OFFERING CIRCULAR **8 November 2021**

Listing on the Nasdaq First North Growth Market Finland
Issue of preliminarily a maximum of 1,273,726 New Shares
Sale of preliminarily a maximum of 3,294,705 Sale Shares
Subscription Price EUR 11.82 per Offer Share in the Public and Institutional Offerings and EUR 10.64 per New Share in the Personnel Offering

This offering circular (the "**Offering Circular**") has been prepared in connection with the initial public offering of Lemonsoft Oyj, a public limited liability company established in Finland (the "**Company**" or "**Lemonsoft**"). The Company aims to raise gross proceeds of approximately EUR 15 million by offering preliminarily a maximum of 1,273,726 new shares in the Company (the "**New Shares**") for subscription (the "**Share Issue**"). In addition, Rite Internet Ventures Holding AB ("**Rite**") and Kari Joki-Hollanti (jointly the "**Sellers**") will offer for purchase preliminarily a maximum of 3,294,705 existing shares in the Company (the "**Sale Shares**") (the "**Share Sale**", and together with the Share Issue, the "**Offering**"). Unless the context indicates otherwise, the New Shares, the Sale Shares and the Additional Shares (as defined below) are together referred to herein as the "**Offer Shares**". The Offer Shares are offered for subscription in the Public and Institutional Offering (as defined below) at the subscription price of EUR 11.82 per Offer Share (the "**Subscription Price**"). The subscription price per New Share in the Personnel Offering (as defined below) is EUR 10.64, i.e. 10 percent lower than the Subscription Price.

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 who are in an employment relationship with the Company or its group companies during the subscription period and to the members of the Company's Board of Directors and Management Team (the "**Personnel Offering**"). The sole global coordinator for the Offering is Danske Bank A/S, Finland Branch ("**Danske Bank**" or the "**Sole Global Coordinator**").

Rite is expected to grant Danske Bank as stabilising manager (the "**Stabilising Manager**") an over-allotment option, exercisable within 30 days from the commencement of trading of the Company's shares (the "**Shares**") on First North (as defined below), which would entitle the Stabilising Manager to purchase a maximum of 685,264 additional Shares at the Subscription Price (the "**Additional Shares**") solely to cover over-allotments in connection with the Offering (the "**Over-Allotment Option**").

Before the Offering, the Shares of the Company have not been subject to trading on any regulated market or multilateral trading facility. The Company intends to submit a listing application to Nasdaq Helsinki Ltd (the "**Helsinki Stock Exchange**") for the listing of the Shares on the Nasdaq First North Growth Market Finland multilateral market maintained by the Helsinki Stock Exchange ("**First North**") with the trading symbol LEMON (the "**Listing**"). The Offer Shares will be registered in the trade register maintained by the Finnish Patent and Registration Office (the "**Finnish Trade Register**") on or about 18 November 2021. Trading with the Shares in First North is expected to commence on or about 19 November 2021. The Company's certified adviser in accordance with the rules of Nasdaq First North Growth Market Rulebook (the "**First North Rules**") is Danske Bank (the "**Certified Adviser**").

The subscription period for the Public Offering will commence on 9 November 2021 at 10:00 (Finnish time) and end on or about 16 November 2021 at 16:00 (Finnish time), the subscription period for the Personnel Offering will commence on 9 November 2021 at 10:00 (Finnish time) and end on or about 16 November 2021 at 16:00 (Finnish time), and the subscription period for the Institutional Offering will commence on 9 November 2021 at 10:00 (Finnish time) and end on or about 18 November 2021 at 11:00 (Finnish time), unless the subscription period is suspended or extended. Instructions on making subscriptions and the detailed terms and conditions of the Offering are presented in section "*Terms and conditions of the Offering*" of the Offering Circular. Subscription commitments are binding and cannot be amended or cancelled except as provided for in the circumstances discussed below in this Offering Circular.

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation, operated by the Helsinki Stock Exchange within the Nasdaq group. Companies on Nasdaq First North Growth Market are not subject to the same rules as on a regulated main market; instead they are subject to less demanding rules and regulations adjusted to small growth companies. The risk in investing in a company on Nasdaq First North Growth Market may therefore be higher than investing in a company on the main market. All companies on First North market have a certified adviser who monitors that the rules are followed. Helsinki Stock Exchange approves the application for admission to trading.

In certain countries, the distribution of this Offering Circular may be subject to restrictions. The Offering Circular may not be distributed to the United States, Australia, South Africa, Hong Kong, Japan, Canada, Singapore or New Zealand or any other jurisdiction in which distribution or publication would be unlawful. The Offer Shares are not being offered or sold directly or indirectly in or into the United States, and the Offer Shares have not been, or will not be, registered in compliance with the US Securities Act of 1933, as amended (the "**US Securities Act**"), or under the securities laws of any state of the United States; accordingly, they may not be offered or sold, directly or indirectly, in or into the United States. The Offer Shares are only being offered and sold outside the United States in compliance with Regulation S under the US Securities Act. See "*Important information*".

An investment in shares involves a number of risks. Prospective investors should read this entire Offering Circular and, in particular, "*Risk factors*", when considering an investment in the Shares.

Sole Global Coordinator and Certified Adviser

IMPORTANT INFORMATION

In connection with the Offering, the Company has prepared a Finnish language prospectus (the "**Finnish Prospectus**") in accordance with the Finnish Securities Markets Act (746/2012, as amended, the "**Finnish Securities Markets Act**"), Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended) (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (as amended) (Annexes 1, 11 and 20), Commission Delegated Regulation (EU) 2019/979 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301 (as amended), as well as the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the "**FIN-FSA**"). The Offering Circular also contains a summary drawn up in the form required under Article 7 of the Prospectus Regulation. The FIN-FSA, as the competent authority under the Prospectus Regulation, has approved the Finnish Prospectus but is not responsible for the accuracy of the information presented therein. The FIN-FSA has only approved the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA of the Finnish Prospectus shall not be considered as an endorsement of the issuer that is the subject of the Finnish Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The journal number of the FIN-FSA's decision of approval is FIVA 66/02.05.04/2021. This Offering Circular is an English language translation of the Finnish Prospectus, and it contains the same information as the Finnish Prospectus. This English language Offering Circular has not been approved by the FIN-FSA. In the event of any discrepancies between the Finnish Prospectus and this English language Offering Circular, the Finnish Prospectus shall prevail.

The Finnish Prospectus is valid until the subscription period for the Offering ends. If a significant new factor, material mistake or material inaccuracy is discovered after the validity period of the Finnish Prospectus has expired, responsibility to supplement the Finnish Prospectus no longer applies.

This Offering Circular will be available on the Company's website at investors.lemonsoft.fi/ipo and the Sole Global Coordinator's website at www.danskebank.fi/lemonsoft-en on or about 9 November 2021. The Finnish Prospectus will be available as an electronic version on the Company's website at investors.lemonsoft.fi/listautuminen, the Sole Global Coordinator's website at www.danskebank.fi/lemonsoft and upon request at the Company's registered office at Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland on or about 9 November 2021.

In this Offering Circular, Lemonsoft, the Company and the Group all refer to Lemonsoft Oyj together with its wholly owned subsidiaries, except where it is clear from the context that the term only refers to Lemonsoft Oyj or the above subsidiaries. However, references to the shares, share capital and administration of the Company refer to, respectively, the shares, share capital and administration of Lemonsoft Oyj. Lemonsoft Oyj is a public limited liability company, which is incorporated in accordance with the laws of Finland and is subject to the valid Finnish Limited Liability Companies Act (624/2006, as amended, the "**Finnish Companies Act**").

The Company has prepared this Offering Circular in order to offer the Offer Shares. No person has been authorised to provide any information or give any statements in connection with the Offering other than those contained in this Offering Circular. If provided or given, such information or statement must not be relied upon as having been authorised by the Company. Delivery of this Offering Circular and any sale or order made in connection herewith shall not create any implication that the information contained in this Offering Circular is correct as of any time subsequent to the date hereof or that the operations of the Company have not since changed. Shareholders and possible investors should rely solely on the information contained in this Offering Circular and the company releases published by Lemonsoft. Delivery of the Offering Circular shall not, under any circumstances, indicate that the information in this Offering Circular is correct on any day other than on the date of this Offering Circular, or that there would not have been any adverse changes or events after the date of the Offering Circular that could have an adverse effect on Lemonsoft's business, financial position or results of operations. Information given in this Offering Circular is not a guarantee for future events by Lemonsoft and shall not be considered as such. Unless otherwise stated, any estimates with respect to market developments relating to Lemonsoft or its industry are based upon justified estimates of Lemonsoft's management. If a significant new factor, material mistake or material inaccuracy which could influence the assessment of the securities is discovered after the FIN-FSA has approved the Finnish Prospectus but before the subscription period for the Offering ends, the Finnish Prospectus will be supplemented in accordance with the Prospectus Regulation. If the Finnish Prospectus is supplemented or corrected due to a mistake or inaccuracy or significant new factor that could be of material relevance to investors, any subscribers who have already agreed to subscribe for Offer Shares before the supplement document to the Finnish Prospectus is published shall have the right to withdraw their subscription in accordance with the Prospectus Regulation within the withdrawal period. The withdrawal period will be at least three business days from the publication of the supplement document. The right of withdrawal is also conditional on the factor leading to the supplementation of the Prospectus having been discovered before the end of the subscription period.

In a number of countries, in particular in the United States, Australia, South Africa, Hong Kong, Japan, Canada, Singapore or New Zealand, the distribution of this Offering Circular as well as the offering of the Offer Shares may be subject to statutory restrictions (related to, for example, registration, admission, qualification and other regulations). The Offer Shares have not been, and will not be, registered and they may not be offered or sold to the public outside Finland. Consequently, persons domiciled outside Finland may not be allowed to receive this Offering Circular or subscribe for the Offer Shares. The Company does not assume any responsibility for the acquisition of appropriate information on said restrictions or for observing said restrictions. This Offering Circular may not be distributed or published in connection with the Offering in any jurisdiction or other under such circumstances in which offering or selling of the Offer Shares would be unlawful or would require actions in accordance with any other than Finnish law. The Offering Circular does not constitute an offer or solicitation to buy or subscribe for the Offer Shares in any jurisdiction where it would be unlawful to make such offer or solicitation. Neither the Company nor its representatives have any kind of legal responsibility for such violations whether or not such restrictions were known to prospective investors in the Offer Shares.

The Company reserves the right, in its sole and absolute discretion, to reject any subscription that it or its representatives justifiably suspect may give rise to a breach or violation of any law, rule or regulation.

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by the court of competent jurisdiction in Finland.

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SUMMARY

Introduction

*This summary contains all the sections required to be included in a summary for this type of securities and issuer in accordance with the Prospectus Regulation. This summary should be read as an introduction to the Offering Circular. Any decision to invest in the Offer Shares should be based on consideration of the Offering Circular as a whole by the investor. An investor investing in the Offer Shares could lose all or part of the invested capital. Where a claim relating to the information contained in the Offering Circular is brought before a court, the plaintiff investor might, under applicable legislation, have to bear the costs of translating the Offering Circular before legal proceedings are initiated. Lemonsoft Oyj ("**Lemonsoft**" or the "**Company**") assumes civil liability in respect of this summary only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Offering Circular, or if it does not provide, when read together with the other parts of the Offering Circular, key information in order to aid investors when considering whether to invest in the Offer Shares.*

Name of the issuer and contact information:

Issuer:	Lemonsoft Oyj
Address:	Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland
Business ID:	2017863-1
Legal entity identifier (LEI):	743700OHBVFFCVF69E45
ISIN code of the Shares	FI4000512678
Name of the security:	LEMON

The Company's shares are issued in book-entry form in the book-entry system maintained by Euroclear Finland Oy ("**Euroclear Finland**").

The FIN-FSA has approved the Finnish Prospectus as the competent authority under the Prospectus Regulation on 8 November 2021. The FIN-FSA has only approved the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA of the Finnish Prospectus shall not be considered as an endorsement of the issuer that is the subject of the Finnish Prospectus. The register number of the FIN-FSA's approval decision concerning the Finnish Prospectus is FIVA 66/02.05.04/2021.

Contact information of the FIN-FSA:

Authority:	Financial Supervisory Authority
Address:	PO Box 103, 00101 Helsinki, Finland
Tel.	+358 9 183 51
E-mail address:	registry@fiva.fi

Key information on the issuer

Who is the issuer of the securities?

The trade name of the Company is Lemonsoft Oyj. The Company was established in Finland on 10 February 2006 and is organised under the laws of Finland. The Company has been entered into the Finnish Trade Register under the business ID 2017863-1. The legal entity identifier (LEI) of the Company is 743700OHBVFFCVF69E45. The Company is domiciled in Vaasa and its registered address is Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland.

General

Lemonsoft is a Finnish software company that designs, develops and sells comprehensive ERP software solutions to streamline its customers' business processes and administration. The extensive offering of software products and related services (jointly, the "**software solutions**") enables the Company to provide its customers with a comprehensive solution. The standardised and scalable software solutions of the Company are primarily delivered as cloud service and they are based on the SaaS model where 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 at the date of this Offering Circular, the Company's customer base consists of over 6,600 customer companies using the Company's software solutions,

including businesses especially from industrial manufacturing, wholesale and retail, professional services automation, construction and accounting firms.

The Lemonsoft Group consists of the parent company Lemonsoft Oyj and its subsidiaries Lixani Oy, Metsys Oy, Planmill Oy and WorkIn Oy. During the financial period that ended on 30 September 2021, the Group had an average of 123 employees. On the date of this Offering Circular, the Company has operations in nine Finnish cities, including Vaasa, Helsinki, Joensuu, Jyväskylä, Kouvola, Oulu, Tampere, Turku and Vantaa[1], from where the Company is serving its customers all over Finland.

Major shareholders

As at the date of this Offering Circular, the Company has 14 shareholders. The following table sets forth certain information on shareholders in the Company's shareholders' register on the date of this Offering Circular:

Shareholder	**Number of shares**	**Percentage of Shares and votes**
Rite Internet Ventures Holding AB	10,425,000	61.3
Kari Joki-Hollanti	6,275,000	36.9
Other shareholders	300,000	1.8
Total	**17,000,000**	**100.0**

As at the date of this Offering Circular, Rite Internet Ventures Holding AB ("**Rite**") owns 61.3 percent of the Company's Shares and of the votes carried by the Shares. As a result, the Company is controlled by Rite under chapter 2, section 4 of the Finnish Securities Markets Act (746/2012, as amended, the "**Finnish Securities Markets Act**").

The shareholders of the Company have entered into a shareholders' agreement that will end at the Listing, except for certain non-competition and non-solicitation clauses. The Company is not aware of any agreements between the shareholders that would have a material effect on ownership rights or voting behaviour in General Meetings or of any arrangements that would later result in a change of control in the Company.

Key management and statutory auditor

As at the date of this Offering Circular, the Company's management consists of the following persons: Christoffer Häggblom (Chairman), Kari Joki-Hollanti, Michael Richter, Saila Miettinen-Lähde and Ilkka Hiidenheimo.

The Company's Management Team consists of CEO Kari Joki-Hollanti, Deputy CEO Jan-Erik Lindfors, CFO Mari Erkkilä, Product Management Director Pauli Siirtola, Customer Experience Director Janika Vilponen and Sales Director Timur Karakan.

Lemonsoft's statutory auditor is audit firm KPMG Oy Ab. Authorised Public Accountant Anne Kulla acted as auditor with principal responsibility until 4 January 2021, Authorised Public Accountant Mari Kaasalainen acted as auditor with principal responsibility from 5 January 2021 to 29 August 2021 and Authorised Public Accountant Kim Järvi has acted as auditor with principal responsibility starting 30 August 2021.

What is the key financial information regarding the issuer?

The financial information below has been derived from the following documents prepared in accordance with the Finnish Accounting Standards (FAS): Lemonsoft Group's consolidated unaudited interim financial statements as at and for the nine months ended 30 September 2021 and the comparative information as at and for the nine months ended 30 September 2020, Lemonsoft Group's audited consolidated financial statements as at and for the year ended 31 December 2020 including the cash flow statements prepared for the Offering Circular, the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2019 as well as the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2018 including the cash flow statements prepared for the Offering Circular.

On 2 December 2019, Lemonsoft acquired the entire share capital of Ohjelma-Aitta Oy, forming a group of companies that was not consolidated in the financial statements as at and for the year ended 31 December 2019. The group of

[1] The Company has terminated the lease agreements for its Vantaa location and intends to transfer the operations of its Vantaa location to Helsinki.

companies was exempted from the obligation to include a subsidiary in the consolidated financial statements under chapter 6, section 3 of the Finnish Accounting Act (1336/1997, as amended), as the subsidiary was of minor significance and the merger process had been commenced. Ohjelma-Aitta Oy was merged into Lemonsoft Oy on 30 April 2020. A group structure requiring the preparation of consolidated financial statements was formed in 2020 when Lemonsoft acquired the entire share capital of Aacon Oy on 2 January 2020 and the controlling interest in Lixani Oy and ILVE Oy on 18 May 2020. The first consolidated financial statements of the Company have been prepared for the financial year ended 31 December 2020.

The following table sets forth a summary of Lemonsoft's key financial information for the dates and periods indicated:

	As at and for the nine months ended 30 September		**As at and for the year ended 31 December**		
	2021	**2020**	**2020[1)]**	**2019**	**2018**
(EUR thousand, unless otherwise indicated)	**(unaudited)**		**(audited, unless otherwise indicated)**		
Income statement					
Net sales	12,284.1	9,937.6	13,588.0	10,638.7	9,484.3
Growth of net sales, %[4)]	23.6 %	27.7 %	27.7 %	12.2 %	19.8 %
Operating profit (loss)	3,366.1	2,860.0	3,905.8	3,138.6	2,428.4
Operating profit, % [4)]	27.4 %	28.8 %	28.7 %	29.5 %	25.6 %
Profit (loss) for the financial year	2,634.9	2,211.2	2,975.6	2,483.8	1,911.6
Profit (loss) for the review period / financial year, % of net sales[4)]	21.4 %	22.3 %	21.9 %	23.3 %	20.2 %
Adjusted EBIT[2) 4)]	4,205	3,228	4,428	3,283	2,566
Adjusted EBIT, % of net sales[4)]	34.2 %	32.5 %	32.6 %	30.9 %	27.1 %
Earnings per share (EPS), EUR [3) 4)]	1.39	3,251.79	4,375.92	3,652.58	2,811.21
Balance sheet					
Total assets	14,767.5	10,901.4	11,823.3	7,569.1	6,826.9
Total equity	7,384.0	6,199.3	6,988.3	5,512.7	4,253.0
Total liabilities	7,361.0	4,698.2	4,835.1	2,056.4	2,573.9
Cash flow statement					
Total cash flows from operating activities	3,736.8	3,047.3	4,455.4	3,200.8	2,101.4
Total cash flows from investing activities	-3,840.1	-3,435.8	-3,602.3	-449.1	-415.8
Total cash flows from financing activities	-460.0	720.0	470.0	-2,017.1	-1,039.4

1) A group structure requiring the preparation of consolidated financial statements was formed in 2020.
2) Adjusted EBIT is the operating profit (EBIT) for the period adjusted by the merged companies' depreciations and amortisations, goodwill amortisations and costs relating to corporate acquisitions and Listing as well as certain extraordinary items (Covid-19, reduction of pension contribution and Business Finland's aid).
3) Earnings per share (EPS) is calculated using the average number of Shares outstanding during the period. In the nine-month period ended 30 September 2021 the average number of Shares outstanding was 1,889,493 Shares and in the other periods indicated 680 Shares in the average.
4) Unaudited.

Unaudited pro forma financial information

The following unaudited pro forma financial information is presented in order to illustrate the impacts of the five corporate acquisitions and one business acquisition made by Lemonsoft between 2 December 2019 and 30 September 2021 as if the acquisitions in question had occurred on 1 January 2020. Unaudited pro forma adjustments also represent events that were the direct result of acquisitions and funding relating thereto.

The following table sets forth a summary of Lemonsoft's pro forma consolidated income statement for the period 1 January to 31 December 2020:

(EUR thousand)	The Lemonsoft Group For the year ended 31 December 2020 (audited)	Combined information on the acquirees (unaudited)	Total pro forma adjustments (unaudited)	Pro forma consolidated income statement (unaudited)
Net sales	13,588.0	3,788.4	0.0	17,376.4
Operating profit (loss)	3,905.8	1,180.3	-694.5	4,391.6
Profit (loss) for the period	2,975.6	1,071.0	-708.5	3,338.1

The following table sets forth a summary of Lemonsoft's pro forma consolidated income statement for the period 1 January to 30 September 2021:

(EUR thousand)	The Lemonsoft Group For the nine months ended 30 September 2021	Combined information on the acquirees	Total pro forma adjustments	Pro forma consolidated income statement
		(unaudited)		
Net sales	12,284.1	1,542.8	0.0	13,826.8
Operating profit (loss)	3,366.1	672.9	-237.1	3,802.0
Profit (loss) for the period	2,634.9	585.1	-246.4	2,973.5

What are the key risks that are specific to the issuer?

- Intensifying competition in the Company's markets could affect the Company's ability to maintain or increase its market share, to improve the profitability of its operations or to retain current customers or acquire new customers, and therefore intensifying competition could have an adverse effect on the Company's net sales, profitability and market share
- Uncertainty on the Company's key markets, financial markets and general economic situation or geopolitical situation could affect the investments and financial position of the Company's customers, which could have an adverse effect on the Company's business operations, results of operations and financial position
- The Company's business operations and financial position are partially dependent on the continuation of customer relationships as well as on the Company's success in the sale of software solutions, and loss of customers of the Company, failure in additional or cross-sales as well as potential decreases in the sales of the Company's software solutions could have a material adverse effect on the Company's business operations, results of operations, financial position
- The competitiveness of the Company's software solutions could weaken if the Company fails to meet the requirements arising from changes in the operational environment or in customer demand, and the weakening of competitiveness could have an adverse effect on the Company's business operations, results of operations and financial position
- The Company could fail in choosing its strategy or in its implementation, which could have an adverse effect on the Company's profitability and business growth, and the Company may not necessarily succeed in reaching it financial targets
- The Company's operations and software solutions largely rely on IT systems, and any malfunctions and breaches in such networks and solutions as well as potential failures in customer information system development projects may adversely affect the reputation, business operations and financial position of the Company
- The Company collects and processes personal data as part of its daily business and the leakage of such data or failure to process the data in accordance with applicable regulation may have a material adverse effect on the Company's business and reputation and result in claims for damages as well as fines and orders imposed by the authorities
- The Company's business is partially dependent on third-party technologies and software, and changes, interruptions and disruptions in such technologies and software could have an adverse effect on the functionality

of the Company's software solutions and therefore have an adverse effect on the Company's customer satisfaction, reputation and business operations

- The loss of key persons and skilled personnel could have an adverse effect on the Company's business operations and financial position, and the Company may not necessarily succeed in recruiting and retaining people with the required skill set
- The Company could fail to find potential acquisition targets or to integrate possible acquisitions, and acquisitions could involve unforeseen challenges and liabilities

Key information on the securities

What are the main features of the securities?

The Company's shares ("**Shares**") were registered in the book-entry system maintained by Euroclear Finland on 27–28 October 2021. The Company has one series of shares. As at the date of this Offering Circular, the fully paid capital of the Company is EUR 80,000 divided into 17,000,000 Shares. The shares have no nominal value. The ISIN code of the Shares is FI4000512678, and the trading symbol is LEMON. Each Share carries one vote at the General Meeting of the Company. The Shares include a pre-emptive right to subscribe for new shares in the Company, the right to attend and vote at the General Meeting, the right to dividends and other distribution of unrestricted equity, and the right to demand redemption of shares at fair price from a shareholder holding more than 90 percent of all shares and votes in the Company as well as the other rights provided for in the Limited Liability Companies Act (624/2006, as amended, the "**Finnish Companies Act**").

The Company will seek to carry out an active dividend policy, provided that profit distribution will not weaken the Company's ability to achieve its goals set out in the Company's growth strategy or other financial targets.

As at the date of this Offering Circular, the Company's Articles of Association include a redemption clause and a consent clause. On 30 August 2021, the shareholders of the Company unanimously resolved to remove the redemption clause and the consent clause from the Articles of Association conditionally on the completion of the Listing. The removal of the redemption clause and consent clause will be registered with the Finnish Trade Register and enter into force only after the Board of Directors has made a decision on the Listing, but in any case before the Company's Shares are admitted to trading.

Where will the securities be traded?

The Company intends to submit a listing application to Nasdaq Helsinki Ltd (the "**Helsinki Stock Exchange**") for the listing of the Company's Shares on the Nasdaq First North Growth Market Finland multilateral market maintained by the Helsinki Stock Exchange ("**First North**"). Trading with the Company's Shares on First North is expected to commence on or about 19 November 2021.

What are the key risks that are specific to the securities?

- The price of the Share on the First North marketplace and the liquidity of the Share may not develop as expected
- The amount of dividends or repayment of capital paid by the Company is uncertain, and the Company may not necessarily pay dividends or repay capital at all
- Companies listed on First North are subject to less stringent rules as companies whose shares are traded on a regulated market
- The Company's ownership structure is concentrated, and concentrated ownership could reduce the influence of other shareholders in the Company, undermine their confidence in the Company and reduce the liquidity of the Shares

Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

General terms and conditions of the Offering

The Company is preliminarily offering up to 1,273,726 new shares in the Company (the "**New Shares**") for subscription (the "**Share Issue**") assuming that 46,992 New Shares will be subscribed for in the Personnel Offering (as defined below). In addition, of the Company's current shareholders 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**"). Unless the context indicates otherwise, the New Shares, the Sale Shares and the Additional Shares (as defined below) are together referred to herein as the "**Offer Shares**".

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 Board of Directors and the Management Team of the Company (the "**Personnel Offering**").

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. Depending on the demand, the Company and Sellers may reallocate Offer Shares between the Public Offering, Institutional Offering and Personnel Offering in deviation from the preliminary number of shares without limitation. Notwithstanding the foregoing, the minimum number of Offer Shares to be offered in the Public Offering will be 423,011 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments (as defined below) submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments.

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, that the Company will issue 1,273,726 New Shares and that 46,992 New Shares will be subscribed for in the Personnel Offering.

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 Cornerstone Investors will not be compensated for their subscription undertakings.

Danske Bank A/S, Finland Branch ("**Danske Bank**") acts as the sole global coordinator (the "**Sole Global Coordinator**") for the Offering. Danske Bank acts as a subscription place in the Public Offering, the Institutional Offering and the Personnel Offering. In addition, Nordnet Bank AB ("**Nordnet**") acts as a subscription place in the Public Offering for its own customers.

Over-Allotment Option

In connection with the Offering, Rite is expected to grant an over-allotment option to Danske Bank, 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**"). The maximum number of Additional Shares represents 3.7 percent of the Shares and votes vested by the Shares, assuming that all of the New Shares and Sale Shares preliminarily offered in the Offering are subscribed for in full and that 46,992 New Shares are subscribed for in the Personnel Offering. However, the number of Additional Shares will not in any case represent more than 15 percent of the aggregate number of New Shares and Sale Shares.

Subscription Price and Subscription Period

The subscription price for the Shares in the Public Offering and Institutional Offering is EUR 11.82 per Offer Share (the "**Subscription Price**"). The Subscription Price in the Personnel Offering is EUR 10.64 per New Share, i.e. 10 percent lower than the Subscription Price (the "**Subscription Price in the Personnel Offering**").

The subscription period for the Public Offering will commence on 9 November 2021, at 10:00 (Finnish time) and end on 16 November 2021, at 16:00 (Finnish time). The subscription period for the Institutional Offering will commence on 9 November 2021, at 10:00 (Finnish time) and end on 18 November 2021, at 11:00 (Finnish time). The subscription period for the Personnel Offering will commence on 9 November 2021, at 10:00 (Finnish time) and end on 16 November 2021, at 16:00 (Finnish time).

The Company's Board of Directors has, in the event of an oversubscription, the right to discontinue the Public Offering, the Institutional Offering and the Personnel Offering at the earliest on 15 November 2021, at 8:00 (Finnish time). The Public, Institutional and Personnel Offerings may be discontinued or not discontinued independently of one another. A company release regarding any ending will be published without delay.

The Company's Board of Directors is entitled to extend the subscription periods of the Public, Institutional and Personnel Offerings. A possible extension of the subscription period will be communicated through a company release, which will indicate the new end date of the subscription period. The subscription periods of the Public, Institutional and Personnel Offerings will in any case end on 23 November 2021, at 16:00 (Finnish time) at the latest. The subscription periods of the Public, Institutional and Personnel Offerings can be extended independently of one another. A company release concerning the extension of a subscription period must be published no later than on the estimated final dates of the subscription periods for the Public, Institutional or Personnel Offerings stated above.

Cancellation in accordance with the Prospectus Regulation

A commitment to subscribe for or purchase Offer Shares in the Public Offering or the Personnel Offering (a "**Commitment**") cannot be amended. A Commitment may only be cancelled in the situations provided for in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (the "**Prospectus Regulation**").

If the Finnish Prospectus is supplemented in accordance with the Prospectus Regulation due to a material error or omission or due to material new information that has become known after the FIN-FSA has approved the Finnish Prospectus, but before the Subscription Period of the Offering has ended, investors who have given their Commitments before the supplement or correction of the Finnish Prospectus have, in accordance with the Prospectus Regulation, the right to cancel their Commitments within three (3) business days after the supplement or correction has been published. The use of the cancellation right requires in addition that the error, omission or material new information that led to the supplement or correction has become known prior to the end of the Subscription Period of the Offering. Any cancellation of a Commitment must concern the total number of shares covered by the Commitment given by an individual investor. If the Finnish Prospectus is supplemented, the supplement will be published through a company release, which will also include information on the right of the investors to cancel their Commitment in accordance with the Prospectus Regulation.

Trading in the Shares

Before the completion of the Offering, the Shares have not been subject to trading on a regulated market or multilateral trading facility. The Company intends to file a listing application to the Helsinki Stock Exchange for the Shares to be listed on First North. Trading in the Shares on First North is expected to commence on or about 19 November 2021. The trading code of the Shares is LEMON and the ISIN code is FI4000512678.

When the trading on First North commences on or about 19 November 2021, all of the Offer Shares offered in the Offering may not necessarily have been fully transferred to the investors' book-entry accounts. If an investor wishes to sell Offer Shares subscribed for by it in the Offering on First North, the investor should ensure that the number of Shares registered in its book-entry account covers the transaction in question at the time of clearing.

Fees and expenses

The Company estimates that the fees and expenses payable by it in relation to the Offering will amount to approximately EUR 1.1 million, including fees and expenses to be paid to the Sole Global Coordinator (assuming that the discretionary

fee is paid in full). In addition, the Sellers estimate that the fees payable by them in relation to the Offering will amount to approximately EUR 1.7 million (assuming that the discretionary fee is paid in full).

Dilution of ownership

In the Offering, the aggregate number of Shares may due to the issuance of New Shares increase to 18,273,726 Shares, assuming that the preliminary maximum number of New Shares are offered and subscribed for in the Offering and that 46,992 New Shares are subscribed for in the Personnel Offering. If the existing shareholders of the Company would not subscribe for Offer Shares in the Offering, the total ownership of the existing shareholders would dilute with approximately 7.0 percent, assuming that the preliminary maximum number of New Shares are offered and subscribed for in the Offering and that 46,992 New Shares are subscribed for in the Personnel Offering. The Company's equity per share as at 30 September 2021 was EUR 0.43. The Subscription Price of the Offer Shares is EUR 11.82 per Offer Share in the Public Offering and the Institutional Offering, and EUR 10.64 per New Share in the Personnel Offering.

Why is this Offering Circular being produced?

Lemonsoft has prepared and published this Offering Circular in order to offer the Offer Shares to the public.

Purpose of 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 Offer 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.

Estimated use and amount of proceeds from the Offering

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

The Company estimates that the Offering will result in gross proceeds of approximately EUR 15 million, assuming that all the New Shares are subscribed for. If all the New Shares are subscribed for, the Company expects net proceeds from the Offering of approximately EUR 13.9 million after the fees and expenses payable by the Company in connection with the Offering, estimated to total EUR 1.1 million, have been deducted from the total proceeds.

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 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 Sellers expect to pay approximately EUR 1.7 million in fees and expenses in connection with the Offering.

Interests in Connection with the Offering

The Sole Global Coordinator's fee is partly linked to the amount of funds raised in the Offering.

The Sole Global Coordinator and/or its related parties, in the ordinary course of its business, has offered and may also offer in the future advisory, consulting and/or banking services to the Company in accordance with its customary business. In connection with the Offering, the Sole Global Coordinator and/or any affiliates acting as investors for their own account may acquire a part of the Shares and in that capacity may retain, purchase or sell Offer Shares for their own account and may offer or sell such securities other than in connection with the Offering, in each case, in accordance with applicable law. The Sole Global Coordinator does not intend to disclose the extent of any such investment or transaction other than in accordance with any legal or regulatory obligation to do so.

Governing law

The Listing shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by a court of competent jurisdiction in Finland.

RISK FACTORS

An investment in the Shares of the Company involves risks, which may be significant. Potential investors should carefully review the following risk factors in addition to the other information presented in this Offering Circular.

If one or more of the risk factors described below is realised, this may have a negative effect on the Company's business operations, financial position, results of operations and future prospects as well as on the value of the Offer Shares. Should one or more of the risk factors described herein materialise and lead to a decline in the market price of the Offer Shares, prospective investors may lose all or part of their investment. The description of the risk factors is based on the facts and estimates available to the Board of Directors and the management of the Company on the date of the Offering Circular, due to which the description may not be exhaustive. The risks and uncertainty factors described below are not the only factors affecting the Company's activities. Additional factors or uncertainties not currently known or not currently deemed material by the Company may also have a material adverse effect on the Company's business operations, financial position, results of operations and future prospects and on the value of the Offer Shares.

This Offering Circular includes forward-looking statements which involve risks and uncertainties. The Company may not succeed in reaching its financial targets due to the risks described below and due to the other factors presented in this Offering Circular.

The risks presented herein have been divided into nine categories based on their nature:

- *Risks relating to current macroeconomic conditions*
- *Risks relating to the software and ERP market*
- *Risks relating to the Company's business operations and industry*
- *Risks relating to the Company's strategy*
- *Risks relating to the Company's IT systems and intellectual property rights*
- *Risks relating to trials, regulation and authority provisions*
- *Risks relating to the Company's financial position and financing*
- *Risks relating to the Company's Shares*
- *Risks relating to the Offering and the Listing*

Within each category, the risk estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of the categories does not represent any evaluation of the significance of the risks within that category when compared to risks in another category.

Risks relating to current macroeconomic conditions

Uncertainty on the Company's key markets, financial markets and general economic situation or geopolitical situation could affect the investments and financial position of the Company's customers, which could have an adverse effect on the Company's business operations, results of operations and financial position

Poor economic development and the uncertainty of the financial markets in Finland, the European Union (the "**EU**") and elsewhere in the world could have an adverse effect on the Company's business operations and opportunities for growth. The Company's net sales are generated mainly in Finland, so the Company is primarily exposed to negative developments in the Finnish economy, such as recessions and depressions. However, the Finnish economy is highly dependent on the development of the global economy, among other things. The spread of COVID-19 and authority measures to prevent its spread as well as decisions made by private organisations and individuals have led to serious disruptions of the global economy, the Finnish economy and financial markets. However, the economic outlook has improved in the current year and the financial markets have recovered. In recent economic forecasts, Finland's GDP is predicted to grow 3.5 percent in 2021 and 2.8 percent in 2022. The short- and medium-term outlook is still uncertain in Finland and globally due to COVID-19.[2]

[2]Bank of Finland, interim forecast for the Finnish economy – September 2021.

In addition to uncertainty in the economy and financial markets, geopolitical uncertainty, the threat of trade wars and terrorism as well as other potential external disruptive factors could have a material effect on the growth prospects and availability of financing of the software markets. The Company's management estimates that the Company's key market, the market of enterprise resource planning systems (the "**ERP system**" and the "**ERP market**"), continues to grow towards its total potential. The Company's management estimates that the expected growth of the ERP market is driven, in particular, by increased adoption of digital tools and applications especially in small enterprises, implementation of new modules in companies already using the ERP system and the expansion of the use of ERP systems to lower levels in organisations. For further information, see "*Market and industry overview*". However, weaker than expected growth of the Finnish economy could have an adverse effect on the growth prospects of the software market and ERP market in Finland, which could reduce the demand for the Company's software products and related services (jointly the "**software solutions**").

General economic development also impacts the Company's customers' investments and financial position. A slowdown in economic growth or negative economic growth could have an indirect adverse impact on the demand for the Company's software solutions if companies reduce their IT budgets.

The factors described above could alone or together have a material adverse effect on the Company's customer's investments and financial position as well as on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

Risks relating to the software and ERP market

Intensifying competition in the Company's markets could affect the Company's ability to maintain or increase its market share, to improve the profitability of its operations or to retain current customers or acquire new customers, and therefore intensifying competition could have an adverse effect on the Company's net sales, profitability and market share

There is a great deal of competition on the software and ERP markets and the industry is fragmented. Smaller operators mainly focus on SMEs in a particular sector and the larger operators do not compete for customers in the same customer target groups. Furthermore, competition on the Company's markets could intensify due to current or new operators. The Company's net sales are generated mainly in Finland, where the Company has a strong market position in all of its customer industries ("**target vertical**"). For further information, see "*Market and industry overview – Competitive environment*". There can be no assurance that the Company will succeed in the future in maintaining or increasing its market share, improving the profitability of its operations or retaining current customers or acquiring new customers.

The Company operates in the Finnish ERP market primarily as a service provider for SMEs. The Company competes both with companies that specialise in certain industries or provide special partial solutions and with companies producing more comprehensive ERP solutions. The Company's management estimates that the key competitors for the Company in the ERP solutions specialised for certain industries include Visma, Accountor, Heeros, Admicom, SmartCraft, Oscar Software and DL Software. The most important competitors of the Company providing software specialised for certain industries offer software solutions in one or more target industries in which the Company operates. Such target industries include industrial manufacturing, wholesale and retail, professional services automation, accounting firms and construction. The Company is also competing for larger customers with operators that offer ERP systems independent of the industry, such as Microsoft and Digia. For further information, see "*Market and industry overview*".

In smaller tendering processes, in particular, the Company competes with smaller and agile operators. New operators competing for smaller customers enter the market on a regular basis, which could increase price competition and introduce new requirements for usability. In addition to small and agile operators, the Company is also competing for larger customers with operators that are often larger than the Company. Thus, some competitors have more extensive financial resources than the Company, which enables them to make larger investments in marketing and sales as well as product and service development than the Company. The Company's competitors might be able to react more quickly to new technologies and changes in customer needs and preferences, to price their products and services more competitively than the Company or to allocate greater resources to the development, marketing and sale of their products and services than the Company. It is also possible that the Company's competitors will be able to utilise the opportunities of digitalisation more quickly or efficiently than the Company, which could reduce the Company's market share. It is also possible that new competitors or amalgamations of the Company's competitors could enter the market with better financial, technical, marketing or other resources than the Company in one or more market segments. If the competitiveness of the Company's software solutions is weakened, it could lose its market share and its net sales could decline. Competition can also lead to a decrease in the margins of the Company's software solutions, which will reduce its profitability.

Changes in the competitive environment as well as the Company's potential failure to adapt to and manage such changes could have a material adverse effect on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

Risks relating to the Company's business operations and industry

The Company's business operations and financial position are partially dependent on the continuation of customer relationships as well as on the Company's success in the sale of software solutions, and loss of customers of the Company, failure in additional or cross-sales as well as potential decreases in the sales of the Company's software solutions could have a material adverse effect on the Company's business operations, results of operations and financial position

As at the date of this Offering Circular, the Company's customer base consists of over 3,000 invoiced customers and over 6,600 customer companies using the Company's software solutions.[3] In the financial year ended 31 December 2020, the 10 largest invoiced customers accounted for approximately 10 percent of the Company's net sales. Even though the Company is not dependent on particular customers, the Company's net sales could reduce significantly if several of the Company's customer relationships were to end. The Company's customer contracts could end, for example, due to changes in customer strategy, corporate transactions, disputes or the financial interests or difficulties of the other party or due to the parties not reaching an understanding on the terms of the contract or pricing or otherwise on the continuation of cooperation. Disputes between the Company and its customers could lead to the end of customer relationships as well as to claim for damages or trials. See also " *– Risks relating to trials, regulation and authority provisions – Trials or other potential proceedings could have an adverse effect on the Company's business operations or cause unexpected costs*". If several customer relationships were to end, this could reduce the Company's net sales and, thus, weaken its financial position.

The Company's net sales are also impacted by, among other things, the demand for and sales of software solutions, the number and retention of customers as well as the development of the markets. The Company will seek in accordance with its strategy to increase the volume of sales to customers of the software solutions it offers as well as to offer customers more than one of the Company's software solutions. Weakened competitiveness of the Company's software solutions or other dissatisfaction of the Company's current or potential customers with the Company's operations, intensifying competition or general macroeconomic development could lead to the Company failing to meet the expected sales of its software solutions. In that case, current customers might also switch to using software solutions of the Company's competitors. The Company may also fail to acquire new customers.

Loss of customers of the Company, failure in additional or cross-sales as well as potential decreases in the sales of the Company's software solutions could have a material adverse effect on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

The loss of key persons and skilled personnel could have an adverse effect on the Company's business operations and financial position, and the Company may not necessarily succeed in recruiting and retaining people with the required skill set

There is competition in the Company's industry for qualified IT experts and other key persons, and the availability of skilled personnel is a challenge for the entire IT industry. The Company's success and opportunities for organic growth largely depend on how well the Company is able to recruit skilled personnel, motivate and retain its personnel, and maintain and develop the skills of its personnel. The service offerings of IT companies and the development thereof require an increasingly versatile skill set that may be challenging or expensive to obtain and that requires time to develop. Even though the Company management estimates that its business operations are not dependent on individual key persons, the Company's experts have specialised skills, and replacing key persons could prove challenging, particularly in the short term. Throughout its operating history, the Company has invested heavily in continuous product development, and product development will continue to be a key part of the Company's organic growth strategy in the future. If the Company fails to retain persons working in product development or in recruiting new employees, this could have a material adverse effect on the implementation of the Company's organic growth strategy and on the success of the Company.

The loss of key persons or skilled personnel could undermine the quality and long-term competitiveness of the Company's services, hinder operative business and product development and prevent the Company from developing and growing its business operations successfully. Even if the Company were to seek to mitigate the detrimental effects of the loss of key

[3] Some of the customer companies using the Company's software solutions are subsidiaries of groups whose parent company (invoiced customer) is invoiced by Lemonsoft for the whole group.

persons and skilled personnel by recruiting persons with equivalent skills, this could be challenging and expensive and require time and resources. The Company's ability to fulfil its increasing need of labour and at the same time to control its labour costs depends on various external factors, such as the availability of qualified personnel and the competition for workforce, the current level of salaries, the health insurance and other insurance expenses, the trade union membership level among employees, the actions of personnel and any changes in labour legislation or other provisions related to employment. In the future, the Company's labour costs may rise faster than expected as a result of both the increase in the number of personnel and any salary increases.

The key person risk relates to the Company's management and to experts working for the Company. If one or more key persons were to decide to engage in competing operation or start working for a competitor of the Company, such key persons might solicit the Company's employees to work for a competitor and current or potential future customers could choose to become customers of such competitors. The Company's contractual protection may not necessarily be sufficient to cover the aforementioned risk.

The loss of the Company's key persons and skilled personnel and a failure to recruit and retain skilled personnel and to maintain the skills could have a material adverse effect on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

Defects in the Company's software solutions or negligence or abuses by the Company's personnel may cause the Company to incur significant reputational harm, financial losses or other damage

The Company offers software products for enterprise resource planning and related services. For example, the ERP system offered by the Company can be very significant to the operations of the Company's customers, due to which the functionality of the software solutions is important. The software solutions offered by the Company, the third-party services integrated into the Company's software solutions or the execution of software implementation and adoption could have defects or deficiencies that could cause disruptions in the software offered by the Company to its customers and that could, thus, disrupt the operations of customers, particularly in the short term. See also " – *The Company's business is partially dependent on third-party technologies and software, and changes, interruptions and disruptions in such technologies and software could have an adverse effect on the functionality of the Company's software solutions and therefore have an adverse effect on the Company's customer satisfaction, reputation and business operations*". These disruptions could cause financial losses and reputational harm to the Company and its customers. The Company's customers make versatile use of the Company's software products, and the Company offers a wide variety of services, which means that the aforementioned defects and deficiencies as well as their effects could be multifold. For example, when developing new products or updates and improvements for existing products, the Company could make errors in design or implementation due to which the product will not work properly or its efficiency will be undermined. The Company may not necessarily be able to remedy defects in its services and products within a reasonable time or at all.

Furthermore, the Company's personnel may in the performance of their duties have access to information concerning, among other things, customers' data system environments, such as business secrets, personal data and other confidential information. Negligence or abuses could occur when processing customer data, for example, by granting incorrect access rights to a customer's data systems of by abusing or disseminating data. See also " – *Risks relating to trials, regulation and authority provisions – The Company collects and processes personal data as part of its daily business and the leakage of such data or failure to process the data in accordance with applicable regulation may have a material adverse effect on the Company's business and reputation and result in claims for damages as well as fines and orders imposed by the authorities*". It is also possible that, in addition to errors in data processing, the Company's employees may commit some other human errors or act dishonestly or criminally when offering the Company's services or developing software products. Errors or abuses by the Company's employees cannot always be prevented and may be difficult to detect, and the Company's and its customers' precautions may not be sufficient in this respect.

Any material deficiencies or defects in the Company's software solutions or delays in the development or repair of software solutions could harm the Company's reputation, lead to losses of customers, decrease sales, hinder operations, tie up personnel resources and give rise to claim for damages and increase other costs. If realised, the factors described above could have a material adverse effect on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

The Company's business is partially dependent on third-party technologies and software, and changes, interruptions and disruptions in such technologies and software could have an adverse effect on the functionality of the Company's software solutions and therefore have an adverse effect on the Company's customer satisfaction, reputation and business operations

The Company offers services that are based on third-party technologies and software generally available on the markets. The technology ecosystems utilised by the Company include Microsoft and Google. The Company's services are dependent on these third-party technologies and software. The Company also supplements its own technology ecosystem with integrated services of partners and other third parties. The integrated services include, for example, banking and finance services, tax administration services and services of payment terminal suppliers and electronic data interchange (EDI) operators. The Company's ability to offer its services is dependent on the ability of the Company's partner companies and other third parties to perform their obligations as agreed and on the services offered by business partners and other third parties continuing to be suitable for the Company's business operations and the needs of the Company's customers in the future.

If one or more of the technology ecosystems or one or more of the Company's significant business partners or other third parties providing integrated services would decide to unforeseeably and materially change a technology, software or integrated service used by the Company in a manner that is unfavourable to the Company's business operations or to entirely cease maintaining, developing or offering a technology, software or integrated service that is important to the Company's business operations, the Company may not necessarily be able to find replacement technology, software or integrated service in a reasonable time, and the implementation of a replacement technology, software or integrated service could give rise to unforeseen costs. A third party could also change its pricing in a manner unfavourable to the Company, which could have a material adverse effect on the Company's profitability. Furthermore, disruptions and interruptions in the operations of a third-party technology, software or integrated service could reduce the Company's customer satisfaction and have an adverse effect on the Company's reputation. The materialisation of the above risks could have a material adverse effect on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

The competitiveness of the Company's software solutions could weaken if the Company fails to meet the requirements arising from changes in the operational environment or in customer demand, and the weakening of competitiveness could have an adverse effect on the Company's business operations, results of operations and financial position

Rapid and continual development are characteristic of the Company's industry. Key pending changes are, for example, the development and increased use of cloud services and artificial intelligence solutions, changes in the nature of work that accelerate digitalisation, progression of digitalisation to smaller companies and to wider levels in organisations, automation of business processes, digitalisation of financial administration, as well as the growth of ecommerce. The Company's operational environment is also significantly impacted by general technological development and rapid digitalisation of the society, i.e. the shift of products and services into electronic form and being available to end users online. Changes and developmental trends in the Company's operating environment have a central impact on the Company's business operations. One significant factor in the Company's success is its ability to bring software solutions onto the market and to continually develop and improve the software solutions for both current customers and to attract new customers. The Company must be able to meet the continually increasing demands of customers. The Company's ability to bring new software solutions onto the market is particularly important in order for the Company to be able to take advantage of new market opportunities, increase its share of the market and reach its growth and profitability targets.

Changes in the customers' business operations and financial position could have an adverse effect on the Company's business operations and on the demand for its software solutions. Throughout its operating history, the Company has put considerable efforts into product development, and the Company will seek to continue its product development in the future in order to maintain its competitiveness. On 30 September 2021, 55 percent of the Company's personnel worked in the Company's product development. The Company's management estimates that the Company's continued success is partially dependent on its ability to respond to customer needs by developing software solutions that are modern and user friendly and that support the customers' success by improving the efficiency of business processes and providing cost savings. Even though the Company invests heavily in product development, it may not be able to react quickly enough to changes in the needs of its customers' business operations and changes in demand, which could have an adverse effect on the Company's ability to retain its customers and to maintain its position when competing for new customers.

The development of and changes in technologies, the requirements of customer industries, legislation and authority provisions or other corresponding factors could lead to rapid changes in customers' service and product needs as well as in the ways they are delivered. If the Company does not succeed in improving current software solutions or developing new ones to meet changes in technology, customer industries, regulatory development or customer preferences, the

Company's software solutions could lose their competitiveness or become obsolete, which would have an adverse effect on the Company's business operations and results of operations. Successfully bringing new and improved software solutions onto the market depends on numerous factors, such as the ability to identify customer needs, the ability to gain customer approval for new software solutions, the ability to differentiate the Company's offering, the ability to price software solutions competitively and the ability to predict the actions of competitors and sell software solutions efficiently. The development of new software solutions also requires skilled personnel. See also " – *The loss of key persons and skilled personnel could have an adverse effect on the Company's business operations and financial position, and the Company may not necessarily succeed in recruiting and retaining people with the required skill set*".

If the Company fails to meet the requirements arising from changes in the operational environment or in customer demand, it could lose customers and market share, which could have a material adverse effect on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

Damage to the Company's brand and reputation could have an adverse effect on the Company's business operations

One of the goals of the Company is to increase and develop the general recognition and reputation of the Company among potential customers, business partners, employees and investors through the Offering. Both the general satisfaction of customers with the Company and the service it offers and customer satisfaction with the Company's software are key to the Company's successful business operations. The Company's ability to create customer relationships and maintain customer loyalty depends in part on the image of the quality and the data protection and security associated with the software solutions offered by the Company. Negative images of the Company, negative publicity received by the Company or potential violations, negligence, employee errors, unethical behaviour or abuses could harm the Company's brand and reputation in the eyes of customers and the public. A deterioration of reputation could also hinder the Company's recruiting and retention of employees. Potential negative publicity, deterioration of reputation or a failure to develop the Company's brand and reputation could have a material adverse effect on the Company's business operations, results of operations, financial position and future prospects and on the value of the Offer Shares.

