parent company employees during the financial period	110	87	78
The Group's wages and salaries during the financial period (EUR 1,000)	6,127	4,684	-
The parent company's wages and salaries during the financial period (EUR 1,000)	5,058	3,963	3,577

During the financial period, the parent company had 107 full-time employees on average. In addition, the parent company had part-time employees on average during the financial period. As a rule, employment relationships are valid until further notice.

## Financial key figures

The Group's earnings and financial position are illustrated by the following key figures:

	Group	
	2021	2020
Net sales	17,227,376	13,587,990
EBIT	3,069,952	3,905,791
EBIT, % of net sales	18%	29%
Return on equity	16%	44%
Equity ratio	75%	60%

## Parent company shares

The parent company had 18,273,726 shares at the end of the financial period. Each share confers one vote at general meetings of shareholders. All shares confer equal rights to dividend and the company's assets.

## Related party loans and liabilities

No loans have been granted to the Group's related parties, and no collateral or other guarantees have been pledged on their behalf.

## Proposal of the Board of Directors for measures warranted by the parent company's profit

The parent company's distributable funds amount to EUR 24,119,971.12, of which profit for the financial period accounts for EUR 4,155,209.06. The Board of Directors proposes to the Annual General Meeting that the distributable funds be distributed as follows:

A divided of EUR 0.13 per share be paid out	2,375,584.38
Carried in shareholders' equity	<u>21,744,386.74</u>
	24,119,971.12

No essential changes have taken place in the parent company's financial position after the end of the financial period. The company's liquidity is good, and the Board of Directors estimates that the proposed distribution of profits will not compromise the company's solvency.

## Account of the adequacy of the parent company's shareholders' equity

Equity 31 December 2021	24,259,971.18
Cumulative accelerated depreciation	0.00
Capital loan	0.00
Difference between the book value and fair value of subsidiary shares	0.00
Difference between the book value and fair value of building	0.00
<b>Equity pursuant to chapter 20, section 23 of the Limited Liability Companies Act</b>	<b>24,259,971.18</b>

## Parent company's organization, management and auditors

The Annual General Meeting of Lemonsoft Oyj was held on 11 March 2021. The Annual General Meeting elected four members to the Board of Directors; Christoffer Häggblom, Michael Richter, Kari Joki-Hollanti and Jani Tynni. The Board elected Christoffer Häggblom as Chairman from among its members. Jani Tynni resigned from the Board of Directors in May 2021. The Annual General Meeting decided that the Chairman of the Board be paid EUR 1,500 per month and the ordinary members of the Board EUR 1,000 per month. The Annual General Meeting decided that KPMG will continue as the company's auditor. Mari Kaasalainen, Authorized Public Accountant, will continue as the responsible auditor appointed by the audit firm. It was decided to pay the auditor a fee in accordance with the agreement.

The shareholders of Lemonsoft Oyj unanimously resolved on 30 August 2021 to supplement the company's Board of Directors. Ilkka Hiidenheimo and Saila Miettinen-Lähde were elected as new members of the company's Board of Directors. Christoffer Häggblom (Chairman), Kari Joki-Hollanti and Michael Richter will continue as old members of the Board. At the same time, the remuneration paid to the members of the Board of Directors was increased as follows: the remuneration paid to the Chairman of the Board is EUR 3,000 per month (previously EUR 1,500 per month) and the remuneration paid to the other members of the Board of Directors is EUR 1,500 per month each (previously EUR 1,000 per month). In addition, it was noted that the company's auditor KPMG Oy Ab has announced that Lemonsoft's principal auditor will change and that the new principal auditor will be Authorized Public Accountant Kim Järvi.

## Consolidated income statement

	1 January–31 December 2021	1 January–31 December 2020
<b>NET SALES</b> €	<b>17,227,376.26</b>	<b>13,587,989.74</b>
<b>Other operating income</b>	<b>45,383.42</b>	<b>55,810.18</b>
<b>Materials and services</b>		
<b>Raw materials and consumables</b>		
Purchases during the financial year	-1,020,406.51	-942,625.39
Variation in stocks	25,266.08	-9,435.62
<b>External services</b>		
External services	-897,422.18	-695,389.07
<b>Materials and services, total</b>	<b>-1,892,562.61</b>	<b>-1,647,450.08</b>
<b>Personnel expenses</b>		
Wages and salaries	-6,744,262.35	-5,150,130.18
Pension expenses	-1,160,489.69	-783,805.87
Other social security expenses	-185,872.72	-130,633.38
<b>Personnel expenses, total</b>	<b>-8,090,624.76</b>	<b>-6,064,569.43</b>
<b>Depreciation, amortization and impairment</b>		
Depreciation and amortization according to plan	-462,249.11	-425,440.34
Amortization of goodwill on consolidation	-698,736.55	-463,137.98
<b>Depreciation, amortization and impairment, total</b>	<b>-1,160,985.66</b>	<b>-888,578.32</b>
<b>Other operating expenses</b>	<b>-3,058,634.89</b>	<b>-1,137,410.84</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>3,069,951.76</b>	<b>3,905,791.25</b>
<b>Financial income and expenses</b>		
<b>Income from other investments held as non-current assets</b>		
Others	31,725.75	5,657.59
<b>Other interest income and other financial income</b>		
Others	6,686.74	0.00
<b>Interest and other financial expenses</b>		
Others	-22,857.67	-19,063.02
<b>Financial income and expenses, total</b>	<b>15,554.82</b>	<b>-13,405.43</b>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>3,085,506.58</b>	<b>3,892,385.52</b>
<b>Income taxes</b>		
Taxes for the financial year	-778,473.09	-916,761.31
<b>Income taxes, total</b>	<b>-778,473.09</b>	<b>-916,761.31</b>
<b>Minority interest</b>	<b>34,708.37</b>	<b>0.00</b>
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>	<b>2,272,325.12</b>	<b>2,975,624.51</b>