Risks relating to the Company's strategy

The Company could fail in choosing its strategy or in its implementation, which could have an adverse effect on the Company's profitability and business growth, and the Company may not necessarily succeed in reaching it financial targets

One of the main goals of the Company's strategy is to increase the Company's market share and penetration by increasing the net sales from the Company's current customer base, by winning new customers, by optimising pricing with segment and product specific pricing as well as by bundling products and services into various product and service packages and by increasing transaction business. The Company aims to increase its net sales organically to EUR 40 million and to increase its adjusted EBIT margin to 40 percent by the financial year ending 31 December 2025. For further information on the Company's strategy and financial targets, see "*Business of the Company – The Company's strategy*" and "*Business of the Company – Financial targets*". There can be no assurance that the Company will succeed in implementing its strategy, in achieving its financial targets pertaining to the strategy or in managing strategic risks. The successful implementation of the Company's strategy depends on numerous factors, some of which are either entirely or partially beyond the Company's control. Changes in market conditions or a failure to retain and recruit skilled employees, to increase sales to current customers, to accelerate acquisition of new customers, to develop software solutions, to improve gross margin, to achieve economies of scale or to execute other strategic actions may result in the Company failing to successfully implement its strategy. The Company's strategy can also prove unsuccessful. The Company may also decide to alter its business strategy in response to changes in its business environment. Even if the Company's net sales increased as projected, the Company may not be able to maintain or improve its profitability. Achieving the targeted growth could also prove to be more challenging than anticipated, which could weaken the Company's profitability.

A failure by the Company in choosing or implementing its strategy could have a material adverse effect on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

The Company could fail to find potential acquisition targets or to integrate possible acquisitions, and acquisitions could involve unforeseen challenges and liabilities

The Company will seek to also grow inorganically through selective acquisitions in accordance with its strategy. For this reason, the implementation of the Company's growth strategy is partially dependent on the Company finding suitable targets for acquisition. However, there can be no assurance that the Company's potential future acquisitions can be carried out on favourable terms from the perspective of the Company's strategy or that suitable target companies will be available. A potential failure to integrate target companies, such as a delay, loss of customers or unexpected increase in costs, or the

implementation of an acquisition in a manner deviating from the Company's expectations could have an adverse effect on the Company's business operations and financial position. For example, the Company may not be able to fully ensure in advance that the systems, processes and operating models of the Company and its target companies are compatible. Acquisitions can thus cause the Company unexpected challenges and additional costs due to the need to integrate systems, processes and operating models. If the Company fails, for example, in integrating the systems, processes and operating models of the Company and its target companies that are necessary for financial reporting, it may fail in ensuring the correctness of the financial reporting and in complying with regulations and standards that apply to the reporting. See also "*Risks relating to trials, regulation and authority provisions – Regulation and authority provisions as well as changes thereto could pose challenges and obstacles to the Company's business operations and give rise to significant additional costs*". Potential acquisitions could also involve other unexpected liabilities and integration costs, in addition to which the target companies' customer relationships could cease or the Company could fail to retain its key persons. The factors mentioned above, if realised, could have a material adverse effect on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

Risks relating to the Company's IT systems and intellectual property rights

The Company's operations and software solutions largely rely on IT systems, and any malfunctions and breaches in such networks and solutions as well as potential failures in customer information system development projects may adversely affect the reputation, business operations and financial position of the Company

The Company offers various enterprise resource planning software solutions and related services, which means that the Company's business operations are highly dependent on the usability, reliability, quality, confidentiality and integrity of the systems it offers and of the IT systems and network connections used in its own business operations. The administration and maintenance of the IT systems offered or used by the Company rely to a great degree on third-party services, such as a public cloud, private cloud and application support, and it may not be possible to remedy disruptions to such services in a reasonable time. In addition, the IT systems offered and used by the Company process, transfer and store electronic data, some of which is confidential or sensitive, such as personal data concerning employees, customers and other business partners, customer business secrets and certain authority data and data concerning authority activities.

At least the following factors may cause malfunctions or security breaches in the Company's, or its customers', business partners', suppliers' or other third parties' relevant information systems:

- criminal hackers, hacktivists, or state sponsored organisations;
- computer viruses and worms, denial of service or phishing attacks, or industrial espionage;
- advertent or inadvertent human errors or misconduct by current or former employees, customers or third parties in implementing or using the Company's software solutions;
- technological errors resulting from maintenance and upgrading activities;
- power outages or surges as well as floods, fires or natural disasters; or
- telecommunication outages in wide area network backbone, local last mile connections, site local area network or mobile connections.

Any malfunctions in IT systems and network connections or security breaches could engender disruptions to the Company's service offering. Such malfunctions or breaches could expose the Company and its customers, among other things, to risks of misuse of information or systems, the compromise of confidential information, manipulation and destruction of data, fraudulent actions, defective products and operational disruptions. In addition, such breaches in security of the Company's or customers' IT systems or network connections could result in litigation, regulatory action and potential liability, as well as the costs and operational consequences of implementing further data protection measures. It may also be difficult for the Company and its customers to detect security breaches upon their occurrence, which could have an impact on the extent of damage. Any and all information security risks and incidents, particularly in the systems and software developed by the Company, may lead to damages and to a loss of market share to competitors and may have an adverse effect on the development of the results of the Company's operations, increase the Company's costs and cause reputational damage.

Materialisation of any of the above factors could have a material adverse effect on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

The Company may not succeed in managing and protecting its intellectual property, and the Company may be targeted by intellectual property right infringement claims

The Company will seek to protect its intellectual property rights through appropriate measures in the areas in which it operates. See "*Business of the Company – Intellectual property*". The Company's management estimates that it has

registered in Finland the trade names and trade marks and acquired the domain names necessary to carry on its business operations. In addition, the Company owns the intellectual property rights to the software code and documentation of its software. The Company may also create new intellectual property when engaging in business operations or otherwise. The Company aims to minimise risks relating to intellectual property rights by carefully evaluating the third-party software components that are adopted, such as open-source software. However, there can be no assurance that the Company's measures to protect, establish and manage its intellectual property rights will prove to be sufficient in all situations or that the Company manages to acquire the intellectual property rights it may need in its business operations with terms that are favourable to it or that it succeeds in complying with the licence terms of third parties. For example, the employment contract terms of the Company's employees may not necessarily protect the Company's intellectual property rights to a sufficient degree. There can also be no assurance that the Company's intellectual property rights will not be challenged in the future.

Furthermore, the IT industry's partial dependency on protected technology may in future expose the Company to trials or other proceedings, in which the Company will have to defend itself against alleged violations, oppositions or other disputes relating to third-party intellectual property rights. Such oppositions could relate, for example, to misinterpretations of the terms of use of open source code, which could lead to a breach of such terms of use. Third-party intellectual property rights could also hinder or prevent the Company's expansion into new market areas. The Company could also be targeted by intellectual property right infringement claims. Defending against an infringement claim could cause the Company significant costs and take resources away from other business operations. An unfavourable decision in a trial concerning an infringement claim could cause the Company to incur reputational damage and liability to pay damages, and any injunctions or other restrictions imposed by the court could limit or prevent the Company from offering certain software solutions.

A potential failure to protect, establish or manage intellectual property rights or being targeted by intellectual property right infringement claims could have a material adverse effect on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

Risks relating to trials, regulation and authority provisions

The Company collects and processes personal data as part of its daily business and the leakage of such data or failure to process the data in accordance with applicable regulation may have a material adverse effect on the Company's business and reputation and result in claims for damages as well as fines and orders imposed by the authorities

The Company collects, stores and processes personal data as part of its operations. The software solutions offered by the Company may play a highly significant role in the compliance of the collection, storage and processing of Company's customers' personal data. Processing of personal data is subject to legislation that sets the requirements for the processing and data security as well as defines the obligations of the data controller and data processor. The EU's General Data Protection Regulation (Regulation (EU) 2016/679, the "**GDPR**") is a general regulation on the processing of personal data. The GDPR is specified and supplemented by the Finnish Data Protection Act (1050/2018, as amended) as well as a number of specific laws, such as the Finnish Act on Protection of Privacy in Working Life (759/2004, as amended).

If the Company fails to comply with provisions applicable to personal data or fails in the provision of its services, for example, in such a way that personal data collected, stored or processed by a customer of the Company is disclosed or disseminated, the Company will be exposed to the risk of reputational damage and damages as well as damages and other potential costs. Under the GDPR, the national data protection authority has the power to impose corrective actions, such as a temporary or definitive ban on personal data processing, and to impose administrative fines for breaches of the GDPR up to EUR 20 million or four (4) percent of the total worldwide annual turnover of a company. The Company or its customers may also need to take corrective actions, change their processes and operations, or revise or change their information systems and related processes to ensure compliance with the GDPR. Additionally, due to non-compliance with the GDPR, the Company or its customers may be ordered to delete personal data, and be prohibited from processing personal data or the processing of personal data may be temporarily or permanently restricted. The Data Protection Ombudsman of Finland (in Finnish, tietosuojavaltuutettu) may impose a conditional fine for the purpose of enforcing an order under certain circumstances. Specific legislation also imposes its own sanctions for non-compliance. The Company's customers may claim damages from the Company, for example, due to administrative fines imposed on the customer or damages claims brought against the customer if such fines or claims against the customer are due to the Company's actions. As at the date of this Offering Circular, the Company uses cloud services provided by companies located in the United States, in which case these may serve as data processors. The United States may not provide for a similar level of data protection as within the EU. Should authorities deem such processing of personal data to violate the GDPR, the Company may become liable as the data controller. The Company could also incur contractual liability if sanctions relating to the GDPR were imposed on a party processing personal data on behalf of the Company.

The Company and its customers could also be exposed to personal data breaches, which could have an adverse effect, among other things, on the Company's reputation and lead to the Company incurring liability for damages. Possible causes of personal data breaches include hacking, malware, encryption errors in information systems, human errors in the processing of personal data in physical or electronic form, errors in the transfer of large amounts of data from one system to another, or the unlawful viewing, disclosure or use of personal data by employees or third parties. For further information on cybersecurity risks to information systems, see " – *Risks relating to the Company's IT systems and intellectual property rights – The Company's operations and software solutions largely rely on IT systems, and any malfunctions and breaches in such networks and solutions as well as potential failures in customer information system development projects may adversely affect the reputation, business operations and financial position of the Company*".

Due to the paucity of legal praxis related to the GDPR, there is still uncertainty in the interpretation of the legislation. The GDPR may be interpreted and applied inconsistently between Member States, and data protection regulation may conflict with other legislation. The above increases the risk of unintended regulatory breaches.

Materialisation of any of the above factors could have a material adverse effect on the Company's business operations, results of operations, financial position, future prospects and on the value of the Offer Shares.

Trials or other potential proceedings could have an adverse effect on the Company's business operations or cause unexpected costs

The Company could become a party to or a target of judicial proceedings or arbitration, administrative or other corresponding proceedings, which could relate to, among other things, claims presented by the Company's customers, suppliers, business partners or employees. Disputes between the parties may relate, for example, to the interpretation of contract terms, alleged breaches of contract terms, defects in the Company's software solutions or to negligence by the Company's employees. Even though the Company receives notices of defect relating to, for example, customer service from time to time, as is typical in the industry, these have rarely led to claims for damages and other monetary claims and during its operating history, the Company has not had any cases relating to notices of defect that led to trial. The Company held co-operation negotiations in 2020, resulting in terminating the employment of certain employees. Although the Company is not involved in any proceedings that are based on the employees' claims, there can be no assurance that the Company would not be involved in legal or other proceedings in the future due to claims presented by employees on the basis of the aforementioned co-operation negotiations or other issues. Trials and other proceedings could result, for example, in the Company being liable for damages. Trials and other proceedings or the threat thereof could also give rise to other costs and liabilities, take up the time of the Company's management and cause uncertainty that affects the Company's business operations and otherwise have an adverse effect on the Company's business operations. Such trials and proceedings could also have a negative impact on the Company's reputation among current and potential customers and stakeholder groups, which could lead to the Company losing, for example, customers or suppliers. Furthermore, the Company could incur material adverse consequences if contractual obligations are not enforceable or if they are enforced in a manner that is detrimental to the Company.

A potential failure to comply with regulation could also lead to trials and legal claims. For further information, see " – *Regulation and authority provisions as well as changes thereto could pose challenges and obstacles to the Company's business operations and give rise to significant additional costs*". Materialisation of the risks described above could have a material adverse effect on the Company's business operations, financial position, results of operations, future prospects and on the value of the Offer Shares.

Regulation and authority provisions as well as changes thereto could pose challenges and obstacles to the Company's business operations and give rise to significant additional costs

The Company must comply in its business operations with regulation relating to, among other things, administration, employment relationship, competition, taxation and the securities markets. If the Company fails to comply with the applicable regulation or authority provisions or interprets the regulation or authority provisions applicable to its operations incorrectly, the Company could incur financial losses, reputational damage or challenges to the prerequisites of its business operations.

Circumstances entirely or partially beyond the control of the Company include changes to regulation relevant to the Company, authority measures and requirements set by authorities, as well as the way in which such laws, regulations and measures are implemented or interpreted, as well as the application and enforcement of new laws and regulations. In addition, the drafting of new regulation could involve significant uncertainty relating to the final form and interpretation thereof. The Company supplements its own ecosystem with third-party services that are integrated into the Company's software. These integrated services include, for example, banking and financial industry services and tax administration

services that are subject to regulation, authority provisions and authority measures that could also lead to requirements concerning the Company's software solutions. Though the Company monitors and assesses changes to regulation and authority provisions, the Company may not necessarily be able to comprehensively predict the impacts of these factors. Regulation and authority provisions applicable to integrated services as well as changes thereto could, thus, pose challenges and obstacles to the Company's business operations and give rise to significant additional costs.

The Company's tax burden depends on certain laws and orders concerning taxation as well as on the application and interpretation thereof. Estimating the total amount of income tax at the Lemonsoft Group level presupposes thorough consideration, and the amount of the final tax is uncertain for several businesses and calculations. Changes to tax laws and orders or to the interpretation and application thereof could increase the Company's tax burden significantly.

In its financial reporting, the Company must comply with applicable regulations concerning bookkeeping and financial statements and applicable accounting and financial reporting standards. Potential changes to the applicable regulations or standards would expose the Company to risks relating to changes to the accounting principles for financial statements and financial reporting standards. These risks could affect the profitability, financial position or key metrics reported by the Company. In addition, possible errors in the data systems that are used for reporting or problems in integrating the financial reporting and the reporting systems of the potential acquisition targets may expose the Company to risks relating to financial reporting. See also "*Risks relating to the Company's strategy – The Company could fail to find potential acquisition targets or to integrate possible acquisitions, and acquisitions could involve unforeseen challenges and liabilities*".

The materialisation of the aforementioned risks could have a material adverse effect on the Company's business operations, results of operations, financial position, prospects and on the value of the Offer Shares.

Risks relating to the Company's financial position and financing

The Company may not succeed in obtaining financing at favourable terms or at all, and an increase in interest rates or other factors could result in the Company's indebtedness having an adverse effect on its business operations and financial position

The Company may need outside financing to implement its strategy and enable the growth of its business operations. In recent years, the Company has utilised outside financing particularly to make acquisitions, and it may partially finance acquisitions with debt capital also in the future. Acquisitions, in particular, may thus require outside financing in addition to sufficient cash flows from operating activities, which exposes the Company to risks relating to the availability of additional financing. Negative changes, such as a general deterioration of the financial markets or increased regulation of the banking sectors, could reduce the opportunities of banks and other financial institutions to offer financing alternatives and lead to stricter terms for financing. Such adverse changes could have a negative effect on the Company's opportunities to secure additional financing. The Company may not succeed in securing sufficient additional financing in a timely manner and under favourable terms or at all in order to enable acquisitions, maintain sufficient liquidity and finance the costs and investments of its business operations. Changes in the availability of equity financing and debt financing and in the terms of available financing could impact the Company's ability to invest in developing and growing its business operations in the future.

As at 30 September 2021, the Company had EUR 3,750 thousand in interest-bearing liabilities. The Company's interest-bearing debt and the potential growth of business operations using other outside financing expose the Company to risks relating to indebtedness. If financing costs increase due to the incurring of debt and the Company is forced to use a significant portion of its cash flows from operating activities to pay debt capital and interest, this would decrease the cash flows and assets available for the Company's business and the development thereof. If the Company's cash flows from operating activities is not sufficient to cover current or future debt servicing costs, the Company may have to, for example, limit its business operations, acquisitions, investment and capital expenditures, sell assets, reorganise its loans or seek additional financing on the markets. The aforementioned factors could weaken the Company's financial position, and extensive indebtedness could also weaken the Company's ability to acquire additional financing on terms corresponding to or more favourable than its current financing arrangements.

A failure to acquire financing, an increase in financing costs, unfavourable financing terms or an increase in interest expenses could have a material adverse effect on the Company's business operations, future prospects, results of operations and financial position.

The pro forma financial information in this Offering Circular is presented for illustrative purposes only and may differ materially from the Company's actual results of operations

The unaudited pro forma financial information in the Offering Circular is presented for illustrative purposes only and, as is typical of such information, addresses an assumed situation and is not necessarily indicative of what the results of operations would be if the acquisitions listed in section "*Unaudited pro forma financial information*" of the Offering Circular were actually realised on the date indicated. The unaudited pro forma financial information is also not intended to be indicative of the Company's results of operations in the future. The unaudited pro forma financial information include pro forma adjustments, and these adjustments are based on available information and certain assumptions that the Company believes are reasonable under prevailing circumstances. When preparing the unaudited pro forma financial information, adjustments were made to historical financial information that directly concern the impacts of events resulting from acquisitions listed in section "*Unaudited pro forma financial information*" of the Offering Circular and that are factually supportable. If the actual effects of the acquisitions listed in section "*Unaudited pro forma financial information*" of the Offering Circular differ materially from the unaudited pro forma information presented in the Offering Circular, the Company may lose the confidence of its investors.

The covenants in the Company's current of future financing and other agreements can restrict the Company's business and financial flexibility

The Company's financing agreement includes a customary covenant clause relating to the Company's equity ratio. For further information on financial agreements, see "*Operating and financial review and prospects – Liquidity and capital resources – Loans from financial institutions*". It is also possible that potential future financing agreements or other agreements of the Company include covenants. The covenants can restrict the flexibility of the Company's business and financing, which could weaken the Company's ability to pursue new business opportunities. There can also be no assurance that the Company can fulfil the financial or other covenants relating to its current financing agreement or possible future loan agreements in the future. A breach of these covenants can entitle the financier to demand accelerated or immediate repayment of the loan. A breach of the covenants would weaken the availability of financing and encumber the Company's solvency and capital structure. Such events could also prevent the Company from maintaining its target debt to equity ratio, impair its ability to make necessary investments required to maintain and develop its operations, and could ultimately lead to financial distress or insolvency.

Risks relating to the Company's Shares

The price of the Share on the First North marketplace and the liquidity of the Share may not develop as expected

Prior to the Offering, the Shares have not been traded on a regulated market or multilateral trading facility, and there can be no assurance that an active and liquid market will develop for the Shares after the Listing. There is often significant fluctuation in the price of shares offered for trading for the first time on a regulated market or multilateral trading facility.

The market price may fluctuate significantly, and such fluctuations could be caused, among other things, by the market's perception, public discussion and news relating to the Company's field of business, planned and implemented changes in the legislation applied to the Company's operations or changes in the Company's results of operations or the development of its business operations. The prices and trading volumes of shares may fluctuate on the stock markets, and this may impact the prices of securities and may not have any connection to the performance or prospects of the Company's business operations. A decline in share prices may have a material adverse effect on the demand and liquidity of the Shares, and there can be no assurance that the market price of the Shares will not fluctuate significantly or decrease below the subscription price of the Offer Shares or that investors will be able to sell the Share they acquire should they so wish.

Investors could lose all or part of the capital they invest in the Offer Shares, and there can be no assurance that investors will receive any return on their investment. It is also possible that investors will not be able to sell Shares at a time of their choosing or at all.

The amount of dividends or repayment of capital paid by the Company is uncertain, and the Company may not necessarily pay dividends or repay capital at all

The Company will seek to carry out an active dividend policy, provided that profit distribution will not weaken the Company's ability to achieve its goals set out in the Company's growth strategy or other financial targets. There can be no assurance that the Company will distribute dividends or make capital repayments in the future on the Shares it has issued. The payment of dividends or repayment of capital and their amounts are at the discretion of the Company's Board of Directors and, ultimately, depend on a resolution of a General Meeting of shareholders of the Company, as well as on the Company's cash assets, profit for previous financial years, forecast financing needs, the Company's financial position,

results of operations, any terms and conditions of loan undertakings binding the Company, the returns and development of the Company's strategic holdings and on other corresponding factors. See "*Description of the Shares and share capital – Shareholder rights – Dividends and dividend policy*".

The Company's ownership structure is concentrated, and concentrated ownership could reduce the influence of other shareholders in the Company, undermine their confidence in the Company and reduce the liquidity of the Shares

The Company has 14 shareholders as at the date of this Offering Circular. Rite Internet Ventures Holding AB ("Rite") owns 61.3 percent of all of the issued and outstanding Shares and votes in the Company, and Kari Joki-Hollanti 36.9 percent. After the completion of the Offering, the owners in question (jointly the "**Sellers**") will own a total of approximately 73.4 percent of the issued and outstanding Shares and votes in the Company, assuming that the Company will issue 1,273,726 New Shares, the Sellers will sell the maximum number of Sale Shares, the Sellers do not subscribe for Offer Shares, the Over-Allotment Option will not be exercised and 46,992 New Shares will be subscribed for in the Personnel Offering. For further information on the Company's ownership structure, see "*Ownership structure – Shareholders*". Concentrated ownership could reduce the influence of other shareholders in the Company, undermine their confidence in the Company and reduce the liquidity of the Shares. The above factors could also have an adverse effect on the valuation and price performance of the Share.

Future share issues or sales of substantial amounts of Shares could lower the value of the Shares and dilute the shareholders' relative holdings as well as the voting rights related to the Shares

In connection with the Listing, the Company and the Sellers are expected to commit to lock-ups that will end on the date that falls 180 days from the Listing for the Company and Rite and on 5 July 2023 for Kari Joki-Hollanti. The members of the Company's Board of Directors and Management Team are expected to commit to lock-ups that will end on 5 July 2023. In addition, certain members of the Company's Management Team and other key persons have previously committed to lock-ups with the Company that will end on 5 July 2023 or 27 August 2023. Lock-ups may be deviated from only in certain separately defined situations, for example in the event that a voluntary recommended public tender offer is made for the Company's shares. For further information, see "*Terms and conditions of the Offering – General terms and conditions of the Offering – Lock-up*" and "*Ownership structure – Shareholder agreements*". After the lock-up period, the Company may issue and the Sellers may sell Shares. Future issuances of Shares or other securities may dilute the holdings of shareholders and could adversely affect the market price of the Shares.

The Company may also issue additional shares or securities convertible into Shares through directed offerings without pre-emptive subscription rights for existing shareholders in connection with future acquisitions, any share incentive or share option scheme or otherwise. Any such additional offering could reduce the proportionate ownership and voting interests of the Company's shareholders, as well as the earnings per share and the net asset value per share. Due to the large percentage of Shares owned by the largest shareholders, there can be no assurance that the largest shareholders do not affect the trading or transaction volumes by exercising their decision-making power in the Company or by making decisions concerning their holdings that may have an effect on the prevailing market price of the Shares. See also " *– The Company's ownership structure is concentrated, and concentrated ownership could reduce the influence of other shareholders in the Company, undermine their confidence in the Company and reduce the liquidity of the Shares*". Future issuances of Shares or other securities or sales of significant numbers of Shares or an understanding that such issues or sales may occur in the future may have an adverse effect on the market value of the Shares and on the Company's ability to acquire equity capital funding in the future.

Holders of nominee-registered Shares may not necessarily be able exercise their voting rights

Shareholders that are not Finnish natural persons or legal entities and that manage their shares through a nominee register may not necessarily be able to exercise their shareholders' rights through the management chain. Holders of nominee registered shares are not able to directly exercise their right to vote at a General Meeting unless the holder of a nominee registered share has been temporarily entered into the Company's register of shareholders no later than on the date mentioned in the notice of the General Meeting. Since making such a temporary entry requires actions not only from the shareholder, but also from the shareholder's custodian bank and the custodian bank's account operator, it is possible that the entry cannot be registered within the time limit. For further information, see "*First North and securities markets – Finnish book-entry securities system*".

Certain shareholders may be unable to exercise their pre-emptive subscription rights and their tax treatment may differ from Finland's tax legislation

Certain shareholders resident in or with a registered address in certain jurisdictions other than Finland, including shareholders in the United States, may not necessarily be able to exercise their pre-emptive subscription rights in respect of the Shares in any possible future offerings. The pre-emptive subscription rights may not necessarily be used unless the Shares have been registered in accordance with any applicable securities laws of any relevant jurisdictions or in any other manner with similar effects, or are subject to any exemptions from any registration or similar requirements under the applicable laws of the respective jurisdictions. In such cases, shareholders who cannot exercise their pre-emptive subscription rights may experience dilution of their holdings in the Company. See "*Description of the Shares and share capital – Shareholder rights – Shareholders' pre-emptive subscription right*". A foreign shareholder's right to have access to information concerning share issues and important transactions may also be restricted due to the legislation of the country in question. The tax treatment of certain shareholders relating to the Shares may differ from Finland's tax legislation. See "*Taxation*".

Risks relating to the Offering and Listing

Companies listed on First North are subject to less stringent rules as companies whose shares are traded on a regulated market

First North is a multilateral trading venue maintained by the Helsinki Stock Exchange. The First North companies are subject to less stringent rules than companies whose shares are traded on a regulated market. The First North companies comply with a less extensive rulebook that is designed for growth companies. Certain requirements of the Finnish Securities Markets Act concerning regulated markets, such as provisions concerning flagging obligations or the obligation to launch a bid, also do not apply to securities subject to multilateral trading on First North. Therefore, it is possible for a single shareholder to gain control of General Meeting resolutions in such a way that the increased holdings have not been flagged, and such a shareholder has no obligation to launch a mandatory bid to the other shareholders. Due to the above and other differences in regulation, the rights and obligations of First North companies and their shareholders differ from the rights and obligations of companies traded on a regulated market and their shareholders. For this reason, investing in a First North company may involve greater risks than investing in companies listed on a regulated market.

There can be no assurance that the Listing will be implemented as planned

The Offering is being carried out for the purpose of listing the Company on First North. However, it is possible that not all of the Offer Shares will be subscribed for in the Offering or that the Offering will be delayed or will not be carried out due to reasons relating to the execution of the Listing and Offering or due to requirements set by First North or other reasons. If the Offering is not realised, the Listing will also not be realised.

Subscription commitments cannot be cancelled or amended

Subscriptions made in the Offering are binding and cannot be cancelled or amended, notwithstanding the exception specified in the terms and conditions of the Offering, once a subscription has been made. For further information on binding subscriptions and cancelling a subscription commitment, see "*Terms and conditions of the Offering – General terms and conditions of the Offering – Cancellation of Commitments*". Offer Shares that are subscribed for in the Public Offering must be paid at the time of submission of the subscription commitment. Submitted commitments may be approved or rejected in whole or in part. For further information on the approval and allocation of subscription commitments, see "*Terms and conditions of the Offering – General terms and conditions of the Offering – Approval of Commitments and allocation*".

The Listing imposes on the Company new obligations that have associated costs, and the Company could fail to fulfil these obligations

The Company intends to submit a listing application to the Helsinki Stock Exchange for the listing of the Shares on the First North market of the Helsinki Stock Exchange. In addition to non-recurring costs, the Listing will generate additional administrative costs for the Company. As a consequence of the Listing, the Company will be required to meet requirements pertaining to entities with shares admitted to trading on First North, for example, with respect to the management, planning, disclosure and control systems and financial reporting, and the Company must allocate staff and resources to such purposes and ensure the financial conditions for compliance with the obligations. The Company's potential acquisitions could also generate additional costs for the Company relating to fulfilling obligations set for First North companies, for example due to the need to integrate information systems and financial reporting. If the Company

fails in implementing, developing or maintaining the necessary systems and processes, it may fail in ensuring the correctness of the financial reporting, in preventing abuses or in complying with other obligations set for First North companies. In addition, the Company's Board of Directors and senior management also include members who have no prior experience of managing a First North company. Although, according to the Company's management, the Company fulfils the requirements set for a First North company, there can be no certainty that the Company will be able to fulfil all of its new obligations. Failure to comply with the requirements set for a First North company could result, for example, in administrative sanctions or undermine investors' and other stakeholder groups' confidence in the Company. Increased costs resulting from the Listing or issues related to compliance with the requirements set for First North companies could have a material adverse effect on the Company's business, results of operations, financial position and future prospects as well as on the value of the Offer Shares.

There can be no assurance that the terms and prerequisites of the subscription commitments given by the Cornerstone Investors will be fulfilled

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 commitments to subscribe for Offer Shares in the Offering. The commitments are conditional on 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 commitments. There can be no assurance that the conditions of the subscription commitments will be met and that the Cornerstone Investors will subscribe for Offer Shares in the Offering in the amount covered by their commitments. For further information on the Cornerstone Investors' subscription commitments, see "*Terms and conditions of the Offering – Special terms and conditions concerning the Institutional Offering – Subscription commitments of the Cornerstone Investors*".

THE COMPANY, MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY, ADVISERS AND AUDITORS

Company

Lemonsoft Oyj
Business identity code: 2017863-1
Address: Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland
Registered office: Vaasa, Finland

Members of the Board of Directors of the Company

Name	Position
Christoffer Häggblom	Chairman of the Board of Directors
Kari Joki-Hollanti	Member of the Board of Directors, CEO
Michael Richter	Member of the Board of Directors
Saila Miettinen-Lähde	Member of the Board of Directors
Ilkka Hiidenheimo	Member of the Board of Directors

The business address of the members of the Board of Directors is Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland.

Sole Global Coordinator and Certified Adviser

Danske Bank A/S, Finland Branch
Address: Televisiokatu 1
Postal code and city: FI-00240 Helsinki, Finland

Legal Adviser to the Company

Castrén & Snellman Attorneys Ltd
Address: Eteläesplanadi 14
Postal code and city: FI-00131 Helsinki, Finland

Legal Adviser to the Sole Global Coordinator

Roschier, Attorneys Ltd.
Address: Kasarmikatu 21 A
Postal code and city: FI-00130 Helsinki, Finland

Auditor

KPMG Oy Ab
Principal Auditor:
Kim Järvi, Authorised Public Accountant
Address: FI-Töölönlahdenkatu 3 A
Postal code and city: 00100 Helsinki, Finland

OTHER INFORMATION ON THE OFFERING CIRCULAR

Parties responsible for the Offering Circular

Company

Lemonsoft Oyj
Business identity code: 2017863-1
Address: Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland
Registered office: Vaasa, Finland

Sellers

The Sellers will sell Sale Shares in the Offering. The Sellers include Rite Internet Ventures Holding AB (LEI: 5493000VAG5PDW421Q64 and registered address Artillerigatan 6, SE-114 51 Stockholm, Sweden) and Kari Joki-Hollanti (business address Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland). Rite Internet Ventures Holding AB is a company in which the Company's Chairman of the Board Christoffer Häggblom exercises control. Kari Joki-Hollanti is a member of the Company's Board of Directors and the CEO of the Company.

Assurance of the information given in the Offering Circular

The Company accepts responsibility for the information contained in this Offering Circular. The Company declares that the information contained in this Offering Circular is, to the best of its knowledge, in accordance with the facts and that the Offering Circular contains no omission likely to affect its import.

The Sellers are responsible for the information on the Sellers and their holdings contained in the Offering Circular. The Sellers declare that the information on the Sellers contained in this Offering Circular is, to the best of their knowledge, in accordance with the facts and that the Offering Circular contains no omission likely to affect its import.

Forward-looking statements

Certain statements in this Offering Circular, including but not limited to certain statements set forth under sections "*Summary*", "*Risk factors*", "*Dividends and dividend policy*", "*Market and industry overview*", and "*Business of the Company*" are based on the views and beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management, and such statements may constitute forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other important factors, as a result of which the Company's actual result, activities and achievements or the result of a line of business may differ materially from the expressly or indirectly represented results, activities or achievements indicated in the forward-looking statements. Such risks, uncertainties and other important factors may include, among other things, general economic and market conditions, the competitive environment of the Company and the other risks described under "*Risk factors*". The forward-looking statements are not guarantees of the future operational or financial performance of the Company. For additional information that could affect the results, operations or achievements of the Company, see "*Risk factors*".

Information from outside sources

Where certain information contained in this Offering Circular has been derived from third-party sources, such sources have been identified herein. The Company confirms that information in this Offering Circular, which is from outside sources, has been properly repeated and in as much as the Company has been able to verify, based on the published information from that third party, facts that would make the repeated information misleading or inaccurate have not been left out from the information.

Unless otherwise mentioned, the figures presented in the Offering Circular on the Company's number of shares and the number of votes vested by the shares have been calculated based on the information on the Company registered with the Finnish Trade Register at the date of this Offering Circular.

Information concerning the financial statements and other information

Historical financial information

The Lemonsoft Group's unaudited financial information as at and for the nine months ended 30 September 2021, including unaudited comparative financial information as at and for the nine months ended 30 September 2020, the Lemonsoft Group's audited consolidated financial statements as at and for the year ended 31 December 2020 including the cash flow statement prepared for the Offering Circular, the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2019 as well as the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2018 including the cash flow statement prepared for the Offering Circular have been prepared in accordance with the Finnish Accounting Standards (FAS).

On 2 December 2019, Lemonsoft acquired the entire share capital of Ohjelma-Aitta Oy, forming a group of companies that was not consolidated in the financial statements as at and for the year ended 31 December 2019. The group of companies was exempted from the obligation to include a subsidiary in the consolidated financial statements under chapter 6, section 3 of the Finnish Accounting Act (1336/1997, as amended), as the subsidiary was of minor significance and the merger process had been commenced. Ohjelma-Aitta Oy was merged into Lemonsoft Oy on 30 April 2020. A group structure requiring the preparation of consolidated financial statements was formed in 2020 when Lemonsoft acquired the entire share capital of Aacon Oy on 2 January 2020 and the controlling interest in Lixani Oy and ILVE Oy on 18 May 2020. The first consolidated financial statements of the Company have been prepared for the financial year ended 31 December 2020.

As evident from the auditor's reports, the Company's audited financial statements as at and for the financial years ended 31 December 2020 and 31 December 2019 have been audited by accounting firm KPMG Oy Ab. Authorised Public Accountant Mari Kaasalainen acted as auditor with principal responsibility during the financial year ended 31 December 2020, and Authorised Public Accountant Anne Kulla during the financial year ended 31 December 2019. As regards the consolidated financial statements as at and for the financial year ended 31 December 2020 prepared for the Offering Circular, Authorised Public Accountant Kim Järvi acted as auditor with principal responsibility. The Company's financial statements as at and for the financial year ended 31 December 2018 and the financial statements as at and for the financial year ended 31 December 2018 prepared for the Offering Circular were audited by Ernst & Young Oy with Authorised Public Accountant Kristian Berg as the principal auditor. The Company's financial information as at and for the nine months ended 30 September 2021 and the comparative figures as at and for the nine months ended 30 September 2020 are unaudited.

Rounded figures

Financial and other information set forth in the tables in this Offering Circular have been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Offering Circular reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Alternative Performance Measures

The Company presents in this Offering Circular certain performance measures of the Company's financial performance, financial position and cash flows for the period covered by the historical financial information, which, in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority ("**ESMA**") are considered Alternative Performance Measures. These Alternative Performance Measures are:

- Growth of net sales
- Distribution of net sales by net sales types
- Gross margin and gross margin percentage
- EBITDA and EBITDA margin
- Adjusted EBITDA and adjusted EBITDA margin
- Operating profit margin
- Adjusted EBIT and adjusted EBIT margin
- Profit (loss) for the review period / financial year as a percentage of net sales
- Equity ratio, %
- Gearing, %
- Net debt
- Earnings per share (EPS)

The calculation of Alternative Performance Measures is presented in "*Selected financial information – Calculation of key figures and reason for use*" and the reconciliations of the Alternative Performance Measures in "*Selected financial information – Reconciliation of certain Alternative Performance Measures*".

The Company presents Alternative Performance Measures for the period covered by the historical financial information as additional information for performance measures presented in the Company's income statements, balance sheets and cash flow statements prepared in accordance with FAS. In the view of the Company's management, Alternative Performance Measures provide the management, investors, securities market analysts and other parties with significant additional information related to the Company's results of operations and financial position. They are also widely used by analysts, investors and other parties. The reason for use of the Alternative Performance Measures is presented in "*Selected financial information – Calculation of key figures and reason for use*".

Alternative Performance Measures should not be viewed in isolation or as a substitute to the measures under FAS. Not all companies calculate Alternative Performance Measures in a uniform way, and therefore, the Alternative Performance Measures presented in this Offering Circular may not be comparable with similarly named measures presented by other companies.

Unaudited pro forma financial information

Unaudited pro forma financial information is presented in order to illustrate the impacts of the five corporate acquisitions and one business acquisition made by Lemonsoft between 2 December 2019 and 30 September 2021 as if the acquisitions in question occurred on 1 January 2020. Unaudited pro forma adjustments also represent events that were the direct result of acquisitions and funding relating thereto. Since the unaudited pro forma financial information is prepared for illustrative purposes, it represents an assumed situation and therefore does not represent Lemonsoft's actual results of operations. The unaudited pro forma financial information is not meant as a representation of what Lemonsoft's results of operations would be during a future time period or, for example, the impact of estimated synergies and streamlining of operations.

Availability of the Finnish Prospectus and the English language Offering Circular

The Finnish Prospectus will be available electronically on the Company's website at investors.lemonsoft.fi/listautuminen and on the Sole Global Coordinator'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.

This English language Offering Circular will be available on the Company's website at investors.lemonsoft.fi/ipo and on the Sole Global Coordinator's website at www.danskebank.fi/lemonsoft-en on or about 9 November 2021.

No incorporation of website information

This Offering Circular will be available on the Company's website at investors.lemonsoft.fi/ipo. However, information presented on the aforementioned website or any other website does not form part of the Offering Circular (with the exception of supplements to the Offering Circular, if any), and prospective investors should not rely on such information in making their decision to invest in the Offer Shares.

Available information

The Company will publish its financial statements and half yearly reports as well as other information in the manner provided for in the Finnish Securities Markets Act, Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (as amended, Market Abuse Regulation or "**MAR**") and the First North Rules and on the Company's website at investors.lemonsoft.fi.

The Company's financial statements as at and for the year ended 31 December 2021 is planned to be published during the week beginning on 14 March 2022, as estimated.

Market and industry information

This Offering Circular contains information relating to markets, the economy and the Company's field of operation that directly or indirectly derives from one or several specified public sources. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of

such information is not guaranteed. The Company has not independently verified this information. The Company confirms that the data has been duly reproduced in this Offering Circular. As far as the Company is aware and has been able to confirm based on the data published by the third parties in question, no facts have been excluded from the data in such a manner that would make the reproduced data misleading or inaccurate.

Elsewhere in this Offering Circular, statements regarding the markets in which the Company operates, the Company's position within those markets, and other companies operating in those markets, are based solely on the Company's experience, internal studies and estimates and the Company's own investigation of market conditions, which the Company believes to be reliable. However, the Company cannot guarantee that any of these assumptions are accurate or correctly reflect the Company's position in the relevant markets, and none of the Company's internal surveys or information has been verified by any independent sources. The Company estimates growth rates in the markets in which it operates and the development of its market shares primarily based on current demand, data disclosed by its competitors, available industry bibles, reports and other available statistics.

SUMMARY OF CERTAIN IMPORTANT DATES

Offering Circular available	9 November 2021
Subscription period of the Public, Institutional and Personnel Offerings commences	9 November 2021 at 10:00 (Finnish time)
Subscription period of the Public, Institutional and Personnel Offerings can be suspended at the earliest	15 November 2021 at 08:00 (Finnish time)
The subscription period of the Public and Personnel Offerings ends (on or about)	16 November 2021 at 16:00 (Finnish time)
The subscription period of the Institutional Offering ends (on or about)	18 November 2021 at 11:00 (Finnish time)
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 Shares on First North expected to begin (on or about)	19 November 2021

REASONS FOR THE INITIAL PUBLIC OFFERING AND USE OF PROCEEDS

Reasons for the Offering

The purpose of the Offering is to create the preconditions for the Company's Listing on First North and, thereby, enable the 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 raising equity financing both from Finland and abroad, to create liquidity for the Shares and to build reputation and increase the awareness of the Company 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 to support Lemonsoft's growth strategy, including acquisition financing.

The Company estimates that the Offering will result in gross proceeds of approximately EUR 15 million, assuming that all the New Shares are subscribed for. If all the New Shares are subscribed for, the Company expects net proceeds from the Offering of approximately EUR 13.9 million after the fees and expenses payable by the Company in connection with the Offering, estimated to total EUR 1.1 million (assuming that the discretionary fees are paid in full), have been deducted from the total proceeds.

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 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 Sellers expect to pay approximately EUR 1.7 million in fees in connection with the Offering (assuming that the discretionary fees are paid in full).

TERMS AND CONDITIONS OF THE OFFERING

The term "subscription" refers in the following to the investor's offer or commitment to subscribe for or purchase Offer Shares (as defined below) in the Offering (as defined below), and an investor may be allocated either New Shares (as defined below), Sale Shares (as defined below) or in certain events of over-allotment, Additional Shares (as defined below). Correspondingly, "subscriber", "subscription period", "subscription place", "subscription price", "purchase offer" and "commitment" (and other corresponding terms) refer to both the Share Issue (as defined below) and the Share Sale (as defined below).

General terms and conditions of the Offering

Offering

Lemonsoft Oyj, a public limited liability company incorporated in Finland ("**Lemonsoft**" or the "**Company**"), aims to raise gross proceeds of approximately EUR 15 million by offering up to 1,273,726 new shares in the Company (the "**New Shares**") for subscription (the "**Share Issue**") (assuming that 46,992 New Shares will be subscribed for in the Personnel Offering). 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. 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 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 Board of Directors and the Management Team of the Company (the "**Personnel Offering**"). Unless the context indicates otherwise, the New Shares, the Sale Shares and the Additional Shares (as defined below) are together referred to herein as the "**Offer Shares**". The subscription price for the Offer Shares in the Public Offering and Institutional Offering is EUR 11.82 per Offer Share (the "**Subscription Price**"). The Subscription Price in the Personnel Offering is EUR 10.64 per New Share, i.e. 10 percent lower than the Subscription Price (the "**Subscription Price in the Personnel Offering**").

The unanimous shareholders of the Company resolved on 30 August 2021 to authorise the Company's Board of Directors to decide on an issue of a maximum of 4,000,000 New Shares in connection with the listing (the "**Listing**") of the Company on Nasdaq First North Growth Market Finland ("**First North**"). Based on this authorisation, the Company's Board of Directors resolved on 8 November 2021 to preliminarily issue a maximum of 1,273,726 New Shares in the Offering, assuming that 46,992 New Shares will be subscribed for in the Personnel Offering.

As a result of the Share Issue, the total number of shares in the Company (the "**Shares**") may increase to a maximum of 18,273,726 Shares, assuming that the Company will issue 1,273,726 New Shares. The number of New Shares to be issued in the Share Issue would represent approximately a maximum of 7.0 percent of the Shares and votes vested by the Shares after the Share Issue, assuming that all of the New Shares preliminarily offered in the Offering are subscribed for in full and that 46,992 New Shares are subscribed for in the Personnel Offering. The maximum number of New Shares represents approximately 7.5 percent of the Shares prior to the Share Issue.

The New Shares are being offered in deviation from the shareholders' pre-emptive subscription right, in order to enable the listing of the Shares on First North. The payment made to the Company for the approved New Share subscriptions will be booked in its entirety in the invested unrestricted equity fund. Therefore, the Company's share capital will not increase in connection with the Offering.

The Sellers will offer for purchase preliminarily a maximum of 3,294,705 Sale Shares in the Share Sale. The Sale Shares represent approximately 18.0 percent of the Shares after the Share Issue assuming that the Over-Allotment Option (as defined below) will not be exercised (and together with the Additional Shares, approximately 21.8 percent assuming that the Over-Allotment Option will be 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.

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.

Offer Shares will be offered in the Institutional Offering to institutional investors outside the United States in offshore transactions in compliance with Regulation S under the US Securities Act of 1933, as amended (the "**US Securities Act**") ("**Regulation S**"), and otherwise in compliance with the said regulation. The Shares (including the Offer Shares) have not been, and will not be, registered under the US Securities Act, or under the securities laws of any state of the United States and, accordingly, will not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S).

The terms and conditions of the Offering are comprised of the general terms and conditions of the Offering as well as the special terms and conditions of the Public Offering, Institutional Offering and Personnel Offering.

The Sole Global Coordinator and subscription places

Danske Bank A/S, Finland Branch ("**Danske Bank**") acts as the sole global coordinator (the "**Sole Global Coordinator**") for the Offering. Danske Bank acts as a subscription place in the Public Offering, the Institutional Offering and the Personnel Offering. In addition, Nordnet Bank AB ("**Nordnet**") acts as a subscription place in the Public Offering for its own customers.

Over-Allotment Option

In connection with the Offering, Rite is expected to grant an over-allotment option to Danske Bank, 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**"). The maximum number of Additional Shares represents 3.7 percent of the Shares and votes vested by the Shares, assuming that all of the New Shares and Sale Shares preliminarily offered in the Offering are subscribed for in full and that 46,992 New Shares are subscribed for in the Personnel Offering. However, the number of Additional Shares will not in any case represent more than 15 percent of the aggregate number of New Shares and Sale Shares.

Stabilisation

The Stabilising Manager may, but is not obligated to, engage in measures during the Stabilisation Period that stabilise, maintain or otherwise affect the price of the Shares. The Stabilising Manager may allocate a larger number of Shares than the total number of New Shares and Sale Shares, which will create a short position. The short position will be covered if it does not exceed the number of Additional Shares. The Stabilising Manager is entitled to close the covered short position by exercising the Over-Allotment Option and/or by buying Shares on the market. In determining the acquisition method of the Shares to cover the short position, the Stabilising Manager may consider, among other things, the market price of the Shares in relation to the Subscription Price. In connection with the Offering, the Stabilising Manager may also bid for and purchase Shares in the market to stabilise the market price of the Shares. These measures may raise or maintain the market price of the Shares in comparison with the price levels determined independently on the market or may prevent or delay any decrease in the market price of the Shares. However, stabilisation measures cannot be carried out at a price higher than the Subscription Price. The Stabilising Manager has no obligation to carry out these measures, and it may stop any of these measures at any time. The Stabilising Manager or the Company on behalf of the Stabilising Manager will publish information regarding the stabilisation required by legislation or other applicable regulations at the end of the Stabilisation Period. Stabilisation measures can be carried out on First North during the Stabilisation Period.

Any stabilisation measures will be conducted in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (the "**Market Abuse Regulation**") and the Commission Delegated Regulation (EU) 2016/1052 supplementing the Market Abuse Regulation with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilisation measures.

The Stabilising Manager and Rite may enter into a share lending agreement related to stabilisation and the Over-Allotment Option in connection with the Listing. According to the share lending agreement, the Stabilising Manager may borrow a number of Shares equal to the maximum number of Additional Shares to cover any possible over-allotments in connection with the Offering. To the extent that the Stabilising Manager borrows Shares pursuant to the share lending agreement, it must return an equal number of Shares to Rite. For further information, see "*Plan of distribution*".

Placing Agreement

The Company, the Sellers and the Sole Global Coordinator are expected to sign a placing agreement (the "**Placing Agreement**") on or about 18 November 2021. According to the Placing Agreement, the Company and the Sellers will commit to issue and/or to sell the Offer Shares to investors acquired by the Sole Global Coordinator. For further information, see "*Plan of distribution*".

Subscription period

The subscription period for the Public Offering will commence on 9 November 2021, at 10:00 and end on 16 November 2021, at 16:00 (Finnish time).

The subscription period for the Institutional Offering will commence on 9 November 2021, at 10:00 and end on 18 November 2021, at 11:00 (Finnish time).

The subscription period for the Personnel Offering will commence on 9 November 2021, at 10:00 and end on 16 November 2021, at 16:00 (Finnish time).

The Company's Board of Directors has, in the event of an oversubscription, the right to discontinue the Public Offering, the Institutional Offering and the Personnel Offering at the earliest on 15 November 2021, at 08:00 (Finnish time). The Public, Institutional and Personnel Offerings may be discontinued or not discontinued independently of one another. A company release regarding any ending will be published without delay.

The Company's Board of Directors is entitled to extend the subscription periods of the Public, Institutional and Personnel Offerings. A possible extension of the subscription period will be communicated through a company release, which will indicate the new end date of the subscription period. The subscription periods of the Public, Institutional and Personnel Offerings will in any case end on 23 November 2021, at 16:00 (Finnish time) at the latest. The subscription periods of the Public, Institutional and Personnel Offerings can be extended independently of one another. A company release concerning the extension of a subscription period must be published no later than on the estimated final dates of the subscription periods for the Public, Institutional or Personnel Offerings stated above.

Subscription Price

The Subscription Price for the Offer Shares in the Public Offering and the Institutional Offering is EUR 11.82 per Offer Share.

The Subscription Price in the Personnel Offering is 10 percent lower than the Subscription Price, i.e. EUR 10.64 per New Share.

The Subscription Price may be changed during the subscription period, provided, however, that in the Public Offering the Subscription Price cannot be higher than the original Subscription Price, i.e. EUR 11.82 per Offer Share, and that in the Personnel Offering the Subscription Price cannot be higher than the original Subscription Price of the Personnel Offering, i.e. EUR 10.64 per New Share. Any change would be communicated through a company release and on the Company's webpage at investors.lemonsoft.fi/ipo. If the Subscription Price is changed, the Finnish language prospectus published by the Company in connection with the Offering (the "**Finnish Prospectus**") will be supplemented and the supplement will be published through a company release. If the Subscription Price is changed and the Finnish Prospectus is supplemented, investors who have given their Commitments (as defined below) before the supplement or correction of the Finnish Prospectus have the right to cancel their Commitments as described in "*Terms and conditions of the Offering – Cancellation of commitments*" below.