## Consolidated balance sheet

ASSETS	€	31 December 2021	31 December 2020
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Goodwill		946,033.84	391,103.69
Goodwill on consolidation		5,477,516.19	3,207,227.69
Development expenditure		60,000.06	109,999.98
<b>Intangible assets, total</b>		<b>6,483,550.09</b>	<b>3,708,331.36</b>
<b>Tangible assets</b>			
Buildings		248,954.60	259,327.76
Machinery and equipment		251,880.80	246,645.84
Works of art		0.00	1,500.00
Other tangible assets		32,404.22	117,262.76
<b>Tangible assets, total</b>		<b>533,239.62</b>	<b>624,736.36</b>
<b>Investments</b>			
Holdings in group undertakings		0.00	1,020.00
Other investments		1,874,461.88	1,493,838.96
<b>Investments, total</b>		<b>1,874,461.88</b>	<b>1,494,858.96</b>
<b>NON-CURRENT ASSETS, total</b>		<b>8,891,251.60</b>	<b>5,827,926.68</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Raw materials and consumables		52,096.46	26,830.38
<b>Inventories, total</b>		<b>52,096.46</b>	<b>26,830.38</b>
<b>Receivables</b>			
<b>Current</b>			
Trade debtors		1,218,200.83	823,408.67
Other receivables		39,865.49	0.00
Prepayments and accrued income		537,184.28	46,385.54
<b>Current, total</b>		<b>1,795,250.60</b>	<b>869,794.21</b>
Cash at bank and on hand		19,059,875.45	5,098,775.69
<b>CURRENT ASSETS, total</b>		<b>20,907,222.51</b>	<b>5,995,400.28</b>
<b>Total assets</b>		<b>29,798,474.11</b>	<b>11,823,326.96</b>



EQUITY AND LIABILITIES	€	31 December 2021	31 December 2020
<b>EQUITY</b>			
Share capital		80,000.00	8,000.00
Reserve for invested non-restricted equity		14,980,105.84	41,065.64
Retained earnings (losses)		4,658,093.83	3,763,560.86
Profit (loss) for the financial year		2,272,325.12	2,975,624.51
Capital loans		0.00	200,000.00
<b>EQUITY, total</b>		<b>21,990,524.79</b>	<b>6,988,251.01</b>
Minority interest		<b>30,492.32</b>	<b>0.00</b>
<b>LIABILITIES</b>			
<b>Non-current</b>			
Loans from credit institutions		2,400,000.00	1,500,000.00
<b>Non-current, total</b>		<b>2,400,000.00</b>	<b>1,500,000.00</b>
<b>Current</b>			
Loans from credit institutions		900,000.00	500,000.00
Advances received		535,385.58	469,706.37
Trade creditors		1,071,584.71	443,541.87
Other creditors		780,737.48	678,661.43
Accruals and deferred income		2,089,749.24	1,243,166.28
<b>Current, total</b>		<b>5,377,457.01</b>	<b>3,335,075.95</b>
<b>LIABILITIES, total</b>		<b>7,777,457.01</b>	<b>4,835,075.95</b>
<b>Total equity and liabilities</b>		<b>29,798,474.11</b>	<b>11,823,326.96</b>