Conditionality, execution and publishing of the Offering

The Company's Board of Directors will decide on the execution of the Offering, the final number of Offer Shares and the allocation of Offer Shares on or about 18 November 2021 (the "**Completion Decision**"). The above information will be published through a company release immediately after the Completion Decision and be available on the Company's website at investors.lemonsoft.fi/ipo after the publication of the company release and in the subscription place of the Public Offering and the Personnel Offering no later than the business day following the Completion Decision, i.e. on or about 19 November 2021. The execution of the Offering is conditional upon the signing of the Placing Agreement.

Cancellation of Commitments

A commitment to subscribe for or purchase Offer Shares in the Public Offering or the Personnel Offering (a "**Commitment**") cannot be amended. A Commitment may only be cancelled in the situations provided for in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (the "**Prospectus Regulation**").

Cancellation in accordance with the Prospectus Regulation

If the Finnish Prospectus is supplemented in accordance with the Prospectus Regulation due to a material error or omission or due to material new information that has become known after the FIN-FSA has approved the Finnish Prospectus, but before the Subscription Period of the Offering has ended, investors who have given their Commitments before the supplement or correction of the Finnish Prospectus have, in accordance with the Prospectus Regulation, the right to cancel their Commitments within three (3) business days after the supplement or correction has been published. The use of the cancellation right requires in addition that the error, omission or material new information that led to the supplement or correction has become known prior to the end of the Subscription Period of the Offering. Any cancellation of a Commitment must concern the total number of shares covered by the Commitment given by an individual investor. If the Finnish Prospectus is supplemented, the supplement will be published through a company release, which will also include information on the right of the investors to cancel their Commitment in accordance with the Prospectus Regulation.

Procedure to cancel a Commitment

The cancellation of a Commitment must be notified in writing to the subscription place where the initial Commitment was made, within the time limit set for such cancellation. Furthermore:

- The cancellation of the Commitment made online via the Danske Bank eBanking service, corporate eBanking services or Web subscription can be made by visiting a Danske Bank office (excluding corporate offices) in person or through an authorised representative or by calling Danske Bank Investment Advisory Center using Danske Bank's bank identifiers.
- A Commitment made by telephone to the Danske Bank Investment Advisory Center may be cancelled by telephone using Danske Bank's bank identifiers.
- The cancellation of a Commitment made in the Personnel Offering must be notified in writing to the subscription place.
- Investors who have submitted their subscriptions via Nordnet must send a written cancellation request within the set time limit by email to operations.fi@nordnet.fi or deliver the cancellation to Nordnet's office. Furthermore: Commitments submitted by Nordnet's own customers via Nordnet's online service can be cancelled through an authorised representative or via Nordnet's online service by accepting a separate cancellation of Commitment by using Nordnet's bank identifier.

A possible cancellation of a Commitment must concern the entire Commitment. After the time limit set for cancellation has expired, the cancellation right is no longer valid. If the Commitment is cancelled, the subscription place refunds the sum paid for the Offer Shares to the bank account specified in the Commitment. To Nordnet's own customers, who have given their Commitments via Nordnet's subscription place, the amount to be refunded will be paid to Nordnet's cash accounts. The payment is refunded as soon as possible after the cancellation of the Commitment, approximately within five (5) banking days of serving the subscription place with the cancellation notice. If an investor's bank account is in a different bank than the place of subscription, the refund will be paid to the investor's Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the refunded amount.

Entry of Offer Shares into book-entry accounts

An investor who has submitted a Commitment must have a book-entry account with a Finnish account operator or an account operator operating in Finland. Investors must specify the details of their book-entry account in their Commitments. Subscriptions to equity savings accounts can be made through Danske Bank only to an equity savings account provided by Danske Bank and through Nordnet only to an equity savings account provided by Nordnet. The Offer Shares allocated in the Public Offering and the New Shares allocated in the Personnel Offering are recorded in the book-entry accounts of investors who have made an approved Commitment on or about the first banking day after the Completion Decision takes place, on or about 19 November 2021. In the Institutional Offering, an investor should contact the Sole Global Coordinator of the Offering with respect to the book-entry accounts. In the Institutional Offering, the

allocated Offer Shares will be ready to be delivered against payment on or about 23 November 2021, through Euroclear Finland Oy.

Title and shareholder rights

The title to the Offer Shares will be transferred when the Offer Shares are paid for, the New Shares are registered in the Trade Register maintained by the Finnish Patent and Registration Office (the "**Trade Register**") and the Offer Shares are recorded in the investor's book-entry account. Offer Shares carry rights equal to all other Shares in the Company and they will entitle their holders to dividends and other distributions of funds as well as other rights related to the Shares when the title has been transferred.

Transfer tax and other expenses

Transfer tax will not be levied in connection with the issuance or subscription of the New Shares in Finland. Account operators charge fees in accordance with their price lists for the maintenance of the book-entry account and for safekeeping of the Shares. The Sale Shares are being sold in connection with commencement of trading in the Shares on First North, and no transfer tax is expected to be payable for these transfers in Finland. Should transfer tax be levied, the Sellers will pay the transfer tax levied on the sale of their Sale Shares.

Trading in the Shares

Before the completion of the Offering, the Shares have not been subject to trading on a regulated market or multilateral trading facility. The Company intends to file a listing application to the Helsinki Stock Exchange for the Shares to be listed on First North. Trading in the Shares on First North is expected to commence on or about 19 November 2021. The trading code of the Shares is LEMON and the ISIN code is FI4000512678.

When the trading on First North commences on or about 19 November 2021, all of the Offer Shares offered in the Offering may not necessarily have been fully transferred to the investors' book-entry accounts. If an investor wishes to sell Offer Shares subscribed for by it in the Offering on First North, the investor should ensure that the number of Shares registered in its book-entry account covers the transaction in question at the time of clearing.

Right to cancel the Offering

The Company's Board of Directors has the right to cancel the Offering at any time before the Completion Decision on the grounds of, for example, the market conditions, the Company's financial position or a material change in the Company's business. If the Offering is cancelled, paid subscription prices will be refunded to the investors in approximately five (5) banking days from the cancellation decision. If an investor's bank account is in a different bank than the place of subscription, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. To Nordnet's own customers, who have given their Commitments via Nordnet's subscription place, the amount to be refunded will be paid to Nordnet's cash accounts. No interest will be paid on the refunded amount.

Lock-up

The Company is expected to commit, during the period that will end 180 days from the Listing, without the prior written consent of the Sole Global Coordinator, not to issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of (or announce such action), directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or enter into any swap agreement or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or submit to the Company's General Meeting of shareholders a proposal to effect such an arrangement. The lock-up does not apply to the measures related to the execution of the Offering.

The members of the Board of Directors and Management Team of the Company are expected to commit to a lock-up agreement with similar terms to that of the Company, with certain exemptions, that will end on 5 July 2023, which corresponds to the duration of previously agreed lock-ups between these persons and the Company. For further information on lock-ups in force, see "*Ownership structure – Shareholder agreements*".

The Sellers are expected to commit to a lock-up agreement with similar terms to that of the Company, with certain exemptions, that in respect of Kari Joki-Hollanti will end on 5 July 2023 and in respect of Rite 180 days from the listing.

The lock-ups for those participating in the Personnel Offering, have been described below in the section "*Terms and conditions of the Offering – Right to participate in the Personnel Offering*".

In aggregate, lock-up agreements apply to approximately 75.0 percent of the Shares after the Offering, assuming that the Over-Allotment Option is not exercised (approximately 71.3 percent of the Shares, assuming that the Over-Allotment Option is exercised in full), the Sellers will sell the maximum amount of Sale Shares and the Company will issue 1,273,726 New Shares in the Offering (the relative share of the lock-ups of the Shares has been calculated before any subscriptions in the Offering by the Board of Directors and the Management Team or the Personnel).

Other matters

The Board of Directors of the Company will decide on other issues and practical matters related to the Share Issue. The Company and the Sellers, together with the Sole Global Coordinator, will decide on other issues relating to the Share Sale and on other practical matters relating to the Offering.

Documents on display

The Company's latest financial statements, annual report and the auditor's report as well as the other documents pursuant to chapter 5, section 21 of the Finnish Limited Liability Companies Act (624/2006, as amended) are available during the subscription period at the Company's office at Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland.

Applicable law

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by a court of competent jurisdiction in Finland.

Special terms and conditions concerning the Public Offering

Overview

Preliminarily a maximum of 465,313 Offer Shares are offered in the Public Offering to private individuals and entities in Finland. Depending on the demand, the Company and the Sellers may reallocate Offer Shares between the Public Offering, Institutional Offering and Personnel Offering in deviation from the preliminary number of shares without limitation. Notwithstanding the foregoing, the minimum number of Offer Shares to be offered in the Public Offering will be 423,011 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments. The subscription place has the right to reject a Commitment, either partially or wholly, if the Commitment does not comply with the terms and conditions herein or if it is otherwise incomplete.

Right to participate and the minimum and maximum amounts for Commitments

Investors whose domicile is in Finland and who submit their Commitments in Finland may participate in the Public Offering. Entities submitting a Commitment must have a valid legal entity identifier ("**LEI**") code. Commitments in the Public Offering encompass no less than 80 Offer Shares and no more than 8,250 Offer Shares. Each investor may only provide one Commitment in the Public Offering. If an investor provides more than one Commitment in the Public Offering, only the first Commitment will be considered when allocating Offer Shares.

Places of subscription and submission of Commitments

A Commitment is considered to have been made when the investor has submitted a signed commitment form to the place of subscription in accordance with instructions of the place of subscription or when the investor has confirmed the Commitment with bank identifiers in accordance with the instructions of the place of subscription and paid for the subscription concerned by the Commitment. A Commitment submitted as a web subscription is deemed to have been made when the investor has made the Commitment in accordance with the terms and conditions of the web subscription or has confirmed the Commitment with his or her bank identifiers and paid for the share subscription price in accordance with the Commitment. Any more detailed instructions issued by the place of subscription must be taken into consideration when submitting a Commitment.

Commitments may only be cancelled in the manner and situations referred to under "*Terms and conditions of the Offering – General terms and conditions of the Offering – Cancellation of Commitments*".

The places of subscription in the Public Offering for Danske Bank's book-entry or equity savings account customers are:

- Danske Bank eBanking service with bank identifiers for private customers at www.danskebank.fi;
- Danske Bank corporate eBanking service in the Markets Online module for District customers;
- Danske Bank Investment Center with Danske Bank's bank identifiers by telephone, 9:00 a.m. to 6:00 p.m. Monday to Friday, tel. +358 200 20109 (local network charge/mobile call charge). Danske Bank's Investment Center calls will be recorded;
- Danske Bank offices in Finland during normal business hours; and
- Danske Bank Private Banking offices in Finland (for Danske Bank Private Banking customers only).

Submitting a Commitment by phone via Danske Bank's Investment Center or Danske Bank eBanking service requires a valid eBanking agreement with Danske Bank.

Commitments to equity savings accounts can be submitted through Danske Bank only to equity savings accounts registered with Danske Bank.

The places of subscription in the Public Offering for persons who are not book-entry account customers of Danske Bank are:

- Danske Bank e-subscription for private customers at www.danskebank.fi. A Commitment can be made through the online service with the bank identifiers of Aktia, Danske Bank, Handelsbanken, Nordea, Oma Savings Bank, Osuuspankki, POP Bank, S-Bank, Savings Bank, and Ålandsbanken; and
- Danske Bank offices (excluding corporate offices) in Finland during normal business hours. Information on the offices offering subscription services is available by phone using Danske Bank's Investment Center, 9:00 a.m. to 6:00 p.m. Monday to Friday, tel. +358 200 20109 (local network charge/mobile call charge) or online at www.danskebank.fi. Danske Bank's Investment Center calls will be recorded.

Through the e-subscription of Danske Bank, individual investors can submit Commitments up to EUR 100,000 in the Public Offering. If the subscription exceeds EUR 100,000 the Commitment can be given at Danske Bank banking offices.

The Offer Shares covered by a Commitment must be paid using an account in the name of the investor making the Commitment.

Corporations may not submit Commitments via Danske Bank's e-subscription.

In the Public Offering, the subscription places for Nordnet's book-entry account and equity savings account customers are:

- Nordnet's online service at www.nordnet.fi/fi/lemonsoft. Submitting a Commitment via Nordnet's online service requires Nordnet's personal bank identifiers. The Commitment can also be made on behalf of a corporation through Nordnet's online service. Subscriptions to equity savings accounts can be made through Nordnet only to equity savings accounts provided by Nordnet.

Commitments by or on behalf of persons under the age of 18, or otherwise under guardianship, must be made by their legal guardians and may require the consent of the local guardianship authority in Finland. A guardian may not subscribe for Shares without the permission of the local guardianship authority, as the Shares are not subject to trading on a regulated market or a multilateral trading facility at the time of the Commitment.

Payment of Offer Shares

When submitting a Commitment, the Subscription Price (i.e., EUR 11.82 per Offer Share) multiplied by the number of Offer Shares covered by the Commitment. If the Subscription Price is lowered, the new Subscription Price will be applied to the Commitments submitted thereafter.

The payment of a Commitment submitted in banking offices of Danske Bank, Danske Bank's Private Banking offices or via Danske Bank's Investment Center will be debited directly from the investor's bank account in Danske Bank, or it may be paid by bank transfer. The payment corresponding to a Commitment that has been submitted through Danske Bank

eBanking service or Danske Bank corporate eBanking services will be charged from the investor's bank account when the investor confirms the Commitment with his or her bank identifiers. The payment of a Commitment submitted through Danske Bank e-subscription must be made in accordance with the terms and conditions and instructions of e-subscription immediately after the Commitment has been submitted.

The payment of a Commitment submitted through Nordnet's onlineservice will be debited from the investor's Nordnet cash account when the investor confirms the Commitment with his or her bank identifiers.

Approval of Commitments and allocation

The Board of Directors of the Company will decide on the allocation of Offer Shares in the Public Offering to investors in connection with the Completion Decision. The Board of Directors of the Company will decide on the procedure to be followed in any over demand situations. Commitments may be approved or rejected in whole or in part. The Board of Directors of the Company aims to approve subscribers' Commitments in whole up to 25 Offer Shares. For Commitments exceeding this amount, the Board of Directors of the Company aims to allocate Offer Shares in proportion to the amount of Commitments unmet. Written confirmations regarding the approval of the Commitments and the allocation of Offer Shares will be sent to the investors who have submitted their Commitments in the Public Offering as soon as possible and at the latest on or about 24 November 2021. Investors who have submitted their Commitments as Nordnet's customers through Nordnet's online service will see their Commitments as well as the allocation of the Offer Shares on the transaction page of Nordnet's online service.

Refunding of paid amounts

If the Commitment is rejected or only partially approved, the paid amount or part thereof will be refunded to the party that made the Commitment to the bank account specified in the Commitment on or about the fifth (5th) banking day after the Completion Decision, i.e. on or about 25 November 2021. If an investor's bank account is in a different bank than the subscription place, the refund will be paid to a bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. To Nordnet's own customers, who have given their Commitments via Nordnet's subscription place, the amount to be refunded will be paid to Nordnet's cash accounts. No interest will be paid on the refunded amount. See also "*Terms and conditions of the Offering – General terms and conditions of the Offering – Cancellation of Commitments*" above.

Entry of Offer Shares into book-entry accounts

An investor submitting a Commitment in the Public Offering must have a book-entry account with a Finnish account operator or an account operator operating in Finland, and the investor must specify the details of its book-entry account in its Commitment. Subscriptions to equity savings accounts can be made through Danske Bank only to an equity savings account provided by Danske Bank and through Nordnet only to an equity savings account provided by Nordnet. The Offer Shares allocated in the Public Offering will be recorded in the book-entry accounts of investors who have made an approved Commitment, on or about the first banking day after the Completion Decision, i.e. on or about 19 November 2021.

Special terms and conditions concerning the Institutional Offering

Overview

Preliminarily a maximum of 4,741,390 Offer Shares are being offered in the Institutional Offering to institutional investors through private placements in Finland and, in accordance with the applicable laws, internationally on the terms and conditions set forth herein. Depending on the demand, the Company may reallocate Offer Shares between the Public Offering, Institutional Offering and Personnel Offering in deviation from the preliminary number of shares without limitation. Notwithstanding the foregoing, the minimum number of Offer Shares to be offered in the Public Offering will be 423,011 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments.

Offer Shares will be offered in the Institutional Offering outside the United States in offshore transactions in compliance with the US Securities Act and otherwise in compliance with said regulation. The Shares (including the Offer Shares) have not been, and will not be, registered under the US Securities Act or under the securities laws of any state of the United States and, accordingly, will not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S of the US Securities Act). For more information on restrictions concerning the offering of the Offer Shares, see "*Important information*".

The Sole Global Coordinator has the right to reject an offer by an institutional investor in the Institutional Offering (the "**Subscription Offer**"), either partially or wholly, if it does not comply with the terms and conditions herein or if it is otherwise incomplete.

Right to participate and place of subscription

An investor whose Subscription Offer is at least 8,251 Offer Shares may participate in the Institutional Offering. Entities submitting a Purchase Offer must have a valid LEI code.

The Subscription Offers of institutional investors will be received by the Sole Global Coordinator of the Offering.

Subscription commitments of the Cornerstone Investors

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 commitments in relation to the planned Offering. The subscription commitments given by the Cornerstone Investors are conditional upon the fulfilment of certain conditions, such as that the Subscription Price per share in the Offering corresponds to a market value of approximately EUR 201 million at maximum before the Offering and that the Company undertakes to allocate the amount of Offer Shares covered by the commitment to the Cornerstone Investors in the Offering. The Cornerstone Investors have given subscription commitments as follows:

- Ilmarinen Mutual Pension Insurance Company, EUR 6.5 million;
- Mandatum Asset Management Ltd, EUR 6.5 million;
- Teknik Innovation Norden Fonder AB, EUR 6.5 million;
- Aeternum Capital AS, EUR 4 million;
- Handelsbanken Fonder AB, EUR 4 million;
- ODIN Förvaltning AS, EUR 4 million;
- certain funds managed by Evli Fund Management Company Ltd, EUR 3 million;
- certain funds managed by parties owned by Aktia Bank plc, EUR 2 million;
- Grenspecialisten Förvaltning AB, EUR 2 million;
- SEB Investment Management AB, EUR 2 million; and
- certain funds managed by Sp-Fund Management Company Ltd; EUR 2 million.

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 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 Cornerstone Investors will receive no compensation for their subscription commitments.

Approval of Subscription Offers and allocation

The Board of Directors of the Company and the Sellers will decide on the acceptance of Subscription Offers submitted in the Institutional Offering in connection with the Completion Decision. The Board of Directors of the Company and the Sellers will decide on the procedure to be followed in any over demand situations. Subscription Offers may be approved or rejected in whole or in part. A confirmation of the approved Subscription Offers in the Institutional Offering will be provided as soon as practicable after the allocation.

Payment of Offer Shares

Investors in the Institutional Offering must pay for the Offer Shares corresponding to their accepted Subscription Offers in accordance with the instructions issued by the Sole Global Coordinator on or about 23 November 2021. If necessary, in connection with a Subscription Offer being made or before the approval of a Subscription Offer, the Sole Global Coordinator has the right, provided by the duty of care set for securities intermediaries, to require that the investor provide information concerning its ability to pay for the Offer Shares corresponding to its Subscription Offer or require that the payment for the Offer Shares concerned by the Subscription Offer be made in advance. The amount to be paid in this instance is the Subscription Price (i.e., EUR 11.82 per Offer Share) multiplied by the number of Offer Shares covered by the Subscription Offer. If the Subscription Price is changed, the new Subscription Price will be applied to the offers submitted thereafter. Possible refunds will be made on or about on the fifth (5th) banking day following the Completion Decision, on or about 25 November 2021. No interest will be paid on the refunded amount.

Special terms and conditions concerning the Personnel Offering

Overview

Preliminarily a maximum of 46,992 New Shares are being offered for subscription in the Personnel Offering to employees employed by the Company or its group companies during the subscription period and to the members of the Board of Directors and the Management Team of the Company (the "**Personnel**").

Depending on the demand, the Company may reallocate Offer Shares between the Public Offering, Institutional Offering and Personnel Offering in deviation from the preliminary number of shares without limitation. Notwithstanding the foregoing, the minimum number of Offer Shares to be offered in the Public Offering will be 423,011 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments.

Right to participate in the Personnel Offering

Only the Company's Personnel is entitled to subscribe for the New Shares in the Personnel Offering.

The right to participate in the Personnel Offering is personal and non-transferrable. Personnel entitled to subscribe may, however, make a subscription through an authorised representative. Personnel participating in the Personnel Offering may also participate in the Public Offering, subject to its terms, if they wish to do so.

A Commitment provided in the Personnel Offering must concern a minimum of 80 New Shares.

Personnel must agree to comply with the lock-up to participate in the Personnel Offering. In accordance with the lock-up, Personnel participating in the Personnel Offering may not, without the prior written consent of the Sole Global Coordinator (which consent may not be unreasonably withheld), during a period ending 360 days after the Listing, (i.e., on or about 14 November 2022) sell, short sell, or otherwise directly or indirectly transfer Offer Shares, option rights or warrants to own Offer Shares or other securities exchangeable for or convertible into or exercisable for Offer Shares that they may hold or have purchased in the Personnel Offering or be authorised to transfer. When making subscriptions, persons participating in the Personnel Offering accept that they will be bound without separate measures by the aforementioned lock-up period and that it will be recorded on the subscriber's book-entry account by the Company.

Subscription Price in the Personnel Offering and allocation

The Subscription Price in the Personnel Offering is 10 percent lower than the Subscription Price in the Public Offering, i.e. EUR 10.64 per New Share.

The Board of Directors of the Company will decide on the allocation of the New Shares in the Personnel Offering in connection with the Completion Decision. The Board of Directors of the Company will decide on the procedure to be followed in any over demand situations. Commitments may be approved or rejected in whole or in part. The Board of Directors of the Company aims to approve Commitments in full up to the limit of 700 New Shares, and for Commitments exceeding this amount, allocate New Shares in proportion to the amount of Commitments unmet. Written confirmations regarding the approval of the Commitments and the allocation of New Shares will be sent to the investors who participated in the Personnel Offering as soon as possible and at the latest on or about 24 November 2021.

Subscription place, submission of Commitments, payment and registration of the New Shares

The subscription place in the Personnel Offering is Danske Bank. In the Personnel Offering, Commitments are submitted and payments made in accordance with separate instructions provided to those entitled to participate.

Commitments to equity savings accounts can be submitted through Danske Bank only to an equity savings account provided by Danske Bank.

The Company or Danske Bank has the right to reject a Commitment, either partially or wholly, if the Commitment does not comply with the terms and conditions herein or if it is otherwise incomplete.

New Shares subscribed for in the Personnel Offering are registered in the Trade Register on or about 18 November 2021.

Entry of New Shares into book-entry accounts

An investor submitting a Commitment in the Personnel Offering must have a book-entry account with a Finnish account operator or an account operator operating in Finland, and the investor must specify the details of its book-entry account in its Commitment. The New Shares allocated and purchased in the Personnel Offering will be recorded in the book-entry accounts of investors on or about 19 November 2021.

Refunding of paid amounts

If a Commitment is rejected or only partially approved, the paid amount or part thereof will be returned to the party that made the Commitment to the bank account specified in the Commitment on or about the fifth (5th) banking day after the Completion Decision, i.e. on or about 25 November 2021. If an investor's bank account is in a different bank than the place of subscription, the refund will be paid to a bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the refunded amount. See also "*Terms and conditions of the Offering – General terms and conditions of the Offering – Cancellation of Commitments*" above.

PLAN OF DISTRIBUTION

Placing agreement

The Company, the Sellers and the Sole Global Coordinator are expected to enter into a placing agreement (the "**Placing Agreement**") on or about 18 November 2021. According to the Placing Agreement, the Company and the Sellers commit to issue and/or sell Offer Shares to the subscribers or purchasers procured by the Sole Global Coordinator, and the Sole Global Coordinator commits to procure subscribers or purchasers for the New Shares and the Sale Shares, provided certain conditions are fulfilled.

The Placing Agreement includes customary conditions that entitle the Sole Global Coordinator to terminate the Placing Agreement in certain situations and with certain preconditions. Such situations include certain material adverse changes in Lemonsoft's business, management, financial condition, results of operations, or Lemonsoft's prospects, as well as certain changes in, among others, national or international political or economic conditions.

Lemonsoft is expected to give customary representations and warranties to the Sole Global Coordinator related to, among others, Lemonsoft's business, financial information, compliance with laws and regulations, the Shares and the content of the Offering Circular. In the Placing Agreement, the Company will commit, to indemnify the Sole Global Coordinator for costs and liabilities and to reimburse the Sole Global Coordinator for potential damages and costs incurred in connection with the Offering.

The Offering consists of (i) a public offering to private individuals and entities in Finland (the "**Public Offering**"), (ii) a Private Placement -arrangement to institutional investors in Finland and, in accordance with applicable laws, internationally (the "**Institutional Offering**") and (iii) a personnel offering to the Company's and its group companies' employees, that are employed at the time of the subscription period, as well as the members of the Board of Directors and the management team of the Company (the "**Personnel Offering**"). The Offer Shares have not been, and will not be, registered in under the US Securities Act.

Lock-up

The Company is expected to commit, during the period that will end 180 days from the Listing, without the prior written consent of the Sole Global Coordinator, not to issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of (or announce such action), directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or enter into any swap agreement or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or submit to the Company's General Meeting of shareholders a proposal to effect such an arrangement. The lock-up does not apply to the measures related to the execution of the Offering.

The members of the Board of Directors and management team of the Company are expected to commit to a lock-up agreement with similar terms to that of the Company, with certain exemptions, that will end on 5 July 2023, which corresponds to the duration of previously agreed lock-ups between these persons and the Company. For further information on lock-ups in force, see "*Ownership structure – Shareholder agreements*".

The Sellers are expected to commit to a lock-up agreement with similar terms to that of the Company, with certain exemptions, that in respect of Kari Joki-Hollanti will end on 5 July 2023 and in respect of Rite 180 days from the Listing.

Personnel must agree to comply with the lock-up to participate in the Personnel Offering. In accordance with the lock-up, Personnel participating in the Personnel Offering may not, without the prior written consent of the Sole Global Coordinator (which consent may not be unreasonably withheld), during a period ending 360 days after the Listing, (i.e., on or about 14 November 2022) sell, short sell, or otherwise directly or indirectly transfer Offer Shares, option rights or warrants to own Offer Shares or other securities exchangeable for or convertible into or exercisable for Offer Shares that they may hold or have purchased in the Personnel Offering or be authorised to transfer. When making subscriptions, persons participating in the Personnel Offering accept that they will be bound without separate measures by the aforementioned lock-up period and that it will be recorded on the subscriber's book-entry account by the Company.

In aggregate, lock-up agreements apply to approximately 75.0 percent of the Shares after the Offering, assuming that the Over-Allotment Option is not exercised (approximately 71.3 of the Shares, assuming that the Over-Allotment Option is exercised in full), the Sellers will sell the maximum amount of Sale Shares and the Company will issue 1,273,726 New

Shares in the Offering (the relative share of the lock-ups of the Shares has been calculated before any subscriptions in the Offering by the Board of Directors and the Management Team or the Personnel).

Over-Allotment option

In connection with the Offering, Rite is expected to grant an over-allotment option to Danske Bank, 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**"). The maximum number of Additional Shares represent 3.7 percent of the Shares and votes vested by the Shares, assuming all of the New Shares and Sale Shares preliminarily offered in the Offering are subscribed for in full. However, the number of Additional Shares will not in any case represent more than 15 percent of the aggregate number of New Shares and Sale Shares.

Stabilisation

The Stabilising Manager may, but is not obligated to, engage in measures during the Stabilisation Period that stabilise, maintain or otherwise affect the price of the Shares. The Stabilising Manager may allocate a larger number of Shares than the total number of New Shares and Sale Shares, which will create a short position. The short position will be covered if it does not exceed the number of Additional Shares. The Stabilising Manager is entitled to close the covered short position by exercising the Over-Allotment Option and/or by buying Shares on the market. In determining the acquisition method of the Shares to cover the short position, the Stabilising Manager may consider, among other things, the market price of the Shares in relation to the Subscription Price. In connection with the Offering, the Stabilising Manager may also bid for and purchase Shares in the market to stabilise the market price of the Shares. These measures may raise or maintain the market price of the Shares in comparison with the price levels determined independently on the market or may prevent or delay any decrease in the market price of the Shares. However, stabilisation measures cannot be carried out at a price higher than the Subscription Price. The Stabilising Manager has no obligation to carry out these measures, and it may stop any of these measures at any time. The Stabilising Manager or the Company on behalf of the Stabilising Manager will publish information regarding the stabilisation required by legislation or other applicable regulations at the end of the Stabilisation Period. Stabilisation measures can be carried out on First North during the Stabilisation Period.

The stabilisation measures will be conducted in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (the "**Market Abuse Regulation**") and the Commission Delegated Regulation (EU) 2016/1052 supplementing the Market Abuse Regulation with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilisation measures.

The Stabilising Manager and Rite may enter into a share lending agreement related to stabilisation and the Over-Allotment Option in connection with the Offering. According to the share lending agreement, the Stabilising Manager may borrow a number of Shares equal to the maximum number of Additional Shares to cover any possible over-allotments in connection with the Offering. To the extent that the Stabilising Manager borrows Shares pursuant to the share lending agreement, it must return an equal number of Shares to Rite.

Subscription commitments of the Cornerstone Investors

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 commitments in relation to the planned Offering. The subscription commitments given by the Cornerstone Investors are conditional upon the fulfilment of certain conditions, such as that the subscription price per share in the Offering corresponds to a market value of approximately EUR 201 million at maximum before the Offering and that the Company undertakes to allocate the amount of Offer Shares covered by the commitment to the Cornerstone Investors in the Offering. The Cornerstone Investors have given subscription commitments as follows:

- Ilmarinen Mutual Pension Insurance Company, EUR 6.5 million;
- Mandatum Asset Management Ltd, EUR 6.5 million;
- Teknik Innovation Norden Fonder AB, EUR 6.5 million;

- Aeternum Capital AS, EUR 4 million;
- Handelsbanken Fonder AB, EUR 4 million;
- ODIN Förvaltning AS, EUR 4 million;
- certain funds managed by Evli Fund Management Company Ltd, EUR 3 million;
- certain funds managed by parties owned by Aktia Bank plc, EUR 2 million;
- Grenspecialisten Förvaltning AB, EUR 2 million;
- SEB Investment Management AB, EUR 2 million; and
- certain funds managed by Sp-Fund Management Company Ltd; EUR 2 million.

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 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 Cornerstone Investors will receive no compensation for their subscription commitments.

Fees and expenses

The Company estimates that the fees and expenses payable by it in relation to the Offering will amount to approximately EUR 1.1 million, including fees and expenses to be paid to the Sole Global Coordinator (assuming that the discretionary fee is paid in full). In addition, the Sellers estimate that the fees payable by them in relation to the Offering will amount to approximately EUR 1.7 million (assuming that the discretionary fee is paid in full).

Interests related to the Offering

The fees to be paid to the Sole Global Coordinator is, in part, linked to the proceeds from the Offering.

The Sole Global Coordinator and/or its affiliates have provided and may in the future provide advisory, consulting and/or banking services to the Company in the ordinary course of its business. In connection with the Offering, the Sole Global Coordinator, and/or investors within its affiliates, may acquire a portion of the Shares on their own account, and in this capacity hold, purchase or sell the Offer Shares for their own account, and they may offer or sell such securities otherwise than in connection with the Offering, subject to the legislation and regulations applicable at each time. The Sole Global Coordinator does not intend to disclose the scope of such investments or transactions otherwise that in accordance with any legal or regulatory obligation to do so.

Dilution of ownership

In the Offering, the aggregate number of Shares may, due to the issuance of New Shares, increase to 18,273,726 Shares, assuming that the preliminary maximum number of New Shares are offered and subscribed for in the Offering and that 46,992 New Shares are subscribed for in the Personnel Offering. If the existing shareholders of the Company would not subscribe for Offer Shares in the Offering, the total ownership of the existing shareholders would dilute with approximately 7.0 percent, assuming that the maximum number of New Shares are offered and subscribed for in the Offering and that 46,992 New Shares are subscribed for in the Personnel Offering.

The Company's equity per share as at 30 September 2021 was EUR 0.43. The Subscription Price of the Offer Shares is EUR 11.82 per Offer Share in the Public Offering and the Institutional Offering, and EUR 10.64 per New Share in the Personnel Offering.

Agreement on serving as a certified adviser

On 4 November 2021, the Company has entered into an agreement with Danske Bank on acting as the certified adviser. According to the agreement, Danske Bank acts as the Company's certified adviser, referred to in the Nasdaq First North Growth Market Rulebook, with customary terms and conditions. The agreement defines the services offered by the certified adviser and the allocation of rights, duties and liabilities of the parties.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "Target Market Assessment"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II. Notwithstanding the Target Market Assessment, distributors should note that the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for its own Target Market Assessment in respect of the Offer Shares and determining appropriate distribution channels.

CAPITALISATION AND INDEBTEDNESS

The following table illustrates the Company's capitalisation and indebtedness as at 30 September 2021. The following table should be read together with "*Risk factors*", "*Operating and financial review and prospects*" and "*Selected financial information*" and the financial information enclosed as Appendix D of the Offering Circular.

(EUR thousand)	**30 September 2021 (unaudited)**
Capital structure	
Current financial debt	
Guaranteed/secured	1,000
Total current financial debt	1,000
Non-current financial debt	
Guaranteed/secured	2,750
Total non-current financial debt	2,750
Total debt	**3,750**
Equity	
Share capital	80
Reserve for invested unrestricted equity	36
Dividends distributed	-2,210
Profit (loss) from previous periods	6,844
Profit (loss) for the period	2,635
Total equity	**7,384**
Total equity and debt	**11,134**
Net indebtedness	
Liquidity	
Cash at hand and in banks	4,537
Financial securities[1)]	100
Total liquidity (A)	4,637
Current financial debt	
Current portion of non-current financial debt	1,000
Total current financial debt (B)	1,000
Net current financial indebtedness (C = B - A)	-3,637
Non-current financial debt	
Non-current financial debt (excluding current portion)	2,750
Total non-current financial debt (D)	2,750
Net indebtedness (C + D)	**-887**

[1)] Financial securities include the Handelsbanken Active Life investment agreement, which is a capitalisation agreement established under Finnish law. The agreement matures on 16 October 2027. The agreement can be surrendered against a surrender charge.

No material changes have occurred in the capitalisation and indebtedness of the Company between 30 September 2021 and the date of the Offering Circular.

For further information on the Company's off-balance sheet liabilities and given collaterals, see "*Operating and financial review and prospects – Off-balance sheet liabilities*".

Sufficiency of working capital

Lemonsoft's management believes that the working capital available to it is sufficient for at least the twelve months following the date of this Offering Circular.

MARKET AND INDUSTRY OVERVIEW

The following overview includes market and industry information that is based on internal assessments by the Company's management and Board of Directors and on information received from third-party sources. The monetary assessments of the markets that are based on different sources are not necessarily mutually comparable because the industry and service classifications may differ from each other and the bases of calculation may vary. If the information has been derived from third-party sources, the source is indicated. The following overview also includes assessments concerning the Company's market position that have not been derived from public sources. These assessments are based on information that the Company has received from non-public sources and on the knowledge that the Company's management and Board of Directors have of the industries and markets. The overview is not a comprehensive market analysis but a general presentation of the main features of the Company's relevant markets.

Market size and characteristics

Introduction

The Company operates on the Finnish ERP market with SaaS solutions (*Software-as-a-service*, "**SaaS**") as its core competence. ERP systems, i.e. enterprise resource planning systems, mean software that integrate different functions of a company and the data streams generated by them. ERP systems typically include modules for the different processes of a company, for example financial management, personnel management, warehouse management and logistics. Customers can buy the ERP system as a comprehensive solution or purchase modules from different service providers.

The strong development of the software market in Finland and Finland's globally strong position among forerunners in technological development create a promising operating environment for the Company. In 2021, Finland ranked second in Digibarometer, a study that evaluates how societies globally utilise digitalisation.[4] The pace of Finnish companies adopting cloud computing services is a further indication of the strong development of the Finnish IT market. Approximately 75 percent of Finnish companies used pay-to-use cloud computing services in 2020, which is the highest number among the EU countries and significantly higher than the EU average. According to Eurostat statistics, only 36 percent of EU enterprises used pay-to-use cloud computing services in 2020.[5]

The ERP market is in a state of disruption as customers are transitioning from on-premise software that is locally installed on work stations and that requires separate maintenance for the customer towards cloud-based SaaS solutions at an increasingly fast pace. The offering on the market consists mainly of comprehensive on-premise and cloud-based solutions for enterprise resource planning that directly compete with the Company's offering as well as of vertical-specific partial solutions and financial management systems.

The cloud-based SaaS solutions are based on the functionalities of the ERP system being centralised into one service, on a modular structure that improves scalability and on outsourcing the maintenance to a service provider with a cloud service that the customer can access via the internet. SaaS solutions, which are an important growth driver for the ERP market, enjoy a favourable operating environment as a result of the strong increase in the penetration of SaaS solutions, Finnish companies' great willingness to invest in IT and the change in the nature of work that increases the requirements for among other things the agility of ERP systems.

Overview of ERP systems

Collecting, storing, managing and combining data streams generated by the operations of almost all kinds of companies are fundamental prerequisites for the operations of a company. The collection, storage, management and combination of data streams generated by the business operations are generally called *Enterprise Resource Planning*, ERP. At its simplest, ERP can be operated without any special instruments, for example, by writing down information in a notebook or by collecting and analysing information that arises from a company's operations in Microsoft Excel or other spreadsheet programs. However, these ERP methods require a lot of work. The solution for this problem are ERP systems, i.e. software that automate, improve the efficiency and centralise the collection, management and use of the data streams generated by a company's operations. Penetration of ERP systems is strongly increasing and the Company sees that the reasons are, for example, that deployment of ERP systems is easier than before because of the SaaS model, the development of digitalisation in general and companies' willingness to automate their operations.

On the ERP market, there are ERP systems that are suitable to be used by all companies, i.e. generalist ERPs, and vertical-specific systems that are designed for a particular industry. Generalist ERP systems usually include a wide range of basic

[4] Source: ETLA, Digibarometer 2021: Vuosikymmen verkkokauppaa ja alustataloutta (A decade of e-commerce and platform economy), June 2021.
[5] Source: Eurostat, Cloud computing - statistics on the use by enterprises, 2021.

functions, which is why they are suitable for the management of straightforward processes in any industry. Industry- and company-specific partial solutions are often used in addition to ERP systems that are independent of the industry, which is why generalist ERP systems must often be highly customised for a company's needs. Implementation of software that is customised for a specific customer requires more effort, affecting both the time and cost of implementation.

The Company's solutions belong in the category of vertical-specific ERP systems that correspond more comprehensively to the needs of a certain industry. Vertical-specific ERP systems have been designed in accordance with the target industry, which is why they take into account the special characteristics of the processes of their target industry. The providers of vertical-specific ERP systems also interact constantly with the companies in the target industry, which makes it possible to take into account changes in the industry and to incorporate the best practices in the industry into the ERP systems. The modules of the vertical-specific ERP systems have been designed with the target industry's special needs in mind, for which reason it is usually not necessary to supplement the ERP systems with partial solutions or customise the ERP system for a specific company.

The graph below illustrates the Company's management's view on different alternatives for resource planning. With respect to vertical-specific ERP systems, the Company's management's view on the three largest operators in terms of market share measured by the number of customers within the industry are described under each industry. The numbers of customers publicly announced by the largests competitors were used in the analysis.

[1)] PlanMill Oy has been a part of the Lemonsoft Group as of August 2021. For further information, see "*Business of the Company – History*".

Lemonsoft's addressable market

The addressable market of Lemonsoft consists of a certain part of the Finnish ERP market. The Company's addressable market mainly includes small and medium-sized enterprises in the customer industries ("**target vertical**") of industrial manufacturing, wholesale and retail, professional services automation, accounting firms and construction. The Company's management estimates that the size of the Company's addressable market is approximately EUR 290 million. The market size is determined based on the Company's current average invoicing per customer, the average ERP system penetration among Finnish companies and the number of potential customers in the Company's target verticals. In the Company's target verticals, there are more than 15,000 companies in industrial manufacturing, more than 34,000 in wholesale and retail, more than 108,000 in professional services automation, more than 4,000 in accounting firms and more than 31,000 in the construction sector[6]. Thus, there are in total more than 192,000 potential customer companies in the Company's target verticals.[7]

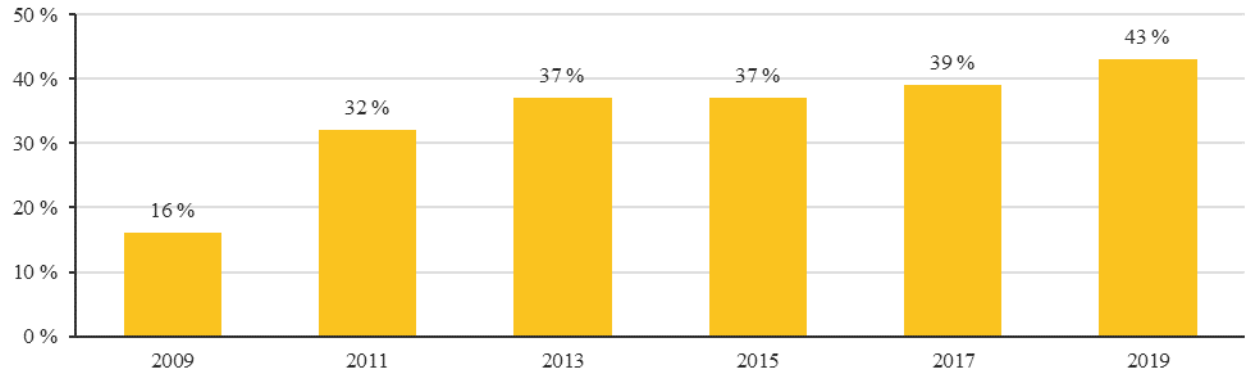
In addition to the current target market of EUR 290 million, the Company's management estimates that the target market still has a lot of untapped potential. The target market grows towards its potential as the ERP system penetration increases (new companies) and the companies using ERP systems expand their use of ERP systems (higher average spending per company). ERP system penetration in Finnish companies was 43 percent in 2019. The penetration has strongly increased during the recent years. The Company's management estimates that cloud-based ERP systems based on the SaaS model

[6] Source: Source: Asiakastieto (search in the service provider's company database including corporate forms public limited company, limited company, private trader, limited partnership, general partnership and limited liability housing company as well as companies in accordance with Standard Industrial Classification TOL 2008, that may use ERP in the view of the Company's management)

[7] Source: Asiakastieto (search in the service provider's company database including corporate forms public limited company, limited company, private trader, limited partnership, general partnership and limited liability housing company as well as companies in accordance with Standard Industrial Classification TOL 2008, that may use ERP in the view of the Company's management)

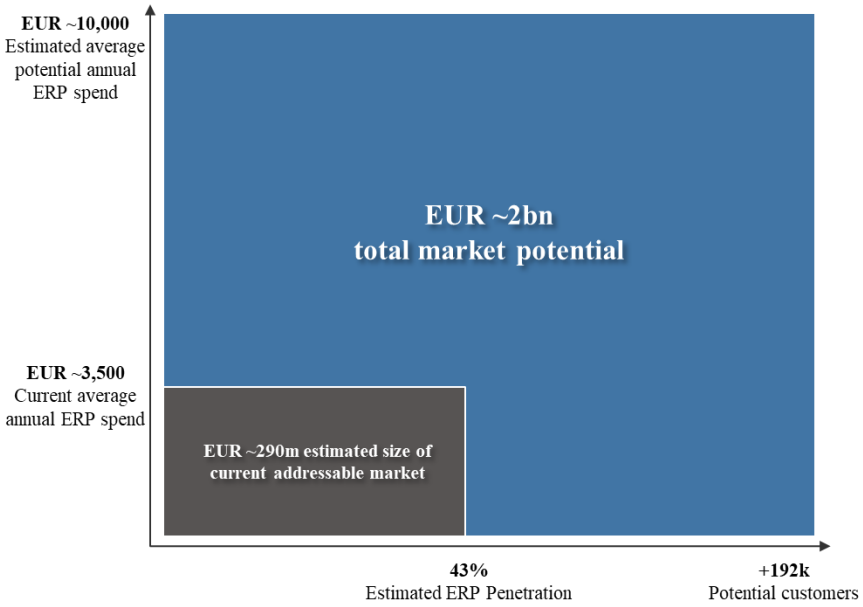
have made it easier and financially more profitable to deploy ERP systems, which drives the increasing ERP system penetration. The graph below illustrates the ERP system penetration in Finnish companies from 2009 to 2019.[8]

The ERP system penetration



In addition to the ERP system penetration, the Company's management estimates that the market potential is driven by the expansion of the use of ERP tools in companies that use ERP systems. The expansion of ERP utilisation in a company may mean, for example, an increase in the number of users or the implementation of new features, and both of them typically result in higher invoicing per customer. The Company's management sees that both the Company's customer base and the market in general have significant potential to transition towards more comprehensive software solutions as companies increase the use of various features and the number of users of the ERP systems and thus to increase software expenditure per company. Currently, the Company's average annual invoicing per customer is approximately EUR 3,500. The Company's management estimates that the average annual invoicing for a customer that uses Lemonsoft's ERP system comprehensively is approximately EUR 10,000. Based on the estimate above concerning the average annual invoicing of a customer using the ERP system comprehensively, the Company's management estimates that the average annual invoicing per company could rise to approximately EUR 10,000 in the long term both among the Company's customer base and in the markets in general if all Finnish companies using the ERP system would use their ERP systems comprehensively.

Based on the figures above concerning the number of potential customers in the Company's target verticals and the average annual invoicing per customer using the ERP system in a comprehensive manner, the potential of the Company's addressable market with a full ERP system penetration would be approximately EUR 2 billion in Finland. The graph below illustrates the Company's management's view on the size and potential of the Company's addressable market[9].



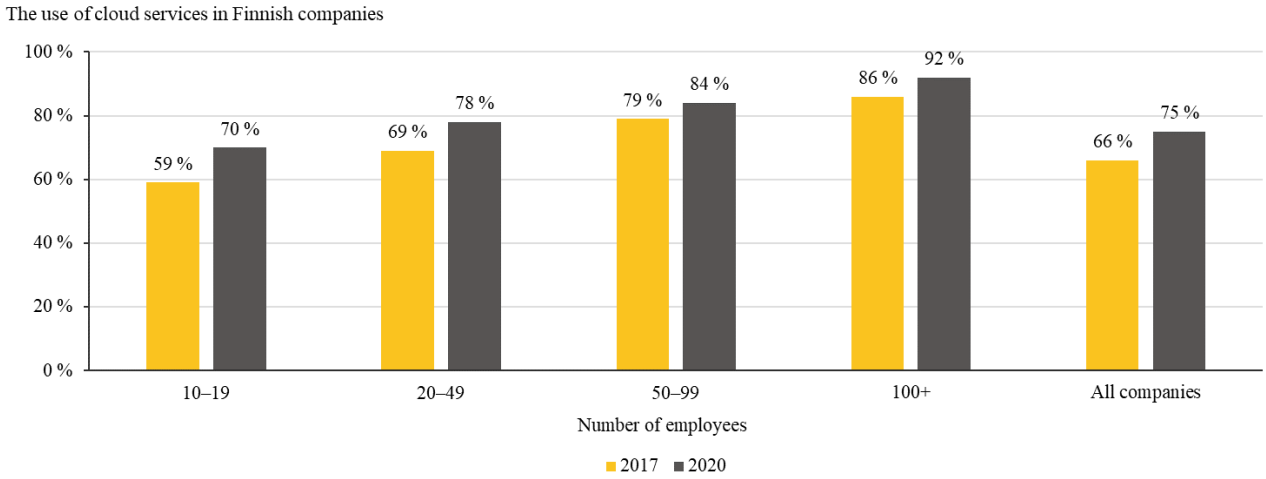
[8] Source: Statistics Finland (Use of information technology in enterprises, 5. Digitalisation of business, Graph 16. The company uses an ERP system 2009–2019, share of all companies employing at least 10 persons).

[9] Sources: Sources: With respect to potential customers, Asiakastieto (search in the service provider's company database including corporate forms public limited company, limited company, private trader, limited partnership, general partnership and limited liability housing company as well as

Trends on the ERP market

Increase in the prevalence of cloud-based SaaS solutions

The enterprise software market is transitioning ever more rapidly to comprehensive cloud-based solutions that integrate the data management of a company's processes throughout the value chain and its support function processes into one system. In addition to the comprehensive operational efficiency improvement and the automation of various processes, the availability and user-friendliness of the services have become increasingly important assessment criteria, particularly after the coronavirus pandemic. In addition to desktop use, it is increasingly expected that software can be used in browsers and as mobile versions, for example, to facilitate remote work and remote use, which is one driver for the popularity of cloud-based software services. The graph below illustrates how the use of cloud services has developed in Finnish companies of various sizes from 2017 to 2020[10].



The Company's management sees that the use of cloud services has become mainstream in companies of almost all sizes but the use of cloud services is more common in bigger companies. The increasing demand for cloud services as part of a larger transition towards digitalisation and the role of SaaS solutions as their biggest segment have for a while been driven by the easier implementation of cloud services, the development of the services and the benefits compared to traditional license-based and locally installed on-premise software. In the view of the Company's management, this global development has lately been further accelerated, among other things, by the change in the nature of work accelerated by the coronavirus pandemic and the increased demand for flexible and centralised software solutions. Cloud-based third-party ERP systems provide an alternative for the construction of companies' own IT infrastructure and for traditional ERP systems based on a one-time license, the use of which may normally involve maintenance costs in addition to the license fee and weaker possibilities to integrate systems and to update and modify systems compared to SaaS software.

SaaS solutions offer integration capabilities, independence of time and place, timeliness and scalability and the Company's management sees that they play a key role in expanding work possibilities and in enabling cost-efficient scaling of small and medium-sized enterprises. The modular structure increases the flexibility of SaaS software and gives the customer leeway and the possibility to incrementally add different features instead of large one-off investments. With respect to cost-efficiency, investments in SaaS software are also driven by their predictable cost structure that is evenly distributed and makes the threshold for deployment low and enables cost-efficient outsourcing of maintaining and updating the software compared to systems based on one-time licenses.