## Consolidated cash flow statement

<i>Indirect cash flow statement</i>	<b>Group 12_2021</b>	<b>Group 12_2020</b>
<b>Cash flow from operating activities:</b>		
Profit (loss) before appropriations and taxes	3,085,506.58	3,892,385.82
Adjustments:		
Depreciation and amortization according to plan	1,160,985.66	888,578.32
Unrealized exchange rate gains and losses		
Other non-cash income and expenses	36,273.62	16,774.74
Financial income and expenses	-15,554.82	13,405.43
Cash flow before change in working capital	4,267,211.04	4,811,144.31
Change in working capital:		
Increase(-)/decrease(+) in current non-interest-bearing receivables	-702,578.20	109,795.49
Increase(-)/decrease(+) in inventories	-25,266.08	9,435.62
Increase(+)/decrease(-) in current interest-bearing liabilities	1,055,752.83	367,090.85
Cash flow from operating activities before financial items and taxes	4,595,119.59	5,297,466.27
Interest paid and payments for other financial operating expenses	-22,857.67	-19,063.02
Interest received from business operations	6,686.74	5,657.59
Direct taxes paid	-554,008.68	-828,656.14
<b>Net cash from operating activities (A)</b>	<b><u>3,993,536.87</u></b>	<b><u>4,455,404.70</u></b>
<b>Cash flow from investing activities:</b>		
Acquisition of intangible and tangible assets	-2,559,937.37	-239,025.41
Proceeds from sale of tangible and intangible assets	106,887.30	57,000.00
Acquisition of other investments	-379,147.01	0.00
Acquired shares in subsidiaries	-1,236,313.03	-3,420,283.73
<b>Net cash used in investing activities (B)</b>	<b><u>-4,068,510.12</u></b>	<b><u>-3,602,309.14</u></b>
<b>Cash flow from financing activities:</b>		
Dividends paid	-2,210,000.00	-1,530,000.00
Proceeds from and repayment of non-current loans	1,300,000.00	2,000,000.00
Share issue against payment	14,944,540.20	0.00
<b>Net cash from financing activities (C)</b>	<b><u>14,034,540.20</u></b>	<b><u>470,000.00</u></b>
<b>Change in cash at hand and in banks (A + B + C) increase (+) / decrease (-)</b>	<b>13,959,566.95</b>	<b>1,323,095.56</b>
Cash at hand and in banks at 1 January	5,100,308.50	3,775,680.13
<b>Cash at hand and in banks at 31 December</b>	<b><u>19,059,875.45</u></b>	<b><u>5,098,775.69</u></b>
	13,959,566.95	1,323,095.56

## Parent company income statement

	1 January–31 December 2021	1 January–31 December 2020
<b>NET SALES</b> €	<b>14,824,604.25</b>	<b>11,630,764.49</b>
<b>Other operating income</b>	<b>45,383.42</b>	<b>55,796.58</b>
<b>Materials and services</b>		
<b>Raw materials and consumables</b>		
Purchases during the financial year	-900,143.59	-728,963.60
Variation in stocks	9,017.78	0.00
<b>External services</b>		
External services	-812,102.52	-598,699.73
<b>Materials and services, total</b>	<b>-1,703,228.33</b>	<b>-1,327,663.33</b>
<b>Personnel expenses</b>		
Wages and salaries	-5,577,798.52	-4,429,010.99
Pension expenses	-929,912.96	-676,403.40
Other social security expenses	-164,975.95	-108,670.96
<b>Personnel expenses, total</b>	<b>-6,672,687.43</b>	<b>-5,214,085.35</b>
<b>Depreciation, amortization and impairment</b>		
Depreciation and amortization according to plan	-788,980.36	-421,945.72
<b>Depreciation, amortization and impairment, total</b>	<b>-788,980.36</b>	<b>-421,945.72</b>
<b>Other operating expenses</b>	<b>-2,892,588.29</b>	<b>-933,856.79</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>2,812,503.26</b>	<b>3,789,009.88</b>
<b>Financial income and expenses</b>		
<b>Income from group undertakings</b>		
Dividend income from group undertakings	2,000,000.00	400,000.00
<b>Income from other investments held as non-current assets</b>		
Others	28,533.84	0.00
<b>Other interest income and other financial income</b>		
Others	6,274.69	5,216.51
<b>Interest and other financial expenses</b>		
Others	-21,105.47	-18,471.33
<b>Financial income and expenses, total</b>	<b>2,013,703.06</b>	<b>386,745.18</b>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>4,826,206.32</b>	<b>4,175,755.06</b>
<b>Income taxes</b>		
Taxes for the financial year	-670,997.26	-788,241.20
<b>Income taxes, total</b>	<b>-670,997.26</b>	<b>-788,241.20</b>
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>	<b>4,155,209.06</b>	<b>3,387,513.86</b>

## Parent company balance sheet

ASSETS	€	31 December 2021	31 December 2020
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Goodwill		3,698,684.57	391,103.69
Development expenditure		60,000.06	109,999.98
<b>Intangible assets, total</b>		<b>3,758,684.63</b>	<b>501,103.67</b>
<b>Tangible assets</b>			
Buildings		248,954.60	259,327.76
Machinery and equipment		251,620.19	235,966.58
Works of art		0.00	1,500.00
Other tangible assets		32,404.22	117,262.76
<b>Tangible assets, total</b>		<b>532,979.01</b>	<b>614,057.10</b>
<b>Investments</b>			
Holdings in group undertakings		6,058,989.00	3,999,589.60
Amounts owed by group undertakings		200,000.00	200,000.00
Other investments		1,872,985.97	1,393,838.96
<b>Investments, total</b>		<b>8,131,974.97</b>	<b>5,593,428.56</b>
<b>NON-CURRENT ASSETS, total</b>		<b>12,423,638.61</b>	<b>6,708,589.33</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Raw materials and consumables		52,096.46	0.00
<b>Receivables</b>		<b>52,096.46</b>	<b>0.00</b>
<b>Non-current</b>			
Non-current receivables		20,000.00	0.00
<b>Non-current, total</b>		<b>20,000.00</b>	<b>0.00</b>
<b>Current</b>			
Trade debtors		891,590.75	768,326.19
Amounts owed by group undertakings		6,344.05	33,374.78
Other receivables		33,623.82	0.00
Prepayments and accrued income		530,100.46	44,507.00
<b>Current, total</b>		<b>1,461,659.08</b>	<b>846,207.97</b>
Cash at bank and on hand		17,640,282.22	4,285,163.47
<b>CURRENT ASSETS, total</b>		<b>19,174,037.76</b>	<b>5,131,371.44</b>
<b>Total assets</b>		<b>31,597,676.37</b>	<b>11,839,960.77</b>

<b>EQUITY AND LIABILITIES</b>	<b>€</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>EQUITY</b>			
Share capital, cooperative capital or corresponding capital		80,000.00	8,000.00
Reserve for invested non-restricted equity		14,944,540.20	0.00
Retained earnings (loss)		5,080,221.92	3,974,708.06
Profit (loss) for the financial year		4,155,209.06	3,387,513.86
<b>EQUITY, total</b>		<b>24,259,971.18</b>	<b>7,370,221.92</b>
<b>LIABILITIES</b>			
<b>Non-current</b>			
Loans from credit institutions		2,400,000.00	1,500,000.00
<b>Non-current, total</b>		<b>2,400,000.00</b>	<b>1,500,000.00</b>
<b>Current</b>			
Loans from credit institutions		900,000.00	500,000.00
Advances received		535,125.58	469,706.37
Trade creditors		1,034,817.77	411,240.06
Amounts owed to group undertakings		11,160.00	0.00
Other creditors		623,808.52	561,721.45
Accruals and deferred income		1,832,793.32	1,027,070.97
<b>Current, total</b>		<b>4,937,705.19</b>	<b>2,969,738.85</b>
<b>LIABILITIES, total</b>		<b>7,337,705.19</b>	<b>4,469,738.85</b>
<b>Total equity and liabilities</b>		<b>31,597,676.37</b>	<b>11,839,960.77</b>

## Parent company cash flow statement

### Indirect cash flow statement

	2021	2020
<b>Cash flow from operating activities:</b>		
Profit (loss) before extraordinary items	4,826,206.32	4,175,755.06
Adjustments:		
Depreciation and amortization according to plan	788,980.36	421,945.72
Unrealized exchange rate gains and losses		
Other non-cash income and expenses	33,508.72	11,521.18
Financial income and expenses	-24,205.24	13,254.82
Other adjustments	-2,000,000.00	-400,000.00
Cash flow before change in working capital	3,624,490.16	4,222,476.78
Change in working capital:		
Increase(-)/decrease(+) in current non-interest-bearing receivables	-614,377.09	19,036.49
Increase(-)/decrease(+) in inventories	-9,017.78	0.00
Increase(+)/decrease(-) in current interest-bearing liabilities	1,174,404.46	412,880.15
Cash flow from operating activities before financial items and taxes	4,175,499.75	4,654,393.42
Interest paid and payments for other financial operating expenses	-7,439.75	0.00
Dividends received from business operations	2,000,000.00	400,000.00
Direct taxes paid	-475,140.14	-788,241.20
<b>Net cash from operating activities (A)</b>	<b><u>5,692,919.86</u></b>	<b><u>4,266,152.22</u></b>
<b>Cash flow from investing activities:</b>		
Acquisition of intangible and tangible assets	-1,100,755.76	-239,025.41
Proceeds from sale of tangible and intangible assets	28,533.84	0.00
Acquisition of other investments	-379,147.01	0.00
Acquired shares in subsidiaries	-4,920,972.38	-3,969,589.60
<b>Net cash used in investing activities (B)</b>	<b><u>-6,372,341.31</u></b>	<b><u>-4,208,615.01</u></b>
<b>Cash flow from financing activities:</b>		
Dividends paid	-2,210,000.00	-1,530,000.00
Proceeds from and repayment of non-current loans	1,300,000.00	1,981,946.33
Share issue against payment	14,944,540.20	0.00
<b>Net cash from financing activities (C)</b>	<b><u>14,034,540.20</u></b>	<b><u>451,946.33</u></b>
<b>Change in cash at hand and in banks (A + B + C) increase (+) / decrease (-)</b>	<b>13,355,118.75</b>	<b>509,483.34</b>
Cash at hand and in banks at 1 January	4,285,163.47	3,775,680.13
<b>Cash at hand and in banks at 31 December</b>	<b><u>17,640,282.22</u></b>	<b><u>4,285,163.47</u></b>
	13,355,118.75	509,483.34

## Notes

### Accounting principles applied to the parent company's financial statements

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The financial statements have been prepared in accordance with the Finnish Accounting Act and Decree.