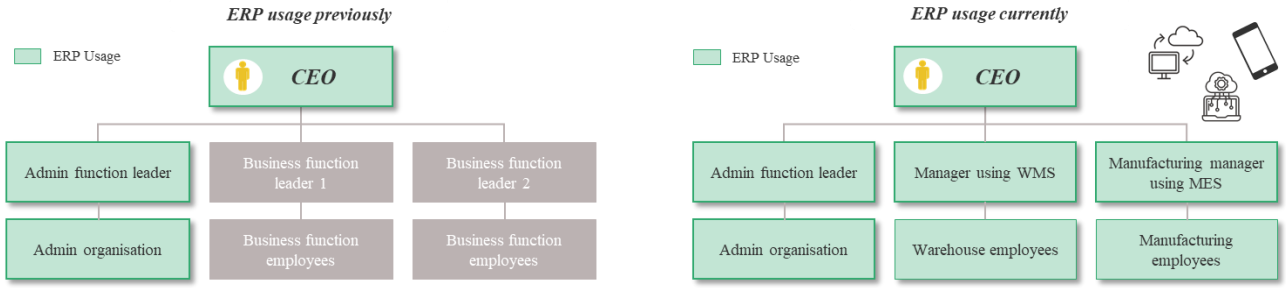
Progression of digitalisation to ever wider levels in organisations

The Company's management sees that another trend that strongly shapes the ERP market is the progression of digitalisation to ever broader and lower levels in organisations. The Company's management also considers that duties relating to the collection and management of data will in the future be carried out by more diverse users that are less specialised in handling data. This trend has a significant impact on the industry because the accessibility of software and

companies in accordance with Standard Industrial Classification TOL 2008, that may use ERP in the view of the Company's management) and with respect to ERP system penetration, Statistics Finland (Use of information technology in enterprises, 5. Digitalisation of business, Graph 16. The company uses an ERP system 2009–2019, share of all companies employing at least 10 persons).

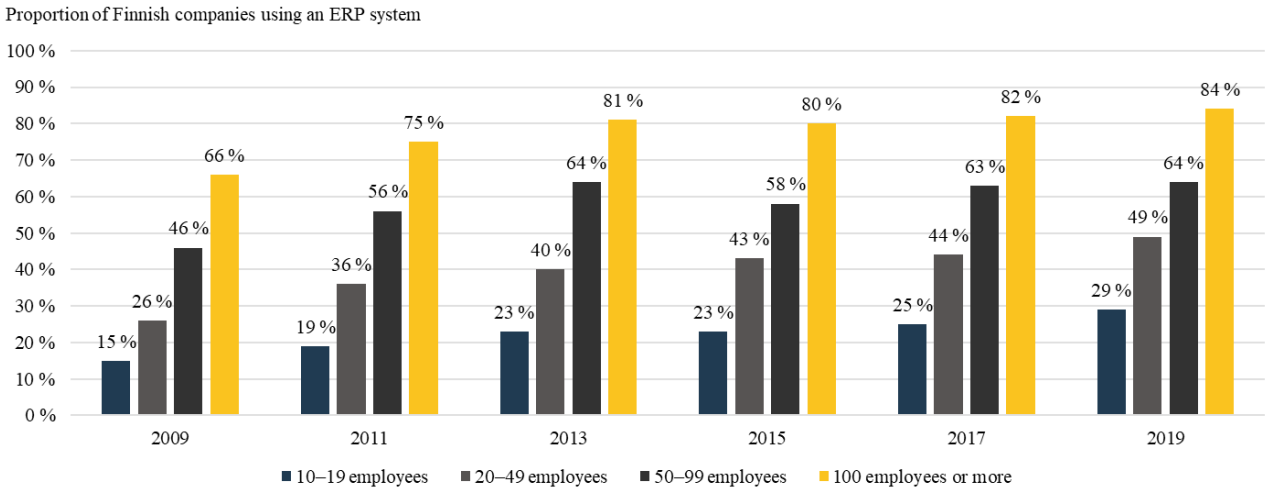
[10] Source: Statistics Finland (Use of information technology in enterprises 2017 and 2020, 3. Cloud services, Graph 9. Use of cloud service, share of companies in the sector)

the flexibility and user-friendliness of interfaces become more important when employees on a more operative level start to use the software instead of knowledge workers working at offices. The graph below illustrates how the Company's management sees the change in the use of an ERP system in organisations.



Progression of digitalisation to smaller companies

In the past few years, digitalisation has progressed to smaller companies. Cloud-based software based on the SaaS model have lowered the threshold for the deployment of software, which has made it possible to deploy software in smaller companies than before. The graph below illustrates the prevalence of using an ERP system in Finnish companies of various sizes from 2009 to 2019[11].



The share of companies that use an ERP system is highest in the biggest companies but the share increases fastest in the smallest companies. The increase in ERP system penetration driven particularly by small companies increases the Company's addressable market.

The effects of the coronavirus pandemic on the ERP market

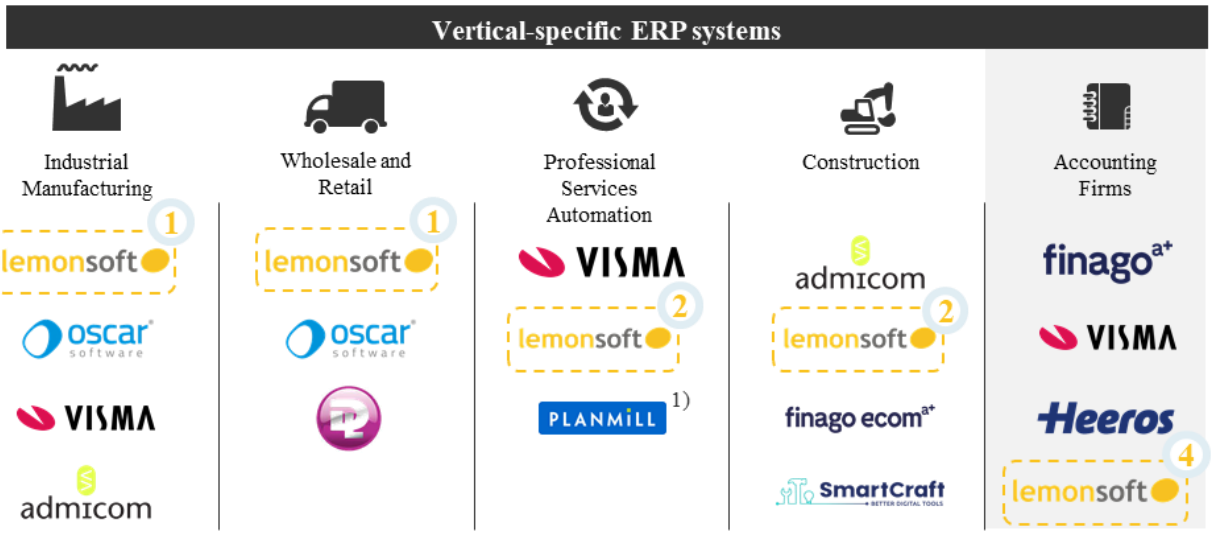
The coronavirus pandemic has affected the trends in the ERP market. The Company's management estimates that, as a whole, impacts on the market have been positive since, among other things, the increase in remote work has accelerated companies' willingness to digitalise and automate their processes. The use of cloud services has become increasingly common during the past years, and companies' interest in digitalisation investments has remained high in 2021. However, as per the Company's management, the coronavirus pandemic somewhat slowed down implementations of new ERP solutions in 2021. In order to adjust to the future after the pandemic, 23 percent of SMEs stated that they have developed business models with the help of digitalisation and 37 percent stated that they invest in the development of new products and services.[12] Of the managers of Finnish SMEs, 62 percent estimated that their companies will invest in new digitalisation projects quite a lot and 8 percent very strongly during 2021.[13] In the same connection, system integrations and compatibility were the most frequently stated areas of development within digitalisation projects during the current year. This demand can be partially met with the cloud-based SaaS that work as a comprehensive ERP software solution.

[11] Source: Statistics Finland (Use of information technology in enterprises, variables: Year, Approximate number of personnel and Data).
[12] Source: Federation of Finnish Enterprises, SME Barometer 2021, February 2021.
[13] Source: Basware & Ite Wiki, Talouden ja digitalisaation tila 2021 (The state of economy and digitalisation 2021), February 2021.

Competitive environment

The Company operates in the ERP market in Finland primarily as a service provider for SMEs. Within the market, the Company provides services to several industries but is primarily focused on five target industries: industrial manufacturing companies, wholesale and retail companies, professional services automation companies, accounting firms and construction companies. In this target market, the Company competes with companies that provide vertical-specific ERP systems or special partial solutions and with companies producing more comprehensive ERP solutions.

The Company's management estimates that the key vertical-specific ERP system competitors for the Company include Visma from among big traditional IT firms, Accountor and Heeros that primarily offer software solutions for financial management, Admicom and SmartCraft that specialise in the ERP solutions for the construction industry and Oscar Software and DL Software that focus on ERP software that are targeted for a wider range of industries. The Company's management estimates, however, that there is a fair amount of competition in the software and ERP markets, which has fragmented the industry. The Company is the only software service provider that, in the view of the Company's management, in terms of market share measured by the number of customers, is among the four largest operators in each of the Company's five target verticals. The numbers of customers publicly announced by the largests competitors were used in assessing the market share. The graph below illustrates how the Company's management sees the competitive landscape in the market of vertical-specific ERP systems.



[1)] PlanMill Oy has been a part of the Lemonsoft Group as of August 2021. For further information, see "*Business of the Company – History*".

The Company's management sees that the Company stands out in the competitive landscape with its software solution design providing a wide and modular offering that is more comprehensive compared to its competitors. In its target verticals, the Company offers software solutions that are designed to respond to the specific needs of each target vertical. Despite the very different characteristics of the target verticals, the Company is able to provide its customers with a comprehensive ERP solution that covers all of the customer company's operations in one package.

In the view of the Company's management, companies within the industry compete for customers, among other things, using the comprehensiveness of the features, price, quality, usability and vertical-specific features. The Company's management estimates that focusing personnel resources into development work heavily and more extensively than its certain competitors gives the Company a competitive advantage in the development of software solutions with a high customer focus.[14] The Company's management sees that strong product development creates the ability to react to new technologies and changes in customer needs and gives the Company a competitive advantage in the rapidly developing software market. More than half of the Company's personnel works in product development where the customer has been included in the improvement of software functionalities and usability, which in the view of the Company's management plays an important role in the Company's significant market share in each target vertical. The Company's management

[14] The estimate of the Company's management is based on the relative number of employees working in the Company's product development, which is higher compared to certain listed competitors of the Company. On 30 September 2021, approximately 55 percent of the Company's personnel worked in product development.

sees that the Company has a stronger position than its key competitors in several target verticals, which promotes the scalability of the Company's operations and makes it possible to reach a broad base of potential customers.

The Company's management sees that an essential part of the competition in the target market concerns, in addition to customers, also labour as the availability of qualified experts is a challenge within the entire IT industry. However, the Company's management estimates that the Company has succeeded very well in managing the risk of personnel availability and in retaining its key personnel.

BUSINESS OF THE COMPANY

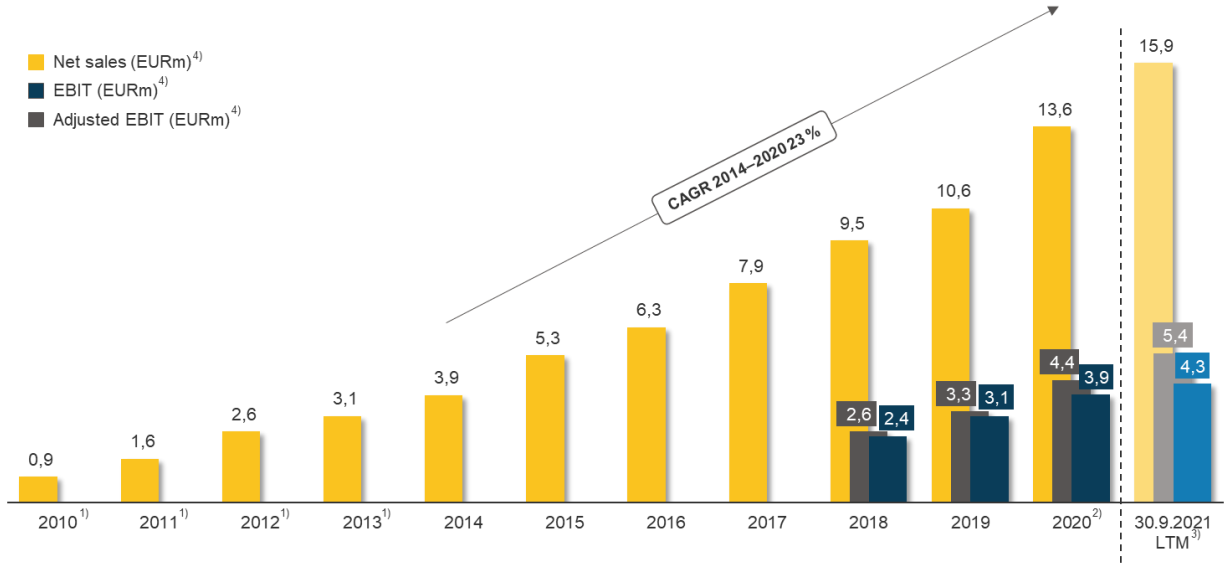
General

Lemonsoft is a Finnish software company that designs, develops and sells comprehensive ERP software solutions to streamline its customers' business processes and administration. The extensive offering of software products and related services (jointly, the "**software solutions**") enables the Company to provide its customers with a comprehensive solution. The standardised and scalable software solutions of the Company are primarily delivered as cloud service and they are based on the SaaS model where 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 at the date of this Offering Circular, the Company's customer base consists of over 6,600 customer companies using the Company's software solutions, including businesses especially from industrial manufacturing, wholesale and retail, professional services automation, construction and accounting firms.

The Lemonsoft Group consists of the parent company Lemonsoft Oyj and its subsidiaries Lixani Oy, Metsys Oy, PlanMill Oy and WorkIn Oy. In the nine-month period ended 30 September 2021, Lemonsoft's net sales were EUR 12.3 million, EBIT EUR 3.4 million and adjusted EBIT EUR 4.2 million (34.2 percent of net sales). In the financial year ended 31 December 2020, Lemonsoft's net sales were EUR 13.6 million, EBIT EUR 3.9 million and adjusted EBIT EUR 4.4 million (32.6 percent of net sales). In the financial period ended 31 December 2020, Lemonsoft's pro forma net sales were EUR 17.4 million, pro forma EBIT EUR 4.4 million and pro forma adjusted EBIT EUR 5.6 million (32.3 percent of net sales).[15]

In the nine-month period that ended on 30 September 2021, the Group had an average of 123 employees. As at the date of this Offering Circular, the Company has operations in nine Finnish cities, comprising Vaasa, Helsinki, Joensuu, Jyväskylä, Kouvola, Oulu, Tampere, Turku and Vantaa[16], from where the Company is serving its customers all over Finland. In the financial years ended 31 December 2020, 31 December 2019 and 31 December 2018, all of the Company's net sales were generated in Finland. In the nine-month period ended 30 September 2021, approximately EUR 15 thousand of the Company's net sales was generated abroad.

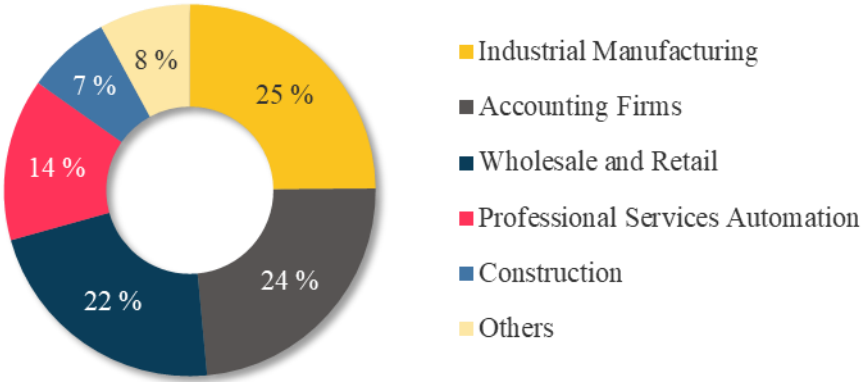
The graph below illustrates the development of the Company's net sales, EBIT and adjusted EBIT on the periods indicated:



[1)] Lemonsoft's financial year ended on 31 May in 2010–2013. The graph presents the figures for 2013 for the period of 1 January 2013–31 December 2013. Starting 2014, the Company's financial year has been 1 January–31 December.
[2)] Aacon Oy has been consolidated into the consolidated financial statements of Lemonsoft as of 1 January 2020. Lixani Oy and ILVE Oy have been consolidated into the consolidated financial statements of Lemonsoft as of 1 May 2020.
[3)] Metsys Oy has been consolidated into the consolidated financial statements of Lemonsoft as of 1 February 2021, the Talosofta business as of 1 July 2021 and PlanMill Oy as of 1 August 2021.
[4)] The information concerning net sales and EBIT for the years 2010–2020 illustrated in the graph is audited (except for year 2013 due to the change in the financial year mentioned above in footnote 1) and unaudited for the twelve-month period ended 30 September 2021 (30 September 2021 LTM). The information concerning the adjusted EBIT is unaudited.

[15] Information concerning the nine-month period ended 30 September 2021 is unaudited. Net sales and EBIT for the financial year ended 31 December 2020 are audited and adjusted EBIT and adjusted EBIT margin are unaudited. The pro forma financial information is unaudited.
[16] The Company has terminated the lease agreements for its Vantaa location and intends to transfer the operations of its Vantaa location to Helsinki.

The graph below illustrates the Company's net sales by customer industry in 2020:



History

Lemonsoft Oy is a Finnish software company established in 2006. Throughout its operating history, the Company has put considerable efforts into product development. In 2006, Lemonsoft launched a tool for customer relationship management (CRM). With the CRM tool, companies can manage their customer accounts in a comprehensive manner, respond to the customers' needs and improve marketing and sales.

During the Company's early years, Lemonsoft's business model was based on licence-based on-premise software solutions. The Company began, however, gradually transiting towards cloud-based software solutions, and today, cloud-based usage accounts for approximately 70 percent of the total usage of the Lemonsoft ERP-system.

In 2008, Lemonsoft introduced a tool for manufacturing execution system (MES), enabling companies to make better use of their production capacity, identify bottlenecks in production and keep up with the schedules. Real-time information of production stages and throughputs are also useful in the calculation of the profitability of the work and in making conclusions on pricing.

In 2010, Lemonsoft introduced a tool for project management, providing companies an easy and real-time method for keeping up to date in the progress of a project and for ensuring that the project's scope is adhered to as agreed in terms of quality, schedules and the budget.

In June 2016, Rite Internet Ventures Holding AB, a private equity company specialised in IT, technology and e-commerce companies acquired a stake in the Company.

In recent years, the Company has aimed to expand its operations both through organic growth and acquisitions. In 2016, the Company acquired the entire share capital of Cloud Partners Oy, a company specialised in offering platform solutions. Cloud Partners Oy was merged into Lemonsoft Oy in February 2017.

In 2016, Lemonsoft acquired the entire share capital of Suomen Ohjelmistopalvelu.fi Oy, a company specialised in equipment and software consulting, and Suomen Ohjelmistopalvelu.fi Oy merged into Lemonsoft Oy in May 2017.

In December 2019, Lemonsoft acquired the entire share capital of its long-term business partner Ohjelma-Aitta Oy. Ohjelma-Aitta Oy was specialised in supplementing Lemonsoft's standard solutions with its own or third-party software solutions. With the acquisition, the operations of Ohjelma-Aitta Oy were integrated into Lemonsoft Oy and Ohjelma-Aitta Oy was merged into Lemonsoft Oy in April 2020.

In January 2020, Lemonsoft acquired the entire share capital of Aacon Oy, a software house producing the Kellokortti time tracking service. The acquisition strengthened Lemonsoft's comprehensive solution with Kellokortti's innovative solutions for time tracking, collective agreement interpretation and holiday planning. Aacon Oy was merged into Lemonsoft Oy in March 2021, but Kellokortti continues its operations as an independent brand.

In May 2020, Lemonsoft decided to carry out its own online store solution under the name LemonShop. The popular online store platform WooCommerce was chosen as the platform. Lemonsoft's strength lies in the interface under which the online store is integrated into the Lemonsoft ERP system.

In May 2020, Lemonsoft acquired a major shareholding in Lixani Oy and ILVE Oy, which produce software solutions for the construction sector. With the acquisition, the Company strengthened its position as a supplier of comprehensive software solutions for the construction segment. In October 2020, Lixani Oy was merged into ILVE Oy and ILVE Oy's name was changed into Lixani Oy.

In February 2021, Lemonsoft acquired the entire share capital of Metsys Oy, a company specialised in business critical warehouse management applications. With the acquisition, Metsys Oy supplements Lemonsoft's offering in warehouse and production operations with warehouse management solutions, a production management system and advanced optimisation specifically designed for extensive inventory transactions. Metsys Oy will continue to focus on developing warehouse management solutions and continues its operations as an independent company.

In May 2021, Lemonsoft released the Regista software designed for business process description. Regista is software for process description, measurement and development that supports Lemonsoft's comprehensive solution. The principle behind the software is to provide the customer with a tool that is adaptable to the customer's needs and accessible by the entire organisation. The software can be used, e.g. as a documentation platform for acquiring a quality certificate or as a tool for employee induction training and for carrying out specific work instructions.

In June 2021, Lemonsoft acquired the Talosofta business from Alma Mediapartners Oy. Talosofta is a web-based ERP system for construction and residency specifically designed for small and medium-sized construction, renovation and building technology operators. Talosofta supplements Lemonsoft's offering in the construction segment particularly through cost accounting operations, thereby enabling the Company to offer an even more comprehensive solution for its customers. With the acquisition of the Talosofta business, the Company established a new office in Oulu, Finland.

In August 2021, Lemonsoft acquired the entire share capital of PlanMill Oy to strengthen its position and offering in professional services automation (PSA). The cloud-based software solutions of PlanMill Oy are particularly designed for companies that offer consulting services and that are engaged in project business. With the acquisition, the Company transfers the operations of the office that was earlier located in Vantaa to Helsinki.

Lemonsoft's strengths

The Company's management estimates that particularly the following factors are the Company's strengths:

SaaS company with rapid growth during its history and very strong key metrics across the board

Throughout its history, the Company has grown rapidly. In addition to growth, the Company's management sees that Lemonsoft has a very strong performance with respect to the key metrics used for measuring the operations of SaaS companies, which creates a foundation for strong growth, profitability and sustainable business development. The Company has strong key metrics in, among other things, the following areas:

- high share of recurring revenue,
- low customer dependency,
- strong net revenue retention,
- low churn,
- high gross margin and
- strong unit economics.

High share of recurring revenue is the cornerstone of the Company's business and enables a steady and predictable net sales profile. Approximately 83 percent of the Company's net sales in 2020 was from recurring revenue, the majority of which was from monthly SaaS invoicing.

The Company benefits from the extensive and distributed customer base that leads to low dependency on individual customers. In June 2021, the single largest customer in the Company's customer base represented approximately 1 percent of the Company's annual recurring revenue. In September 2021, the number of the Company's customer companies using software solutions exceeded 6,600 and in June 2021 the number of users exceeded 50,000.

The Company's net revenue retention that is based on monthly recurring revenue was approximately 108 percent in 2020, which means that the revenue generated from the Company's current customers was on average eight percent higher in 2020 compared to the revenue from the same customers in 2019. The Company's management sees that the net revenue

retention of markedly over one hundred percent is a sign of customers' satisfaction with the Company's extensive and high-quality offering.

The Company's churn calculated from monthly recurring revenue was 1.6 percent in the nine-month period ended 30 September 2021, 3.4 percent in 2020, 2.3 percent in 2019 and 3.4 percent in 2018. The Company's management estimates that the majority of the Company's churn comes from bankruptcies and acquisitions of its customer companies. The Company's low and steady recurring revenue churn is also an indicator of high customer satisfaction and the value created to customers by the high-quality offering.

The Company's gross margin in 2020 was approximately 88 percent (76 percent being SaaS peer group median[17]). The costs of sold services consist, among other things, of hosting costs and costs from e-invoice operators. Gross margin is a measure of the Company's result that remains after variable costs to cover fixed costs. The Company's management estimates that the high gross margin enables improvement of the Company's profitability as the Company's business grow.

The Company's management estimates that the Company's key unit economics metrics are at an excellent level. The efficient sales process, modular service offering supporting upselling and long-term customer relationships promote the Company's strong return in relation to the cost of customer acquisition. In 2020, the Company's ratio of customer lifetime value to customer acquisition cost (CLV to CAC ratio) was approximately 60, while the customer acquisition cost payback time was approximately 6 months.[18] In the view of the Company's management, strong unit economics mean that the funds the Company spends on acquiring new customers are used effectively, profitably and in a manner creating value for the Company.

Strong market position in the sizeable ERP market for SMEs

The Company's management estimates that the size of the Company's addressable market is approximately EUR 290 million. The Company's addressable market comprises its key target industry verticals within the Finnish ERP market, i.e. ERP software for companies active in industrial manufacturing, wholesale and retail, professional services automation, construction and accounting firms. The Company's management estimates that the full potential of the addressable market in Finland is approximately EUR 2 billion. The market growth from its current size towards its full potential is driven by growth in ERP system penetration and by increase in the average ERP spend per customer. The Company's management sees that the market growth towards its potential is driven by increased adoption of digital tools and applications especially in small enterprises, implementation of new modules in companies already using an ERP system and the expansion of ERP adoption to lower levels in organisations.

In the view of the Company's management, the Company has a strong market position in all of its target verticals. The Company's management estimates that, in terms of market share measured by the number of customers in the SME ERP market, the Company is the largest operator in the segments of industrial manufacturing and wholesale and retail, the second largest operator in the segments of professional services automation and construction companies and the fourth largest operator in the segment of accounting firms. The Company's key competitors in its target verticals include, for example, Oscar Software, Visma and Admicom. The Company's management estimates that Lemonsoft is the only company that is among the four largest companies in all of the five aforementioned target verticals.

The Company's target market and the competitive landscape in the market are described in more detail in section "*Market and industry overview*".

Comprehensive product and technology portfolio for managing SMEs' business critical processes

The ERP system of the Company works as a comprehensive solution offering typically all key features for a company in one modular software. The Company's ERP system centralises enterprise resource planning and enables the Company's customers to streamline their business operations in different areas by typically integrating all of their business information and necessary tools into one platform. For this reason, there is no need for separate solutions for different business functions. The Company's software solutions provide each of the Company's target verticals with industry-specific modules and functionalities, with which the customer companies can meet the industry-specific requirements for

[17] The peer group 2020 median for gross margin in a comparison realised by the Company's management. The peer group consists of 63 Finnish, Nordic and international publicly listed SaaS companies. The source of the financial information about the peer group is Factset.

[18] The customer lifetime value is calculated by multiplying the average annual recurring revenue with the computational duration of the customer relationship calculated from the churn and then multiplying the result with the Company's gross margin. Customer acquisition cost is calculated by dividing new customer acquisition costs with customers added. The customer acquisition cost payback time is calculated by dividing the cost of customer acquisition with the product of average monthly recurring revenue and gross margin percentage.

business streamlining. The Company's management sees that the best practices in different fields are built in the Company's software, which evolve continuously based on customer feedback.

Customer needs and customer experience are at the core of the Company's operations. The Company uses its own personnel in sales and implementation, which leads to good and professional service as well as an easy purchase process and implementation. After the implementation, customers get support for the use of all of the different ERP modules. Focusing on customer needs and good customer experience have led to excellent key metrics in customer loyalty and customer satisfaction. The Company's high customer loyalty is evident in the Company's low churn that was 3.4 percent in the financial year 2020. For its part, the Company's customer satisfaction is demonstrated, among other things, by the Service Desk customer satisfaction, which was 92.4 percent in 2020.

The implementation of Lemonsoft's software is designed to be a fast, easy and interactive process for the customer in order to ensure efficient utilisation of the software solutions. For the purposes of the implementation of the ERP system, the customer's needs are reviewed and the features required by the customer are identified with the help of modules designed for the target vertical to streamline the implementation process. The efforts undertaken by the Company to simplify the implementation are shown in the average time required for a full implementation of the ERP software, which is approximately six months. In comparison, the Company's management estimates that the average time required for a full implementation of typical competing software is approximately nine months.

The Company's management sees that, in addition to rapidity, the implementation of the Company's ERP system is also significantly less expensive than the implementation of competing solutions. The average cost of implementing the Company's ERP system is approximately EUR 20,000, while the cost of a typical ERP system is according to the Company's management approximately EUR 34,000. The Company offers its own experts for the implementation of the software and the support of deployment, which enables the avoidance of third parties and, at the same time, the extra implementation costs that come with them entirely. In addition, the running costs of the Company's ERP system are moderate since the system does not involve separate maintenance costs or a need for expensive upgrade projects.

The Company has a strong focus on product development to bring new functionalities tackling customer needs to the software solutions. On 30 September 2021, approximately 55 percent of the Company's personnel worked in product development. The strong development work enables continuous launches of new products, modules and features, improvement of the software and up-to-date system maintenance and reduces source code related risks. Determined and continuous investments in product development lead to long-lasting software and customer relationships.

Strong growth prospects by increasing ARPC, adding new customers and releasing new products

The Company's management sees that the Company has significant potential to increase its average revenue per customer through upselling and cross-selling. The upselling and cross-selling consist, for example, of selling more extensive services, a higher number of users and new modules to the Company's existing customers. In the Company's history, the monthly revenue of its customer cohorts has developed very well as the customer relationship gets longer. When expressed as a percentage of the average customer cohort's recurring revenue in the first year, the average customer cohort's recurring revenue was 125 percent in the fourth year. Despite the favourable development, a very large part of the Company's customers uses the ERP system less than would be possible and, as the Company's management estimates, also less than would be suitable to the customer. The monthly revenue of most of the Company's customers falls below the Company's average monthly invoicing of EUR 322. Correspondingly, the Company has many customers with a monthly invoicing of over EUR 1,000. This indicates unused invoicing potential in the Company's customer base.[19] The Company's management sees that upselling to customers that do not use the Company's software as much as would be possible or suitable is a great growth opportunity for the Company.

In addition to upselling, the Company's organic growth prospects are supported by the Company's significant potential to acquire new customers. The Company's customer base has grown very fast during the last 10 years. From 2016 to September 2021, the customer base has grown from 3,900 to 6,600 with the average annual growth rate of 12 percent. Despite the Company's large customer base, the Company's management sees that the Company still has a great number of new potential customers. Within the Company's target verticals of industrial manufacturing, wholesale and retail, professional services automation companies, accounting firms and construction, there are 192,000 companies in Finland:

[19] Based on the Company's average monthly invoicing per customer as per 30 September 2021. The average monthly invoicing per customer does not include the customers of PlanMill Oy, acquired by Lemonsoft in August 2021.

15,000 in the industrial manufacturing sector, 4,000 in accounting firms, 34,000 in retail trade, 108,000 in the professional services automation sector and 31,000 in the construction sector.[20]

Potential to continue the successful acquisition strategy

In addition to organic growth, the Company seeks to support growth by acquisitions. The Company has a clear strategy and criteria for making acquisitions and selecting targets. Successful acquisitions, expansion through them and integration of the offering are a competitive advantage and a steady foundation for growth ambitions and tapping into the major market potential.

The Company's targets for acquisitions include the following:

- strengthen the Company's position further in its current target verticals;
- open new verticals;
- add value and functionalities to existing software solutions;
- bring in new talent to the Company; and
- expand into new market areas.

Starting from December 2019, the Company has completed six significant acquisitions in accordance with its targets and plans to continue the active acquisition agenda. In December 2019, the Company acquired its long-term business partner Ohjelma-Aitta Oy to strengthen its talent with Ohjelma-Aitta Oy's personnel. In January 2020, the Company acquired Aacon Oy, which produces the Kellokortti time tracking service, to strengthen its offering with Aacon Oy's solutions. In May 2020, Lemonsoft acquired a major shareholding in Lixani Oy and ILVE Oy to strengthen its position in the construction vertical. In February 2021, Lemonsoft bought Metsys Oy to supplement its offering and to strengthen its expertise in warehouse management. In June 2021, Lemonsoft bought the Talosofta business from Alma Mediapartners Oy to strengthen its position further in the construction vertical. In August 2021, Lemonsoft bought PlanMill Oy to strengthen its position and offering in professional services automation (PSA). The Company's recent acquisitions are described in more detail in section " – *History"*.

The Company has a systematic process for integrating the acquired companies into the Lemonsoft Group that aims for a successful integration of the acquired companies. The Company's integration process aims at an excellent customer experience, cross-selling synergies and cost synergies. The brand and user interface of the acquired companies typically remain unchanged or almost unchanged after the acquisition. In contrast, many changes are often made in the back-end of the software to ensure that the technology used in the acquired software is compatible with the Company's other products. The scope of integration regarding the personnel of the acquired companies will be assessed on a case-by-case basis. Generally, the Company seeks to achieve cross-selling synergies in all its acquisitions. The Company's management estimates that the integration of target companies into the Company has been successful during the Company's history.

Mission, vision and values of the Company

Mission

Lemonsoft is a Finnish software company with a mission to develop software solutions for improving customers' business performance.

Vision

Lemonsoft's vision is to provide the best customer experience in the market.

Values

Values form the core of Lemonsoft's corporate culture and guide the Company's everyday activities in relation to customers, product development and personnel.

[20] Source: Asiakastieto (search in the service provider's company database including corporate forms public limited company, limited company, private trader, limited partnership, general partnership and limited liability housing company as well as companies in accordance with Standard Industrial Classification TOL 2008, that may use ERP in the view of the Company's management).

Lemonsoft's business is guided by the following values:

- **Customer focused:** The Company develops, in collaboration with its customers, products and services that meet the customers' needs. The Company's personnel will focus on customers' needs, always putting the customers' best interest first. The Company's business models support good customer experience. The Company keeps its promises, striving to exceed the customers' expectations.
- **Socially responsible:** The Company appreciates its customers, listens to their views and involves them in the product and service design process. Lemonsoft's corporate culture encourages and motivates both the customers and the Company's personnel to participate in and contribute to the development of the usability of services and products.
- **Successful:** The Company believes that customers succeed by doing what they can best. By using the Company's products and services, customers will be able to deliver results in their own business. The Company's products and services, with their smooth user experience, will provide customers with more time and resources for operating their core business.
- **Pioneer:** By using Lemonsoft's solutions, the Company's customers will experience the benefits of a pioneer in their operations. The Company promises to evolve every day and to develop its operations with an inventive mind. Each Company employee will keep their skills up-to-date and actively participate in innovation.
- **Sustainable:** Lemonsoft is a trusted partner that strives to ensure profitability of its business, compliance with good governance and management of risks. The Company's ERP systems help the customers to focus on their core businesses. The success of customers will create new workplaces and generate tax income in Finland. Digitalisation will help reduce the environmental load of the Company and its customers. Lemonsoft's products and services will streamline the production and logistics of the Company's customers, which will save raw material and energy and reduce emissions. The Company's products play a key role when customers are adopting paperless working methods in their financial management. Furthermore, Lemonsoft is a responsible employer that takes care of its employer obligations and supports and encourages its employees to develop their skills.

The Company's strategy

Lemonsoft's strategic goals

The main goal of Lemonsoft's strategy is to increase market share and penetration

- by increasing the revenue from the Company's current customer base;
- by winning new customers;
- by optimising pricing with segment and product specific pricing as well as by bundling products and services into various product and service packages;
- by expanding the transaction business; and
- by releasing new product modules and product bundles.

Key strategic focus areas

- Product leadership
  - The Company will seek to be a product leader in the market of industry-specific ERP systems through continuous investment in product development and new technology to stay ahead of its competitors.
- Customer experience leadership
  - The Company will seek to offer the best user experience in its market. By offering the best customer experience in the market, the Company will seek to keep its customers loyal and to generate growth from the Company's current and new customers.

Key factors to successful strategy execution

The Company's management outlines the following actions that must be taken for a successful execution of the strategy:

- scaling and optimising the sales operations and organisation;
- growing the accounting firm channel partnerships;

- embedding a superior service culture;
- retaining and recruiting top-performing employees; and
- supporting the expansion of customer base and product portfolio through acquisitions.

Key value and profit drivers of Lemonsoft's strategy

The Company's strategy focuses in particular on three factors affecting the Company's financial performance and shareholder value:

- organic growth of revenue;
- improved unit economics; and
- scale benefits.

Organic growth of revenue

The Company's strategy aims at strong organic growth of revenue. Organic growth of revenue is pursued particularly by increasing the sales of the Company's current customers, by accelerating acquisition of new customers and by expanding the transaction business.

Improved unit economics

The Company's strategy also aims at improving unit economics. The improvement of unit economics is to be reached through lower average cost of customer acquisitions, increased sales per customer and improved gross margin.

Scale benefits

The Company's strategy also identifies economies of scale as a value and result driver. The Company's management estimates that as the Company grows, the increase of various types of fixed costs, especially product development costs, can be kept at a moderate level. This is expected to result in improved profitability, provided that the Company succeeds in maintaining its strong organic growth.

Financial targets

The Company's Board of Directors has set the following financial targets. The financial targets constitute forward-looking statements that are not guarantees of future financial performance. The Company's actual results could differ materially from the results presented in or implied by such forward-looking statements as a result of numerous factors discussed, among other things, in sections "Other information on the Offering Circular – Forward-looking statements", "Risk factors" and "Operating and financial review and prospects – Key factors affecting the business and results of operations". All of the financial targets presented in this Offering Circular are only targets and are not and should not be considered forecasts or estimates of the Company's future performance.

Growth

Lemonsoft's goal is to increase its net sales organically to EUR 40 million by the financial year ending 31 December 2025. This goal does not account for potential acquisitions by the Company, because acquisitions are difficult to predict. The Company aims to continue to execute its active acquisition strategy.

Profitability

Lemonsoft's goal is to increase its adjusted EBIT margin to 40 percent by the financial year ending 31 December 2025.

Business model

The software solutions of the Company are based on the SaaS business model where the customers pay a monthly service fee for the use of the software. In the Company's SaaS business model, recurring invoicing takes place primarily on a monthly basis (in some cases every 3 months), which in the view of the Company's management considerably reduces uncertainties relating to this business model. In addition, the SaaS business model also benefits the Company's customers because the threshold for the implementation of software that is invoiced monthly is lower than that of software that is

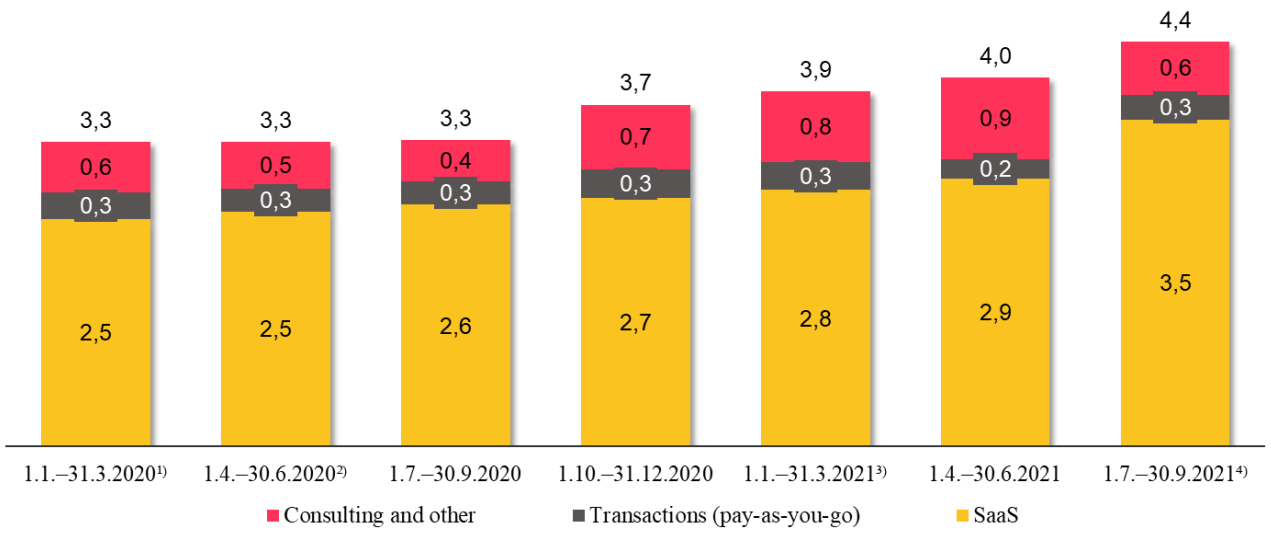
based on one-time licenses. In the nine-month period ended 30 September 2021, the recurring monthly revenue of the SaaS software solutions constituted 75.5 percent of the Company's net sales.

For LemonHUB services, the Company applies transaction-based pay-as-you-go invoicing, where the customer will pay for the service based on the number of transactions. Transaction-based pay-as-you-go revenue consists of a wide array of transactional services, such as integrated payroll computation, invoicing and payment monitoring services provided by third parties that supplement the Company's technological ecosystem. For example, payslips and electronic invoices are invoiced based on transactions. Transaction-based pay-as-you-go services will be invoiced from the customers on a monthly basis in arrears. The Company's management sees that the income from transactions has been very predictable and steady, for which reason the Company considers transaction-based pay-as-you-go invoicing to be recurring invoicing. In the nine-month period ended 30 September 2021, transaction-based pay-as-you-go revenue constituted 6.4 percent of the Company's net sales.

The remaining revenue of the Company is mainly derived from project-based software implementations and training. In addition, for the present the net sales of the Company's subsidiary Metsys Oy mainly consist of the implementation of project-based software solutions that are customised for the customers' needs and included under other revenue items. The Company intends to productise Metsys Oy's offering to conform with the SaaS business model. The invoicing of the Company's project-based business takes place separately for each project according to a schedule laid down in the agreement. In addition, the Company's remaining revenue also includes license-based income from software, but the sale of license-based software is no longer part of the Company's business model. In the nine-month period ended 30 September 2021, consulting and other revenue items constituted 18.2 percent of the Company's net sales.

The graph below illustrates the development of the Company's net sales by quarter and by revenue types on the periods indicated:

Net sales of the Lemonsoft Group (EURm)[5)]



[1)] Aacon Oy has been consolidated into the consolidated financial statements of Lemonsoft as of 1 January 2020.
[2)] Lixani Oy and ILVE Oy have been consolidated into the consolidated financial statements of Lemonsoft as of 1 May 2020.
[3)] Metsys Oy has been consolidated into the consolidated financial statements of Lemonsoft as of 1 February 2021.
[4)] The Talosofta business has been consolidated into Lemonsoft's consolidated financial statements as of 1 July 2021 and PlanMill Oy as of 1 August 2021.
[5)] The information is unaudited.

Software products and services

Lemonsoft ERP system

The Lemonsoft ERP system (*Enterprise Resource Planning*, ERP) is a comprehensive solution that offers all key functions of a company in a single package. Modern ERP systems streamline a company's operations in its different functions. Lemonsoft offers software solutions to support the business of customer companies and to increase overall

efficiency. A centralised enterprise resource planning will also help customer companies to increase financial savings through digitalisation and automation. The Lemonsoft ERP system is adaptable for each customer's individual needs, allowing the customer to only choose the features for the solutions that they need.

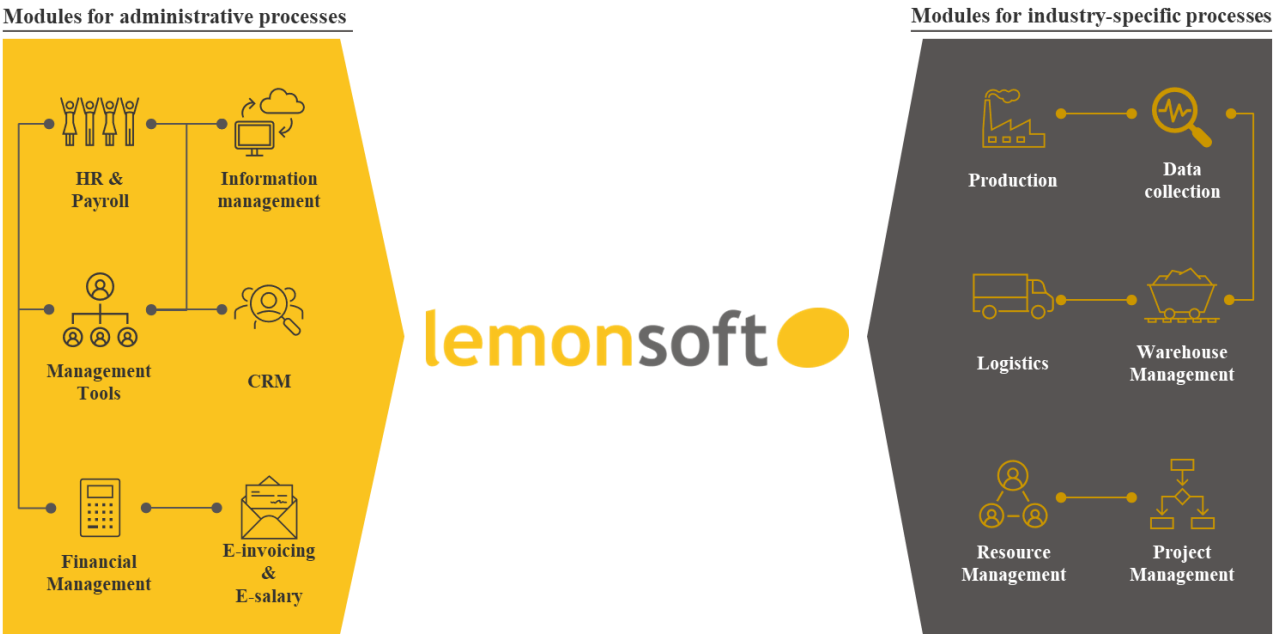
The Lemonsoft ERP system facilitates the customer companies' internal information search. Once information has been stored in the Lemonsoft software, the information moves electronically and can from then on be found easily. Lemonsoft's software solutions provide tools for improved management of operating processes, reduce companies' administrative burden and decrease the time used by companies for compliance monitoring and supervision. The Lemonsoft ERP system was designed with flexibility and user-friendliness in mind, and the customer can choose to access the system using a work station, web browser or a mobile device. Today, cloud-based usage accounts for approximately 70 percent and local usage accounts for approximately 30 percent of the total usage of the Lemonsoft ERP system. Lemonsoft produces part of the platform solutions required for the cloud-based usage of its ERP system by itself, and the Company also uses the Microsoft Azure cloud service as a platform solution.

The Lemonsoft ERP system includes modules for both administrative (horizontal) and industry-specific (vertical) processes. The modules for administrative processes include, among other things, modules used for financial management, payroll management, knowledge management, business management, customer relationship management and invoicing processes. The requirements for the administrative process modules are quite the same regardless of the customer's industry. Lemonsoft's modules for administrative processes are suitable for most sectors irrespective of the customer companies' size or location.

The modules for industry-specific processes include, among other things, modules used in production, logistics, material management, resource management, project management and data collection. The requirements for industry-specific process modules vary depending on the customers' industry. Lemonsoft's ERP system includes several modules that meet the industry-specific needs of Lemonsoft's target verticals. The user-type specific design of the modules supports the usability of the system and enables a smooth user experience for different users. Lemonsoft's modules for industry-specific processes have been developed particularly for the needs of industrial manufacturing, wholesale and retail, professional services automation, construction and accounting firms.

All Lemonsoft's modules for administrative and industry-specific processes and other software products are seamlessly integrated into the Lemonsoft ERP system, which enables the Company to provide its customers flexible and comprehensive service through a modular offering. The customers see the Company's whole offering as a consistent comprehensive solution.

The graph below illustrates the distribution between the modules for administrative and industry-specific processes:



Modules for administrative processes

Lemonsoft Financial Management module

The electronic financial management services of the Lemonsoft Financial Management module transform tasks that are typical for financial management into an automated and electronic form. Such tasks include bookkeeping, invoicing, processing of purchase invoices, order dispatches, payroll computation with statutory notifications to authorities, filing tax reports and preparing financial statements. Automated processes replace manual work that requires personnel resources. The Lemonsoft Financial Management module is a modern solution for, e.g. accounting firms, accountants and companies. The Company develops the Lemonsoft Financial Management module on an ongoing basis with financial management specialists and in this way strives to ensure that the module meets the needs of its users. The module includes features that facilitate the retrieval, processing and archiving of documentation relating to financial management. The Lemonsoft Financial Management module helps customer companies free up time and resources for their core functions. Almost all customers of the Company use the Lemonsoft Financial Management module.

Lemonsoft Payroll and Personnel Management module

With the Lemonsoft Payroll and Personnel Management module, all personnel-related data can be collected and stored in one place, allowing easy monitoring and development of personnel resources. The Lemonsoft Payroll and Personnel Management module includes features relating to, e.g. payroll computation, travel expense invoices and work shift scheduling. The Company regularly releases updates for the Lemonsoft Payroll and Personnel Management module that include the most recent information on, e.g. legal requirements relating to payroll computation. Human resources experts, such as HR specialists and payroll officers, participate in the development of the module and are consulted in the development of various features of the module.

Lemonsoft CRM module

The Lemonsoft CRM module (*Customer Relationship Management*) provides companies with tools for the comprehensive management of customer relationships and sales. The module offers real-time data to customers on, e.g. the payment behaviour, sales data, offer and order bases, invoicing and production status of their own customers. With the module, the entire organisation of a customer can, e.g. maintain and use customer and supplier data and efficiently manage the sales pipeline and offer base, which will improve customer service and customer experience. The LemonOutlook plugin will link Microsoft Outlook and the Lemonsoft CRM module. With the LemonOutlook plugin, it is possible to check the customer's CRM events directly from Outlook and, e.g. synchronise tasks assigned to each employee from the Lemonsoft CRM module directly to Outlook's calendar.

LemonBI Business Intelligence module

Business intelligence (BI) is crucial for a successful business. Business intelligence means the management of all information that exists in an organisation. The information is mainly derived from the ERP system but it is also important to manage information from external sources. The objective of data collection and data management is to collect the key information needed for the management and development of a company, to process the information into a meaningful form and distribute it to decision-makers.

Lemonsoft offers the LemonBI solution for the management of business intelligence that is customised for the customer's business. Using data visualisation and analysing, the LemonBI solution supports business intelligence by offering a more detailed understanding of a company's business at its various levels. Automated reporting and the LemonBI solution produce real-time data that is available regardless of time, place or the device used. With the LemonBI solution, the Company's customers can dedicate their time to business development using real-time data instead of using their time to reporting and data retrieval. The LemonBI solution supports customers in implementing and communicating their strategy by providing targets, actions and KPIs that clarify the customers' activities.

In addition to the LemonBI solution, Lemonsoft offers a standard solution for business intelligence called dynamic reporting. Lemonsoft's dynamic reporting refers to reports and KPIs carried out by using Microsoft's BI tools. Dynamic reporting encompasses over 1,000 modifiable standard reports and forms. Dynamic reports invest in visual impact and can be used as such as a basis for real-time information in, e.g. management team or board meetings. Lemonsoft also offers report customisation services, where the customers can use Lemonsoft's experts for modifying standard reports into a form that suits the customer's own business needs.