#### Measurement of non-current assets

Non-current assets are recognized at original cost less depreciation and amortization according to plan. The direct expenses incurred due to the acquisition of the balance sheet item are recognized in the cost. Depreciation and amortization according to plan is calculated using the straight-line method based on the estimated economic useful lives of the non-current assets. An exception to this is the building, which is depreciated by 4 per cent using the declining balance method pursuant to the Act on the Taxation of Business Income.

Depreciation periods:

Development expenditure	5 years
Intangible rights	3 years
Goodwill	5–8 years
Other tangible assets	5 years
Machinery and equipment	5 years

#### Inventories

Inventories are recognized at cost.

#### Measurement of receivables, financial securities and liabilities

The trade, loan, accrued income and other receivables recognized in receivables are measured at the lower of nominal value or probable value in accordance with chapter 5, section 2, subsection 1 of the Accounting Act. Financial securities and other similar financial assets are measured at the lower of cost or probable fair market price. Liabilities are measured at the higher of nominal value or benchmark value.

## Accounting principles applied to the consolidated financial statements

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### Scope of the consolidated financial statements

The Group undertakings below are consolidated in the consolidated financial statements.

Company	Holding
Lemonsoft Oyj	parent company
Lixani Oy	51%
WorkIn Oy	51%
Metsys Oy	100%
Planmill Oy	100%

### Accounting principles applied to the consolidated financial statements

Intra-Group shareholding is taken into consideration through the cost method. The difference between the cost of subsidiaries and equity corresponding to the acquired holding is disclosed as goodwill on consolidation. Goodwill on consolidation is amortized over 5–8 years.

Intra-Group transactions, receivables, liabilities and internal distribution of profit have been eliminated.

## Major events during the financial period

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Lemonsoft Oyj was listed on the Nasdaq First North Growth Market Finland marketplace in November 2021. In connection with the IPO, the company raised gross funds of approximately EUR 15 million and got 5,200 new shareholders. The non-recurring expenses connected to the listing were EUR 1.4 million.



## Notes concerning the income statement

### Net sales

Net sales are comprised of SaaS, Transactions and Consulting and other net sales, which are disclosed using the accrual basis.

### Other operating income

Other operating income includes development financing from Business Finland and rental revenue.

### Personnel

	Group		Parent company	
	2021	2020	2021	2020
Personnel on average during the financial year	129	102	110	87

### Wages and salaries of management

	Group		Parent company	
	2021	2020	2021	2020
CEO	312,420.81	198,096.88	182,892.44	158,456.88
Board members	66,500.00	64,000.00	66,500.00	64,000.00

## Notes concerning the balance sheet assets

### Account of the amortization period and method of capitalized development expenses.

The development expenditure of the LemonOnline software developed in 2016 and 2017 will be amortized over 5 years using the straight-line method. The development expenditure of the Angular 6 project carried out in 2018 is EUR 150,000.00, which will be amortized over 5 years using the straight-line method.

### Account of the depreciation period and method of other capitalized long-term expenditure

Basic improvement expenses of office premises were capitalized in other capitalized long-term expenditure in 2017 and 2018, which will be depreciated over 5 years using the straight-line method.

### Capital loans granted and their primary terms and conditions

Lemonsoft Oyj granted a capital loan of EUR 20,000.00 to WorkIn Oy during the financial year. The principal and interest may only be paid after all other debts if the company falls into liquidation or bankruptcy. Otherwise, principal may be repaid and interest paid only to the extent that the amount of the company's non-restricted equity and all capital loans at the time of payment exceeds the loss shown on the balance sheet of the financial statements adopted for the most recently ended financial year of the company or newer. If not restricted by the terms and conditions above, the capital loan will be repaid by EUR 5,000 per year on each 1st of December, starting on 1 December 2021.

No interest was accrued on the loan in accordance with the interest terms and conditions of the agreement.

### Major items included in prepayments and accrued income

	<b>Group</b>	<b>Parent company</b>
Wage and salary receivables	1,076.84	1,076.84
Rent receivables	49,482.76	42,600.76
Tax receivables	85,289.52	85,289.52
Prepaid expenses	401,335.16	401,133.34
<b>Prepayments and accrued income, total</b>	<b>537,184.28</b>	<b>530,100.46</b>

### Group's intangible assets

	Goodwill	Goodwill on consolidation	Other intangible assets	Total
Acquisition cost 1 January 2021	928,598.97	3,670,365.67	350,000.00	1,293,459.66
Additions	3,861,572.98	2,916,317.17	0.00	3,861,572.98
Deductions	2,752,650.73	0.00	0.00	2,752,650.73
Reclassifications	0.00	0.00	0.00	0.00
Acquisition cost 31 December 2021	2,037,521.22	6,586,682.84	350,000.00	7,907,683.37
Accumulated depreciation, amortization and impairment 1 January 2021	537,495.28	646,917.54	240,000.02	792,355.99
Accumulated depreciation and amortization on deductions and transfers		0.00	0.00	0.00
Depreciation and amortization for the financial year	553,992.10	462,249.11	49,999.92	603,992.02
Impairment	0.00	0.00	0.00	0.00
Accumulated depreciation and amortization 31 December 2021	1,091,487.38	1,109,166.65	289,999.94	1,396,348.01
Increases in value	0.00	0.00	0.00	0.00
<b>Book value 31 December 2021</b>	<b>946,033.84</b>	<b>5,477,516.19</b>	<b>60,000.06</b>	<b>6,483,550.09</b>
Book value 31 December 2020	391,103.69	3,207,227.69	109,999.98	3,708,331.36

### Group's tangible assets

	Buildings	Machinery and equipment	Works of art	Other tangible assets	Total
Acquisition cost 1 January 2021	331,300.00	484,469.23	1,500.00	424,292.52	1,241,561.75
Additions	0.00	105,683.47	0.00	0.00	105,683.47
Deductions	0.00	7,105.93	1,500.00	0.00	8,605.93
Reclassifications	0.00	0.00	0.00	0.00	0.00
Acquisition cost 31 December 2021	331,300.00	597,258.63	0.00	424,292.52	1,352,851.15
Accumulated depreciation, amortization and impairment 1 January 2021	71,972.24	238,096.61	0.00	307,029.76	617,098.61
Accumulated depreciation and amortization on deductions and transfers	0.00	0.00	0.00	0.00	0.00
Depreciation and amortization for the financial year	10,373.16	93,144.53	0.00	84,858.54	188,376.23
Impairment	0.00	0.00	0.00	0.00	0.00
Accumulated depreciation and amortization 31 December 2021	82,345.40	331,241.14	0.00	391,888.30	805,474.84
Increases in value	0.00	0.00	0.00	0.00	0.00

<b>Book value 31 December 2021</b>	<b>248,954.60</b>	<b>251,880.80</b>	<b>0.00</b>	<b>32,404.22</b>	<b>533,239.62</b>
Book value 31 December 2020	259,327.76	246,645.84	1,500.00	117,262.76	624,736.36

### Group's investments

	In group undertakings	Other investments	Total
Acquisition cost 1 January 2021	1,020.00	1,493,838.96	1,494,858.96
Additions	0.00	480,622.92	480,622.92
Interest expenses included in acquisition cost	0.00	0.00	0.00
Deductions	1,020.00	100,000.00	101,020.00
Reclassifications	0.00	0.00	0.00
Acquisition cost 31 December 2021	0.00	1,874,461.88	1,874,461.88
Accumulated depreciation, amortization and impairment 1 January 2021	0.00	0.00	0.00
Accumulated depreciation and amortization on deductions and transfers	0.00	0.00	0.00
Depreciation and amortization for the financial year	0.00	0.00	0.00
Impairment	0.00	0.00	0.00
Reversals of impairments	0.00	0.00	0.00
Accumulated depreciation and amortization 31 December 2021	0.00	0.00	0.00
Increases in value	0.00	0.00	0.00
<b>Book value 31 December 2021</b>	<b>0.00</b>	<b>1,874,461.88</b>	<b>1,874,461.88</b>
Book value 31 December 2020	1,020.00	1,493,838.96	1,494,858.96

### Parent company intangible assets

	Intangible rights	Goodwill	Other intangible assets	Total
Acquisition cost 1 January 2021	14,860.69	928,598.97	350,000.00	1,293,459.66
Additions	0.00	3,861,572.98	0.00	3,861,572.98
Deductions	0.00	0.00	0.00	0.00
Reclassifications	0.00	0.00	0.00	0.00
Acquisition cost 31 December 2021	14,860.69	4,790,171.95	350,000.00	5,155,032.64
Accumulated depreciation, amortization and impairment 1 January 2021	14,860.69	537,495.28	240,000.02	792,355.99
Accumulated depreciation and amortization on deductions and transfers	0.00	0.00	0.00	0.00
Depreciation and amortization for the financial year	0.00	553,992.10	49,999.92	603,992.02
Impairment	0.00	0.00	0.00	0.00
Accumulated depreciation and amortization 31 December 2021	14,860.69	1,091,487.38	289,999.94	1,396,348.01
Increases in value	0.00	0.00	0.00	0.00
<b>Book value 31 December 2021</b>	<b>0.00</b>	<b>3,698,684.57</b>	<b>60,000.06</b>	<b>3,758,684.63</b>
Book value 31 December 2020	0.00	391,103.69	109,999.98	501,103.67