LemonFiles data management solution

LemonFiles is a cloud-based solution for data management. With LemonFiles, documents can be linked with all main software products of Lemonsoft, such as customers, titles, orders, projects and production works. LemonFiles enables the management, classification and combining of documents and data using metadata, which facilitates file management based on their content and relevance. With LemonFiles, information can be found easily and will be available to everyone who has received user rights from the customer. LemonFiles saves information, such as documents, images or videos, in a cloud service that is designed for storing large amounts of information. In addition to the work station version, files saved in LemonFiles are available in LemonOnline, making information usable regardless of place or time, as long as there is access to the internet and the user has a smartphone, a tablet or a computer.

Modules for industry-specific processes

Lemonsoft Project Management module

The Lemonsoft Project Management module is, in the view of the Company's management, one of the most comprehensive project management software on the market, which enables the management of the entire project with the same software from the bidding phase to bookkeeping. Projects typically involve offers, sales orders, purchases, work hours, payment items, schedules, resources and directions relating to, e.g. invoicing. The Lemonsoft Project Management module provides an easy and real-time method for keeping up to date on the progress of a project and on the documentation relating to a project. With the Lemonsoft Project Management module, the customer can plan, budget and forecast the various stages of a project before and during the project. The Lemonsoft Project Management module includes the key reporting features that can also be expanded with LemonBI reporting.

Lemonsoft Resource Management module

The Lemonsoft Resource Management module provides tools for the evaluation of the utilisation rate of resources and for the planning of the use of resources. Various resources, such as equipment, tools, conference rooms or vehicles that need to be reserved for a specific use, can be established in the resources register of the Lemonsoft Resource Management module. The resources can be reserved from the resources calendar, which facilitates the planning of resource usage. The browser-based application makes it easy to book and free up resources and can be used, e.g. via a mobile device at a worksite where the resource is needed. The Work resourcing feature enables personnel resources management and work supervision. The Work resourcing feature can be used for steering CRM, service, order and project work from one place. The capacity of a person displayed by the system also accounts for the capacity according to work shift planning and absences entered into the system or the HR calendar.

Lemonsoft Logistics module

Gapless and trackable transaction chains are an essential part of a company's material management and resource planning. The Lemonsoft Logistics module provides customers with the benefits of a state-of-the-art technology, allowing the customers' end customers to place their orders electronically and linking logistic operations to the systems of the customers' partners. In addition to, e.g. stock accounting, logistics, production, and invoicing, the module can be used to support customer service. The Lemonsoft Logistics module facilitates the processing of feedback, potential notices of defect and service requests, making it easier to maintain customer satisfaction. The Lemonsoft Logistics module is being developed on an ongoing basis to best meet the needs of the Company's customers. Both the Company's customers and the Company's own experts are closely involved in the development work.

Lemonsoft Production module

The Lemonsoft Production module provides solutions for production monitoring and development ranging from supervision of employees' work and monitoring the production load all the way to post-calculation. Since the work and working hours are recorded using a bar code reader and the work instructions and images are saved into the system electronically, the information is always available and up-to-date. The module can track manufacturing batches and customers to whom a specific batch of raw material has been delivered. Real-time information of production stages and throughputs are also useful in the calculation of the profitability of the work and in making conclusions on pricing. The Lemonsoft Production module also supports international business activity. The operating models selected by the customer cover the entire production and all units, and the Lemonsoft Production module can be used to steer factories located both in Finland and abroad.

Lemonsoft service interfaces (API)

Lemonsoft is an open software to which third-party solutions can be added using an application programming interface (API). The Company supplements its own technology ecosystem with integrated services of third-party partners, such as payment terminal suppliers and electronic data interchange (EDI) operators. These services are integrated into the Lemonsoft ERP system, allowing the customer to connect to third-party services directly through the Lemonsoft ERP system.

Lemonsoft's LemonHUB service enables the digitalisation of the customer's manual and physical processes. LemonHUB includes fully productised interfaces for the integrated services of selected partners and connects the users of Lemonsoft. LemonHUB provides customers with transaction-based financial management services, such as services relating to electronic payslips, e-invoicing, factoring and payment monitoring as well as to the dispatch and receipt of orders and confirmations. Services used through LemonHUB's interfaces are integrated into the Lemonsoft ERP system, allowing the customers to use the services directly through Lemonsoft's system. Partners that offer services supplementing Lemonsoft's ecosystem include, e.g. Basware Corporation and Intrum Oy. The use of LemonHUB is based on transaction-based pay-as-you-go invoicing where the customer pays for the service according to the number of transactions made.

Other software products

LemonSmart

LemonSmart is a smart browser-based solution for the invoicing, purchase invoices, payroll computation and reporting of microenterprises. LemonSmart is built on Lemonsoft's ERP system, which automates invoicing transactions on behalf of customer companies. The software operates on a browser and can be used to create invoices from individual or recurring services, products and work hours. Invoicing can also take place on the basis of sales orders, and after entering the invoicing principles the software will send out invoices in electronic form. Where necessary, the software can also automatically send payment reminders and monitor payments in accordance with the principles specified by the company using the service. The payment monitoring process of the software can be adjusted to meet the needs of the customer, and payments will be automatically recorded on invoices and receivables can be tracked on a clear display. It is also possible to organise the management of purchase invoices using the software. Purchase invoices will be posted by artificial intelligence and sent for payment after approval. LemonSmart is designed in particular for the needs of microenterprises employing 1–3 persons and can be deployed in any industry.

LemonShop

LemonShop is a marketplace provided by Lemonsoft, where Lemonsoft's enterprise resource planning and the sales power of the online store work together. Information on customers and titles will be maintained in Lemonsoft, and orders placed in the online store will be automatically directed to Lemonsoft. LemonShop's technical platform is WooCommerce, a popular online store platform. LemonShop includes a plugin implemented and maintained by Lemonsoft under which the customer's online store is seamlessly integrated into Lemonsoft without the need for third parties providing online store integration. The integration enables, e.g. linking one Lemonsoft software product to several online stores and will also import customer, product and pricelist information from the Lemonsoft software to the online store and export new customers and orders back to the Lemonsoft software.

Regista

Regista is software for process description, measurement and development that supports Lemonsoft's comprehensive solution. The software allows a company's processes and the metrics produced by the system to run concurrently, providing companies with information needed for the planning and development of the business. Regista offers organisations model templates for process description that can be used to draft process descriptions that are suitable for the operation of the organisation concerned. The ready-made model process descriptions can directly be supplemented with desired metrics, which can be tracked in real time. In addition, individual work instructions help the organisation to correctly perform routine actions, which saves working time used for giving instructions and ensures that the actions are performed in the entire organisation as instructed. The information will be available to the entire organisation in real time and changes will be immediately updated for all users.

The principle behind the software is to provide the customer with a tool that is user-friendly, affordable and useful and accessible by the entire organisation of the customer company. The customer can define the extent of the software based on its own needs. The software can be used, e.g. as a documentation platform for acquiring a quality certificate or as a tool for employee induction training and for carrying out specific work instructions. The Company management estimates

that Regista is a unique and extensive development platform for the business of customer companies. Regista was released in May 2021 and the Company continues to actively scale the service for new customers.

Kellokortti

Kellokortti is a modern cloud-based service that enables the management of all matters relating to working hours regardless of the Company's field of operation. Kellokortti offers innovative solutions for time tracking, collective agreement interpretation and holiday planning. With the service, users can monitor working hours of the company, plan their allocation and maximise work productivity. Kellokortti can be used by the Company's current customers as a plugin that is integrated into the ERP system but can also be used as an independent worktime tracking solution that can be purchased separately.

With Kellokortti, working hours can be recorded using time control equipment, a mobile phone or a computer browser. It is also possible to make entries using a GPS identifier. The service combines working hour entries made on different devices into one clear calendar view, in which working hour entries can be corrected, supplemented and deleted in a flexible manner. The calendar view has a comprehensive display of time tracking information, such as the status of working hour reserves, travel expense invoices, approvals of working hour entries, salary transactions and absences, leaves and holidays. The visual elements in the calendar view of the user interface and the features of the system can be adapted separately to the customer's needs in a flexible manner.

The Kellokortti time tracking system allocates working hours to relevant cost centres, projects and work stages, making it possible to monitor the working hours and personnel resources used for projects. Kellokortti offers clear and versatile reports for, e.g. working hours, target information, travel expense invoices and holidays. Project reports help to streamline processes and facilitate production planning and pricing.

Lixani

Lixani is a versatile and user-friendly web-based system for project control, time tracking and invoicing that is specifically designed for the construction sector. Working hours can be entered into Lixani by sending an SMS or using a mobile application or directly on the internet. Lixani can be used by customer companies for arranging their employees in groups according, e.g. to salary groups. It can also be used for project management, allowing real-time monitoring and approval of hours used or recorded by individual employees per project or cost centre, and for sending electronic reminders to relevant persons relating, e.g. to approval of hours. With Lixani, users can, e.g. create, save and print out invoices on the basis of recorded information. Lixani can be used to distribute specific entries to selected parties, such as to the main contractor or subcontractors, and user rights for the system can be given to various stakeholders.

Metsys

Metsys delivers products and customised solutions for various industrial targets, such as for the process industry, production lines and logistics. Metsys is specialised in particular in warehouse management (*Warehouse Management System*, WMS), manufacturing execution (*Manufacturing Execution System*, MES) and warehouse and production simulation systems. The Company's core competencies include extensive warehouse management solutions that use automation.

A warehouse management system is an engine that drives supply-chain related warehouse activities to manage the movement of goods inside a warehouse, including receipt, shelving, collection, packing and dispatch. Metsys' efficient warehouse management provides a comprehensive method for streamlining and optimising warehouse processes. In addition to conventional manual collection using bar codes, the system can steer AGV forklifts, ceiling-mounted cranes and automated warehouses. It is also possible to use radio frequency identification (RFID). A warehouse management system can also be linked to the ERP systems of various manufacturers, making warehouse management an integral part of a company's other processes.

The manufacturing execution system steers the different stages of product manufacturing from the collection of parts for assembly all the way to the finishing and dispatch of the product. With the manufacturing execution system, the correct materials are delivered to the production cell or machine just in time. Temporary storage facilities will be unnecessary, and the production environment can be kept clean, clear and safe. There will also be a reduced need for space, as the materials flow to the production line at the time when needed. The system is always comprehensively customised to support the customer's production processes. A manufacturing execution system can be seamlessly integrated into a warehouse management system, whereby the production control covers the entire production chain from the receipt of goods to the completion of a finished product.

In simulation, inventory and production transactions are performed in a scheduled mode, following actual material flows. The storage cells used in simulation are determined automatically according to warehousing rules entered into the warehouse management system. The system can be used to simulate the functioning of production and inventories using material flows that correspond to reality. The outcome of the simulation will reveal potential bottlenecks of the process and a potential need for extra space.

PlanMill

PlanMill is a set of cloud and on-premise software solutions specifically designed for companies operating in professional services automation (PSA). The browser-based PlanMill ERP system can be used for managing a company's customer accounts, projects, time, expenses, finances and reports, making processes more efficient in a comprehensive manner. The CRM module of PlanMill's ERP system gives a quick overview of customer data and sales processes, enabling an efficient CRM process from the start to end. PlanMill's project management module is a software solution for managing a company's projects, time and expenses. It can be used to decrease additional tasks and to speed up the project's progress. PlanMill's ERP system includes ready-to-use data transmission interfaces to, for example various invoicing, financial management, sales and marketing and HR systems that can be used to further expand the coverage of the ERP system.

Talosofta

Talosofta is a web-based ERP system designed for small and medium-sized construction, renovation and building technology operators. The system can be used on all terminal devices, making it possible to work in any location. The most important features of Talosofta include offer calculation that is adaptable to the customer's needs, sales and purchase invoice interfaces that are integrated into third-party services, a mobile display for installers that can be used in work-site resourcing, real-time monitoring of costs that enables automatic budgeting and a documentation storage system that is integrated into the system.

WorkIn

WorkIn is a peer economy and light entrepreneur platform service that helps its users to find work and create their own employment. The service connects those looking for work opportunities and those providing work opportunities, while taking care of the financial management and statutory reporting of its users. Lemonsoft is, in particular, responsible for the technological implementation of the service. Most of the technology of the service has been developed, and the service is expected to be launched at the end of 2021.

Services

Implementation services of the Lemonsoft ERP system

The Lemonsoft ERP system is a software for enterprise resource planning that was developed to meet the business needs of Finnish companies. Implementation is one of the most important activities for the efficient use of an ERP system. Instead of using external consultants, Lemonsoft produces its implementation services itself, enabling an interactive, swift and easy implementation of an ERP system. In an implementation project, the Company and the customer map out the customer's needs and define a purposeful way of using Lemonsoft in the customer company concerned. Lemonsoft offers an individual and modifiable scheduling and a dedicated Lemonsoft expert to support implementation. The Company's management sees that the best practices in the field are built in Lemonsoft's software, which evolve continuously based on customer feedback.

LemonConsulting

Lemonsoft offers LemonConsulting, a professional service for the needs of the management of the customer's growing and developing business. Lemonsoft's experts provide support in various changes, such as in streamlining and expanding the use of Lemonsoft or in aligning customer companies' changed business processes with various software products. Typical professional work also includes various screenings, specifications, customising assignments and integrations between software products. LemonConsulting is always customer-specific and the contents of the service are agreed separately. The service is scalable from solving one specific issue to the LemonCare service that is provided monthly on an ongoing basis. LemonCare is a concept for continuous consulting, allowing the responsibility for the development of the use of Lemonsoft to be outsourced to an expert. LemonCare is a customer-specific solution where a company is given access to a Lemonsoft expert for 12 months at a time.

Technology

General

The guiding principle in Lemonsoft's technological choices is to use technology that is new but established in the market. This enables Lemonsoft to offer its customers software solutions that have no lifecycle and that can be continuously expanded while staying on top of technological trends. As software solutions are updated on an ongoing basis, the Company can also comply with policies aimed at minimising technological debt. The stability, reliability and timeliness of a software architecture are also used as criteria when assessing potential acquisition targets.

The Company has a strong focus on product development to bring new functionalities tackling customer needs to the software solutions. Products are developed in accordance with agile development methods (the Scrum framework) and customers' industry processes and general processes by organised product development teams. The Company seeks to ensure the production of new innovations with in-house startup teams that are able to produce new product innovations quickly and efficiently. Product development aiming at the development of standardised and scalable software solutions reduces the need of customer-specific customising, customer support and maintenance work and enables the Company to quickly offer software solutions that are based on the latest developments.

Technology stack for software solutions

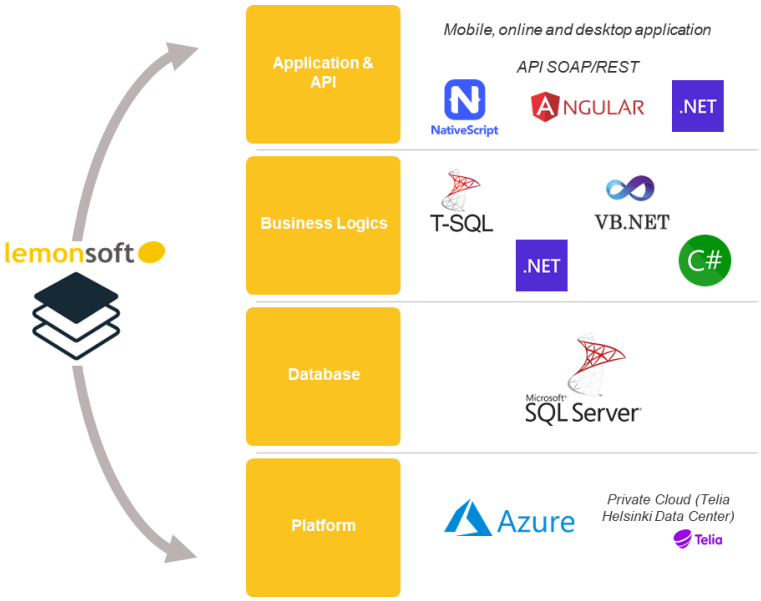
From the start, Lemonsoft's software solutions have been built on layers by keeping the database and the business logic separate from user interfaces. This has made it possible, among other things, to build mobile and browser applications on a shared business logic where users representing different user profiles can work with the same data in real time.

In the production of its software solutions, Lemonsoft relies on Microsoft's technologies, such as MS SQL Server and .Net framework, although Lemonsoft is also using open source code. Lemonsoft is a Microsoft Gold Partner in various categories and enjoys the benefits of a stable technology partnership.[21]

Lemonsoft relies on Microsoft's database solutions and always supports the most recent database technology when it becomes available. With the increasing pace of technological development, Lemonsoft also supports the previous version of the database solution, guaranteeing flexible planning of services.

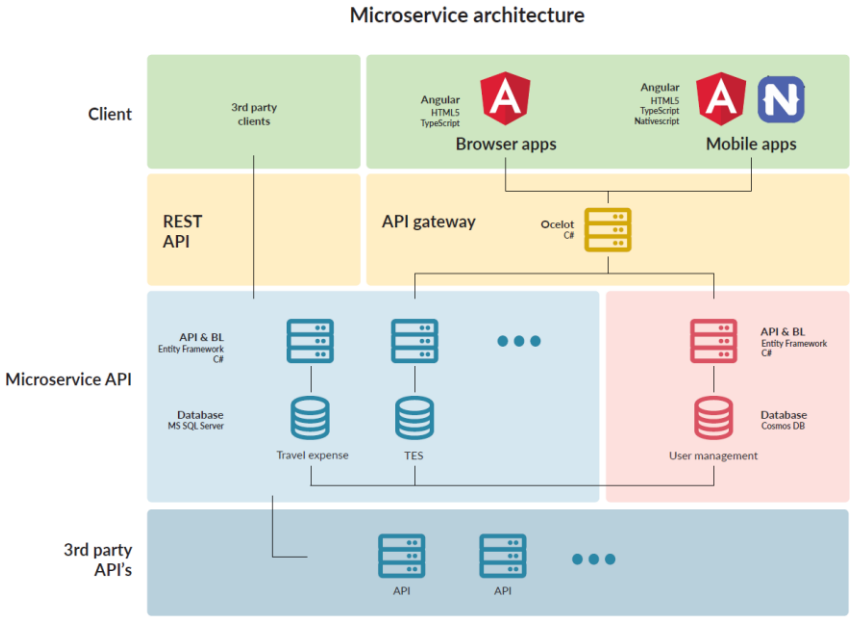
Lemonsoft's platform solutions are built mainly by using Telia Helsinki Data Center's infrastructure and partly by using Microsoft Azure services. The focus in the production of Lemonsoft's platform solutions is on efficiency and operational reliability, while not disregarding data security and environmental aspects. Lemonsoft's platform solutions make it possible to scale the production of software solutions when the customer base and number of users change.

The figure below illustrates the above-described Lemonsoft technology stack:



[21] With Microsoft Gold Partnership, the Company is given access to certain Microsoft licences. Receiving the Gold Partner status requires certain certifications determined by Microsoft. Microsoft Partner programs are open to everyone.

The Company develops software in accordance with the principles of microservices architecture. The applications work independently or as a stack of applications integrated into each other. Where necessary, the microservices architecture makes it possible to build globally diversified independent applications on a shared business logic. In this way, services can be built between different product lines in a cost-efficient manner, generating clear customer benefits when building a higher automation level in the Company's target industries. The principle behind microservices architecture is to publish applications that work independently and that are integrated into the stack. The figure below illustrates the structure of the microservices architecture:



Customers

As at the date of this Offering Circular, the Company's customer base consists of over 3,000 invoiced customers and over 6,600 customer companies using the Company's software solutions. Some of the customer companies ("**customer company**") using the Company's software solutions are subsidiaries of groups whose parent company ("**invoiced customer**") is invoiced by Lemonsoft for the whole group. In the financial year ended 31 December 2020, the 10 largest invoiced customers accounted for approximately 10 percent of the Company's net sales.

Lemonsoft's modules for administrative processes are suitable for most sectors irrespective of the customer companies' size or location. Lemonsoft's modules for industry-specific processes have been developed particularly for the needs of industrial manufacturing, wholesale and retail, professional services automation, construction and accounting firms. The Company's customers by target industries are discussed below.

Industrial manufacturing

The Company had 884 customer companies operating in industrial manufacturing as at 30 September 2021. Lemonsoft's software solutions for industrial manufacturing offer a comprehensive solution all the way from materials acquisition to delivery of products to customers. Lemonsoft's offering for industrial companies includes versatile functionalities for production control, product management and material management combined with extensive financial and HR management. Modern production control makes it easier for an industrial company to react to fast changes. In manufacturing, changes take place even on the production line, and customer-specific small production units are typical for industrial operators, which is why an ERP system must be agile. In addition to the conventional product structure, the product information of Lemonsoft's software solutions include a wide array of information guiding the production, and therefore the specification of matters affecting production is easy to do in a single operation. In addition, the Company's production control offers solutions that help manufacturing companies to improve their operations through digitalisation and the use of artificial intelligence. Lemonsoft's production control and production planning support all production methods from subcontracting to project production. Lemonsoft's customers represent a wide range of industrial segments, and the Company offers software solutions for production companies of various sizes and types. The Company's customers in industrial manufacturing include VAMM Steel and SCHWENK Finland.

Wholesale and retail

The Company had 965 customer companies operating in the wholesale and retail sector as at 30 September 2021. Lemonsoft's comprehensive solution provides wholesale and retail companies comprehensive tools for order and supply chain management. In wholesale and retail, the management of the entire logistic chain as well as a multi-channel network play a key role. Availability and service ability must be high, and there can be no product defects or flawed deliveries. Simultaneously, it is necessary to minimise the capital tied to inventories. All these aspects can be managed with Lemonsoft's ERP system. With its ERP system, LemonShop offers an integrated solution for the management of online market places, and Lemonsoft's service interfaces connect wholesale and retail companies with central organisations directly from the ERP system. Combined with extensive financial and HR management, Lemonsoft's ERP system offers a comprehensive solution for the Company's customers. Using artificial intelligence in the ERP system saves customers' time, generates measurable benefit and contributes to improved competitiveness. The Company's customers in wholesale and retail include Barona, Suomen Retkitukku and Betton.

Professional services automation (PSA)

The Company had 1,773 customer companies operating in professional services automation as at 30 September 2021. Lemonsoft's offering for professional services automation companies includes software solutions for the management of customers, projects and billable work and for the improvement of cash flow. With Lemonsoft's software solutions, professional services automation companies can easily collect and allocate working hours, plan work shifts and monitor deliveries or entities on a project basis using a single AI- and automation-powered system. Lemonsoft offers a comprehensive solution for professional services automation that combines versatile CRM and project management functionalities with extensive functionalities of financial and HR administration. Lemonsoft's solutions for professional services automation are suitable for companies of various sizes and types providing professional work and services. The Company's customers in the professional services automation include Gofore and Futurice.

Construction

The Company had 643 customer companies operating in the construction sector as at 30 September 2021. Lemonsoft's comprehensive solution offers extensive and versatile functionalities for the project-based operation of the contract and construction sector, all the way from the management of complex construction projects to understanding the cost base and improving occupational safety. In addition to work site management, Lemonsoft offers solutions for customer relationship management, offer calculation, project management, resourcing and procurement and automated financial and HR management in a single integrated solution. Lemonsoft's comprehensive solution accounts for special characteristics of housing construction, renovation, contract work on building service technology and even earthworks. In addition, the software accounts for automation and shared usage with an accounting firm. Extensive project management provides the Company's customers with tools to succeed in projects and management thereof. With resource management, the right amount of labour can be assigned to the right work site and all essential information from the work sites is recorded through the easy-to-use mobile interface directly to the system. Lemonsoft's solution for construction offers extensive tools for comprehensive company management that provide companies with clear benefits through digitalisation and artificial intelligence. The Company's customers in construction include Raksystems and Novart.

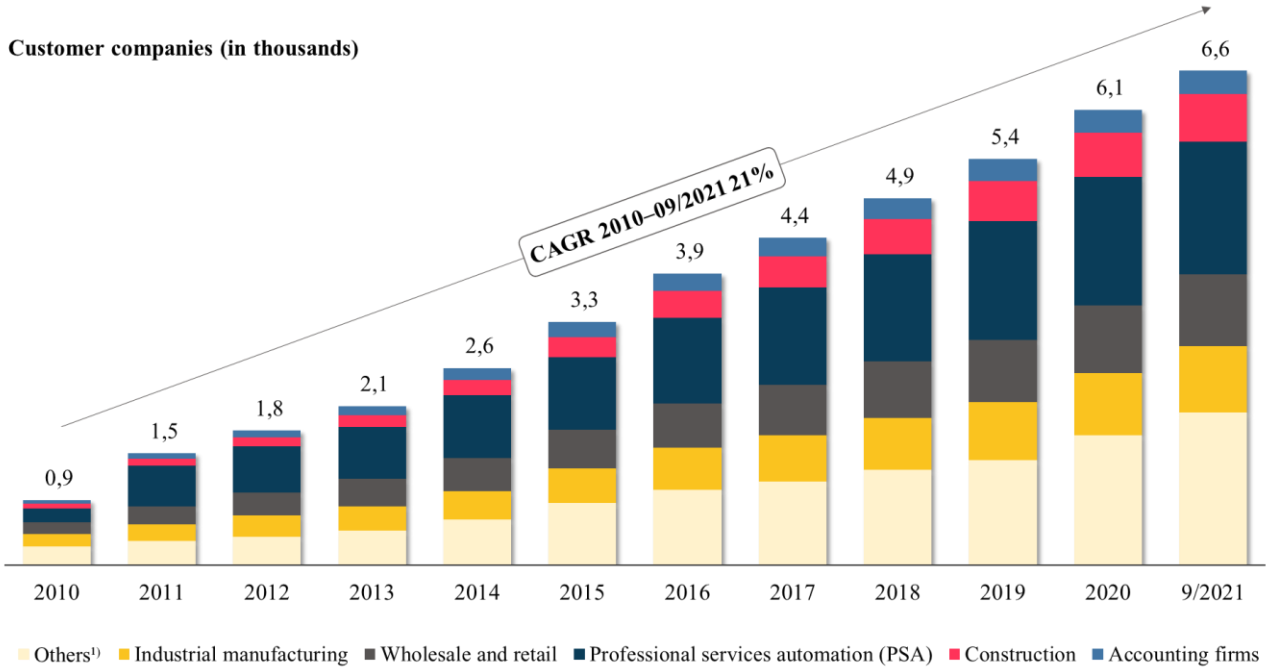
Accounting firms

The Company had 310 accounting firms as its customers as at 30 September 2021. Lemonsoft is a software to serve as the basis of an accounting firm's own business and the comprehensive resource planning of its customers. Lemonsoft offers accounting firms up-to-date solutions for financial, payroll and personnel management as a cloud-based service or local installs. Lemonsoft enables electronic services that conform to today's requirements. With fully electronic and automated financial management, accounting firms can streamline their own and their customer companies' operations. Data that has been entered into the system once can be traced and used for different purposes. Data moves seamlessly within the system all the way from invoicing and payroll computation to bookkeeping, which frees up accounting firms' time from routine tasks to instructing customers and consultation. With Lemonsoft, an accounting firm can offer its own customers an entire ERP system in addition to individual modules. The Company also sees accounting firms as expert business partners and distributors of software as accounting firms have a significant role in their customers' software choices. The Company's customers in accounting firms include Tilipalvelu Rantalainen, Kuopion Ykköstilit and HLB Tietotili.

Other customers

The Company's customer base also includes other customers than companies operating in the Company's main target industries. The Company also considers Lixani's, Talosofta's and PlanMill's customers to be other customers. As at 30 September 2021, the Company had 2,050 customer companies considered to be other customers.

The graph below illustrates the development of the number of the Company's customer companies by target industries on the periods indicated:



[1)] Includes other customers than those in the Company's main target industries as well as the customers of Lixani, Talosofta and PlanMill.

Sales

The Company's wide sales network serves customers in nine different offices around Finland. In addition, the Company has a partner network of accounting firms covering the whole Finland. The network partners steer their own customers towards Lemonsoft software solutions. The Company's internal organisation responsible for customer operations consists of the sales organisation as well as of the functions for customer experience, customer support and business development. The different functions of the organisation operate independently but support each other and their goal is to create a customer experience that is as comprehensive as possible, from sales and marketing to the management of the customer experience during the customer relationship.

The Company has recently reorganised its sales process to match the targets of the Company's growth strategy even better. Today, the Company's sales process is divided into three levels: presales, direct sales and channel sales. In presales, customer contacts with new potential customers are created and promoted, campaigns aimed at acquiring new customers and at additional selling and cross-selling are carried out in accordance with set sales targets and named customer accounts are managed from the current customer base. The main goal in direct sales is to acquire new customers from potential customers that operate in the Company's target industries. Direct sales also include monitoring the adoption of software solutions, monitoring market trends and managing named customer accounts from the current customer base. Channel sales focuses on maintaining and developing the relationships between the Company and its existing business partners, such as accounting firm partners, for example through joint campaigns aimed at acquiring new customers and at additional selling and cross-selling. When necessary, customer contacts acquired through channel sales are assigned to the Company's direct sales team to ensure efficient and customer-oriented management of the sales process.

The Company's sales strategy varies according to customer segments, but in all cases the main factors of the strategy are competence and solution- and customer-oriented mindset. The sales personnel are familiar with the target industries and understand the business processes in the target industries. The sales personnel are also closely familiar with the Company's software solutions and are able to apply software features in accordance with customer-specific needs. Where

necessary, the sales organisation is supported by the Company's product specialists when more specialised expertise relating to a customer's special needs or more profound understanding of product features are needed.

Personnel and organisation structure

The following table sets forth the average number of employees in the parent company and the Group during the period covered by the historical financial information.

	For the nine months ended 30 September		For the year ended 31 December		
	2021	2020	2020[1)]	2019	2018
Average number of employees of the Group	123	106	102	-	-
Average number of employees of the parent company	104	88	87	78	74

[1)] A group structure requiring the preparation of consolidated financial statements was formed in 2020.

The following table sets forth the distribution of the Lemonsoft Group's employees in the organisation as at 30 September 2021.

	R&D	Customer service	Marketing and sales	Knowledge management	Financial management and HR
%, of employees	55%	24%	14%	3%	5%

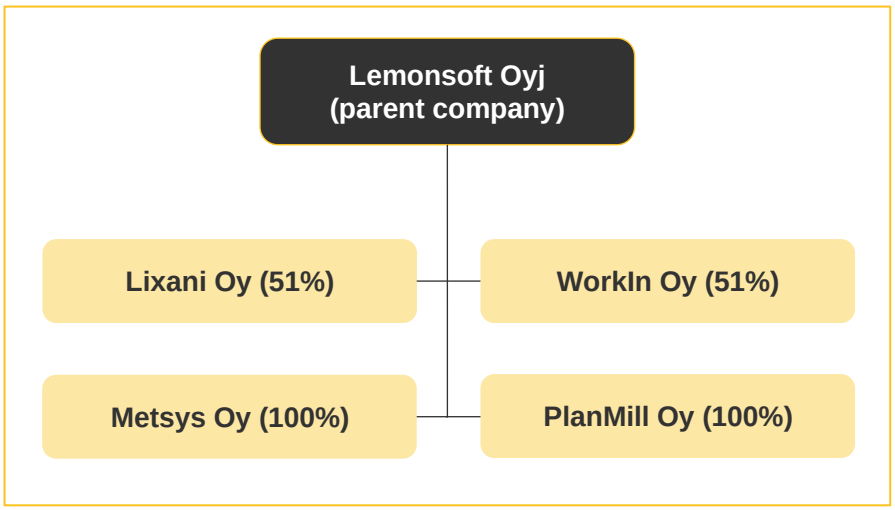
The employment relationships of the Group are primarily made until further notice, and all employees are located in Finland. After 30 September 2021, the Company has recruited 10 new employees that are located in the organisation in product development, financial administration, HR and customer service.

The Lemonsoft Group's organisation chart is presented below.

Group structure

The Lemonsoft Group consists of the parent company Lemonsoft Oyj and its subsidiaries Metsys Oy and Planmill Oy with a parent company shareholding of 100 percent and Lixani Oy and WorkIn Oy with a parent company shareholding of 51 percent. All the subsidiaries of the Company were incorporated in Finland and have their principal place of business in Finland. A group structure requiring the preparation of consolidated financial statements was formed in 2020 (for further information, see "*Other information on the Offering Circular – Information concerning the financial statements and other information – Historical financial information*").

The following chart illustrates the legal structure of the Lemonsoft Group on the date of the Offering Circular.



Sustainability

Lemonsoft's sustainability programme

Sustainability is one of the most important values of the Company and an inseparable part of the Company's business. For Lemonsoft, financial success is a part of sustainability as it provides the resources for strong development work now and in the future. The Company also deems it important to bear responsibility not only for the environment but also for people.

Financial responsibility

Lemonsoft aims to be a profitable and growing Finnish company, a trusted partner that bears its responsibility for the continuity and certainty of the business. For Lemonsoft, financial responsibility means that it ensures profitability of its business, compliance with good governance and management of risks. The Company develops its products, services and expertise continuously to guarantee success for its customers. The Company is of the view that customers' businesses that are streamlined with ERP systems will create success and result in the establishment of workplaces extensively across various sectors and in companies of various sizes, and in this way also generates tax income.

Social responsibility

Lemonsoft is a responsible employer that takes care of its employer obligations and invests in the expertise and ongoing training of its personnel and a safe work environment. The Company also employs young talents just starting their career and sees to their professional development. Lemonsoft offers motivating work equivalent to one's skills in a positive and encouraging working environment, forming the basis of well-being at work at Lemonsoft. Both the technology used in the Company's product development and the personnel demonstrate flexibility and a new way of working. The Company's efforst are shown, for example, in high employee satisfaction. In 2020, the Company's employee satisfaction measured with eNPS was 58.

The development of the business of the Company's customers also guides Lemonsoft's operations. The Company listens to its customers' wishes and develops its software solutions based on feedback from customers. For example, development proposals sent via the Company's HelpDesk service are discussed every week, and approved development ideas will be

sent to the Company's experts for implementation. The Company also provides up-to-date information on the progress of a suggested development idea along with potential actions and a schedule for implementing the development idea.

Environmental responsibility

The digitalisation of systems will considerably reduce the environmental burden of both the Company and its customers. Lemonsoft's software solutions will streamline the production and logistics of the Company's customers, which will save raw material and energy and reduce emissions. The Company's products play a key role when customers are adopting paperless working methods in their financial management.

Data security and environmental standards

Lemonsoft observes data security and environmental aspects in the development, maintenance and design of systems that can be used in the production of software solutions and adheres to generally accepted best practices in the solutions. The systems are being actively monitored, tested and updated, and the zero trust model – a typical model for modern IT systems – is being observed in the solutions design as much as possible. The key points of the zero trust model include, for example, efficient management of user rights, restrictions on services and network segmentation.

Only Lemonsoft's knowledge management has access rights to the server environment of Lemonsoft's platform solutions, and access to the Company's data centre is being monitored 24/7 by a guarding service, camera surveillance and access control. The physical premises of the data centre have been audited using Katakri, a Finnish national security audit criteria tool, as either Katakri 2015 ST III or Katakri 2015 ST IV areas, in addition to which the data centre fulfils the requirements of ISO 9001 (quality management), ISO 22301 (security and resilience) and ISO 27001 (information security management) certifications. Third parties do not have access to the Lemonsoft system or to the data in the system.

Lemonsoft's energy-efficient and modern platform solution fulfils the requirements of the Energy Efficiency System (EES+) for a continuous improvement of energy efficiency and is therefore consistent with the ISO 50001 (energy management) standard. The Company's environmental management system fulfils the requirements of the ISO 14001 (environmental policy) standard. Lemonsoft produces its platform services entirely with renewable energy.

Guidelines for business ethics

Lemonsoft's business is guided by the following ethical principles:

- **Corporate governance**: Even though the Company does not follow the Finnish Corporate Governance Code issued by the Finnish Securities Market Association, the Company seeks to follow the development of corporate governance practices and applies them in its own operations to the relevant extent. The Company pays special attention to supervision and reporting practices to ensure that the Company's operations are lawful and that the Company complies with the ethical principles.
- **Good business practice**: The Company does not violate good business practice or use practices that are otherwise unfair to other entrepreneurs. The Company promotes ethical practices in its business relations. The commercial purpose of the Company's marketing must clearly appear from the marketing, and the Company observes generally accepted principles in its marketing. The Company respects other cultures, and the Company's business relations with its partners are determined on a commercial basis.
- **Anti-bribery & corruption:** Bribery and other forms of corruption are prohibited in the Company's operations. The Company will contribute to a society in which there is a high level of confidence in companies, enterprise, the market economy and the rule of law. The Company takes active measures to combat any form of bribery and corruption that can affect business relations.
- **Safe working environment and wellbeing at work**: The Company offers a safe and positive workplace for its employees and actively promotes their health, job satisfaction and personal development. The Company ensures that its employees have a work environment and working conditions that prevent hazards to physical and mental health and that promote job satisfaction and personal development. This encompasses management practices, workplace design, equipment, practices, job descriptions, opportunities for personal development and other aspects of the work environment. The Company has zero tolerance with regard to all forms of physical or verbal harassment and will take active measures against all occurrences of harassment. The Company monitors workload and, where necessary, takes action to ensure that work is distributed more evenly or workload is decreased.
- **Equal treatment of employees**: The Company treats its employees equally unless there is an acceptable cause for derogation deriving from the duties and position of the employees. The Company does not tolerate discrimination and works proactively to combat all forms of discrimination in terms of, for example, wage

formation and career development. The Company introduces appropriate processes to identify and deal with all cases of discrimination.

- **Prohibition of child labour:** The Company does not tolerate the use of child labour or forced labour. The Company does not tolerate the economical exploitation of children in any form.
- **Respect of intellectual property rights:** The Company complies with and respects applicable laws and regulations as well as international conventions and treaties relating to the protection of intellectual property rights, such as copyrights, patents, trade marks and designs. The Company respects the intellectual property rights of others and makes sure that it does not violate the protected rights or business secrets of other parties or exploit them without authorisation when developing, producing and delivering products and services and when using third-party products or services that are protected by intellectual property rights.
- **Environment:** The Company actively contributes to sustainable development by taking the environment into account in all aspects of its business. The Company uses natural resources sparingly. In its contacts with its customers and partners, the Company intends to highlight the environmental benefit provided by its products and services. The Company welcomes all forms of initiative from its employees, customers and partners that will help it to reduce the adverse environmental impact of its business.

Intellectual property

Lemonsoft's intellectual property rights consist of trade names, trade marks, domain names and trade secrets as well as the software codes and documentation of its software. The Company's management estimates that it has registered in Finland the trade names and trade marks and acquired the domain names necessary to carry on its business operations. In addition, the Company owns the intellectual property rights to the software code and documentation of its software. The Company's own software solutions are under standard copyright protection but no patentable inventions or similar industrial property rights are related to them. The Company grants its customers rights to use its software solutions with written contracts that restrict and protect the use of the Company's intellectual property rights. As part of its business operations, the Company also uses third-party software components, including open-source components. The Company aims to minimise risks relating to intellectual property rights by carefully evaluating the third-party software components that are adopted.

Legal proceedings

Lemonsoft is from time to time subject to various allegations and claims relating to the ordinary course of business. Examples of such allegations and claims are notices of defect made by the Company's customers from time to time.

The Company or its subsidiaries have not during the last 12 months prior to the date of the Offering Circular been involved in any administrative, legal or arbitration proceedings that can have or have had a significant impact on the Company's and/or its subsidiaries' financial position or profitability, and, according to the Company's knowledge, no such proceedings are threatened.

Material agreements

The Company has not (outside its ordinary course of business) entered into agreements that (i) are or could be material for the Company and that have been entered into during the two financial years immediately preceding the date of this Offering Circular or (ii) based on which the Company would have obligations or rights that are or could be material for the Company as at the date of this Offering Circular.

Regulatory environment

Lemonsoft must comply with laws and regulations enacted at the national and the EU level that apply to its business relating to, e.g. consumer protection and marketing, employment law, competition, general corporate law, data protection and taxation in all countries wherein the Company is operating business.

The Company offers software solutions for customers operating in different sectors and supplements its own ecosystem with third-party services that are integrated into the Company's software. In particular, the Company's customers operating in the construction sector and the services of the banking and finance sector and the tax administration that are integrated into the Company's software solutions are subject to sector-specific regulation, authority provisions and authority measures that can also create requirements that concern the Company's software solutions.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read together with "Selected financial information" and the following documents enclosed as appendix D of the Offering Circular: the Lemonsoft Group's consolidated unaudited interim financial statements as at and for the nine months ended 30 September 2021 and the comparative information as at and for the nine months ended 30 September 2020, the Lemonsoft Group's audited consolidated financial statements as at and for the year ended 31 December 2020 including the cash flow statement prepared for the Offering Circular, the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2019 as well as the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2018 including the cash flow statement prepared for the Offering Circular. Further information on the accounting policies is presented in the notes to the financial statements.

On 2 December 2019, Lemonsoft acquired the entire share capital of Ohjelma-Aitta Oy, forming a group of companies that was not consolidated in the financial statements as at and for the year ended 31 December 2019. The group of companies was exempted from the obligation to include a subsidiary in the consolidated financial statements under chapter 6, section 3 of the Finnish Accounting Act (1336/1997, as amended), as the subsidiary was of minor significance and the merger process had been commenced. Ohjelma-Aitta Oy was merged into Lemonsoft Oy on 30 April 2020. A group structure requiring the preparation of consolidated financial statements was formed in 2020 when Lemonsoft acquired the entire share capital of Aacon Oy on 2 January 2020 and the controlling interest in Lixani Oy and ILVE Oy on 18 May 2020. The first consolidated financial statements of the Company have been prepared for the financial year ended 31 December 2020.

The financial information below has been derived from the following documents prepared in accordance with the Finnish Accounting Standards (FAS): Lemonsoft Group's consolidated unaudited interim financial statements as at and for the nine months ended 30 September 2021 and the comparative information as at and for the nine months ended 30 September 2020, Lemonsoft Group's audited consolidated financial statements as at and for the year ended 31 December 2020 including the cash flow statements prepared for the Offering Circular, the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2019 as well as the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2018 including the cash flow statements prepared for the Offering Circular.

Overview

Lemonsoft is a Finnish software company that designs, develops and sells comprehensive ERP software solutions to streamline its customers' business processes and administration. The extensive offering of software products and related services (jointly, the "**software solutions**") enables the Company to provide its customers with comprehensive service. The standardised and scalable software solutions of the Company are primarily delivered as cloud service and they are based on the SaaS model where 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 at the date of this Offering Circular, the Company's customer base consists of over 6,600 customer companies using the Company's software solutions, including businesses especially from industrial manufacturing, wholesale and retail, professional services automation, construction and accounting firms.

Key factors affecting the business and results of operations

The Company's result is affected by a number of internal and external factors. The following is a description of key factors that have affected or may have affected the Company's results of operations within the period covered by the historical financial information. These factors may continue to affect the Company's business in the future but it must be noted that past performance may not necessarily indicate future development.

Demand for software solutions

The Company's net sales are generated mainly in Finland. In particular, the overall economic development and atmosphere in Finland can affect the Company's customers' investments and financial position and thus also affect the demand for the Company's software solutions as the Company's customers might be cutting their IT budgets. In addition, the growth prospects of the Finnish software and ERP markets partly depend on the general prospects of the Finnish economy, and the development of these markets, in turn, affects the demand for the Company's software solutions. The Company offers software solutions particularly for customers in industrial manufacturing, wholesale and retail, professional services automation, construction and accounting firms, and therefore changes in the financial position of customers operating in these particular sectors will also affect the demand for the Company's software solutions.

The Company's management estimates that the demand for software solutions continues to increase due to, among other things, the ERP system penetration reaching ever more companies, the use of ERP systems expanding into new user categories inside companies, the use of cloud-based SaaS solutions becoming more common and digitalisation advancing to ever smaller companies and to wider levels in organisations. For further information, see "*Market and industry overview"*. However, weaker than expected growth of the Finnish economy could have an adverse effect on the growth prospects of the software market and ERP market in Finland, which could reduce the demand for the Company's software products. Furthermore, the demand for the Company's software solutions is affected by, among other things, the Company's success in assessing market trends as well as market development and the development of software solutions meeting customers' needs.

Increasing net sales from current customers

The demand for the Company's software solutions consists of the demand by existing and new customers. The Company is not dependent on individual customer relationships, but succeeding in maintaining a high customer satisfaction rate, in additional sales by increasing customer-specific sales volumes, in cross-selling by offering more comprehensive software solution packages to current customers and in maintaining continued customer relationships will materially affect the achievement of the targets of the Company's organic growth strategy. In recent years, the Company has succeeded in maintaining strong key metrics in customer retention and upselling to current customers. In the financial year of 2020, the Company's churn was 3.4 percent and the net revenue retention (NRR) was 108 percent. The Company's management estimates that the Company's customer base includes many customers to whom upselling would be possible by adding the number of users of the ERP system or by the deployment of new modules. In addition, the Company can upsell by cross-selling products between the Company's ERP customers and the customer bases of acquired companies and by increasing the transaction business. The key indicators concerning the sales to the Company's current customers and the upselling potential of the current customers are described in more detail in section "*Business of the Company – Lemonsoft's strengths*".

Company's success in acquiring new customers

In addition to the net sales from current customers, the Company's net sales growth is affected by the Company's success in acquiring new customers. There are approximately 192,000 companies[22] in the Company's target verticals in Finland, which means that the Company has a very large number of potential customers. ERP penetration among Finnish companies was only 43 percent in 2019, but ERP penetration is growing rapidly especially among small enterprises.[23] Growing ERP penetration enables the Company to acquire new customers without having to take market share from its competitors. In addition, many companies that have adopted ERP systems are currently using solutions that require separate maintenance and are locally installed on work stations. This creates an opportunity for the Company to acquire new customers when companies update their ERP systems to the current SaaS based software solutions. The Company offers standardised and scalable software solutions based on the SaaS model that can be deployed to new customers quickly and at low cost according to customer needs. The Company's success in selling standardised and scalable software solutions that can be deployed at low cost will materially affect the Company's business and the development of the results of operations. The Company's potential to acquire new customers is described in more detail in section "*Business of the Company – Lemonsoft's strengths*".

Competitive situation and pricing of software solutions

The Company's management estimates that the software and ERP markets are distributed. In particular, in case of smaller tendering processes, the Company is competing with smaller and agile operators that enter the software and ERP markets on a regular basis. This could increase price competition and introduce new requirements for usability. In addition to small and agile operators, the Company is also competing for larger customers with operators that are often larger than the Company. Compared to the Company, these operators have access to bigger resources for, e.g. marketing, sales and product development, affecting the Company's competitive position in the markets wherein the Company is operating. However, the Company's largest competitors are often more focused on larger customers than Lemonsoft. The Company's management estimates that the Company may in the future also be able to optimise pricing with segment and product specific pricing as well asby bundling products and services into various product and service packages. The Company invests heavily in product development and the scalability of its business in order to maintain its competitiveness in the market in terms of the quality and pricing of software solutions and the profitability of the business. The Company's ability to react to new technologies and changes in customers' needs or preferences is vital for preserving

[22] Source: Asiakastieto (search in the service provider's company database including corporate forms public limited company, limited company, private trader, limited partnership, general partnership and limited liability housing company as well as companies in accordance with Standard Industrial Classification TOL 2008, that may use ERP in the view of the Company's management).
[23] Source: Statistics Finland (Use of information technology in enterprises, variables: Year, Approximate number of personnel and Data).

the good competitive position. The Company's competitiveness and its ability to maintain or increase its market share will affect the Company's organic growth, business and results of operation.

Scalability of business operations

The Company offers software solutions that are standardised to certain customer groups, scalable and based on the SaaS business model. The Company's management estimates that with its standardised software solutions, efficient sales process and modular offering the Company can offer its software solutions to new customers in a profitable manner and at low additional costs. Due to long customer relationships, the Company's current customers provide the Company with extensive possibilities for additional sales through increased customer-specific sales volumes and cross-selling by offering more comprehensive software solution packages to current customers at all stages of the customer relationship. The ability to offer software solutions to new customers at low additional costs and the success of additional selling and cross-selling to current customers affect the scalability and profitability of the Company's business.

In the nine-month period ended 30 September 2021, personnel expenses accounted for 45.2 percent of net sales in the Company's cost structure, materials and services 10.8 percent, depreciations, amortisations and impairment 6.6 percent and other operating expenses 10.3 percent. As at 30 September 2021, approximately 55 percent of the Company's personnel worked in product development, and therefore a significant part of personnel expenses consists of contributions allocated to product development. The costs arising from the Company's materials and services are mainly attributable to purchases relating to the provision of platform solutions and purchases of external services supplementing the Company's technology ecosystem provided by third parties. Depreciation, amortisation and impairment mainly comprise depreciation and amortisation of tangible and intangible assets and amortisation of goodwill. Other operating expenses mainly comprise fixed costs, such as expenses relating to the personnel, occupancy expenses, marketing expenses and administrative expenses.

In the view of the Company's management, the above-described SaaS business model and the Company's cost structure will enable the scalability of the Company's business and maintaining a low and stable cost structure despite an increase in the business operations. The Company's management estimates that the scalable business model will affect the Company's business and the results of operations and is a key factor behind profitable organic growth. The profitability of the Company's business is reflected by a high EBITDA, which was 34 percent of the Company's net sales during the nine-month period ended 30 September 2021. In addition to organic growth, the Company also focuses on scalability when choosing its acquisition targets.

Availability of personnel and personnel expenses

The Company's success and opportunities for organic growth largely depend on how well the Company is able to recruit skilled personnel, motivate and retain its personnel, and maintain and develop the skills of its personnel. In recent years, the Company has been able to manage risks relating to the availability of personnel and to hire skilled personnel for the needs of the business and particularly for the needs of product development.

Due to the nature of the Company's business, personnel expenses constitute the most significant expense item for the Company. The most significant factors affecting personnel expenses include the number and geographical location of personnel, the employees' skills and experience, the pay level offered by competitors, general economic conditions, salaries agreed in collective agreements and the amount of taxes, payments and pension contributions. During the review periods, the increase in the Company's personnel expenses was primarily due to an increase in the number of employees as a result of both acquisitions and organic growth. A significant part of the Company's personnel works in the Company's product development. It is possible that an increase in the pay level of the IT sector and in other expenses as well as the competition for qualified personnel and key persons increase the Company's personnel expenses in the future. However, the Company's management estimates that the locations of the Company's offices in several different cities around Finland and the possibility for permanent remote work improve the Company's position in the competition for labour, increase the retention of personnel and improve the ability to manage personnel expenses. In the nine-month period ended 30 September 2021, personnel expenses accounted for 45.2 percent of the Company's net sales.

Product development and continuous development of the offering

Throughout its operating history, the Company has put considerable efforts into product development, and product development will continue to be a key part of the Company's organic growth strategy in the future. The Company invests in product development and the development of its offering in order to maintain its competitiveness and to offer modern software solutions that meet the customers' needs and increasing demands. The Company had 55 percent of the personnel working in product development on 30 September 2021. The Company's management estimates that due to product

development investments, the Company has only little technological debt, enabling contributions towards the planning and development of new software solutions that meet the customers' needs and towards the further development and provision of existing solutions in the long term since the Company does not have to spend resources on fixing technological debt.[24] Successfully bringing new and improved software solutions onto the market depends on numerous factors, such as the ability to identify customer needs, the ability to gain customer approval for new software solutions, the ability to differentiate the Company's offering, the ability to price software solutions competitively and the ability to predict the actions of competitors and sell software solutions efficiently. The Company's success in product development and in developing its offering will affect the continuity of the Company's existing customer relationships and the revenue growth from such customers and the ability to acquire new customers. Thus, the continuity of the Company's success is partly dependent on how the Company succeeds in product development and in the continuous development of its offering. The Company's management estimates that the Company intends to continue strong investments in products development in the future as well. The Company's management estimates, however, that the investments on product development will not typically grow at the same rate as net sales when the business grows strongly. Despite high product development costs, the Company did not capitalise product development costs in the balance sheet in the financial years of 2019 and 2020 but recorded all product development costs as expenses in the income statement. The Company also does not plan capitalising product development costs in the balance sheet in the coming years.

Acquisitions made by the Company

In recent years, the Company has made several acquisitions and will also seek to grow inorganically through selected acquisitions in accordance with its strategy in the future. The Company will use acquisitions to strengthen its position on its current sectors and to expand to new (vertical) sectors, to include new value added features to existing software solutions and to acquire new expertise through personnel. Since 2019, the Company has made six transactions and acquired, among other things, the entire share capital of Aacon Oy, a software house known from the Kellokortti time tracking service, and in the current year the entire share capital of PlanMill Oy and the Talosofta business from Alma Mediapartners Oy. Finding acquisition targets that fit the Company's strategy, a successful completion of acquisitions and an efficient integration of target companies play a key role in the development of the Company's business and financial position. In recent years, the Company has succeeded, in line with its strategy, to supplement and support its existing offering through acquisitions that fit the Company's value chain, enabling the Company to provide an even more comprehensive service to its customers, thus supporting the inorganic growth of the Company. Successful acquisitions can significantly increase the Company's business and improve its financial performance in the future particularly in the long term. However, there can be no assurance that the Company's potential future acquisitions can be carried out on favourable terms from the perspective of the Company's strategy or that suitable target companies will be available. Still, the Company's management estimates that the Company's field of operation is fragmented and the Company is well positioned to consolidate the field.

Recent events

No material changes have taken place in the Company's financial position or performance between 30 September 2021 and the date of this Offering Circular.

Profit forecast

The following profit forecast includes forward-looking statements that are not guarantees of the future financial performance. The actual result of the Company's operations could differ materially from what has been expressed in connection with the forward-looking statements. Many factors mentioned in "Other information on the Offering Circular – Forward-looking statements", "Risk factors" and "Operating and financial review and prospects – Key factors affecting the business and results of operations" could have a material effect on the financial performance of the Company. The Company cautions prospective investors not to place undue reliance on these forward-looking statements.

Lemonsoft estimates that the net sales for the 2021 financial year will increase 23–28 percent compared to the 2020 financial year, and that the adjusted EBIT will be 30–35 percent of the net sales in 2021.

Lemonsoft's profit forecast is based on the estimates and assumptions made by the Company's management concerning the development of the Lemonsoft Group's net sales, adjusted EBIT and operating environment as well as on no unforeseen changes occurring in the Company's business operations. The profit forecast is particularly based on a recurring revenue agreement portfolio, acquisition of new customers and upselling to existing customers.

[24] Technological debt denotes obsolete source code which, in order to work, requires some old technology that has already been replaced by new technology in the market. At worst, technological debt may lead to a situation where a product's development must be restarted nearly from scratch as the result of developments in other technologies.

The most central factors to the realisation of the profit forecast that the Company can control are customer acquisition, upselling and personnel resourcing to manage billable utilisation. Factors outside the Company's control include, in particular, factors relating to the Company's customers and the availability of personnel as well as potential pandemics and various force majeure situations.

The Company's guidance has been made and prepared on a basis that is comparable to the Company's historical financial information and that is consistent with the Company's accounting policies. The Company's financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS).

Key items in the income statement

Net sales

The net sales comprise monthly invoicing and sale of services that is recorded on accrual basis.

Other operating income

Other operating income comprises government grants.

Materials and services

Materials and services primarily comprise external services, which are variable expenses and relate to transaction and hosting operation revenues.

Personnel expenses

Personnel expenses comprise salaries and fees paid, pension expenses and other personnel expenses such as training and recreation expenses and travel expenses.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment mainly comprise depreciation and amortisation of tangible and intangible assets and amortisation of goodwill.

Other operating expenses

Other operating expenses comprise expenses relating to the personnel, occupancy expenses, marketing expenses and administrative expenses.

Operating profit (loss)

Operating profit (loss) is calculated by adding other operating income to net sales and then subtracting from this sum materials and services, personnel expenses, depreciation, amortisation and impairment and other operating expenses.

Financial income and expenses

Financial income and expenses comprise interest expenses relating to a financing loan and interest income relating to accounts receivable.

Income tax

Income tax comprises income tax expenses for the financial year, offset or increased by changes in deferred tax assets and liabilities and income tax from previous years.

Minority interest

The minority interest presented in the income statement refers to the share in a subsidiary's profit that belongs to minority shareholders. The minority interests relate to the Company's subsidiaries Lixani Oy and WorkIn Oy.

Profit (loss) for the financial year

Profit (loss) for the financial year is calculated by subtracting the sum of financial income and expenses and income taxes from the operating profit (loss).

Description of the development of key items in the income statement

The following table sets forth a summary of the Company's income statements for the periods indicated:

	For the nine months ended 30 September		For the year ended 31 December		
	2021	2020	2020[1)]	2019	2018
(EUR thousand)	(unaudited)		(audited)		
Net sales	12,284.1	9,937.6	13,588.0	10,638.7	9,484.3
Other operating income	44.2	70.0	55.8	0.0	12.2
Total materials and services	-1,329.1	-1,184.1	-1,647.5	-1,339.2	-919.0
Total personnel expenses	-5,552.9	-4,380.3	-6,064.6	-4,734.3	-4,298.5
Total depreciation, amortisation and impairment	-812.5	-651.2	-888.6	-365.5	-353.6
Other operating expenses	-1,267.7	-932.0	-1,137.4	-1,061.1	-1,497.1
Operating profit (loss)	3,366.1	2,860.0	3,905.8	3,138.6	2,428.4
Total financial income and expenses	-11.6	-5.6	-13.4	4.1	-3.9
Income tax	-698.0	-639.3	-916.8	-658.9	-512.9
Minority interest	-21.6	-3.9	0.0	-	-
Profit (loss) for the financial year	2,634.9	2,211.2	2,975.6	2,483.8	1,911.6

[1)] A group structure requiring the preparation of consolidated financial statements was formed in 2020.

Net sales

The nine months ended 30 September 2021, as compared to the nine months ended 30 September 2020

Lemonsoft Group's net sales amounted to EUR 12,284.1 thousand for the nine months ended 30 September 2021, corresponding to an increase of 23.6 percent compared to the nine months ended 30 September 2020, when Lemonsoft Group's net sales amounted to EUR 9,937.6 thousand. The increase in net sales was primarily due to the Company's success in acquiring new customers, to the acquisition of Metsys Oy and PlanMill Oy and to the acquisition of the Talosofta business.

Financial year 2020, as compared to financial year 2019

Lemonsoft Group's net sales amounted to EUR 13,588.0 thousand for the year ended 31 December 2020, corresponding to an increase of 27.7 percent compared to the year ended 31 December 2019, when Lemonsoft Oyj's net sales amounted to EUR 10,638.7 thousand. The increase in net sales was primarily due to the acquisition of Aacon Oy and the acquisition of Lixani Oy and ILVE Oy.

Financial year 2019, as compared to financial year 2018

Lemonsoft Oyj's net sales amounted to EUR 10,638.7 thousand for the year ended 31 December 2019, corresponding to an increase of 12.2 percent compared to the year ended 31 December 2018, when Lemonsoft Oyj's net sales amounted to EUR 9,484.3 thousand. The increase in net sales was primarily due to an upward trend in demand.

Other operating income

The nine months ended 30 September 2021, as compared to the nine months ended 30 September 2020

Lemonsoft Group's other operating income amounted to EUR 44.2 thousand for the nine months ended 30 September 2021, corresponding to a decrease of 36.9 percent compared to the nine months ended 30 September 2020, when Lemonsoft Group's other operating income amounted to EUR 70.0 thousand. The decrease in other operating

income was primarily due to the development funding provided by Business Finland, the first EUR 70.0 thousand instalment of which has been recorded in its entirety in the nine months ended 30 September 2020.

Financial year 2020, as compared to financial year 2019

Lemonsoft Group's other operating income amounted to EUR 55.8 thousand for the year ended 31 December 2020, corresponding to an increase of EUR 55.8 thousand compared to the year ended 31 December 2019, when Lemonsoft Oyj's other operating income amounted to EUR 0. The increase in other operating income was primarily due to development funding provided by Business Finland.

Financial year 2019, as compared to financial year 2018

Lemonsoft Oyj's other operating income amounted to EUR 0 for the year ended 31 December 2019, corresponding to a decrease of EUR 12.2 thousand compared to the year ended 31 December 2018, when Lemonsoft Oyj's other operating income amounted to EUR 12.2 thousand. The decrease in other operating income was primarily due to the end of external rental income because the Company occupied all premises for its own purposes.

Materials and services

The nine months ended 30 September 2021, as compared to the nine months ended 30 September 2020

Lemonsoft Group's materials and services amounted to EUR -1,329.1 thousand for the nine months ended 30 September 2021, corresponding to an increase of 12.2 percent compared to the nine months ended 30 September 2020, when Lemonsoft Group's materials and services amounted to EUR -1,184.1 thousand. The increase in materials and services was primarily due to an increase of net sales from transaction business and platform services related to the provision of software solutions.

Financial year 2020, as compared to financial year 2019

Lemonsoft Group's materials and services amounted to EUR -1,647.5 thousand for the year ended 31 December 2020, corresponding to an increase of 23.0 percent compared to the year ended 31 December 2019, when Lemonsoft Oyj's materials and services amounted to EUR -1,339.1 thousand. The increase in materials and services was primarily due to an increase of net sales from transaction business and platform services related to the provision of software solutions.

Financial year 2019, as compared to financial year 2018

Lemonsoft Oyj's materials and services amounted to EUR -1,339.1 thousand for the year ended 31 December 2019, corresponding to an increase of 45.7 percent compared to the year ended 31 December 2018, when Lemonsoft Oyj's materials and services amounted to EUR -919.0 thousand. The increase in materials and services was primarily due to a strong increase of net sales from transaction business and platform services related to the provision of software solutions.

Personnel expenses

The nine months ended 30 September 2021, as compared to the nine months ended 30 September 2020

Lemonsoft Group's personnel expenses amounted to EUR -5,552.9 thousand for the nine months ended 30 September 2021, corresponding to an increase of 26.8 percent compared to the nine months ended 30 September 2020, when Lemonsoft Group's personnel expenses amounted to EUR -4,380.3 thousand. The increase in personnel expenses was primarily due to an increase in the number of employees and increases in salaries. The increase in the number of employees was due to organic growth as well as corporate acquisitions and business acquisition.

Financial year 2020, as compared to financial year 2019

Lemonsoft Group's personnel expenses amounted to EUR -6,064.6 thousand for the year ended 31 December 2020, corresponding to an increase of 28.1 percent compared to the year ended 31 December 2019, when Lemonsoft Oyj's personnel expenses amounted to EUR -4,734.3 thousand. The increase in personnel expenses was primarily due to an increase in the number of employees and to increases in salaries. The increase in the number of employees was due to organic growth as well as acquisitions.

Financial year 2019, as compared to financial year 2018

Lemonsoft Oyj's personnel expenses amounted to EUR -4,734.3 thousand for the year ended 31 December 2019, corresponding to an increase of 10.1 percent compared to the year ended 31 December 2018, when Lemonsoft Oyj's personnel expenses amounted to EUR -4,298.5 thousand. The increase in personnel expenses was primarily due to an increase in the number of employees and increases in salaries.

Depreciation, amortisation and impairment

The nine months ended 30 September 2021, as compared to the nine months ended 30 September 2020

Lemonsoft Group's depreciation, amortisation and impairment amounted to EUR -812.5 thousand for the nine months ended 30 September 2021, corresponding to an increase of 24.8 percent compared to the nine months ended 30 September 2020, when Lemonsoft Group's amortisation, depreciation and impairment amounted to EUR -651.2 thousand. The increase in depreciation, amortisation and impairment was primarily due to amortisations of consolidation goodwill and amortisations of goodwill.

Financial year 2020, as compared to financial year 2019

Lemonsoft Group's depreciation, amortisation and impairment amounted to EUR -888.6 thousand for the year ended 31 December 2020, corresponding to an increase of 143.1 percent compared to the year ended 31 December 2019, when Lemonsoft Oyj's depreciation, amortisation and impairment amounted to EUR -365.5 thousand. The increase in depreciation, amortisation and impairment was primarily due to amortisations of consolidation goodwill.

Financial year 2019, as compared to financial year 2018

Lemonsoft Oyj's depreciation, amortisation and impairment amounted to EUR -365.5 thousand for the year ended 31 December 2019, corresponding to an increase of 3.4 percent compared to the year ended 31 December 2018, when Lemonsoft Oyj's depreciation, amortisation and impairment amounted to EUR -353.6 thousand. The increase in depreciation, amortisation and impairment was primarily due to investments in machinery and equipment (data centre).

Other operating expenses

The nine months ended 30 September 2021, as compared to the nine months ended 30 September 2020

Lemonsoft Group's other operating expenses amounted to EUR -1,267.7 thousand for the nine months ended 30 September 2021, corresponding to an increase of 36.0 percent compared to the nine months ended 30 September 2020, when Lemonsoft Group's other operating expenses amounted to EUR -932.0 thousand. The increase in other operating expenses was primarily due to acquisition costs arising from corporate transactions, costs arising from the preparations for listing as well as to other costs of the business operations of acquired companies.

Financial year 2020, as compared to financial year 2019

Lemonsoft Group's other operating expenses amounted to EUR -1,137.4 thousand for the year ended 31 December 2020, corresponding to an increase of 7.2 percent compared to the year ended 31 December 2019, when Lemonsoft Oyj's other operating expenses amounted to EUR -1,061.1 thousand. The low increase in other operating expenses was due to the coronavirus pandemic, despite an increase in other expenses resulting from the acquisition of Aacon Oy and Lixani Oy.

Financial year 2019, as compared to financial year 2018

Lemonsoft Oyj's other operating expenses amounted to EUR -1,061.1 thousand for the year ended 31 December 2019, corresponding to a decrease of 29.1 percent compared to the year ended 31 December 2018, when Lemonsoft Oyj's other operating expenses amounted to EUR -1,497.1 thousand. The decrease in other operating expenses was primarily due to lower marketing and personnel expenses in 2019. The Company focused heavily on marketing and on personnel development in 2018.

Operating profit (loss)

The nine months ended 30 September 2021, as compared to the nine months ended 30 September 2020

Lemonsoft Group's operating profit amounted to EUR 3,366.1 thousand for the nine months ended 30 September 2021, corresponding to an increase of 17.7 percent compared to the nine months ended 30 September 2020, when Lemonsoft Group's operating profit amounted to EUR 2,860.0 thousand. The increase in operating profit was primarily due to an increase in net sales. The operating profit for the nine months ended 30 September 2021 was burdened in particular by the acquisition costs relating to corporate transactions as well as the costs arising from the preparations for listing.

Financial year 2020, as compared to financial year 2019

Lemonsoft Group's operating profit amounted to EUR 3,905.8 thousand for the year ended 31 December 2020, corresponding to an increase of 24.4 percent compared to the year ended 31 December 2019, when Lemonsoft Oyj's operating profit amounted to EUR 3,138.6 thousand. The increase in operating profit was primarily due to an increase in net sales and to a low increase in variable and fixed expenses.

Financial year 2019, as compared to financial year 2018

Lemonsoft Oyj's operating profit amounted to EUR 3,138.6 thousand for the year ended 31 December 2019, corresponding to an increase of 29.2 percent compared to the year ended 31 December 2018, when Lemonsoft Oyj's operating profit amounted to EUR 2,428.4 thousand. The increase in operating profit was primarily due to an organic increase in net sales and to a low level of other operating expenses.

Financial income and expenses

The nine months ended 30 September 2021, as compared to the nine months ended 30 September 2020

Lemonsoft Group's financial income and expenses amounted to EUR -11.6 thousand for the nine months ended 30 September 2021, corresponding to a change of 106.8 percent compared to the nine months ended 30 September 2020, when Lemonsoft Group's financial income and expenses amounted to EUR -5.6 thousand. The change in financial income and expenses was primarily due to the interest expenses relating to a financing loan taken out in 2021.

Financial year 2020, as compared to financial year 2019

Lemonsoft Group's financial income and expenses amounted to EUR -13.4 thousand for the year ended 31 December 2020, corresponding to a change of EUR 17.5 thousand compared to the year ended 31 December 2019, when Lemonsoft Oyj's financial income and expenses amounted to EUR 4.1 thousand. The change in financial income and expenses was primarily due to the interest expenses relating to a financing loan taken out in 2020.

Financial year 2019, as compared to financial year 2018

Lemonsoft Oyj's financial income and expenses amounted to EUR 4.1 thousand for the year ended 31 December 2019, corresponding to a change of EUR 7.9 thousand compared to the year ended 31 December 2018, when Lemonsoft Oyj's financial income and expenses amounted to EUR -3.9 thousand. The change in financial income and expenses was primarily due to a decrease in financial expenses following the repayment of a financing loan in 2018.

Income tax

The nine months ended 30 September 2021, as compared to the nine months ended 30 September 2020

Lemonsoft Group's income tax amounted to EUR -698.0 thousand for the nine months ended 30 September 2021, corresponding to an increase of 9.2 percent compared to the nine months ended 30 September 2020, when Lemonsoft Group's income tax amounted to EUR -639.3 thousand. The increase in income tax was primarily due to the Company's income development.

Financial year 2020, as compared to financial year 2019

Lemonsoft Group's income tax amounted to EUR -916.8 thousand for the year ended 31 December 2020, corresponding to an increase of 39.1 percent compared to the year ended 31 December 2019, when Lemonsoft Oyj's income tax amounted to EUR -658.9 thousand. The increase in income tax was primarily due to the Company's income development.

Financial year 2019, as compared to financial year 2018

Lemonsoft Oyj's income tax amounted to EUR -658.9 thousand for the year ended 31 December 2019, corresponding to an increase of 28.5 percent compared to the year ended 31 December 2018, when Lemonsoft Oyj's income tax amounted to EUR -512.9 thousand. The increase in income tax was primarily due to the Company's income development.

Minority interest

The nine months ended 30 September 2021, as compared to the nine months ended 30 September 2020

Lemonsoft Group's minority interest amounted to EUR -21.6 thousand for the nine months ended 30 September 2021, corresponding to an increase of 453.8 percent compared to the nine months ended 30 September 2020, when Lemonsoft Group's minority interest amounted to EUR -3.9 thousand. The increase in minority interest was primarily due to the increase of Lixani Oy's profit for the financial year, which resulted in an increased minority interest.

Financial years ended 31 December 2018, 31 December 2019 and 31 December 2020

Lemonsoft did not have minority interests that should have been included in the income statement in the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020.

Profit (loss) for the financial year

The nine months ended 30 September 2021, as compared to the nine months ended 30 September 2020

Lemonsoft Group's profit for the financial year amounted to EUR 2,634.9 thousand for the nine months ended 30 September 2021, corresponding to an increase of 19.2 percent compared to the nine months ended 30 September 2020, when Lemonsoft Group's profit for the financial year amounted to EUR 2,211.2 thousand. The increase in profit for the financial year was primarily due to the increase in net sales. The profit for the financial period for the nine months ended 30 September 2021 was burdened in particular by the acquisition costs relating to corporate transactions as well as the costs arising from the preparations for listing.

Financial year 2020, as compared to financial year 2019

Lemonsoft Group's profit for the financial year amounted to EUR 2,975.6 thousand for the year ended 31 December 2020, corresponding to an increase of 19.8 percent compared to the year ended 31 December 2019, when Lemonsoft Oyj's profit for the financial year amounted to EUR 2,483.8 thousand. The increase in profit for the financial year was primarily due to an increase in net sales and to a low increase in variable and fixed expenses.

Financial year 2019, as compared to financial year 2018

Lemonsoft Oyj's profit for the financial year amounted to EUR 2,483.8 thousand for the year ended 31 December 2019, corresponding to an increase of 29.9 percent compared to the year ended 31 December 2018, when Lemonsoft Oyj's profit for the financial year amounted to EUR 1,911.6 thousand. The increase in profit for the financial year was primarily due to an organic increase in net sales and to a low level of other operating expenses.

Liquidity and capital resources

General

The Company's principal source of liquidity has been cash flows from operating activities and, when necessary, external borrowings. The Company's liquidity requirements principally arise from regular business operations, investments, debt servicing costs, working capital management, dividend payment and taxes.

As at 30 September 2021, the Company's cash at hand and in banks amounted to EUR 4,537.1 thousand and interest-bearing liabilities amounted to EUR 3,750.0 thousand. The interest-bearing liabilities comprised loans from a financial institution.

Cash flows

The following table sets forth a summary of Lemonsoft's cash flow statements for the periods indicated:

	For the nine months ended 30 September		For the year ended 31 December		
(EUR thousand)	**2021**	**2020**	**2020[1)]**	**2019**	**2018**
	(unaudited)		**(audited)**		
Total cash flows from operating activities	3,736.8	3,047.3	4,455.4	3,200.8	2,101.4
Total cash flows from investing activities	-3,840.1	-3,435.8	-3,602.3	-449.1	-415.8
Total cash flows from financing activities	-460.0	720.0	470.0	-2,017.1	-1,039.4
Change in cash at hand and in banks	-563.2	331.6	1,323.1	734.6	646.3
Cash at hand and in banks at the beginning of the period	5,100.3	3,775.7	3,775.7	3,041.1	2,394.8
Cash at hand and in banks at the end of the period	4,537.1	4,107.2	5,098.8	3,775.7	3,041.1

[1)] A group structure requiring the preparation of consolidated financial statements was formed in 2020.

No material changes have taken place in the Company's cash flows between 30 September 2021 and the date of this Offering Circular.

Cash flows from operating activities

In the nine-month period ended 30 September 2021, Lemonsoft Group's cash flows from operating activities amounted to EUR 3,736.8 thousand, an increase of EUR 689.5 thousand as compared to Lemonsoft Group's cash flow from operating activities of EUR 3,047.3 thousand in the nine months ended 30 September 2020. The increase in cash flows from operating activities was primarily due to increased operating cash flow and a change in net working capital.

For the year ended 31 December 2020, Lemonsoft Group's cash flows from operating activities amounted to EUR 4,455.4 thousand, an increase of EUR 1,254.6 thousand as compared to Lemonsoft Oyj's cash flows from operating activities of EUR 3,200.8 thousand for the year ended 31 December 2019. The increase in cash flows from operating activities was primarily due to increased operating cash flow and a change in net working capital.

For the year ended 31 December 2019, Lemonsoft Oyj's cash flows from operating activities amounted to EUR 3,200.8 thousand, an increase of EUR 1,099.4 thousand as compared to Lemonsoft Oyj's cash flows from operating activities of EUR 2,101.4 thousand for the year ended 31 December 2018. The increase in cash flows from operating activities was primarily due to increased operating cash flow and a change in net working capital.

Cash flows from investing activities

In the nine-month period ended 30 September 2021, Lemonsoft Group's cash flows from investing activities amounted to EUR -3,840.1 thousand, an increase of EUR 404.3 thousand as compared to Lemonsoft Group's cash flows from investing activities of EUR -3,435.8 thousand in the nine months ended 30 September 2020. The increase in cash flows from investing activities was primarily due to acquisitions.

For the year ended 31 December 2020, Lemonsoft Group's cash flows from investing activities amounted to EUR -3,602.3 thousand, an increase of EUR 3,153.2 thousand as compared to Lemonsoft Oyj's cash flows from investing activities of EUR -449.1 thousand for the year ended 31 December 2019. The increase in cash flows from investing activities was primarily due to acquisitions.

For the year ended 31 December 2019, Lemonsoft Oyj's cash flows from investing activities amounted to EUR -449.1 thousand, an increase of EUR 33.3 thousand as compared to Lemonsoft Oyj's cash flows from investing activities of EUR -415.8 thousand for the year ended 31 December 2018. The increase in cash flows from investing activities was primarily due to acquisitions.

Cash flows from financing activities

In the nine-month period ended 30 September 2021, Lemonsoft Group's cash flows from financing activities amounted to EUR -460.0 thousand, a decrease of EUR 1,180.0 thousand as compared to Lemonsoft Group's cash flows from financing activities of EUR 720.0 thousand in the nine months ended 30 September 2020. The decrease in cash flows from financing activities was primarily due to drawing a loan.

For the year ended 31 December 2020, Lemonsoft Group's cash flows from financing activities amounted to EUR 470.0 thousand, an increase of EUR 2,487.1 thousand as compared to Lemonsoft Oyj's cash flows from financing activities of EUR -2,017.1 thousand for the year ended 31 December 2019. The increase in cash flows from financing activities was primarily due to drawing of a loan.

For the year ended 31 December 2019, Lemonsoft Oyj's cash flows from financing activities amounted to EUR -2,017.1 thousand, a decrease of EUR 977.7 thousand as compared to Lemonsoft Oyj's cash flows from financing activities of EUR -1,039.4 thousand for the year ended 31 December 2018. The decrease in cash flows from financing activities was primarily due to higher dividends and repayment of loans.

Investments

The Company's investments in the nine-month period ended 30 September 2021 and in the financial years ended 31 December 2020, 31 December 2019 and 31 December 2018 are presented above in section " – *Cash flows – Cash flows from investing activities*".

As at the date of the Offering Circular, the Company has no significant individual investments pending or investments of which the final decisions have been made.

Loans from financial institutions

On 2 January 2020, the Company entered into a EUR 2,500 thousand loan agreement with a financial institution relating to the acquisition of the entire share capital of Aacon Oy. The first loan repayment date was 30 June 2020 and the last will be on 31 December 2024. The loan will be repaid in equal instalments twice a year. The Company gave a general pledge undertaking to the financial institution under which the Company pledged seven apartments from real estate company Kiinteistö Oy Vaasanpuistikko 20 as security for all its current and future principal debts. The apartments' purpose of use is office use.

On 16 August 2021, the Company entered into a EUR 2,000 thousand loan agreement with a financial institution relating to the acquisition of the entire share capital of PlanMill Oy. The first loan repayment date is 31 December 2021 and the last will be on 30 June 2026. The loan will be repaid in equal instalments twice a year. As security for the loan, the Company pledged mortgage notes of EUR 1,500,000 to the financial institution, and a mortgage deed with the highest priority on Lemonsoft Oyj's eligible assets was confirmed as security for the payment of the notes. In addition, the financing agreement includes a financial covenant under which the Company has undertaken to maintain a certain equity ratio. The fulfilment of the equity ratio requirement will be verified annually in conjunction with the Company's official closing of the accounts. A breach of this covenant can entitle the financial institution to demand accelerated or immediate repayment of the loan.

As at 30 September 2021, the Company had loans of EUR 3,750.0 thousand from financial institutions.

Balance sheet information

The following table sets forth the Company's balance sheet information for the dates indicated:

(EUR thousand)	As at 30 September 2021 (unaudited)	As at 31 December 2020[1)]	2019 (audited)	2018
Assets				
Total non-current assets	8,968.6	5,827.9	2,921.9	2,838.3
Total current assets	5,798.9	5,995.4	4,647.2	3,988.6
Total assets	14,767.5	11,823.3	7,569.1	6,826.9
Equity and liabilities				
Equity				
Total equity	7,384.0	6,988.3	5,512.7	4,253.0
Liabilities				
Total non-current liabilities	2,750.0	1,500.0	0.0	555.4
Total current liabilities	4,611.0	3,335.1	2,056.4	2,018.5
Total liabilities	7,361.0	4,835.1	2,056.4	2,573.9
Total equity and liabilities	14,767.5	11,823.3	7,569.1	6,826.9

A group structure requiring the preparation of consolidated financial statements was formed in 2020.

Assets

Total non-current assets

As at 30 September 2021, Lemonsoft Group's non-current assets amounted to EUR 8,968.6 thousand, an increase of 53.9 percent as compared to Lemonsoft Group's non-current assets of EUR 5,827.9 thousand as at 31 December 2020. The increase in non-current assets was primarily due to an increase of consolidation goodwill resulting from the acquisition of Metsys Oy and PlanMill Oy as well as an increase of goodwill resulting from the acquisition of the Talosofta business. As at 30 September 2021, the consolidation goodwill amounted to EUR 5,805.8 thousand and the goodwill to EUR 1,030.5 thousand.

As at 31 December 2020, Lemonsoft Group's non-current assets amounted to EUR 5,827.9 thousand, an increase of 99.5 percent as compared to Lemonsoft Oyj's non-current assets of EUR 2,921.9 thousand as at 31 December 2019. The increase in non-current assets was primarily due to investments in group companies.

As at 31 December 2019, Lemonsoft Oyj's non-current assets amounted to EUR 2,921.9 thousand, an increase of 2.9 percent as compared to Lemonsoft Oyj's non-current assets of EUR 2,838.3 thousand as at 31 December 2018. The increase in non-current assets was primarily due to investments in machinery and equipment (data centre).

Total current assets

As at 30 September 2021, Lemonsoft Group's current assets amounted to EUR 5,798.9 thousand, a decrease of 3.3 percent as compared Lemonsoft Group's current assets of EUR 5,995.4 thousand as at 31 December 2020. The decrease in current assets was primarily due to a decrease in cash assets as a part of the acquisitions carried out in the nine-month period ended 30 September 2021 was paid directly from cash assets.

As at 31 December 2020, Lemonsoft Group's current assets amounted to EUR 5,995.4 thousand, an increase of 29.0 percent as compared to Lemonsoft Oyj's current assets of EUR 4,647.2 thousand as at 31 December 2019. The increase in current assets was primarily due to an increase in cash assets.

As at 31 December 2019, Lemonsoft Oyj's current assets amounted to EUR 4,647.2 thousand, an increase of 16.5 percent as compared to Lemonsoft Oyj's current assets of EUR 3,988.6 thousand as at 31 December 2018. The increase in current assets was primarily due to an increase in cash assets.

Equity and liabilities

Equity

As at 30 September 2021, Lemonsoft Group's equity amounted to EUR 7,384.0 thousand, an increase of 5.7 percent as compared to Lemonsoft Group's equity of EUR 6,988.3 thousand as at 31 December 2020. The increase in equity was primarily due to the profit for the financial year and to an increase of the share capital.

As at 31 December 2020, Lemonsoft Group's equity amounted to EUR 6,988.3 thousand, an increase of 26.8 percent as compared to Lemonsoft Oyj's equity of EUR 5,512.7 thousand as at 31 December 2019. The increase in equity was primarily due to the profit for the financial year.

As at 31 December 2019, Lemonsoft Oyj's equity amounted to EUR 5,512.7 thousand, an increase of 29.6 percent as compared Lemonsoft Oyj's equity of EUR 4,253.0 thousand as at 31 December 2018. The increase in equity was primarily due to the profit for the financial year.

Total non-current liabilities

As at 30 September 2021, Lemonsoft Group's non-current liabilities amounted to EUR 2,750.0 thousand, an increase of 83.3 percent as compared to Lemonsoft Group's non-current liabilities of EUR 1,500.0 thousand as at 31 December 2020. The increase in non-current liabilities was primarily due to a financing loan taken.

As at 31 December 2020, Lemonsoft Group's non-current liabilities amounted to EUR 1,500.0 thousand, an increase of EUR 1,500.0 thousand as compared to Lemonsoft Oyj's non-current liabilities of EUR 0 thousand as at 31 December 2019. The increase in non-current liabilities was primarily due to a financing loan taken.

As at 31 December 2019, Lemonsoft Oyj's non-current liabilities amounted to EUR 0 thousand, a decrease of EUR 555.4 thousand as compared to Lemonsoft Oyj's non-current liabilities of EUR 555.4 thousand as at 31 December 2018. The decrease in non-current liabilities was primarily due to the repayment of a financing loan.

Total current liabilities

As at 30 September 2021, Lemonsoft Group's current liabilities amounted to EUR 4,611.0 thousand, an increase of 38.3 percent as compared to Lemonsoft Group's current liabilities of EUR 3,335.1 thousand as at 31 December 2020. The increase in current liabilities was primarily due to a financing loan taken, a provision recorded on the balance sheet for additional purchase price (PlanMill Oy) and provisions related to personnel.

As at 31 December 2020, Lemonsoft Group's current liabilities amounted to EUR 3,335.1 thousand, an increase of 62.2 percent as compared to Lemonsoft Oyj's current liabilities of EUR 2,056.4 thousand as at 31 December 2019. The increase in current liabilities was primarily due to a financing loan taken, a provision recorded on the balance sheet for additional purchase price (Lixani Oy) and provisions related to personnel.

As at 31 December 2019, Lemonsoft Oyj's current liabilities amounted to EUR 2,056.4 thousand, an increase of 1.9 percent as compared to Lemonsoft Oyj's current liabilities of EUR 2,018.5 thousand as at 31 December 2018. The increase in current liabilities was primarily due to the repayment of a financing loan.

Off-balance-sheet liabilities

The following table sets forth the Company's off-balance-sheet liabilities for the dates indicated:

(EUR thousand)	As at 30 September 2021 (unaudited)	As at 30 September 2020 (unaudited)	As at 31 December 2020[1] (audited)	As at 31 December 2019 (audited)	As at 31 December 2018 (audited)
Property collateral					
Cash pledges (movables or securities)	1,072.6[2]	1,072.6[2]	1,072.6[2]	0.0	436.7
Business mortgage, parent company	1,500.0	500.0	500.0	500.0	500.0
Rental and lease obligations					
Rental obligations, less than a year	120.1	43.7	39.8	25.5	50.9
Rental obligations, more than a year	11.5	0.6	0.3	1.8	3.4
Lease obligations, less than a year	1.6	20.6	12.3	21.5	21.5
Lease obligations, more than a year	0.0	0.0	0.0	10.8	32.3
Residual value obligations for leases	0.0	68.6	68.6	68.6	68.6

[1] A group structure requiring the preparation of consolidated financial statements was formed in 2020.
[2] The value of cash pledges equals to the acquisition cost of the pledged real estate shares.

Except for the contractual obligations and contingent liabilities set forth above, the Company has no off-balance-sheet liabilities that are reasonably likely to have a material effect on the Company's business, financial position, results of operations or cash flows.

Accounting policies

The Lemonsoft Group's unaudited financial information as at and for the nine months ended 30 September 2021, including unaudited comparative financial information as at and for the nine months ended 30 September 2020, the Lemonsoft Group's audited consolidated financial statements as at and for the year ended 31 December 2020 including the cash flow statement prepared for the Offering Circular, the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2019 as well as the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2018 including the cash flow statement prepared for the Offering Circular have been prepared in accordance with the Finnish Accounting Standards (FAS). Further information on the accounting policies applied in the financial information incorporated in this Offerring Circular is presented in the financial statements included as appendix D of this Offering Circular.

SELECTED FINANCIAL INFORMATION

The financial information below has been derived from the following documents prepared in accordance with the Finnish Accounting Standards (FAS) and enclosed as appendix D of the Offering Circular: Lemonsoft Group's consolidated unaudited interim financial statements as at and for the nine months ended 30 September 2021 and the comparative information as at and for the nine months ended 30 September 2020, Lemonsoft Group's audited consolidated financial statements as at and for the year ended 31 December 2020 including the cash flow statements prepared for the Offering Circular, the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2019 as well as the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2018 including the cash flow statements prepared for the Offering Circular.

On 2 December 2019, Lemonsoft acquired the entire share capital of Ohjelma-Aitta Oy, forming a group of companies that was not consolidated in the financial statements as at and for the year ended 31 December 2019. The group of companies was exempted from the obligation to include a subsidiary in the consolidated financial statements under chapter 6, section 3 of the Finnish Accounting Act (1336/1997, as amended), as the subsidiary was of minor significance and the merger process had been commenced. Ohjelma-Aitta Oy was merged into Lemonsoft Oy on 30 April 2020. A group structure requiring the preparation of consolidated financial statements was formed in 2020 when Lemonsoft acquired the entire share capital of Aacon Oy on 2 January 2020 and the controlling interest in Lixani Oy and ILVE Oy on 18 May 2020. The first consolidated financial statements of the Company have been prepared for the financial year ended 31 December 2020.

The financial information below should be read together with "*Operating and financial review and prospects*" and the following documents enclosed as appendix D of the Offering Circular: Lemonsoft Group's consolidated unaudited interim financial statements as at and for the nine months ended 30 September 2021 and the comparative information as at and for the nine months ended 30 September 2020, Lemonsoft Group's audited consolidated financial statements as at and for the year ended 31 December 2020 including the cash flow statements prepared for the Offering Circular, the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2019 as well as the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2018 including the cash flow statements prepared for the Offering Circular.

Income statement

(EUR thousand)	For the nine months ended 30 September 2021 (unaudited)	2020 (unaudited)	For the year ended 31 December 2020[1)] (audited)	2019 (audited)	2018 (audited)
NET SALES	12,284.1	9,937.6	13,588.0	10,638.7	9,484.3
Other operating income	44.2	70.0	55.8	0.0	12.2
Materials and services					
Materials and consumables					
Purchases during the financial year	-714.3	-722.5	-942.6	-749.0	-394.9
Change in inventories	29.3	-6.6	-9.4	-	-
External services					
External services	-644.1	-455.0	-695.4	-590.2	-524.1
Total materials and services	**-1,329.1**	**-1,184.1**	**-1,647.5**	**-1,339.2**	**-919.0**
Personnel expenses					
Salaries and fees	-4,591.4	-3,668.0	-5,150.1	-3,962.9	-3,577.5
Pension expenses	-835.7	-634.4	-783.8	-682.5	-637.9
Other social security expenses	-125.8	-78.0	-130.6	-89.0	-83.2
Total personnel expenses	**-5,552.9**	**-4,380.3**	**-6,064.6**	**-4,734.3**	**-4,298.5**
Depreciation, amortisation and impairment					
Depreciation and amortisation according to plan	-316.3	-291.2	-425.4	-365.5	-353.6
Amortisation of consolidation goodwill	-496.2	-360.0	-463.1	-	-
Total depreciation, amortisation and impairment	**-812.5**	**-651.2**	**-888.6**	**-365.5**	**-353.6**
Other operating expenses	-1,267.7	-932.0	-1,137.4	-1,061.1	-1,497.1
OPERATING PROFIT (LOSS)	**3,366.1**	**2,860.0**	**3,905.8**	**3,138.6**	**2,428.4**
Financial income and expenses					
Other interest and financial income					
From others	3.4	4.5	5.7	6.9	5.4
Interest and other financial expenses					
To others	-15.0	-10.1	-19.1	-2.9	-9.3
Total financial income and expenses	**-11.6**	**-5.6**	**-13.4**	**4.1**	**-3.9**
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**3,354.5**	**2,854.4**	**3,892.4**	**3,142.7**	**2,424.6**
Income taxes					
Taxes for the financial year	-698.0	-639.3	-916.8	-658.9	-512.9
Total income taxes	**-698.0**	**-639.3**	**-916.8**	**-658.9**	**-512.9**
Minority interest	**-21.6**	**-3.9**	**0.0**	**-**	**-**
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**2,634.9**	**2,211.2**	**2,975.6**	**2,483.8**	**1,911.6**

[1)] A group structure requiring the preparation of consolidated financial statements was formed in 2020.

Balance sheet

(EUR thousand)	As at 30 September 2021 (unaudited)	2020 (unaudited)	As at 31 December 2020[1)] (audited)	2019 (audited)	2018 (audited)
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
Intangible rights	0.0	0.2	-	2.7	6.9
Goodwill	1,030.5	222.4	391.1	321.9	459.8
Consolidation goodwill	5,805.8	3,384.6	3,207.2	-	-
Development expenses	72.5	127.5	110.0	180.0	250.0
Total intangible assets	**6,908.8**	**3,734.7**	**3,708.3**	**504.6**	**716.7**
Property, plant and equipment					
Buildings and structures	251.5	262.0	259.3	270.1	281.4
Machinery and equipment	259.3	268.2	246.6	319.8	158.0
Works of art	0.0	1.5	1.5	1.5	1.5
Other tangible assets	53.6	138.5	117.3	202.1	287.0
Total tangible assets	**564.5**	**670.2**	**624.7**	**793.5**	**727.8**
Investments					
Shares in group companies	0.0	0.0	1.0	230.0	0.0
Other investments	1,495.3	1,493.8	1,493.8	1,393.8	1,393.8
Total investments	**1,495.3**	**1,493.8**	**1,494.9**	**1,623.8**	**1,393.8**
TOTAL NON-CURRENT ASSETS	**8,968.6**	**5,898.7**	**5,827.9**	**2,921.9**	**2,838.3**
CURRENT ASSETS					
Inventories					
Materials and consumables	56.2	29.7	26.8	-	-
Total inventories	**56.2**	**29.7**	**26.8**	**-**	**-**
Receivables					
Current receivables					
Accounts receivable	1,037.4	749.5	823.4	788.6	861.0
Receivables from group companies	0.0	0.0	0.0	24.0	0.0
Other receivables	110.3	97.0	0.0	0.5	18.7
Accrued receivables	58.0	19.3	46.4	58.4	67.7
Total current receivables	**1,205.7**	**865.8**	**869.8**	**871.5**	**947.5**
Cash at bank and in hand	4,537.1	4,107.2	5,098.8	3,775.7	3,041.1
TOTAL CURRENT ASSETS	**5,798.9**	**5,002.7**	**5,995.4**	**4,647.2**	**3,988.6**
Total assets	**14,767.5**	**10,901.4**	**11,823.3**	**7,569.1**	**6,826.9**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	80.0	8.0	13.5	8.0	8.0
Reserve for invested unrestricted equity	35.6	0.0	35.6	-	-
Profit (loss) from previous periods	4,633.6	3,780.1	3,763.6	3,021.0	2,333.3
Profit (loss) for the financial year	2,634.9	2,211.2	2,975.6	2,483.8	1,911.6
Capital loans	0.0	200.0	200.0	-	-
TOTAL EQUITY	**7,384.0**	**6,199.3**	**6,988.3**	**5,512.7**	**4,253.0**
Minority interest	**22.6**	**3.9**	**0.0**	-	-
LIABILITIES					
Non-current liabilities					
Loans from financial institutions	2,750.0	1,750.0	1,500.0	0.0	555.4

Total non-current liabilities	**2,750.0**	**1,750.0**	**1,500.0**	**0.0**	**555.4**
Current liabilities					
Loans from financial institutions	1,000.0	500.0	500.0	0.0	234.9
Advances received	592.9	553.0	469.7	491.2	512.8
Accounts payable	433.5	275.2	443.5	406.0	179.6
Other payables	829.7	692.6	678.7	407.2	444.1
Accrued liabilities	1,754.9	927.4	1,243.2	752.1	647.0
Total current liabilities	**4,611.0**	**2,948.2**	**3,335.1**	**2,056.4**	**2,018.5**
TOTAL LIABILITIES	**7,361.0**	**4,698.2**	**4,835.1**	**2,056.4**	**2,573.9**
Total equity and liabilities	**14,767.5**	**10,901.4**	**11,823.3**	**7,569.1**	**6,826.9**

[1)] A group structure requiring the preparation of consolidated financial statements was formed in 2020.

Cash flow statement

	For the nine months ended 30 September		For the year ended 31 December		
(EUR thousand)	**2021**	**2020**	**2020[1)]**	**2019**	**2018**
	(unaudited)		**(audited)**		
Cash flows from operating activities					
Profit (loss) before extraordinary items	3,354.5	2,854.4	3,892.4	3,142.7	2,424.6
Adjustments:					
Depreciation and amortisation according to plan	812.5	651.2	888.6	365.5	353.6
Non-cash items	22.5	14.5	16.8	7.0	27.7
Financial income and expenses	11.6	-5.6	13.4	-4.1	-3.9
Other adjustments	0.0	0.0	0.0	3.8	0.0
Cash flows before change in working capital	4,201.1	3,514.6	4,811.1	3,515.0	2,802.0
Change in working capital:					
Change in current non-interest-bearing operating receivables, increase (-) / decrease (+)	-111.4	116.1	109.8	72.0	-241.8
Change in inventories, increase (-) / decrease (+)	-29.3	6.6	9.4	0.0	0.0
Change in current non-interest-bearing payables, increase (+) / decrease (-)	528.7	43.8	367.1	272.8	55.0
Cash flow from operating activities before financial items and taxes	4,589.1	3,681.0	5,297.5	3,859.7	2,615.3
Interest and other operating financial expenses paid	-15.0	10.1	-19.1	0.0	0.0
Interest received from operations	3.4	-4.5	5.7	0.0	0.0
Direct taxes paid	-840.6	-639.3	-828.7	-658.9	-513.8
Net cash from operating activities (A)	**3,736.8**	**3,047.3**	**4,455.4**	**3,200.8**	**2,101.4**
Cash flows from investing activities					

Acquisition of intangible and tangible assets	-2,768.4	-215.1	-239.0	-219.1	-415.8
Proceeds from sale of tangible and intangible assets	75.2	57.0	57.0	0.0	0.0
Acquired shares in subsidiaries	-1,146.9	-3,277.6	-3,420.3	-230.0	0.0
Net cash used in investing activities (B)	**-3,840.1**	**-3,435.8**	**-3,602.3**	**-449.1**	**-415.8**
Cash flows from financing activities					
Dividends paid	-2,210.0	-1,530.0	-1,530.0	-1,224.0	-816.0
Repayment of non-current loans	1,750.0	2,250.0	2,000.0	-793.1	-223.4
Cash flows from financing activities (C)	**-460.0**	**720.0**	**470.0**	**-2,017.1**	**-1,039.4**
Change in cash at hand and in banks (A+B+C) increase (+) / decrease (-)	**-563.2**	**331.6**	**1,323.1**	**734.6**	**646.3**
Cash at hand and in banks at 1 January	5,100.3	3,775.7	3,775.7	3,041.1	2,394.8
Cash at hand and in banks at 31 December	**4,537.1**	**4,107.2**	**5,098.8**	**3,775.7**	**3,041.1**
Change in cash at hand and in banks	-563.2	331.6	1,323.1	734.6	646.3

[1)] A group structure requiring the preparation of consolidated financial statements was formed in 2020.

Key figures

	For the nine months ended 30 September		For the year ended 31 December		
	2021	2020	2020[1)]	2019	2018
(EUR thousand, unless otherwise indicated)	(unaudited, unless otherwise indicated)				
Net sales	12,284	9,938	13,588[4)]	10,639[4)]	9,484[4)]
Growth of net sales, %	23.6 %	27.7 %	27.7 %	12.2 %	19.8 %
SaaS	9,269	7,628	10,316	7,559	6,268
Transactions	786	673	956	848	586
Consulting and other	2,230	1,637	2,316	2,232	2,631
Gross margin	10,955	8,754	11,941	9,300	8,565
Gross margin, %	89.2 %	88.1 %	87.9 %	87.4 %	90.3 %
EBITDA	4,179	3,511	4,794	3,504	2,782
EBITDA, %	34.0 %	35.3 %	35.3 %	32.9 %	29.3 %
Adjusted EBITDA[2)]	4,368	3,419	4,683	3,511	2,782
Adjusted EBITDA, % of net sales	35.6 %	34.4 %	34.5 %	33.0 %	29.3 %
Operating profit (EBIT)	3,366	2,860	3,906[4)]	3,139[4)]	2,428[4)]
Operating profit, %	27.4 %	28.8 %	28.7 %	29.5 %	25.6 %
Adjusted EBIT[3)]	4,205	3,228	4,428	3,283	2,566
Adjusted EBIT, % of net sales	34.2 %	32.5 %	32.6 %	30.9 %	27.1 %
Profit (loss) for the review period / financial year	2,635	2,211	2,976[4)]	2,484[4)]	1,912[4)]
Profit (loss) for the review period / financial year, % of net sales	21.4 %	22.3 %	21.9 %	23.3 %	20.2 %
Equity ratio, %	51.9 %	59.9 %	61.6 %	77.9 %	67.4 %
Net debt	-787	-1,857	-3,099	-3,776	-2,251
Gearing, %	-10.7 %	-30.0 %	-44.3 %	-68.5 %	-52.9 %

Earnings per share (EPS), EUR[5]	1.39	3,251.79	4,375.92	3,652.58	2,811.21
Personnel at the end of period	121	104	110	79	75
Outstanding Shares at the end of period	17,000,000	680	680	680	680
Average outstanding Shares during the period	1,889,493	680	680	680	680

[1] A group structure requiring the preparation of consolidated financial statements was formed in 2020.
[2] Adjusted EBITDA is the EBITDA for the period adjusted by costs relating to corporate acquisitions and the Listing as well as certain extraordinary items (Covid-19, reduction of pension contribution and Business Finland's aid).
[3] Adjusted EBIT is the operating profit (EBIT) for the period adjusted by the merged companies' amortisations and goodwill amortisations and costs relating to corporate acquisitions and the Listing as well as certain extraordinary items (Covid-19, reduction of pension contribution and Business Finland's aid).
[4] Audited.
[5] Earnings per share (EPS) is calculated using the average number of Shares outstanding during the period. In the nine-month period ended 30 September 2021 the average number of Shares outstanding was 1,889,493 Shares and in the other periods indicated 680 Shares in the average.