### Parent company's tangible assets

	Buildings	Machinery and equipment	Works of art	Other tangible assets	Total
Acquisition cost 1 January 2021	331,300.00	438,968.80	1,500.00	424,292.52	1,196,061.32
Additions	0.00	0.00	0.00	0.00	0.00
Deductions	0.00	0.00	1,500.00	0.00	1,500.00
Reclassifications	0.00	0.00	0.00	0.00	0.00
Acquisition cost 31 December 2021	331,300.00	544,379.05	0.00	424,292.52	1,299,971.57
Accumulated depreciation, amortization and impairment 1 January 2021	71,972.24	203,002.22	0.00	307,029.76	582,004.22
Accumulated depreciation and amortization on deductions and transfers	0.00	0.00	0.00	0.00	0.00
Depreciation and amortization for the financial year	10,373.16	89,756.64	0.00	84,858.54	184,988.34
Impairment	0.00	0.00	0.00	0.00	0.00
Accumulated depreciation and amortization 31 December 2021	82,345.40	292,758.86	0.00	391,888.30	766,992.56
Increases in value	0.00	0.00	0.00	0.00	0.00
<b>Book value 31 December 2021</b>	<b>248,954.60</b>	<b>251,620.19</b>	<b>0.00</b>	<b>32,404.22</b>	<b>532,979.01</b>
Book value 31 December 2020	259,327.76	235,966.58	1,500.00	117,262.76	614,057.10

### Parent company's investments

	In group undertakings	Amounts owed by group undertakings	Other shares and similar rights of ownership	Total
Acquisition cost 1 January 2021	3,999,589.60	200,000.00	1,393,838.96	5,593,428.56
Additions	5,862,084.20	0.00	479,147.01	6,341,231.21
Interest expenses included in acquisition cost	0.00	0.00	0.00	0.00
Deductions	145,084.80	0.00	0.00	145,084.80
Reclassifications	3,657,600.00	0.00	0.00	3,657,600.00
Acquisition cost 31 December 2021	6,058,989.00	200,000.00	1,872,985.97	8,131,974.97
Accumulated depreciation, amortization and impairment 1 January 2021	0.00	0.00	0.00	0.00
Accumulated depreciation and amortization on deductions and transfers	0.00	0.00	0.00	0.00
Depreciation and amortization for the financial year	0.00	0.00	0.00	0.00
Impairment	0.00	0.00	0.00	0.00
Reversals of impairments	0.00	0.00	0.00	0.00
Accumulated depreciation and amortization 31 December 2021	0.00	0.00	0.00	0.00
Increases in value	0.00	0.00	0.00	0.00
<b>Book value 31 December 2021</b>	<b>6,058,989.00</b>	<b>200,000.00</b>	<b>1,872,985.97</b>	<b>8,131,974.97</b>
Book value 31 December 2020	3,999,589.60	200,000.00	1,393,838.96	5,593,428.56

### Itemization of receivables from Group undertakings

Parent company balance sheet

Non-current receivables

Capital loans to Group undertakings 200,000.00

Current receivables

Trade receivables from Group undertakings 6,344.05

206,344.05

## Notes concerning the balance sheet equity and liabilities

### Itemization of liabilities to Group undertakings

Parent company balance sheet

Current receivables

Accounts payable to group undertakings 11,160.00

11,160.00

### Changes in equity

€	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<b>EQUITY</b>				
<b>Restricted equity</b>				
Share capital 1 January	8,000.00	8,000.00	8,000.00	8,000.00
Share capital increase 31 August	72,000.00	0.00	72,000.00	0.00
Share capital 31 December	80,000.00	8,000.00	80,000.00	8,000.00
<b>Restricted equity, total 31 December</b>	<b>80,000.00</b>	<b>8,000.00</b>	<b>80,000.00</b>	<b>8,000.00</b>
<b>Non-restricted equity</b>				
Reserve for invested non-restricted equity 1 January	35,565.64	0.00	0.00	0.00
IPO 16 November	14,944,540.20	0.00	14,944,540.20	0.00
Reserve for invested non-restricted equity 31 December	14,980,105.84	41,065.64	14,944,540.20	0.00
Retained earnings 1 January	6,934,897.78 *	5,293,560.86	7,362,221.92	5,504,708.06
Dividends distributed	-2,210,000.00	-1,530,000.00	-2,210,000.00	-1,530,000.00
Share capital increase 31 August	-72,000.00	0.00	-72,000.00	0.00
<b>Retained earnings/losses 31 December</b>	<b>4,652,897.78</b>	<b>3,763,560.86</b>	<b>5,080,221.92</b>	<b>3,974,708.06</b>
Profit/loss for the financial year	2,272,325.12	2,975,624.51	4,155,209.06	3,387,513.86
<b>Non-restricted equity, total 31 December</b>	<b>21,905,328.74</b>	<b>6,780,251.01</b>	<b>24,179,971.18</b>	<b>7,362,221.92</b>