Calculation of key figures and reason for use

Key figure	Calculation	Reason for use
Gross margin	= Net sales - materials and services	Gross margin describes the group's profitability after deducting the costs of materials and services.
EBITDA	= Operating profit (EBIT) + depreciation, amortisation and impairment	EBITDA describes the profitability of the group's business operations before depreciations, amortisations and impairment.
Adjusted EBITDA	= Operating profit (EBIT) + depreciation, amortisation and impairment - Covid-19, reduction of pension contribution - Business Finland's aid + M&A costs + IPO costs	Adjusted EBITDA is presented in addition to EBITDA in order to describe the underlying profitability of business operations and improve the comparability of different periods.
Operating profit (EBIT)	= Net sales + other operating income - materials and services - personnel expenses - other operating expenses - depreciations, amortisations and impairment	Operating profit (EBIT) demonstrates the results accrued from business operations.
Adjusted EBIT	= Operating profit (EBIT) - COVID-19, reduction of pension contribution - Business Finland's aid + M&A costs + IPO costs + amortisation of consolidation asset amortisation + amortisation of consolidation goodwill	Adjusted EBIT is presented in addition to operating profit (EBIT) in order to describe the underlying profitability of business operations and improve the comparability of different periods and describe profitability without the depreciation and amortisation items arising from corporate acquisitions.
Equity ratio, %	$= \frac{\text{Equity +/- minority interest}}{\text{Total assets - advances received}} \times 100$	The purpose of the equity ratio is to describe the ratio of equity to the size of the company's balance sheet.

Net debt	=	Loans from credit institutions - cash in hand and at bank	The purpose of net debt is to describe the total amount of the company's external debt financing less cash assets.
Gearing, %	=	$\frac{\text{Interest-bearing liabilities - cash in hand and at bank}}{\text{Equity}} \times 100$	The purpose of gearing is to describe the ratio of net debt to equity.
Earnings per share (EPS)	=	$\frac{\text{Profit (loss) for the review period / financial year}}{\text{Average number of issue-adjusted shares without treasury shares}}$	The purpose of earnings per share is to help describe the distribution of the company's result amongst its shareholders.

Reconciliation of certain Alternative Performance Measures

	For the nine months ended 30 September		For the year ended 31 December		
	2021	2020	2020[1)]	2019	2018
(EUR thousand)	(unaudited, unless otherwise indicated)				
Gross margin					
Net sales	12,284	9,938	13,588[2)]	10,639[2)]	9,484[2)]
Materials and services	-1,329	-1,184	-1,647[2)]	-1,339[2)]	-919[2)]
Gross margin	**10,955**	**8,754**	**11,941**	**9,300**	**8,565**
Gross margin, %					
Gross margin	10,955	8,754	11,941	9,300	8,565
Net sales	12,284	9,938	13,588[2)]	10,639[2)]	9,484[2)]
Gross margin, %	**89.2 %**	**88.1 %**	**87.9 %**	**87.4 %**	**90.3 %**
EBITDA					
Operating profit (EBIT)	3,366	2,860	3,906[2)]	3,139[2)]	2,428[2)]
Depreciation, amortisation and impairment	813	651	889[2)]	366[2)]	354[2)]
EBITDA	**4,179**	**3,511**	**4,794**	**3,504**	**2,782**
EBITDA, %					
EBITDA	4,179	3,511	4,794	3,504	2,782
Net sales	12,284	9,938	13,588[2)]	10,639[2)]	9,484[2)]
EBITDA, %	**34.0 %**	**35.3 %**	**35.3 %**	**32.9 %**	**29.3 %**
Adjusted EBITDA					
EBITDA	4,179	3,511	4,794	3,504	2,782
Covid-19, reduction of pension contribution	0	-56	-89	0	0
Business Finland's aid	-44	-70	-56	0	0
M&A and IPO costs	233	34	34	6	0
Adjusted EBITDA	**4,368**	**3,419**	**4,683**	**3,511**	**2,782**
Adjusted EBITDA, % of net sales					
Adjusted EBITDA	4,368	3,419	4,683	3,511	2,782
Net sales	12,284	9,938	13,588	10,639	9,484
Adjusted EBITDA, % of net sales	**35.6 %**	**34.4 %**	**34.5 %**	**33.0 %**	**29.3 %**

Operating profit, %					
Operating profit (EBIT)	3,366	2,860	3,906[2)]	3,139[2)]	2,428[2)]
Net sales	12,284	9,938	13,588[2)]	10,639[2)]	9,484[2)]
Operating profit, %	**27.4 %**	**28.8 %**	**28.7 %**	**29.5 %**	**25.6 %**
Adjusted EBIT					
Operating profit (EBIT)	3,366	2,860	3,906[2)]	3,139[2)]	2,428[2)]
Covid-19, reduction of pension contribution	0	-56	-89	0	0
Business Finland's aid	-44	-70	-56	0	0
M&A and IPO costs	233	34	34	6	0
Amortisation of consolidation assets (merged companies)	153	99	170	138	138
Amortisation of consolidation goodwill (subsidiaries)	496	360	463	0	0
Adjusted EBIT	**4,205**	**3,228**	**4,428**	**3,283**	**2,566**
Adjusted EBIT, % of net sales					
Adjusted EBIT	4,205	3,228	4,428	3,283	2,566
Net sales	12,284	9,938	13,588[2)]	10,639[2)]	9,484[2)]
Adjusted EBIT, % of net sales	**34.2 %**	**32.5 %**	**32.6 %**	**30.9 %**	**27.1 %**
Profit (loss) for the review period / financial year, % of net sales					
Profit (loss) for the review period / financial year	2,635	2,211	2,976[2)]	2,484[2)]	1,912[2)]
Net sales	12,284	9,938	13,588[2)]	10,639[2)]	9,484[2)]
Profit (loss) for the review period / financial year, % of net sales	**21.4 %**	**22.3 %**	**21.9 %**	**23.3 %**	**20.2 %**
Equity ratio, %					
Equity	7,384	6,199	6,988[2)]	5,513[2)]	4,253[2)]
Minority interest	-23	-4	0	0	0
Total equity and liabilities	14,768	10,901	11,823[2)]	7,569[2)]	6,827[2)]
Advances received	-593	-553	-470[2)]	-491[2)]	-513[2)]
Equity ratio, %	**51.9 %**	**59.9 %**	**61.6 %**	**77.9 %**	**67.4 %**
Net debt					
Loans from credit institutions, non-current	2,750	1,750	1,500[2)]	0[2)]	555[2)]
Loans from credit institutions, current	1,000	500	500[2)]	0[2)]	235[2)]
Cash at hand and in banks	-4,537	-4,107	-5,099[2)]	-3,776[2)]	-3041[2)]
Net debt	**-787**	**-1,857**	**-3,099**	**-3,776**	**-2,251**
Gearing, %					
Net debt	-787	-1,857	-3,099	-3,776	-2,251
Equity	7,384	6,199	6,988[2)]	5,513[2)]	4,253[2)]
Gearing, %	**-10.7 %**	**-30.0 %**	**-44.3 %**	**-68.5 %**	**-52.9 %**
Earnings per share (EPS), EUR					
Profit (loss) for the review period / financial year	2,635	2,211	2,976[2)]	2,484[2)]	1,912[2)]
Number of shares	1,889,493	680	680	680	680
Earnings per share (EPS), EUR	**1.39**	**3,251.79**	**4,375.92**	**3,652.58**	**2,811.21**

[1)] A group structure requiring the preparation of consolidated financial statements was formed in 2020.
[2)] Audited.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Purpose of presentation of pro forma financial information

The unaudited pro forma financial information presented below has been prepared to illustrate the impacts of the five share deals and one assets deal effected by Lemonsoft, giving effect to the said acquisitions as if they had been completed on 1 January 2020. The unaudited pro forma adjustments also give effect to events that are directly attributable to the acquisitions effected, and the financing thereof. Because of its nature it addresses a hypothetical situation and therefore, does not represent Lemonsoft's actual results of operations. The unaudited pro forma financial information does not purport to represent Lemonsoft's results of operations for any future period, nor does it reflect the effect of estimated synergies and efficiencies associated with the acquisitions.

Acquisitions

In the period 2 December 2019 to 30 September 2021 Lemonsoft Oyj carried out the following acquisitions:

- On 2 December 2019 Ohjelma-Aitta Oy (company ID 2234951-0), share ownership 100 percent (was merged to Lemonsoft Oyj in April 2020).
- On 2 January 2020 Aacon Oy (company ID 2299480-0), share ownership 100 percent (was merged to Lemonsoft Oyj in March 2021, included in the audited consolidated income statement of Lemonsoft for the financial year ended 31 December 2020)
- On 18 May 2020 Lixani Oy (2335149-5) and ILVE Oy (2624244-6), share ownership 51 percent (Lixani Oy was merged to ILVE Oy in October 2020 and the new company was named Lixani Oy (2624244-6))
- On 12 February 2021 Metsys Oy (0920514-1), share ownership 100 percent
- On 18 August 2021 PlanMill Oy (2062705-4), share ownership 100 percent

Furthermore, on 30 June 2021 Lemonsoft Oyj acquired the Talosofta business from Alma Mediapartners Oy which has been consolidated from 1 July 2021.

The acquisitions have been accounted for under the acquisition method where the excess of the purchase price over the book values of the acquired assets and liabilities has been reflected as goodwill. The purchase prices were paid in cash and using bank loans drawn for the acquisitions of Aacon Oy and PlanMill Oy. The acquisitions of Lixani Oy and PlanMill Oy both involve a contingent additional purchase price, and are expected to realise by the end of 2021 for Lixani Oy (EUR 142.8 thousand) and during the year 2022 in two instalments for PlanMill Oy (EUR 500.0 thousand). The contingent purchase prices have been recognised as a liability and on the balance sheet and are thus included in the acquisition costs from which the amortisation of the pro forma has been calculated. The acquisitions resulted in a minor amount of acquisition-related transaction costs, such as due diligence costs and legal fees.

Pro forma financial information and related sources

The following tables present unaudited pro forma financial information on the acquisitions made by Lemonsoft for the periods 1 January to 31 December 2020 and 1 January to 30 September 2021. The tables present:

- the unaudited pro forma consolidated income statement for the financial year ended 31 December 2020 (12-month period), and
- the unaudited pro forma consolidated income statement for the nine-month interim period ended 30 September 2021.

The acquirees have been incorporated in the unaudited consolidated balance sheet of Lemonsoft for the period ended 30 September 2021. Consequently, no pro forma balance sheet is presented.

The unaudited pro forma financial information is compiled in accordance with FAS (Finnish Accounting Standards). It is prepared in a manner consistent with the accounting policies adopted by Lemonsoft in its audited consolidated financial statements for the financial year ended 31 December 2020.

The following unaudited pro forma financial information should be read in conjunction with Lemonsoft's 2020 audited consolidated financial statements and the consolidated income statement for the nine-month period ended 30 September 2021, incorporated in this Offering Circular as Appendix D. The auditor's report on the unaudited pro forma financial information has been presented in Appendix C to the Offering Circular.

The unaudited pro forma information presented below is based on financial data derived from the following sources:

- Audited consolidated income statement of Lemonsoft for the year ended 31 December 2020 and unaudited consolidated income statement for the nine-month period ended 30 September 2021.

In respect of the acquirees:

- Ohjelma-Aitta Oy (2234951-0): the unaudited period for 1 January to 30 April 2020.
- Lixani Oy (2335149-5): the audited financial statements for the financial year ended 31 March 2020 and the audited final settlement of accounts dated 5 October 2020.
- Lixani Oy, previously ILVE Oy (2624244-6): the audited financial statements for the financial year ended 31 December 2020.
- Metsys Oy (0920514-1): the audited financial statements for the financial year ended 31 December 2020 and the unaudited period for 1 January to 31 January 2021 (prior to the acquisition) based on the monthly income statements derived from the acquiree's accounts.
- Talosofta: the income statements of the business derived from Alma Mediapartner Oy's accounts for the financial year ended 31 December 2020 and for the period 1 January to 30 June 2021 (prior to the acquisition) based on the monthly income statements derived from the acquiree's accounts.
- PlanMill Oy (2062705-4): the audited financial statements for the financial year ended 31 December 2020 and the unaudited period for 1 January to 31 July 2021 (prior to the acquisition) based on the monthly income statements derived from the acquiree's accounts.

The business combination accounting for the aforementioned acquirees is final.

Pro forma financial information for the financial year ended 31 December 2020

Pro forma consolidated income statement 1 January to 31 December 2020

(EUR thousand)	The Lemonsoft Group For the year ended 31 December 2020 (audited)	Combined information on the acquirees (unaudited)	Total pro forma adjustments (unaudited)	Pro forma consolidated income statement (unaudited)
Note	**(1)**	**(2)**	**(3)**	
NET SALES	**13,588.0**	**3,788.4**	**0.0**	**17,376.4**
Other operating income	**55.8**	**17.5**	**0.0**	**73.4**
Materials and services				
Materials and consumables				
Purchases during the financial year	-942.6	-190.2	0.0	-1,132.9
Change in inventories	-9.4	0.0	0.0	-9.4
Intra-group purchases				
Intra-group purchases		-0.1		-0.1
External services				
External services	-695.4	-111.0	0.0	-806.3
Total materials and services	**-1,647.5**	**-301.3**	**0.0**	**-1,948.8**
Personnel expenses				
Salaries and fees	-5,150.1	-1,608.5	0.0	-6,758.7
Pension expenses	-783.8	-237.2	0.0	-1,021.0
Other social security expenses	-130.6	-38.0	0.0	-168.7
Total personnel expenses	**-6,064.6**	**-1,883.8**	**0.0**	**-7,948.3**
Depreciation, amortisation and impairment				
Depreciation and amortisation according to plan	-425.4	-25.7	-200.0	-651.1
Amortisation of consolidation goodwill	-463.1	0.00	-433.2	-896.4
Total depreciation, amortisation and impairment	**-888.6**	**-25.7**	**-633.2**	**-1,547.5**
Other operating expenses	-1,137.4	-414.8	-61.3	-1,613.5

	The Lemonsoft Group For the year ended 31 December 2020	Combined information on the acquirees	Total pro forma adjustments	Pro forma consolidated income statement
EBIT	**3,905.8**	**1,180.3**	**-694.5**	**4,391.6**
Financial income and expenses				
Income from group companies				
Dividend income from group companies	0.0	0.0	0.0	0.0
Income from other investments held as non-current assets				
From others	0.0	3.3	0.0	3.3
Other interest and financial income				
From others	5.7	0.2	0.0	5.8
Interest and other financial expenses				
To others	-19.1	-4.9	-14.0	-37.9
Total financial income and expenses	**-13.4**	**-1.4**	**-14.0**	**-28.8**
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**3,892.4**	**1,178.9**	**-708.5**	**4,362.8**
Income taxes				
Taxes for the financial year	-916.8	-107.9	0.0	-1,024.6
Total income taxes	**-916.8**	**-107.9**	**0.0**	**-1,024.6**
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**2,975.6**	**1,071.0**	**-708.5**	**3,338.1**

Pro forma explanatory notes for the financial year ended 31 December 2020

(1) Consolidated income statement of Lemonsoft, financial year ended 31 December 2020

This column reflects Lemonsoft's audited consolidated income statement for the financial year ended 31 December 2020. Lemonsoft's financial year is the calendar year.

(2) Combined information on the acquirees

This column reflects the combined unaudited income statements of the acquirees for the pre-acquisition period, which have not been incorporated in Lemonsoft's consolidated income statement for the financial year ended 31 December 2020. The acquirees are detailed in section " – *Acquisitions*".

In order to present unaudited pro forma financial information on comparable periods, the income statement data of the acquirees has been adjusted to deduct the portion already consolidated to Lemonsoft Group for the financial year 2020, and which is therefore included in the figures presented in the column (1).

More detailed information on the unconsolidated income statement items of the acquirees for the financial year 2020 is provided in the table below.

(EUR thousand)	Ohjelma-Aitta Oy 1 Jan–30 Apr 2020	Lixani Oy 1 Jan–30 Apr 2020	Lixani Oy (prev. ILVE Oy) 1 Jan–30 Apr 2020	Metsys Oy 1 Jan–31 Dec 2020	Talosofta 1 Jan–31 Dec 2020	PlanMill Oy 1 Jan–31 Dec 2020	Combined informa-tion on the acquirees
NET SALES	**4.3**	**71.0**	**142.2**	**732.7**	**1,046.0**	**1,792.1**	**3,788.4**
Other operating income	0.0	0.0	0.0	17.5	0.0	0.0	17.5
Materials and services							
Materials and consumables							
Purchases during the financial year	-1.3	0.0	-24.1	-137.9	0.0	-26.9	-190.2
Change in inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intra-group purchases							
Intra-group purchases		0.0	-0.1				-0.1
External services							
External services	0.0	-23.7	-20.1	-1.4	0.0	-65.8	-111.0
Total materials and services	**-1.3**	**-23.7**	**-44.3**	**-139.3**	**0.0**	**-92.7**	**-301.3**

(EUR thousand)	Ohjelma-Aitta Oy 1 Jan–30 Apr 2020	Lixani Oy 1 Jan–30 Apr 2020	Lixani Oy (prev. ILVE Oy) 1 Jan–30 Apr 2020	Metsys Oy 1 Jan–31 Dec 2020	Talosofta 1 Jan–31 Dec 2020	PlanMill Oy 1 Jan–31 Dec 2020	Combined informa-tion on the acquirees
Personnel expenses							
Salaries and fees	0.0	-25.1	-37.0	-449.7	-367.2	-729.6	-1,608.5
Pension expenses	0.0	-4.1	-6.0	-78.3	0.0	-148.8	-237.2
Other social security expenses	0.0	-1.4	-0.7	-19.7	0.0	-16.3	-38.0
Total personnel expenses	**0.0**	**-30.5**	**-43.7**	**-547.7**	**-367.2**	**-894.7**	**-1,883.8**
Depreciation, amortisation and impairment							
Depreciation and amortisation according to plan	0.0	-0.6	0.0	0.0	0.0	-25.0	-25.7
Amortisation of consolidation goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total depreciation, amortisation and impairment	**0.0**	**-0.6**	**0.0**	**0.0**	**0.0**	**-25.0**	**-25.7**
Other operating expenses	-12.8	-9.2	-46.4	-64.8	-61.0	-220.8	-414.8
EBIT	**-9.7**	**7.0**	**7.8**	**-1.6**	**617.9**	**558.8**	**1,180.3**
Financial income and expenses							
Income from group companies							
Dividend income from group companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from other investments held as non-current assets							
From others	0.0	0.0	0.0	3.3	0.0	0.1	3.3
Other interest and financial income							
From others	0.0	0.1	0.1	0.0	0.0	0.0	0.2
Interest and other financial expenses							
To others	-0.3	-0.2	0.0	0.0	0.0	-4.3	-4.9
Total financial income and expenses	**-0.3**	**-0.2**	**0.0**	**3.3**	**0.0**	**-4.2**	**-1.4**
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**-10.0**	**6.9**	**7.8**	**1.7**	**617.9**	**554.6**	**1,178.9**
Income taxes							
Taxes for the financial year	4.1	0.0	-3.2	-0.8	0.0	-107.9	-107.9
Total income taxes	4.1	0.0	-3.2	-0.8	0.0	-107.9	-107.9
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**-5.9**	**6.9**	**4.6**	**0.9**	**617.9**	**446.7**	**1,071.0**

(3) Pro forma adjustments

This column reflects the impact of the pro forma adjustments.

The pro forma adjustments made relate to the following:

- Amortisation according to plan

  The pro forma adjustment is an increase in amortisation according to plan, giving effect to the Talosofta acquisition as if it had been effected on 1 January 2020 and the resulting amortisation according to plan is in total EUR 200.0 thousand for the financial year 2020 (annual goodwill amortisation). The Group amortises the goodwill over five years on a straight-line basis. The adjustment has a continuing impact on Lemosoft's financial statements.

- Amortisation of consolidation goodwill

  The pro forma adjustment is an increase in the amortisation of consolidation goodwill, under the assumption that the acquisitions had been effected on 1 January 2020 and that the amortisation of the resulting goodwill had totalled EUR 433.2 thousand in the financial year 2020. The Group amortises consolidation goodwill over five to eight years. The adjustment has a continuing impact on Lemosoft's financial statements.

- Other operating expenses

  The pro forma adjustment reflects the acquisition-related expenses amounting to EUR 61.3 thousand, assuming that the expenses had incurred in 2020. The adjustment has a non-recurring impact on Lemonsoft.

- Interest and other financial expenses

  The pro forma adjustment is an increase in the interest expenses, EUR 14.0 thousand, resulting from the bank loan related to the acquisition of PlanMill Oy, and giving effect to the acquisition as if it had been effected on 1 January 2020 and the bank loan drawn had accrued interest the said amount in the financial year 2020. The bank loan drawn will be paid back over approximately five years. The adjustment has a continuing impact on Lemosoft's financial statements.

  The Group considers tax impacts resulting from the pro forma adjustments to be immaterial and consequently they have been excluded.

Pro forma financial information for the nine-month period ended 30 September 2021

Pro forma consolidated income statement 1 January to 30 September 2021

(EUR thousand)	The Lemonsoft Group For the nine months ended 30 September 2021	Combined information on the acquirees	Total pro forma adjustments	Pro forma consolidated income statement
		(unaudited)		
Note	**(1)**	**(2)**	**(3)**	
NET SALES	**12,284.1**	**1,542.8**	**0.0**	**13,826.8**
Other operating income	**44.2**	**0.0**	**0.0**	**44.2**
Materials and services				
Materials and consumables				
Purchases during the financial year	-714.3	-14.6	0.0	-728.9
Change in inventories	29.3	0.0	0.0	29.3
External services				
External services	-644.1	-37.6	0.0	-681.7
Total materials and services	**-1,329.1**	**-52.2**	**0.0**	**-1,381.3**
Personnel expenses				
Salaries and fees	-4,591.4	-585.3	0.0	-5,176.7
Pension expenses	-835.7	-71.3	0.0	-907.0
Other social security expenses	-125.8	-15.5	0.0	-141.3
Total personnel expenses	**-5,552.9**	**-672.1**	**0.0**	**-6,225.0**
Depreciation, amortisation and impairment				
Depreciation and amortisation according to plan	-316.3	-11.0	-100.0	-427.3
Amortisation of consolidation goodwill	-496.2	0.0	-198.3	-694.6
Total depreciation, amortisation and impairment	**-812.5**	**-11.0**	**-298.3**	**-1,121.8**
Other operating expenses	-1,267.7	-134.6	61.3	-1,341.0
EBIT	**3,366.1**	**672.9**	**-237.1**	**3,802.0**
Financial income and expenses				
Income from group companies				
Dividend income from group companies	0.0	0.0	0.0	0.0
Other interest and financial income				

	The Lemonsoft Group For the nine months ended 30 September 2021	Combined information on the acquirees	Total pro forma adjustments	Pro forma consolidated income statement
From others	3.4	0.0	0.0	3.4
Interest and other financial expenses				
To others	-15.0	-4.2	-9.3	-28.6
Total financial income and expenses	**-11.6**	**-4.2**	**-9.3**	**-25.2**
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**3,354.5**	**668.7**	**-246.4**	**3,776.8**
Income taxes				
Taxes for the financial year	-698.0	-83.7	0.0	-781.7
Total income taxes	**-698.0**	**-83.7**	**0.0**	**-781.7**
Minority interest	21.6			21.6
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**2,634.9**	**585.1**	**-246.4**	**2,973.5**

Pro forma explanatory notes for period 1 January to 30 September 2021

(1) Consolidated income statement of Lemonsoft for the nine-month period ended 30 September 2021

This column reflects Lemonsoft's unaudited consolidated income statement for the interim period ended 30 September 2021.

(2) Combined information on the acquirees

This column reflects the combined unaudited income statements of the acquirees for the pre-acquisition period, which have not been incorporated in Lemonsoft's consolidated income statement for the nine-month period ended 30 September 2021.

In order to present unaudited pro forma financial information on comparable periods, the income statement data of the acquirees has been adjusted to deduct the portion already consolidated to Lemonsoft Group for the period 1 January to 30 September 2021, and which is therefore included in the figures presented in the column (1).

More detailed information on the unconsolidated income statement items of the acquirees for the nine-month period ended 30 September 2021 is provided in the table below.

(EUR thousand)	Metsys Oy 1 Jan–31 Jan 2021	Talosofta 1 Jan–30 Jun 2021	PlanMill Oy 1 Jan–31 Jul 2021	Combined information on the acquirees
NET SALES	**42.1**	**526.6**	**974.1**	**1,542.8**
Other operating income	0.0	0.0	0.0	0.0
Materials and services				
Materials and consumables				
Purchases during the financial year	-0.2	0.0	-14.4	-14.6
Change in inventories	0.0	0.0	0.0	0.0
External services				
External services	0.0	0.0	-37.6	-37.6
Total materials and services	**-0.2**	**0.0**	**-52.0**	**-52.2**
Personnel expenses				
Salaries and fees	-39.7	-167.3	-378.3	-585.3
Pension expenses	-3.7	0.0	-67.6	-71.3
Other social security expenses	-3.8	0.0	-11.7	-15.5
Total personnel expenses	**-47.2**	**-167.3**	**-457.6**	**-672.1**
Depreciation, amortisation and impairment				
Depreciation and amortisation according to plan	0.0	0.0	-11.0	-11.0

(EUR thousand)	Metsys Oy 1 Jan–31 Jan 2021	Talosofta 1 Jan–30 Jun 2021	PlanMill Oy 1 Jan–31 Jul 2021	Combined information on the acquirees
Amortisation of consolidation goodwill	0.0	0.0	0.0	0.0
Total depreciation, amortisation and impairment	**0.0**	**0.0**	**-11.0**	**-11.0**
Other operating expenses	-4.9	-41.3	-88.4	-134.6
EBIT	**-10.2**	**318.0**	**365.1**	**672.9**
Financial income and expenses				
Income from group companies				
Dividend income from group companies	0.0	0.0	0.0	0.0
Other interest and financial income				
From others	0.0	0.0	0.0	0.0
Interest and other financial expenses				
To others	0.0	0.0	-4.2	-4.2
Total financial income and expenses	**0.0**	**0.0**	**-4.2**	**-4.2**
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**-10.2**	**318.0**	**360.9**	**668.7**
Income taxes				
Taxes for the financial year	-4.8	0.0	-78.8	-83.7
Total income taxes	-4.8	0.0	-78.8	-83.7
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**-15.0**	**318.0**	**282.0**	**585.1**

(3) Pro forma adjustments

This column reflects the impact of the pro forma adjustments.

The pro forma adjustments made relate to the following:

- Amortisation according to plan

  The pro forma adjustment is an increase in amortisation according to plan, giving effect to the Talosofta acquisition as if it had been effected on 1 January 2020 and the resulting amortisation according to plan is in total EUR 100.0 thousand for the pre-acquisition period, i.e. 1 January to 30 June 2021 (annual goodwill amortisation). The Group amortises the goodwill over five years. The adjustment has a continuing impact on Lemosoft's financial statements.

- Amortisation of consolidation goodwill

  The pro forma adjustment is an increase in the amortisation of consolidation goodwill, under the assumption that the acquisitions had been effected on 1 January 2020 and that the amortisation of the resulting goodwill had totalled EUR 198.3 thousand for the pre-acquisition period in 2021 (in respect of Metsys Oy and PlanMill Oy). The Group amortises consolidation goodwill over five to eight years. The adjustment has a continuing impact on Lemosoft's financial statements.

- Other operating expenses

  The pro forma adjustment reflects the elimination of acquisition-related expenses amounting to EUR -61.3 thousand, assuming that the expenses had incurred in 2020. The adjustment has a non-recurring impact on Lemonsoft.

- Interest and other financial expenses

  The pro forma adjustment is an increase in the interest expenses, EUR 9.3 thousand, resulting from the bank loan related to the acquisition of PlanMill Oy, and giving effect to the acquisition as if it had been effected on 1 January 2020 and the bank loan drawn had accrued interest the said amount in the pre-acquisition period 2021. The bank loan drawn will be paid back over approximately five years. The adjustment has a continuing impact on Lemosoft's financial statements.

The Group considers tax impacts resulting from the pro forma adjustments to be immaterial and consequently they have been excluded.

Pro forma key figures

The adjusted EBIT reflects profitability of business operations and improves comparability between reporting periods. Those items affecting comparability which management considers to be material items outside the ordinary course of business, and that have a significant impact on the income statement of the reporting period, are taken into account in determining the relevant key figure.

(EUR thousand)	For the nine months ended 30 September 2021	For the year ended 31 December 2020
Pro forma EBIT	**3,802.0**	**4,391.6**
EBIT adjustments:		
Temporary relief to the employer's pension contribution owing to the Covid-19 pandemic	0.0	-89.0
Funding for business development provided by Business Finland	-44.2	-55.8
Acquisition-related costs incurred	0.0	95.3
IPO preparation costs (initial public offering)	171.9	0.0
Goodwill amortisation	253.4	369.8
Amortisation of consolidation goodwill (in respect of subsidiaries)	694.6	896.4
Adjusted pro forma EBIT	**4,877.6**	**5,608.2**
Adjusted pro forma EBIT, %	**35.3 %**	**32.3 %**

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

Pursuant to the provisions of the Finnish Companies Act and the Company's Articles of Association, responsibility for the control and administration of the Company is divided between the General Meeting of shareholders, the Board of Directors and the Chief Executive Officer. The shareholders participate in the control and management of the Company through actions taken at general meetings of shareholders. Typically, General Meetings of shareholders are convened upon notice given by the Board of Directors. In addition, general meetings of shareholders must be held when so requested in writing by an auditor of the Company or by shareholders representing at least one-tenth of all the outstanding Shares of the Company.

The business address of the members of the Board of Directors, the CEO and the Management Team is Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland.

Board of Directors and Management Team

Board of Directors

The Board of Directors attends to the management of the Company and the due organisation of the Company's operations. The Board of Directors supervises and monitors the Company's active management, appoints and dismisses the CEO and approves the major decisions affecting the Company's strategy, investments, organisation, the management's remuneration scheme and finances. The CEO is in charge of the implementation of the Company's strategy and the Company's day-to-day operations in accordance with the instructions and orders issued by the Board of Directors.

In accordance with the Company's Articles of Association, the Company has a Board of Directors comprised of three to eight members who are elected in the Annual General Meeting for a term that ends at the end of the Annual General Meeting following their election. There are no limits to the number of terms of board members. The Board of Directors elects a Chairman from among its members.

As at the date of this Offering Circular, the Company's management consists of the following persons:

Name	Born	Position	Year appointed to the Board
Christoffer Häggblom	1981	Chairman of the Board of Directors	2016
Kari Joki-Hollanti	1966	Member of the Board of Directors, CEO	2006
Michael Richter	1983	Member of the Board of Directors	2017
Saila Miettinen-Lähde	1962	Member of the Board of Directors	2021
Ilkka Hiidenheimo	1960	Member of the Board of Directors	2021

Christoffer Häggblom has served as the Company's member of the Board of Directors since 2016 and as the Chairman of the Board since 2020. Häggblom has served as Rite Internet Ventures Holding AB's CEO and as a Board member of Rite Internet Ventures Holding AB and its subsidiaries as of 2007. Häggblom has also served as the Chairman of the Board of Verkkokauppa.com Oyj in 2009–2021 and as the Vice Chairman of the Board since 2021, as a member of the Board of Nelly Group AB since 2018, as a member of the Board of CDON AB since 2018, as a member of the Board of Cidro Finans Ab since 2016, as a member of the Board of Bird Cherry Holding Ab since 2010, as the CEO and a member of the Board of Bird Cherry Förvaltning Ab since 2015 and as a member of the Board of Acervo AB since 2013. Häggblom has previously served as a member of the Board of DIBS Payment Solutions AB in 2010–2015, as the Chairman of the Board of Nebula Oy in 2007–2016 and as a member of the Board in 2016–2017 as well as a member of the Board of Qliro Group AB in 2017–2018 and as a Chairman of the Board in 2018–2020. Häggblom holds the degree of Master of Science in Economics. Häggblom is a Finnish citizen.

Kari Joki-Hollanti has served as the Company's member of the Board of Directors since 2006 and as the Chairman of the Board since 2018. Joki-Hollanti has also served as the Company's Development Director in 2006–2018. Previously, Joki-Hollanti acted as Visma Software Oy's Development Director and member of the Management Team in 2004–2005 and as Softlane Oy's Managing Director and Board member in 1987–2004. Joki-Hollanti is a secondary school graduate. Joki-Hollanti is a Finnish citizen.

Michael Richter has served as a member of the Company's Board since 2017. Richter has acted as Investment Director at Rite Internet Ventures Holding AB since 2016. Richter has also served as a member of the Board of Innohome Oy and Innohome Group Oy since 2021, as the member of the Board of Pureness AB since 2019, as the member of the Board of Hästnässund Holding AB since 2018, as a member of the Board of Puhdistamo - Real Foods Oy since 2018, as a member

of the Board of Mylab Oy since 2017 and as the member of the Board of Pelka Oy since 2017. Previously, Richter has served as a member of the Board of Söder Sportfiske AB in 2018–2019 and as a deputy member of the Board of Skincity Sweden AB in 2018–2020. Richter holds the degree of Master of Science in Economics. Richter is a Finnish citizen.

Saila Miettinen-Lähde has served as a member of the Company's Board since 2021. Miettinen-Lähde has acted as Eltel AB's CFO since 2020. Previously, Miettinen-Lähde acted as the CEO of Endomines AB in 2017–2019, as the CFO of F-Secure Corporation in 2015–2017, as the CFO of Talvivaara Mining Company Plc in 2005–2015, as Deputy CEO of Talvivaara Mining Company Plc in 2012–2014 and as a member of the Board of Talvivaara Mining Company Plc in 2008–2012 and as Director of Carnegie Investment Bank AB in 2000–2004. Miettinen-Lähde has also served as an advisor of Tekir Oy since 2019, as the Chairman of Mining Finland ry since 2019 and as member of the Board of KamRock Oy since 2020. Previously, Miettinen-Lähde acted as a member of the Advisory Board of Fenno Attorneys at Law in 2018–2019, as a member of the Board of Directors of Outokumpu Oyj in 2015–2017, as a member of the Board of Directors of LeaseGreen Group Oy in 2015–2017, as a member of Rautaruukki Corporation in 2012–2014 and as a member of the Board of Directors of Biohit Oyj in 2011–2013. Miettinen-Lähde holds the degree of Master of Science in Technology. Miettinen-Lähde is a Finnish citizen.

Ilkka Hiidenheimo has served as a member of the Company's Board since 2021. Previously, Hiidenheimo acted as the CEO of Sharper Shape Ltd. in 2017–2020, as the CEO of Stonesoft Corporation in 2004–2014 and as the Technology Director of Stonesoft Corporation in 1998–2004, as a consultant at Oracle Finland Oy in 1989–1990 and as Product Manager at Tekla Oy in 1985–1989. Hiidenheimo has also served as a member of the Board of Directors at Sharper Share Ltd. since 2017, as the Chairman of the Board of Tietotalo Infocenter Oy since 2011, as a member of the Board of Directors of Teos Publishing since 2003 and as the Chairman of the Board of Hiidenkivi Investment Oy since 2000. In addition, Hiidenheimo has previously served as Chairman of the Board of Sharper Shape Ltd. in 2016–2017, as a member of the Board of Directors of Clavister Holding AB in 2015–2017, as a member of the Board of Directors of Envault Corporation Oy in 2008–2019 and as the Chairman of the Board in 2019–2020, as a member of the Board of Directors of Tietotalo Infocenter Oy in 2006–2010 and as the Chairman of the Board of Stonesoft Corporation in 1990–1998 and as the Chairman of the Board in 1998–2014. Hiidenheimo is a secondary school graduate and student of technology. Hiidenheimo is a Finnish citizen.

CEO and Management Team

The CEO is in charge of the Company's day-to-day management in accordance with the instructions and orders given by the Board of Directors. The CEO shall inform the Board of Directors of the development of the company's strategy, business and financial situation. The CEO also ensures that the accounting practices of the Company comply with the law and that financial matters are handled in a reliable manner.

The Company's Management Team is responsible for managing and developing the Company's business as a whole in accordance with the objectives set by the Board of Directors and the CEO. Among other things, the Management Team prepares the Company's strategy, operating principles and other matters of common concern.

The CEO and the members of the Management Team carry out full-time duties at the Company and have no other material business interests.

As at the date of this Offering Circular, the Company's Management Team consists of the following persons:

Name	Born	Position	Year appointed to the Management Team
Kari Joki-Hollanti	1966	CEO	2018
Jan-Erik Lindfors	1974	Deputy CEO	2021
Mari Erkkilä	1977	CFO	2015
Pauli Siirtola	1968	Product Management Director	2011
Janika Vilponen	1973	Customer Experience Director	2019
Timur Karakan	1977	Sales Director	2021

Details of *Kari Joki-Hollanti* are presented above in section " – *Board of Directors*".

Jan-Erik Lindfors has served as the Company's Deputy CEO and member of the Management Team since 2021. Previously, Lindfors acted as Vice President, New Business Solutions and as a member of the Management Team of Hiab division at Cargotec Finland Oy in 2016–2021, as Vice President, Strategy & Business Development at HiQ Finland Oy in 2013–2016, as Director, Global Business Development and Support at Vacon Oyj in 2010–2013, as Manager, Process Development at Vacon Oyj in 2007–2010, as Project Manager at Vacon Oyj in 2006–2007, as Project Manager/Business Analyst at eCraft Oy Ab in 2005–2006, as Product Manager, Messaging at Tecnomen Oy in 2002–2005, as Software

Design Engineer at Tecnomen Oy in 2000–2002, as Webmaster at Vasabladet AB in 1998–2000 and as Technical Customer Service at Telecom Finland Oy in 1997–1998. Lindfors holds the degree of Master of Science in Economics. Lindfors is a Finnish citizen.

Mari Erkkilä has served as the Company's CFO and member of the Management Team since 2015. Erkkilä has also acted as the Company's HR Director in 2015–2021. Previously, Erkkilä acted as Finance and HR Manager at Hanza Finland Oy in 2009–2015, as Business Controller at Enics Finland Oy in 2007–2009, as Controller at Metso Automation Oy in 2000–2007 and as Head accountant at Promax Finland Oy in 1999–2000. Erkkilä holds a BBA. Erkkilä is a Finnish citizen.

Pauli Siirtola has served as the Company's Product Management Director since 2018 and as a member of the Management Team since 2011. Previously, Siirtola acted at Lemonsoft as Senior Product Manager, Product Owner in 2016–2018 and as Product Development Director in 2011–2015. Prior to joining Lemonsoft, Siirtola acted as Product Manager at Visma Software Oy in 2006–2011, as Project Manager at Visma Software Oy in 2002–2005 and as Managing Director at Call Solutions Oy in 1999–2002. Siirtola holds the degree of Master of Science in Economics. Siirtola is a Finnish citizen.

Janika Vilponen has served as the Company's Customer Experience Director and member of the Management Team since 2019. Previously, Vilponen acted at Visma Software Oy as Support Manager in 2013–2019, as Team Manager in 2009–2013 and in 2007, as Consulting Manager in 2008–2009, as Service Designer in 2006, as Sales Specialist in 2004–2006 and as Application Support in 2001–2004. Vilponen holds a BBA. Vilponen is a Finnish citizen.

Timur Karakan has served as the Company's Sales Director and member of the Management Team since 2021. Previously, Karakan acted as Senior Account Manager at Visma Software Oy in 2005–2021 and as System Specialist at Xor Softlane Oy in 2001–2004. Karakan has also served as the Chairman of the Board of Invest Capitally Oy since 2020. Karakan holds the degree of Bachelor of Hospitality Management. Karakan is a Finnish citizen.

Corporate governance

In its administration, the Company applies the Finnish Companies Act and, after the Listing, also the First North Rules. The Company does not follow the Corporate Governance Code for Finnish Listed Companies issued by the Finnish Securities Market Association because the Company deems that it is not justified in view of the Company's size and the scope of its business operations. However, in its operations, the Company aims to adhere to the principles of the Corporate Governance Code, in proportion to the Company's size. In addition, the Company's operations are governed by the Articles of Association and the rules of procedure of the Board of Directors.

Information about the members of the Board of Directors and the Management Team

Ilkka Hiidenheimo, member of the Company's Board of Directors served as the Chairman of the Board of Envault Corporation Oy when the company in question was declared bankrupt in 2019. Envault Corporation Oy's bankruptcy lapsed on 14 April 2020.

Saila Miettinen-Lähde, member of the Company's Board of Directors, served as the CFO of Talvivaara Mining Company Plc in 2005–2015 and as member of the Talvivaara Mining Company Plc's Board of Directors in 2008–2012. Due to the alleged events relating to the operations of Talvivaara Mining Company Plc in 2012–2013, Miettinen-Lähde has been the subject of incrimination in matters pertaining to security markets information offence and to aggravated abuse of insider information. All charges against Miettinen-Lähde were dismissed by a final decision, as regards the security markets information offence case by judgement of the Helsinki Court of Appeal in 2019 and as regards the insider information criminal case by judgement of the Helsinki District Court in 2020.

With the exception of the above, at the date of this Offering Circular, none of the members of the Board of Directors or the management group or the CEO of the Company have during the previous five years:

- had any convictions in relation to fraudulent offences;
- been in a managerial position, such as a member of the administrative, management or supervisory body or belonged to the senior management of any company at the time of its bankruptcy, liquidation or reorganisation, or been involved in the administration of the estate of such a company; or
- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from managing the affairs of any company.

Conflicts of interests

Provisions regarding the conflicts of interest of the management of a Finnish company are set forth in the Finnish Companies Act. Pursuant to chapter 6, section 4 of the Finnish Companies Act, a member of the Board of Directors shall be disqualified from the consideration of a matter pertaining to a contract between the member and the company. Nor may he participate in the handling of a contract between the company and a third party if he may thereby receive a material benefit which may be in contradiction with the interests of the company. The above provision on a contract shall correspondingly apply to other legal acts and to legal proceedings and other similar matters. The same provisions are applied with regard to the CEO.

The Sellers will sell Sale Shares in the Offering. The Sellers include Rite Internet Ventures Holding AB and Kari Joki-Hollanti.

In addition to the above, the members of the Board of Directors and the Management Team do not have conflicts of interests in relation to the Company as a result of their personal holdings, and the members of the Board of Directors or Management Team do not engage in competing business or participate in the activities of the board in a company engaged in competing business. The members of the Board of Directors or the Management Team do not hold shares in the Company's customer companies, and the members of the Board of Directors or the Management Team are not tied by family relationships.

As at the date of this Offering Circular, based on the evaluation of independence, Kari Joki-Hollanti from among the members of the Board of Directors is not independent of the Company and its major shareholders, because he is acting as the CEO of the Company and is himself a major shareholder of the Company. As at the date of this Offering Circular, Christoffer Häggblom and Michael Richter from among the members of the Board of Directors are not independent of Rite Internet Ventures Holding AB, which is a major shareholder of Lemonsoft, because Rite Internet Ventures Holding AB is controlled by Christoffer Häggblom and Michael Richter is an employee of Rite Internet Ventures Holding AB.

Remuneration of the Board of Directors and management

Board of Directors

Pursuant to the Finnish Companies Act, the Company's shareholders determine the amount of compensation for members of its Board of Directors at the Annual General Meeting.

On 30 August 2021, the Company's shareholders unanimously resolved that the Chairman of the Board of Directors is paid remuneration of EUR 3,000 per month and other Board members EUR 1,500 per month. The Board does not have other remuneration schemes.

Compensation paid to the members of the Board of Directors for the financial year ended 31 December 2020 totalled EUR 64.0 thousand.

The following table sets forth the remuneration of Lemonsoft Oyj's Board members in the periods indicated:

(EUR thousand)	For the nine months ended 30 September 2021 (unaudited)	For the year ended 31 December 2020	2019	2018
		(audited)		
Remuneration of members of the Board of Directors	38.0	64.0	66.0	62.0

The Company has not issued guarantees or other commitments on behalf of the members of the Board.

Management Team and CEO

The Board of Directors decides on the CEO's and the Management Team's salary, remuneration and other benefits. The salaries and remuneration paid to the CEO and the members of the Management Team consist of a monthly salary, fringe benefits and performance-based remuneration.

In 2020, the salary paid to Kari Joki-Hollanti totalled EUR 158.5 thousand.[25] The salaries and remunerations paid to the Management Team (excluding the CEO) in 2020 totalled EUR 521.9 thousand. The Company's CEO and Management Team are entitled a statutory pension, and the Company does not have supplementary pension plans.

The following table sets forth the salaries and remunerations paid to the CEO and other Management Team for the periods indicated:

(EUR thousand)	For the nine months ended 30 September 2021 (unaudited)	For the year ended 31 December 2020	2019	2018
		(audited, unless otherwise indicated)		
Salaries of the CEO[2)]	128.3	158.5	126.0	109.0
Salaries of other Management Team	371.4	521.9[1)]	397.3[1)]	311.6[1)]

[1)] Unaudited.

[2)] The figure "Salaries of the CEO" does not include remuneration paid to CEO Kari Joki-Hollanti on the basis of board membership; the remuneration figures are presented above in section " – *Board of Directors*". Joki-Hollanti was appointed as the Company's CEO in the autumn of 2018.

There have been no material changes in the remuneration of the Board of Directors and the management of the Company between 30 September 2021 and the date of the Offering Circular.

Termination benefits

Should the Company give the CEO notice of termination, the period of notice is six (6) months. The CEO is paid a salary and the related fringe benefits for the period of notice each month or as a lumpsum payment until the end of the notice period.

The employment or service agreements of the members of the Company's Board of Directors or Management Team (except for the CEO) do not include provisions on benefits upon termination of employment.

Ownership of the members of the Board and the Company's management

The shareholdings of the members of the Company's Board of Directors and Management Team in the Company as at 3 November 2021 have been set forth in the following table:

Name	Position	Shares	Percentage of Shares and voting rights
Board of Directors			
Christoffer Häggblom	Chairman of the Board of Directors	10,425,000[1)]	61.32
Kari Joki-Hollanti	Member of the Board of Directors, CEO	6,275,000	36.91
Michael Richter	Member of the Board of Directors	0	0.00
Saila Miettinen-Lähde	Member of the Board of Directors	0	0.00
Ilkka Hiidenheimo	Member of the Board of Directors	0	0.00
Management Team			
Jan-Erik Lindfors	Deputy CEO	25,000	0.15
Mari Erkkilä	CFO	25,000	0.15
Pauli Siirtola	Product Management Director	25,000	0.15
Janika Vilponen	Customer Experience Director	25,000	0.15
Timur Karakan	Sales Director	25,000	0.15
Total		**16,825,000**	**98.98**

[1)] Indirect ownership based on controlling interest through Rite Internet Ventures Holding AB.

[25] The figure does not include remuneration paid to CEO Kari Joki-Hollanti on the basis of board membership; the remuneration figures are presented above in section " – *Board of Directors*".

Incentive schemes / Option schemes

The Company has not established any share-based incentive schemes.

Auditors

Accounting firm KPMG Oy Ab has acted as the Company's auditor since 2019. Authorised Public Accountant Anne Kulla acted as auditor with principal responsibility until 4 January 2021, Authorised Public Accountant Mari Kaasalainen acted as auditor with principal responsibility from 5 January 2021 to 29 August 2021 and Authorised Public Accountant Kim Järvi has acted as auditor with principal responsibility starting 30 August 2021.

As evident from the auditor's reports, the Company's audited financial statements as at and for the financial years ended 31 December 2020 and 31 December 2019 have been audited by accounting firm KPMG Oy Ab. Authorised Public Accountant Mari Kaasalainen acted as auditor with principal responsibility during the financial year ended 31 December 2020, and Authorised Public Accountant Anne Kulla during the financial year ended 31 December 2019. Mari Kaasalainen is registered and Anne Kulla was registered on the date of the auditor's report on the financial statements as at and for the financial year ended 31 December 2019 in the register of auditors referred to in chapter 6, section 9 of the Finnish Auditing Act (1141/2015, as amended). Authorised Public Accountant Kim Järvi acted as auditor with principal responsibility for the consolidated financial statements as at and for the financial year ended 31 December 2020 prepared for the Offering Circular. Kim Järvi is registered in the register of auditors referred to in chapter 6, section 9 of the Finnish Auditing Act (1141/2015, as amended). The Company's financial statements as at and for the financial year ended 31 December 2018 and the financial statements as at and for the financial year ended 31 December 2018 prepared for the Offering Circular were audited by Ernst & Young Oy with Authorised Public Accountant Kristian Berg as the principal auditor. Kristian Berg is registered in the register of auditors referred to in chapter 6, section 9 of the Finnish Auditing Act (1141/2015, as amended). The Company's financial information as at and for the nine months ended 30 September 2021 and the comparative figures as at and for the nine months ended 30 September 2020 are unaudited.

OWNERSHIP STRUCTURE

Shareholders

As at the date of this Offering Circular, the Company's registered share capital was EUR 80,000 divided into 17,000,000 Shares.

As at the date of this Offering Circular, the Company has 14 shareholders. The following table sets forth certain information on the Company's shareholders' register on 3 November 2021 and immediately after the Offering assuming that the Company will issue 1,273,726 New Shares, the Sellers will sell the maximum number of Sale Shares, 46,992 New Shares will be subscribed for in the Personnel Offering, the current shareholders do not subscribe for Offer Shares and that the Over-Allotment Option will not be exercised. Each Share entitles to one (1) vote at the General Meeting of the Company.

Shareholder	Number of shares before the Offering	Share of Shares and votes before the Offering (%)	Maximum number of Sale Shares	Number of shares after the Offering	Share of Shares and votes after the Offering (%)
Rite Internet Ventures Holding AB[1)]	10,425,000	61.3	1,799,238	8,625,762	47.2
Kari Joki-Hollanti[1)]	6,275,000	36.9	1,495,467	4,779,533	26.2
Other shareholders	300,000	1.8	-	5,553,695	26.6
Total	**17,000,000**	**100.0**	**3,294,705**	**18,273,726**	**100.0**

[1)] Is selling Shares in the Share Sale. For further information, see "*Terms and conditions of the Offering*" and "*Other information on the Offering Circular – Sellers*".

The holdings of the members of the Company's Board of Directors are presented in "*Board of Directors, management and auditors – Holdings of the Board of Directors and the management*".

As at the date of this Offering Circular, Rite Internet Ventures Holding AB ("**Rite**") owns 61.3 percent of the Company's Shares and of the votes carried by the Shares. As a result, the Company is controlled by Rite under chapter 2, section 4 of the Finnish Securities Markets Act.

Shareholder agreements

The shareholders of the Company have entered into a shareholders' agreement that will end at the Listing, except for certain non-competition and non-solicitation clauses. The Company is not aware of any agreements between the shareholders that would have a material effect on ownership rights or voting behaviour in general meetings or of any arrangements that would later result in a change of control in the Company.

In conjunction with the share sale carried out on 5 July 2021 and 27 August 2021 to incentivise personnel, certain members of the Company's Management Team and key persons also committed to lock-ups with the Company that will end 24 months after the date of the lock-up commitment, i.e. on 5 July 2023 or 27 August 2023. The commitments are in force in conjunction with the Listing for the benefit of the Sole Global Coordinator for the period required by the Sole Global Coordinator that can, however, not exceed the duration of the original lock-up. In accordance with the requirements set by the Sole Global Coordinator, the lock-ups that apply to the shareholders that have committed to lock-ups will end on 5 July 2023. For further information on lock-ups relating to the Offering, see "*Terms and conditions of the Offering – General terms and conditions of the Offering – Lock-up*".