<b>Capital loans</b>				
Capital loans 1 January	200,000.00	0.00	0.00	0.00
Transfer of capital loan	-200,000.00	0.00	0.00	0.00
<b>Capital loans 31 December</b>	<b>0.00</b>	<b>200,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EQUITY, TOTAL</b>	<b>21,985,328.74</b>	<b>6,988,251.01</b>	<b>24,259,971.18</b>	<b>7,370,221.92</b>

*\*Return of profit from subsidiary mergers to retained earnings on 31 December 2021, total EUR 195,712.41.*

### Statement of the parent company's distributable non-restricted equity

	2021	2020
	EUR	
<b>Reserve for invested non-restricted equity</b>	14,944,540.20	EUR 0.00
		EUR
<b>Retained earnings</b>	EUR 5,080,221.92	3,974,708.06
		EUR
<b>Profit for the financial year</b>	EUR 4,155,209.06	3,387,513.86
	EUR	EUR
<b>Non-restricted equity, total 31 December</b>	24,179,971.18	7,362,221.92
<b>Capitalized development expenditure</b>	EUR -60,000.06	EUR -109,999.98
	EUR	EUR
<b>Distributable equity, total</b>	24,119,971.12	7,252,221.94

### Share information

The parent company has 18,273,726 shares, with each share conferring one vote at general meetings of shareholders. All shares confer equal rights to dividend and the company's assets.

Number of shares outstanding at the end of the financial year 18,273,726

Average number of shares outstanding during the financial year 17,849,151

### Non-current liabilities maturing later than within five years

The parent company does not have non-current liabilities maturing later than within five years. The covenants of the loans from financial institutions are connected to the equity ratio, which must be a minimum of 35%. Based on the financial statements of 31 December 2021, the covenant terms are met.

### Major items included in accruals and deferred income

	Group	Parent company
Holiday pay liabilities including social security expenses	1,070,011.03	871,766.74
Tax liabilities	21,487.12	0.00
Other accruals and deferred income	998,241.09	961,026.58
<b>Accruals and deferred income, total</b>	<b>2,089,739.24</b>	<b>1,832,793.32</b>

## Collateral and contingent liabilities

### Substantive law collateral

Type of collateral	Parent company
Cash pledge (moveable property or security)	EUR 1,072,586.96
Business mortgage parent company	<u>EUR 2,000,000.00</u>
<b>Total</b>	<b>EUR 3,072,586.96</b>

### Rent and lease liabilities

	Group		Parent company	
	2021	2020	2021	2020
Rent liabilities < 1 year	200,092.55	39,760.71	147,156.41	32,262.96
Rent liabilities > 1 year	4,702.72	258.00	0.00	258.00
Lease liabilities < 1 year	1,181.06	12,274.36	1,181.06	10,765.68
Lease liabilities > 1 year	0.00	0.00	0.00	0.00
Residual value liability for lease rents	0.00	68,580.63	0.00	68,580.63

### Other financial liabilities

The company is liable to review the value added tax deductions of the real estate investments completed in 2017–2018 if the taxable use of the property decreases during the period under review. The last year of reviewing the liability is 2028. The residual liability on 31 December 2021 is EUR 32,404.22.

## Auditor's fees

	Group		Parent company	
	2021	2020	2021	2020
Audit	21,030.00	15,059.50	14,650.00	10,774.50
Actions referred to in chapter 1, section 1, subsection 2 of the Auditing Act	73,818.00	203.00	73,818.00	203.00
Tax counsel	0.00	0.00	0.00	0.00
Other services	42,185.50	0.00	42,185.50	0.00
<b>Total</b>	<b>139,054.50</b>	<b>15,262.50</b>	<b>130,653.50</b>	<b>10,977.50</b>

## Notes concerning related parties

Members of the company's Board of Directors or Management Team or persons or entities included in their related parties do not have material business relationships with the company. No extraordinary transactions were carried out with the related parties. The employment benefits of the management are at the level of the comparison period.



## Signatures to the financial statements and report of the Board of Directors

Vaasa, 22 February 2022

Christoffer Häggblom

Kari Joki-Hollanti

Michael Richter

Saila Miettinen-Lähde

Ilkka Hiidenheimo

### Auditor's note

A statement on the audit conducted has been issued today.

Vaasa, 22 February 2022

KPMG Oy Ab

Kim Järvi

Authorized Public Accountant

## List of ledgers and materials

### Accounts and voucher types and their storage method

#### Financial statements

- Financial statements and balance sheet specifications

#### Account scheme and ledgers

- Account-specific income statement
- Account-specific balance sheet
- Account scheme

#### Ledgers

- General ledgers
- Accounts receivable ledger
- Accounts payable
- Payroll accounting

#### Voucher types

Type	Specification	Vouchers
2	YP accrual	60
3	Sales	44
4	Purchases	28
5	Payrolls	12
6	Account statements	204
8	Opening balances	1
9	Memo vouchers	243
99	VAT entry	12

#### Storage of vouchers

Vouchers for the financial year, correspondence concerning transactions and other accounting materials shall be stored for a minimum of six years after the year during which the financial year ended (Accounting Act, 2:10:2).