RELATED PARTY TRANSACTIONS

Parties are considered to be related parties if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operational decisions. The Company's related parties include the Company's subsidiaries, associated companies and joint arrangements (for companies that are related parties to the Company as at the date of this Offering Circular, see "*Business of the Company – Group structure*"). In addition, the related parties include the members of the Board of Directors, the CEO and the members of the Management Team of the Company, the close family members of said persons as well as the entities that are solely or jointly controlled by a person included in the related parties.

The Company has not had any significant related-party transactions between 1 January 2018 and the date of this Offering Circular.

Information on the remuneration and benefits paid to the members of the Board of Directors and Management Team are presented in the section of the Offering Circular entitled "*Board of Directors, management and auditors – Remuneration of the Board of Directors and management*".

DESCRIPTION OF THE SHARES AND SHARE CAPITAL

General information on the Company

The trade name of the Company is Lemonsoft Oyj. The Company was registered in Finland on 10 February 2006 and is organised under the laws of Finland. The Company has been entered into the Finnish Trade Register under the business ID 2017863-1. The legal entity identifier (LEI) of the Company is 743700OHBVFFCVF69E45. The Company is domiciled in Vaasa and its registered address is Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland. The Company's telephone number is +358 10 328 1000.

On 30 August 2021, the shareholders of the Company unanimously resolved to change the Company into a public company, and the amendment was registered with the Finnish Trade Register on 30 September 2021.

According to article 2 of the Company's Articles of Association, the Company's field of operation is the design, development, sale and marketing of software as well as the provision of thereto related support and maintenance services. The Company can also produce, provide, develop, deliver, market and sell software development, consulting, training, office and administrative services as well as engage in the sale of information technology equipment. The Company can own real estate and securities for the purposes of its operations. The Company can engage in these operations either directly or through its subsidiaries or affiliates and joint ventures.

Shares and share capital

As at the date of this Offering Circular, the fully paid capital of the Company is EUR 80,000 divided into 17,000,000 Shares. The ISIN code of the Offer Shares is FI4000512678. As at the date of this Offering Circular, the Company does not hold the Company's own Shares. The Shares were registered in the book-entry system maintained by Euroclear Finland on 27–28 October 2021.

The Shares have no nominal value. The Company has one series of shares. Each Share carries one vote at the Annual General Meeting of the Company. As at the date of this Offering Circular, the Company's Articles of Association include a redemption clause and a consent clause. On 30 August 2021, the shareholders of the Company unanimously resolved to remove the redemption clause and the consent clause from the Articles of Association conditionally on the completion of the Listing. The removal of the redemption clause and consent clause will be registered with the Finnish Trade Register and enter into force only after the Board of Directors has made a decision on the Listing, but in any case before the Company's Shares are admitted to trading. Except for the lock-ups set forth in "*Terms and conditions of the Offering – General terms and conditions of the Offering – Lock-up*" and "*Ownership structure – Shareholder agreements*", the Shares are freely transferable after the Listing.

Before the Offering, the Shares of the Company have not been subject to trading on any regulated market or multilateral trading facility. The Company intends to submit a listing application to the Helsinki Stock Exchange for the listing of the Company's Shares on the multilateral First North market maintained by the Helsinki Stock Exchange under the trading symbol LEMON.

Historical development of the share capital

The following table sets forth a summary of the changes in the Company's share capital and number of Shares between 1 January 2018 and the date of this Offering Circular.

Time	Arrangement	Number of shares before the arrangement	Change in the number of shares	Number of shares after the arrangement	Share capital (EUR)	Registered[1)]
As at 1 January 2018	-	-	-	680	8,000	-
30 August 2021	Share issue without payment, increase of share capital[2)]	680	16,999,320	17,000,000	80,000	30 September 2021

1) The date refers to the date registered to the Finnish Trade Register.

2) In the offering without payment, each shareholder was issued new Shares in proportion to their holdings so that 24,999 new Shares were issued for each existing share.

Authorisations in effect

On 30 August 2021, the shareholders of the Company unanimously resolved to authorise the Board of Directors of the Company to decide on the issuance of shares so that a maximum of 4,000,000 new shares or treasury shares held by the Company can be issued under the authorisation. The maximum amount of the authorisation accounts for the effect of the share issue without payment described in section " – *Historical development of the share capital*" on the number of shares in the Company. The maximum number of shares covered by the authorisation corresponded to approximately 23.53 percent of all shares in the Company based on the situation at the date of the resolution passed by the shareholders (however, accounting for the effect of the share issue without payment). Based on the authorisation, the Board of Directors may also decide on a directed issue, i.e. an issue deviating from the pre-emptive subscription rights of the shareholders. The Board of Directors of the Company will be authorised to decide on all terms and conditions of the share issue. The Board of Directors may use the authorisation for a share issue carried out in connection with the potential application for admission of the Company's Shares to trading on First North. The Board of Directors is also entitled to decide to issue shares to the members of the Board, provided that this occurs under the same terms as shares are issued to other subscribers. The authorisation is valid until the closing of the next Annual General Meeting, however no later than on 30 June 2022.

On 30 August 2021, the shareholders of the Company unanimously resolved to authorise the Board of Directors of the Company to decide on the issuance of shares and on granting option rights and other special rights entitling to shares referred to in chapter 10, section 1 of the Finnish Companies Act in one or more tranches so that a maximum of 1,000,000 new shares or treasury shares held by the Company can be issued under the authorisation. The maximum amount of the authorisation accounts for the effect of the share issue without payment described in section " – *Historical development of the share capital*" on the number of shares in the Company. The maximum number of shares covered by the authorisation corresponded to approximately 5.88 percent of all shares in the Company based on the situation at the date of the resolution passed by the shareholders (however, accounting for the effect of the share issue without payment). Based on the authorisation, the Board of Directors may also decide on a directed issue, i.e. an issue deviating from the pre-emptive subscription rights of the shareholders. The Board of Directors will be authorised to decide on the terms of the issuance of shares and option rights and other special rights. The Board of Directors may use the authorisation to implement mergers and acquisitions or other arrangements relating to the Company's operations, to implement incentive or remuneration schemes for the Group's personnel or for other purposes decided by the Board of Directors. The authorisation is valid until the closing of the next annual general meeting, however no later than on 30 June 2022.

Shareholder rights

Shareholders' pre-emptive subscription right

Pursuant to the Finnish Companies Act, the shareholders of Finnish companies have a pre-emptive right to subscribe for the company's shares in proportion to their shareholdings, unless otherwise decided in the resolution of the General Meeting of shareholders or Board of Directors on the basis of the authorisation issued by the General Meeting that concerns the share issue. Pursuant to the Finnish Companies Act, a resolution that deviates from the shareholders' pre-emptive rights must be approved by at least two-thirds of all votes cast and shares represented at a General Meeting of shareholders. In addition, pursuant to the Finnish Companies Act, such a resolution requires that the company has a weighty financial reason to deviate from the pre-emptive rights of shareholders. A directed share issue can also be carried out as a share issue without payment, if there is an especially weighty reason for the same both for the company and for the shareholders.

Certain shareholders resident in, or with a registered address in, countries other than Finland may not be able to exercise their pre-emptive subscription rights based on their shareholding, except if the Shares and the related subscription rights have been registered in accordance with the applicable laws of their respective jurisdiction or if an exemption from any registration or similar requirements is available.

General Meetings of Shareholders

Pursuant to the Finnish Companies Act, shareholders exercise their power to decide on corporate matters at General Meetings of shareholders. Pursuant to the Finnish Companies Act, the Annual General Meeting shall be held each year on a date determined by the Board of Directors within a period of six months from the end of the financial year. The Annual General Meeting decides, among other things, on the adoption of the financial statements, the distribution of

dividends, the election of the members of the Board of Directors and the auditor, and their respective remuneration. The Annual General Meeting also decides on discharging the Board of Directors and the CEO from liability.

An Extraordinary General Meeting of shareholders in respect of specific matters must be convened when deemed necessary by the Board of Directors, or when requested in writing by the auditor of the Company or by shareholders representing at least one-tenth of all of the issued and outstanding Shares in the Company.

In accordance with the Articles of Association of the Company, the notice of the General Meeting shall be delivered to the shareholders in writing (including by e-mail) at the earliest three (3) months and at the latest one week before the record date for the General Meeting. In order to attend a General Meeting, a shareholder must notify the Company thereof by registering for the meeting no later than the date and time stated in the notice of the meeting and set by the Board of Directors, which may be no earlier than ten (10) days prior to the meeting.

On 30 August 2021, the shareholders of the Company unanimously resolved to amend article 7 of the Articles of Association concerning the notice convening the General Meeting on the condition that the Company's Board of Directors decides to carry out the Offering in connection with the potential application for admission of the Company's Shares to trading on First North. Article 7 of the notice convening the General Meeting is amended to read as follows: "the notice convening a General Meeting shall be delivered by publishing it on the Company's website no earlier than three (3) months and no later than three (3) weeks before the General Meeting, provided that the date of the publication must be at least nine (9) days before the record date of the meeting." The change in the manner and time of convening a General Meeting will be registered with the Trade Register and enter into force only after the Board of Directors has made said decision, but in any case before the Company's Shares are admitted to trading. Under the First North Rules, the Company shall publish the notice to a General Meeting of Shareholders as a company release as well as on the Company's website.

All shareholders that are registered in the shareholder's register of the Company maintained by Euroclear Finland at least eight business days prior to the General Meeting (General Meeting record date) and that have given advance notice of their participation no later than on the date specified in the notice of the General Meeting. A nominee-registered shareholder wishing to attend and vote at the General Meeting should seek a temporary registration in the Company's shareholders' register kept by Euroclear Finland. The notification of such temporary registration shall be made no later than on the date set out in the notice of the General Meeting, which must be after the record date of the General Meeting. Nominee registered shareholders are considered to have given advance notice of their participation to the General Meeting, if they are notified for a temporary entry into the shareholder register.

There are no quorum requirements for General Meetings of shareholders in the Finnish Companies Act or the Company's Articles of Association.

Right to vote

A shareholder may attend and vote at a General Meeting in person or by way of authorised proxy representation. Pursuant to the Finnish Companies Act, each share entitles its holder to one vote at the General Meeting of shareholders. At the General Meeting, most resolutions are passed by a simple majority of the votes cast. However, certain resolutions, such as amending the Articles of Association, deviations from the shareholders' pre-emptive subscription right to subscribe for shares in a new share issue and resolutions on a merger, a demerger or a dissolution of the Company require at least a majority of two-thirds of the votes cast and the shares represented at the General Meeting. In addition, certain resolutions, such as amendments to the Articles of Association or the compulsory redemption of shares in a proportion other than that of the shares held by the shareholders require the consent of all shareholders, or where only certain shareholders are affected, require the consent of all shareholders affected by the amendment in addition to the applicable majority requirement.

Dividends and dividend policy

Pursuant to the Finnish Companies Act, the Company may distribute dividends if the audited financial statements last approved by the General Meeting show that it has distributable assets for the distribution of dividends and the distribution of assets does not jeopardise the Company's solvency. The General Meeting will resolve on the distribution of dividends based on the proposal of the Company's Board of Directors. If dividend is distributed, it is usually distributed once per financial year.

The Company will seek to carry out an active dividend policy, provided that profit distribution will not weaken the Company's ability to achieve its goals set out in the Company's growth strategy or other financial targets.

The Company distributed dividends for the financial years ended on 31 December 2020, 31 December 2019 and 31 December 2018. The Company paid dividends of a total of EUR 2,210 thousand for the financial year ended 31 December 2020, EUR 1,530 thousand for the financial year ended 31 December 2019 and EUR 1,224 thousand for the financial year ended 31 December 2018. The dividend per Share calculated using the number of shares after the share issue without payment (share split) (17,000,000 Shares) as described above in section " – *Historical development of the share capital*" was EUR 0.13 per Share for the financial year ended 31 December 2020, EUR 0.09 per Share for the financial year ended 31 December 2019 and EUR 0.07 per Share for the financial year ended 31 December 2018.[26]

If dividends are distributed, all Shares in the Company will entitle their holders to the same dividend.

Pursuant to the Finnish Companies Act, the equity of a company shall be divided into restricted equity and unrestricted equity. Restricted equity consists of the share capital and of the fair value reserve and the revaluation reserves under the Finnish Accounting Act (1336/1997, as amended) as well as of any possible legal reserve and share premium reserve formed before 1 September 2006 under the old Finnish Companies Act (734/1978, as amended). Other reserves of equity are included in the unrestricted equity.

In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited liability company, if any, are generally declared once a year. However, some listed companies have adopted a practice of distributing dividends and making equity repayments several times a year. Dividends may be paid and unrestricted equity may be otherwise distributed after the General Meeting of shareholders has adopted the company's financial statements and resolved on the amount of dividend or other distribution of unrestricted equity based on a proposal by the Board of Directors of the company. Pursuant to the Finnish Companies Act, the payment of dividends or other distribution of unrestricted equity may also be based on financial statements other than those for the preceding financial year, provided that such financial statements have been adopted by the General Meeting of shareholders. If the company has an obligation to elect an auditor pursuant to law or the Articles of Association, such financial statements must be audited.

The payment of dividends or other distribution of unrestricted equity requires the approval of the majority of the votes cast at a General Meeting of shareholders of the company. Pursuant to the Finnish Companies Act, the General Meeting of shareholders may also authorise the Board of Directors to decide upon payment of dividends and other distribution of unrestricted equity. The amount of dividend or other distribution of unrestricted equity cannot exceed the amount resolved by the general meeting of shareholders. Such authorisation is valid at most until the beginning of the next Annual General Meeting.

Pursuant to the Finnish Companies Act, a company may also distribute funds by reducing its share capital, which requires the approval of the majority of votes cast at a general meeting of shareholders of the company. A decision regarding the share capital reduction must be registered in the Finnish Trade Register within one month from the General Meeting of shareholders of the company that resolved on such share capital reduction. Following the registration of the share capital reduction, a creditor hearing process may be commenced and the Finnish Trade Register will issue, upon application of the company, a notice to the creditors of the company. The reduction of the share capital may be registered if none of the creditors of the company has opposed the reduction of the share capital or the company has received a confirmatory judgment to the effect that the opposing creditors have either received payment for their receivables or a securing collateral has been placed by the company for the payments of such receivables.

Distributable funds include the net profit for the preceding financial year, retained earnings from previous financial years and other unrestricted equity, adjusted for the loss set forth in the statement of financial position and the amounts that the Articles of Association of the company require to be left undistributed. The amount of dividends or other unrestricted equity that may be distributed is restricted to the amount of distributable funds shown on the financial statements on which the distribution of dividend or other unrestricted equity would be based, provided that there have been no significant changes in the company's financial position after the preparation of the financial statements. Distributions of funds are prohibited if it is known or it should be known at the time of taking such decision that the company is insolvent or such distribution would cause the company to become insolvent.

Distributable funds are, where applicable, to be further adjusted for capitalised incorporation, research and certain development costs in accordance with the provisions of the Act on the Implementation of the Finnish Limited Liability Companies Act (625/2006, as amended). Lemonsoft may not distribute more than the amount of distributable funds shown on the parent company's latest audited financial statements adopted by the shareholders' meeting.

[26] For the financial years ended 31 December 2020, 31 December 2019 and 31 December 2018, the Company's number of Shares amounted to 680. Calculated using this number of Shares, the Company's dividend per Share was EUR 3,250 per Share for the financial year ended 31 December 2020, EUR 2,250 per Share for the financial year ended 31 December 2019 and EUR 1,800 per Share for the financial year ended 31 December 2018.

The dividends may not exceed the amount proposed or otherwise accepted by the Board of Directors, unless so requested at the General Meeting by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company, in which case, the dividends shall amount to at least one-half of the profit for the preceding financial year less the amount that the Articles of Association of the company require to be left undistributed (if any). However, the distributed amount cannot exceed the amount of distributable funds. However, in such case, the dividend cannot exceed eight percent of the total shareholders' equity of the company and the distributable amount must be adjusted for any dividends paid during the financial year before the Annual General Meeting of shareholders.

All of the Shares of the Company carry equal rights to dividends and other distributions (including distributions of assets in the event of the dissolution of the Company). After they are registered in the Finnish Trade Register and the shareholder's book-entry account, the Shares in the Company will entitle the holders to dividends and other distributions of funds by the Company as well as other shareholder rights. Dividends and other distributions of assets are paid to shareholders or their nominees entered in the register of shareholders on the relevant record date. The shareholders' register is maintained by Euroclear Finland. Under the Finnish book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the register. The right to dividends is forfeited after three years from the date when the dividend is due to be paid. After this, the right to the dividend is retained by the Company.

If the Company is dissolved through a liquidation procedure, a shareholder shall have the right to a share in the distribution of the net assets of the Company in proportion to his or her shareholding, unless otherwise provided for in the Articles of Association. If a shareholder has not claimed the share within five years of the final settlement being presented to the General Meeting, the share in the distribution shall be forfeited.

For further information relating to taxation of dividends, see "*Taxation*".

Own shares

Pursuant to the Finnish Companies Act, a company may acquire its own shares. Resolutions regarding the repurchase of a company's own shares must be made by the General Meeting of shareholders, unless the General Meeting of shareholders has authorised the Board of Directors to resolve upon share repurchases using unrestricted equity. In a public company, the authorisation may be in force for no more than 18 months at a time. A public limited company may not, directly or indirectly, own more than 10 percent of all shares in the company. A private limited liability company cannot acquire or redeem all of its own shares. As at the date of this Offering Circular, the Company does not hold the Company's own Shares.

Transfer of shares in the Finnish book-entry system

Upon a sale of shares through the Finnish book-entry securities system, the relevant shares are transferred from the seller's book-entry account to the buyer's book-entry account as an account transfer in Euroclear Finland's Infinity clearing and settlement system. When the sale is carried out in a clearing system, the buyer is automatically registered in the company's register of shareholders. If the shares are registered in the name of a nominee and the seller's and purchaser's shares are deposited in the same custodial nominee account, a sale of shares does not require any entries into the Finnish bookentry securities system, unless the nominee changes or the shares are transferred from the custodial nominee account pursuant to the sale.

Redemption right and obligation

Pursuant to the Finnish Companies Act, a shareholder with shares representing more than 90 percent of all shares and voting rights attached to all shares in a company has the right to redeem remaining shares in such company for fair value. In addition, any minority shareholder that possesses shares may, pursuant to the Finnish Companies Act, require such majority shareholder to redeem its shares. If a shareholding constitutes the right and obligation for redemption, the company must immediately enter this in the Finnish Trade Register. The Redemption Committee of the Finland Chamber of Commerce appoints a requisite number of arbitrators to resolve disputes related to the redemption and the redemption price. The redemption price will be determined on the basis of the fair market price preceding the initiation of the arbitration proceedings.

As at the date of this Offering Circular, the Company's Articles of Association include a redemption clause and a consent clause. On 30 August 2021, the shareholders of the Company unanimously resolved to remove the redemption clause and the consent clause from the Articles of Association conditionally on the completion of the Listing. For further information, see " – *Shares and share capital*".

Exchange control

Foreigners may acquire shares in a Finnish company without any specific exchange control authorisation. Foreigners may also receive dividends without any specific exchange control authorisation, but the company distributing the dividend must deduct the tax-at-source from the funds transferred outside Finland unless otherwise stated in an applicable tax treaty. Non-residents having acquired shares in a Finnish limited liability company may receive shares pursuant to a bonus share issue or through participation in a rights issue without separate consent of the Finnish exchange control. Foreigners may sell their shares in a Finnish company in Finland, and the assets acquired in connection with such sale may be transferred outside Finland in any convertible currency. There are no Finnish exchange control regulations applying to the sale of shares of a Finnish company by non-residents to other non-residents.

FIRST NORTH AND SECURITIES MARKETS

The following summary is a general description of the provisions of the securities market law applicable to the First North market and it is based on the laws in force in Finland on the date of this Offering Circular. The summary is not exhaustive and does not present all provisions and regulations potentially applicable to the First North market.

About the First North market

First North is the Nasdaq group's Nordic growth market, designed for small and growing companies. Companies listed on First North are subject to less stringent rules than companies listed on regulated markets, such as the Helsinki Stock Exchange, and the First North companies comply with a less extensive rulebook that is designed for growth companies. Unlike on regulated markets, companies listed on First North must engage a 'Certified Adviser' whose role is to ensure that companies comply with applicable requirements and rules.

First North is regulated as a multilateral trading facility as opposed to a regulated market. 'Multilateral trading facility' and 'regulated market' are classifications for trading venues of securities set out in Directive 2014/65/EU (as amended, **MiFID II**) on Markets in Financial Instruments. Multilateral trading facilities and the holders and issuers of securities listed on a multilateral trading facility are subject to less stringent rules than regulated markets and the holders and issuers of securities listed on a regulated market. Companies that have applied for their shares to be listed on First North are subject to the First North Rules but not the requirements for admission to trading on a regulated market.

Trading on First North

First North is maintained by the Helsinki Stock Exchange, a member of the Nasdaq group. The basis of trading is defined in the First North Rules, according to which trading on First North is subject to the Trading Rules of the Helsinki Stock Exchange, as specified in more detail in the First North Rules (including Supplement C – Finland).

In carrying out share trades, Helsinki Stock Exchange and First North use the INET trading platform. In the INET trading platform, the trading day consists of the following main trading phases: pre-trading, continuous trading and post-trading. The trading periods and the respective trading hours of the Helsinki Stock Exchange are set out in a time table in force from time to time, as made available by the Nasdaq stock exchanges on their websites (www.nasdaqomxnordic.com/kaupankayntiajat/).

The currency for trading in, and clearing of, securities on the Helsinki Stock Exchange and First North is euro, with the tick size for trading quotations depending on the share price. The price information is produced and published only in euros.

The Shares in the Company are issued and registered in the book-entry securities system maintained by Euroclear Finland. Trades in securities listed on First North are settled bilaterally in Euroclear Finland's settlement system in accordance with the settlement schedule in force from time to time. Trades in shares are primarily cleared by determining them in the system of the central counterparty (for example European Central Counterparty N.V.) and by executing them in the system of Euroclear Finland on the second (2nd) banking day after the trade date (T+2) unless otherwise agreed by the parties.

Regulation of securities markets in a multilateral trading facility

The securities market in Finland is supervised by the FIN-FSA. The primary law governing securities markets is the Finnish Securities Markets Act, which contains provisions in respect of, among other things, company and shareholder disclosure obligations, the issue of securities, prospectuses and public tender offers. The FIN-FSA oversees compliance with the Finnish Securities Markets Act and the regulations and authority instructions issued on the basis of it.

The regulation of the European Parliament and of the Council on market abuse ((EU) No 596/2014, as amended, the "**Market Abuse Regulation**"), regulates, among other things, insider dealing, unlawful disclosure of inside information, maintenance of insider lists, market manipulation, public disclosure of inside information, market sounding, investment recommendations and the obligation to notify transactions by persons discharging managerial responsibilities and their closely associated persons. The Market Abuse Regulation places obligations on, among other things, persons discharging managerial responsibilities within issuers and their closely associated persons, and on market operators and investment firms. The role of the FIN-FSA is to monitor compliance with these provisions.

The provisions set in the Finnish Securities Markets Act or other regulations for regulated markets, such as provisions concerning flagging obligations, do not apply to securities subject to multilateral trading on First North. However, some

of the provisions of the Finnish Securities Markets Act are also applied to securities subject to multilateral trading on First North. These include, for example, certain provisions concerning public tender offers. In addition, the First North Rules set obligations on companies admitted to trading on First North.

The Finnish Securities Markets Act and the Market Abuse Regulation specify minimum disclosure requirements for Finnish companies seeking the admission to trading of a security on a multilateral trading facility or making a public offering of securities in Finland. The information provided must be sufficient to enable a potential investor to make a sound evaluation of the securities being offered and the issuing company as well as of matters that may have a material effect on the value of the securities. An issuer of a security admitted to trading on a multilateral trading facility shall disclose all such factors that are likely to have a material effect on the value of the issuer's securities. The First North Rules also include an obligation to regularly publish financial information on the company and other provisions concerning the ongoing disclosure obligation. Based on regulations, published information must be kept available to the public. Pursuant to the Market Abuse Regulation, the issuer of a publicly traded security has the obligation to inform the public as soon as possible of inside information that directly concerns that issuer. An issuer may delay disclosure to the public of inside information provided that all of the conditions set forth in the Market Abuse Regulation are met.

The Finnish Securities Markets Act includes provisions concerning public tender offers for shares or securities carrying entitlement to shares admitted to trading on a regulated market. The provisions concerning public tender offers do not fully apply to shares admitted to trading in a multilateral trading facility, but certain general principles concerning public tender offers, such as the requirement of equal treatment of shareholders, the provision of material and sufficient information on the offer and the securing of the financing of the offer, also apply to shares admitted to trading in a multilateral trading facility. Many of the provisions pertaining to the offer price for shares subject to a public tender offer also apply, where appropriate, to public tender offers for shares admitted to trading in a multilateral trading facility. In addition, provisions of the Finnish Companies Act concerning the redemption of minority shares also apply to shares admitted to trading on the First North. For more information on the provisions concerning the redemption of minority shares, see "*Shareholder rights – Redemption right and obligation*".

Net short positions relating to shares tradeable on First North must be disclosed to the FIN-FSA in accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council on short selling and certain aspects of credit default swaps. The obligation to disclose net short positions applies to all investors and market participants. A net short position regarding shares admitted to trading on a regulated market or on a multilateral trading facility must be disclosed when the position reaches, exceeds or falls below 0.2 percent of the issued share capital of the target company. A new notification must be disclosed for each 0.1 percent exceeding the above threshold. The FIN-FSA publishes the notified net short positions on its website, if the net short position reaches, exceeds or falls below 0.5 percent of the issued share capital of the target company.

Abuses of the securities markets, such as misuse of insider information and market manipulation, are acts punishable under the Criminal Code of Finland (39/1889, as amended). Pursuant to the Market Abuse Regulation, Finnish Securities Markets Act and the Finnish Act on the Financial Supervisory Authority (878/2008, as amended), the FIN-FSA has the right to impose administrative sanctions to the extent the offence does not fall within the scope of the Criminal Code of Finland. Such sanctions include, e.g. an administrative fine, public warning or penalty payment for failure to comply with or violation of market abuse provisions. The Helsinki Stock Exchange may also impose a disciplinary fine for the violation of the First North Rules.

Finnish book-entry securities system

General

The book-entry securities system refers to a system in which physical share certificates have been changed to book entries registered in book-entry accounts. The Finnish book-entry securities system is centralised at Euroclear Finland, which offers national clearing, settlement and registration services for securities. Euroclear Finland maintains the book-entry securities register for both equity and debt securities. The book-entry form is mandatory for all securities traded on markets. The registered office of Euroclear Finland is Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland.

Euroclear Finland maintains a company-specific register of shareholders for each company participating in the book-entry securities system. The account operators, which consist of, among others, banks, investment services companies and other institutions licensed to act as account operators by Euroclear Finland, administer book-entry accounts and are entitled to make entries in the book- entry register.

Registration

Shareholders of all companies registered in the book-entry securities system must establish a book-entry account with an account operator or enter an agreement with an account operator to keep the book-entries on a nominee account. The book-entries of a foreigner, foreign entity or trust may be deposited in a custodial nominee account, in which case the book-entries are registered in the name of a nominee in the company's register of shareholders. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entries owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, the shares owned by a foreigner, foreign entity or trust may be registered in a nominee-registered book-entry account opened in the name of such foreigner, foreign entity or trust, but the holding may be registered in the name of a nominee in the company's shareholders' register. Finnish shareholders are not allowed to hold their shares through a nominee registered book-entry account in the Finnish book-entry system.

For shareholders who have not transferred their shares into book-entries, a joint book-entry account shall be opened, the registered holder of which shall be the issuer. All transfers of securities entered into the book-entry securities system are executed as computerised book-entry transfers to the extent they are executed in the book-entry securities system. The account operator confirms records by sending notifications regarding transactions recorded onto the book-entry account of the holder of the respective book-entry account. The book-entry account holders also receive an annual statement of their holdings at the end of each calendar year.

Each book-entry account is required to contain specific information with respect to the account holder and other holders of rights to the book-entries entered into the account as well as information on the account operator administering the book-entry account. The required information also includes the type and number of book-entries registered as well as the rights and restrictions pertaining to the account and to the book-entries registered in the account. Euroclear Finland and the account operators are required to observe strict confidentiality. Certain information (e.g., the name and address of each account holder) contained in the register of shareholders maintained by Euroclear Finland must be made available to the public by Euroclear Finland and the company, except in the case of custodial nominee registration. The company and the FIN-FSA are entitled to receive certain information on the holdings of nominee-registered shareholders upon request. A company must keep the shareholders' register accessible to everyone at the head office of the company or, if the company's shares are incorporated in the book entry system, at the registered office of the Central Securities Depository in Finland.

Each account operator is liable for possible errors and omissions in the book-entry registers maintained by it and for any breach of data protection. If an account holder has suffered a loss as a result of a faulty registration or other mistake or defect relating to the entries and the account operator has not compensated such loss due to insolvency that is not temporary, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 percent of the average of the total market value of the book-entries kept in the book-entry securities system during the last five (5) calendar years and it must be no less than EUR 20 million. The compensation to be paid to an injured party is equal to the amount of damages suffered subject to a limit of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

Custody of the shares by nominees

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organisation approved by Euroclear Finland) to act as a custodial nominee account holder on its behalf. A custodial nominee account holder is entitled to receive dividends on behalf of the shareholder. Rights pertaining to shares registered in the name of a nominee do not entitle one to exercise other rights of the owner in relation to the issuer than the right to withdraw funds, to convert or exchange the book-entry and to participate in an issue of shares or other book-entries. A holder of nominee registered shares who wishes to attend and vote at the General Meeting of shareholders must seek temporary registration of their shares in the register of shareholders if the shares bestow the shareholder the right to be entered in the shareholders' register as at the record date of the General Meeting. A notification concerning temporary entry in the shareholder register shall be filed no later than on the date mentioned in the notice of the General Meeting, which date must be subsequent to the General Meeting record date. A holder of nominee registered shares temporarily registered in the shareholders' register shall be deemed to have enrolled to the meeting and no further enrolment is required provided that such holder of nominee registered shares on the record date would be entitled, by virtue of such shares, to be registered in the shareholders' register of the company held by Euroclear Finland.

Upon request by the FIN-FSA or the relevant company, a nominee is required to disclose the name of the beneficial owner of any shares registered in such custodial nominee's name, provided the beneficial owner is known, as well as the number

of shares owned by such beneficial owner. If the name of the beneficial owner is not known, the custodial nominee account holder is required to disclose corresponding information on the representative acting on behalf of the beneficial owner and to submit a written declaration by the representative to the effect that the beneficial owner of the shares is not a Finnish natural person or legal entity.

Finnish depositories for both Euroclear Bank, S.A./N.V., as operator of Euroclear Finland, and Clearstream have nominee accounts within the book-entry securities system and, accordingly, non-Finnish shareholders may hold their shares listed on First North through accounts with Euroclear Bank S.A./N.V. or Clearstream. A shareholder wishing to hold his/her shares in the book-entry securities system in his/her own name but who does not maintain a book-entry account in Finland is required to open a book-entry account at an account operator and a convertible euro account at a bank.

Investors' compensation fund and deposit guarantee fund

The Finnish Act on Investment Services (747/2012, as amended) sets forth a compensation fund for investors. The act divides investors into professional and non-professional investors. The Investors' Compensation Fund does not compensate any losses by professional investors. The definition of professional investor includes business enterprises and public entities, which are deemed to understand the securities markets and their associated risks. An investor may also provide notice in writing that, on the basis of his/her professional skills and experience in the securities markets, he/she is a professional investor. However, natural persons are presumed to be non-professional investors.

Investment firms and credit institutions must belong to the investor's compensation fund. The membership requirement does not apply to an investment firm that solely transmits orders, provides investment advisory services or organises multilateral trading as investment service and that does not have client funds in its custody or under its management. The compensation fund safeguards payment of clear, indisputable and due claims of the investors when an investment firm or credit institution is, for a reason other than temporary insolvency, not capable of paying claims of the investors within a determined period of time. The compensation fund only compensates claims of non-professional investors. For valid claims, the compensation fund will pay 90 percent of the investor's claim up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses due to decreases in stock value or investment decisions that might prove incorrect, whereby the investors remain responsible for the consequences of their investment decisions.

Pursuant to the Act on the Financial Stability Authority (1195/2014, as amended), depositary banks must belong to the deposit guarantee system, which is intended to safeguard payments of receivables in the depositary bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depositary bank becomes insolvent and the insolvency is not temporary. The customers of a depositary bank can be compensated by the deposit guarantee fund up to a maximum of EUR 100,000. An investor's funds can be safeguarded either by the deposit insurance fund or the compensation fund. However, an investor's funds cannot be safeguarded by both funds at the same time.

TAXATION

The following summary is based on tax laws as in effect and applied on the date of the Offering Circular, as well as on current case law and tax practice. Any changes in tax laws and their interpretation may also have a retroactive effect on taxation. The following summary is not exhaustive and does not take into account or deal with the tax laws, case law or tax practice of any country other than Finland. Prospective investors are advised to consult their own professional tax advisors as to the tax consequences in Finland or other jurisdictions of the Initial Public Offering and the purchase, ownership and disposition of the Company's shares. The tax laws of other jurisdictions may have an effect on the prospective investor and on the possible income of the shares, and prospective investors should consult their tax advisors with respect to the tax consequences applicable to their particular circumstances.

Taxation in Finland

The following is a description of the material income tax and transfer tax consequences based on Finnish tax law that may be relevant with respect to the Offering. The description below is applicable to both Finnish resident and non-resident natural persons and limited companies for the purposes of Finnish domestic tax legislation relating to dividend distributions on shares and capital gains arising from the sale of shares.

The following description does not address tax considerations applicable to such holders of Company's shares that may be subject to special tax rules relating to, among others, different restructurings of corporations, controlled foreign corporations, non-business carrying entities, income tax-exempt entities or general or limited partnerships. Furthermore, this description does not address Finnish inheritance or gift tax consequences.

This description is primarily based on:

- The Finnish Income Tax Act (1535/1992), as amended;
- The Finnish Business Income Tax Act (360/1968), as amended;
- The Finnish Act on Taxation of Non-residents' income (627/1978), as amended;
- The Finnish Transfer Tax Act (931/1996), as amended; and
- The Finnish Act on Assessment Procedure (1558/1995), as amended.

In addition, relevant case law as well as decisions and statements made by the tax authorities in effect and available on the date of this Offering Circular have been taken into account.

The following description is subject to change, which change could apply retroactively and could, therefore, affect the tax consequences described below.

General

Residents and non-residents of Finland are treated differently for tax purposes. The worldwide income of persons resident in Finland is subject to taxation in Finland. Non-residents are taxed on income from Finland only. In addition, any income received by a non-resident from a permanent establishment located in Finland is subject to taxation in Finland. Finnish tax treaties may limit the applicability of domestic tax legislation and also preclude the right to tax non-resident's Finnish source income.

Generally, an individual is deemed resident in Finland for tax purposes if such individual stays in Finland for more than six consecutive months or if the permanent home and dwelling of such individual is located in Finland. However, a Finnish national who has moved abroad is considered to be resident of Finland until three years have passed from the end of the year of departure unless it is proven that no substantial ties to Finland existed during the relevant tax year. Earned income, including salary, is taxed at progressive rates.

Currently, the capital income tax rate is 30 percent. Should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 percent on the amount that exceeds EUR 30,000.

Corporate entities established under the laws of Finland and corporate entities whose place of effective management is in Finland are regarded as residents in Finland for tax purposes and are subject to corporate income tax in Finland on their worldwide income. In addition, non-residents are subject to Finnish corporate income tax on their income connected with their permanent establishments situated in Finland. Currently, the corporate income tax rate is 20 percent.

The following is a summary of certain Finnish tax consequences relating to the purchase, ownership and disposition of the Company's shares by Finnish resident and non-resident shareholders.

Personnel Offering

If an employer offers shares for subscription by employees at a discount, a discount of no more than 10 percent will not be deemed a taxable benefit. The discount will be calculated in the manner provided for in the Income Tax Act as the difference between the fair value and subscription price of the shares. In Finnish taxation practice, the offering price in an initial public offering has typically been accepted as the fair price of shares, and this being the case the 10 percent discount calculated based on the offer price should not exceed the maximum amount of the tax-exempt discount allowed by Finnish law. However, if the average price for the calendar month following the Listing is lower than this, the taxability of the benefit is determined and the amount of taxable income is calculated based on the aforementioned lower price.

The tax exemption requires that the question is of a benefit based on an employment relationship and that the shares offered by the employer are offered to a majority of the personnel. Case law has held that a 10 percent tax-exempt discount to the subscription price can always be applied in a share issue referred to in the Finnish Companies Act if the other requirements for tax exemption are met. Taxation practice and case law have held that the tax exemption is also applicable to benefits granted to board members and group company employees under the same conditions.

Discount on subscription price of shares exceeding 10 percent is considered as taxable earned income of the employee subject to withholding of tax in the same manner as salary.

The discount provided in the Personnel Offering is exempted from social security and pension insurance contributions. However, the insured's medical care contribution will be deducted from the benefit received in the Personnel Offering at an increased rate. Full social security contributions will generally be payable if the shares are not offered to the majority of the personnel and the tax exemption is, therefore, not applicable.

Taxation of dividends

General information on taxation of dividends

The tax treatment of dividends income is dictated by whether the company distributing the dividend is publicly listed or not. A publicly listed company (the "**Listed Company**") is a company whose shares are admitted to trading:

- in a regulated market as set forth in the Finnish Act on Trading in Financial Instruments (1070/2017, as amended);
- in another regulated market supervised by authorities outside the European Economic Area; or
- in a multilateral trading facility as set forth in the Finnish Act on Trading in Financial Instruments, provided that the shares have been admitted to trading by the application of the company or with its consent.

First North is a multilateral trading facility as referred to above; hence the provisions regarding the distribution of dividends of a publicly traded company are applied to the taxation of the dividend income from the Company.

Funds distributed from the so-called reserve for invested unrestricted equity (SVOP reserve) of a Finnish publicly listed company are considered as dividend income for taxation purposes.

Resident individuals

85 percent of dividends paid by a listed company to an individual shareholder is considered capital income of the recipient, taxable at the rate of 30 percent (however, should overall capital income exceed EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 percent), the remaining 15 percent being tax-exempt.

Distribution of dividends by a Listed Company to resident natural persons is subject to advance tax withholding. At the date of this Offering Circular, the amount of the advance tax withholding is 25.5 percent of the amount of dividend paid. The advance tax withheld by the distributing company is credited against the final tax payable by the shareholder for the dividend received. Where shares are held through a nominee account by a Finnish resident individual, the withholding rate is 50 percent. Resident individuals must review their pre-completed tax form to confirm that the received dividend income during the tax year is correct and, if necessary, report the correct amount of dividend income and the amount of prepaid income tax on the pre-completed tax form.

Resident companies

Taxation of dividends distributed by a Listed Company depends, among other things, on whether the resident company receiving dividends is a Listed Company or not.

Dividends received by a Listed Company from another Listed Company are generally tax exempt. However, in case the shares are included in the investment assets of the shareholder (only financial, insurance, and pension institutes may have investment assets referred to in this context), 75 percent of the dividend is taxable income, the remaining 25 percent being tax-exempt. Dividends received by a company that is not a Listed Company from a Listed Company are fully taxable income. However, in cases where the company that is not a Listed Company directly owns 10 percent or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax exempt, provided that the underlying shares are not included in the investment assets of the shareholder. If the shares are included in investment assets of the shareholder, 75 percent of the dividend is taxable income, the remaining part of the dividend being tax-exempt.

Where shares are held through a nominee account by a Finnish resident company, the withholding rate is 50 percent.

Non-residents

As a general rule, non-residents of Finland are subject to Finnish withholding tax on dividends paid by a Finnish company. The withholding tax is withheld by the company distributing the dividend at the time of dividend payment and no other taxes on the dividend are payable in Finland. The withholding tax rate for dividend received by non-resident individual shareholder is 30 percent whereas the withholding tax rate for dividend received by a non-resident company is 20 percent, unless otherwise set forth in an applicable taxation treaty. Starting 1 January 2021, the rate is generally 35 percent for dividends paid by a Finnish resident listed company to nominee registered shares, as described further below. The withholding tax rate may be reduced or removed in full on the basis of an applicable tax treaty.

Finland has entered into double taxation treaties with several countries pursuant to which the withholding tax rate is reduced on dividends paid to persons entitled to the benefits under such treaties. For example, in the case of the treaties with the following countries, Finnish withholding tax rate regarding portfolio shares is generally reduced to the following percentages: Austria: 10 percent; Belgium: 15 percent; Canada: 15 percent; Denmark: 15 percent; France: zero; Germany: 15 percent; Ireland: zero; Italy: 15 percent; Japan: 15 percent; the Netherlands: 15 percent; Norway: 15 percent; Spain: 15 percent; Sweden: 15 percent; Switzerland: 10 percent; the United Kingdom: zero; and the United States: 15 percent. This list is not exhaustive. A further reduction in the withholding tax rate is usually available to corporate shareholders for dividend distributions on qualifying holdings (usually ownership of at least 10 or 25 percent of the share capital or voting rights of the distributing company). The benefit of reduced withholding rate in an applicable tax treaty will be available if the person beneficially entitled to the dividend has provided the payer of the dividend the necessary details on the applicability of the tax treaty.

Where shares in a company are held through a nominee account, the Finnish distributing company pays the dividends to the nominee account managed by the custodian, who then delivers the dividend payment to the beneficial owners. A 35 percent withholding tax is generally applied on dividend distributions by listed companies, unless custodians fulfil certain requirements and are willing to take over certain responsibilities (including, e.g. registration with the Finnish Tax Administration as an authorised intermediary, identification of the beneficial owner of the dividend and collecting and submitting detailed recipient information to the Finnish Tax Administration using specific filing procedures). Furthermore, the application of reduced withholding tax rates at source requires that the custodian and dividend distributor are willing to assume liability of incorrectly applied withholding tax. If the custodian only registers with the Finnish Tax Administration and provides (or agrees to provide) details of the person beneficially entitled to the dividend, a 30 percent withholding tax rate can be applied, instead of 35 percent.

Any tax withheld in excess can be reclaimed after the year of the dividend payment by submitting a refund application to the Finnish Tax Administration no later than by the end of the third calendar year following the dividend payment year. During the year of dividend payment, the refund can be processed if custodians and dividend distributor fulfil the above-mentioned requirements laid down for actual dividend distribution. It is exceptionally also possible that any tax not withheld at source is later assessed directly to the shareholder by the Finnish Tax Administration, in case the failure to withhold tax at source is not due to negligence of the custodian or the dividend distributor.

Foreign companies residing in the EU Member States

Under Finnish tax laws, no withholding tax is levied on dividends paid to foreign corporate entities that reside, and are subject to corporate tax, in an EU member state as specified in Article 2 of the Parent Subsidiary Directive (2011/96/EU) and that directly hold at least 10 percent of the capital in the distributing Finnish company.

Foreign companies residing in the European Economic Area

Dividends paid to certain foreign companies residing in the EEA are either tax-exempt in full or a lowered rate of withholding tax is applied to them depending on how the dividend would be taxed if paid to a corresponding Finnish corporate entity. The applicable double taxation treaty may, however, require that an even lower withholding tax rate shall be applied. Full withholding tax is withheld from other dividends paid to non-resident companies, unless the applicable double taxation treaty dictates otherwise.

No withholding tax will be levied in Finland on dividends paid by a Finnish company to a non-resident entity, if (i) the entity receiving the dividend resides in the EEA; (ii) the Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation and Repealing Directive 77/799/EEC, as amended by the Council Directives 2014/107/EU and (EU) 2015/2376 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the recipient of the dividend; and (iii) the company receiving dividend is equivalent to a Finnish entity defined in section 33 d, subsection 4 of the Finnish Income Tax Act or in section 6 a of the Finnish Business Income Tax Act; (iv) the dividend would be tax-exempt in full if paid to a corresponding Finnish limited liability company (see above " – *Resident companies*"): and (v) the entity provides a report (a certificate from the home member state's tax authority) clarifying that in accordance with tax treaties applicable in the home state of the recipient of dividends, the withholding tax cannot be credited in full.

If dividend is paid to foreign company that fulfils the requirements presented above in section (iii) and resides in a country which fulfils the criteria set out in sections (i) and (ii), but the dividend would be only partly tax exempt if it was paid to a corresponding Finnish entity (see above " – *Resident companies*"), a withholding tax will be withheld on the dividends (see above " – *Non-residents*"), but the withholding tax for such dividends will be lowered to 15 percent (instead of 20 percent). Thus, notwithstanding entities as defined in the Parent Subsidiary Directive, which fulfil the criteria for tax exemption by directly owning at least 10 percent of the capital of the Finnish company paying the dividends (see above " – *Foreign companies residing in the EU Member States*"), the withholding tax rate of 15 percent will be applied to dividends paid to a foreign entity, if the shares of the Finnish company paying dividends belong to investment assets of the company receiving the dividends. Depending on the applicable taxation treaty, the applicable withholding tax can also be lower than 15 percent (see above " – *Non-residents*").

Foreign individuals residing in the European Economic Area

The dividends paid to a foreign non-resident individual can upon request by the individual in question be taxed, not in accordance with rules concerning withholding tax (see above " – *Non-residents*"), but instead in accordance with the Finnish Act on Assessment Procedure, and thus, as resident individuals in Finland are taxed (see above " – *Resident individuals*"), provided however that (i) the individual receiving the dividend resides in the EEA; (ii) the Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation and Repealing Directive 77/799/EEC, as amended by the Council Directives 2014/107/EU and (EU) 2015/2376 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the dividend recipient; and (iii) the individual provides a report (a certificate from the home member state's tax authority) clarifying that in accordance with the tax treaties applicable in the home state of the recipient of dividends, the withholding tax cannot be credited in full.

Capital gains

Resident individuals

Capital gains arising from the sale of shares, which are not part of the business activity of the shareholder, are taxable in Finland as capital gains of resident natural persons. A capital loss is primarily deductible from the capital gains and secondarily from other capital income.

Capital gains are currently taxed as capital income. A capital loss arising from the sale of shares that do not belong to the business activity of the shareholder is primarily deductible from the resident natural person's capital gains and secondarily

from other capital income arising in the same year and during the following five tax years. Capital losses will not be taken into account when calculating the capital income deficit for the fiscal year in question. Such capital losses do not increase the amount of the deficit-credit that is deductible from the taxes under the deficit-crediting system. Notwithstanding the above, capital gains arising from the sale of assets are exempt from tax provided that the proceeds of all assets sold by the resident individual during the calendar year do not, in the aggregate, exceed EUR 1,000 (not including proceeds of assets the sale of which is tax-exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of the assets in question does not, in the aggregate, exceed EUR 1,000.

Any capital gain or loss is calculated by deducting the original acquisition cost and the costs from acquiring the capital gain or loss (such as sales related expenses) from the sales price. Alternatively, individuals may, instead of deducting the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which is equal to 20 percent of the sales price or, if the shares have been held for at least ten years, 40 percent of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any selling expenses are deemed to be included therein and cannot be deducted separately from the sales price.

Resident natural persons have to report information relating to the sale of the Shares on their income tax return of the tax year concerned.

Resident companies

The following applies only to companies that are residents in Finland and taxed on the basis of the Finnish Business Income Tax Act. As a general rule, a capital gain arising from the sale of shares is taxable income of a limited company, which is taxed with a rate of 20 percent.

Shares may be fixed assets, current assets, investment assets (only financial, insurance, and pension institutes may have investment assets as referred to in this context), financial assets or other assets of a limited liability company. The taxation of a disposal of shares and loss of value may vary according to the asset type for which the shares qualify. Shares may only exceptionally qualify as other than business income source assets of a limited liability company. The provisions of the Finnish Income Tax Act are applied to the capital gains arising from the sale of assets from other income source.

The sales price from a sale of shares is generally included in the business income of a Finnish company. The acquisition cost of the shares is similarly deductible from a Finnish company's business income upon disposal of the shares. However, an exemption for capital gains on share disposals is available for Finnish companies, provided that certain strictly defined requirements are met. Under this so called participation exemption, capital gains arising from the sale of shares that are part of the fixed assets of a selling company that is not engaged in private equity activities are not considered as taxable business income and, correspondingly, capital losses incurred on the sale of such shares are not tax deductible provided, among other things, that (i) the selling company has directly and continuously for at least one year owned at least 10 percent of the share capital in the company whose shares are sold and such ownership of the sold shares has ended at the most one year before the sale and the shares sold belong to those shares; (ii) the company whose shares have been sold is not a real estate or residential housing company or a limited liability company whose activities, on a factual basis, mainly consist of ownership or possession of real estate; and (iii) the company whose shares are sold is resident in Finland, in another EU member state as specified in Article 2 of the Parent Subsidiary Directive or in a country with which Finland has entered into a tax treaty of double taxation that is applicable to dividends. Furthermore, in order for the capital gain to be tax-exempt, an operational connection between the company selling the shares and the company whose shares are sold has been required in case law.

Tax deductible capital losses pertaining to the sale of shares (other shares than shares sold under the participation exemption) that are part of the fixed assets of the selling company can only be deducted from capital gains arising from the sale of fixed assets shares in the same fiscal year and the subsequent five years. Tax deductible capital losses arising from the sale of shares belonging to other assets are tax deductible from capital gains arising from the sale of other assets in the same fiscal year and the subsequent five years. Capital losses arising from the sale of shares that are not part of fixed assets or other assets are tax deductible from taxable income in the same fiscal year and the subsequent ten years in accordance with the general rules concerning losses carried forward.

Non-residents

Non-residents who are not generally liable for tax in Finland are usually not subject to Finnish taxes on capital gains realised on the sale of shares in a Listed Company, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland for income tax purposes as referred to in the Income Tax Act and an applicable tax treaty and the shares are considered to be assets of that permanent establishment.

Finnish Transfer Tax

Transfer tax is not payable in connection with the issuance of new shares. There is no transfer tax payable in Finland on transfers or sales of shares admitted to trading on First North if the transfer is undertaken against a fixed pecuniary consideration. The transfer tax exemption requires that an investment firm, foreign investment firm or other investment service provider, as defined in the Finnish Investment Services Act (747/2012, as amended) is brokering or acting as a party to the transaction, or that the transferee has been approved as a trading party in the market where the transfer is executed. Further, if the broker or the counterparty to the transaction is not a Finnish investment firm, Finnish credit institution, or a Finnish branch or office of a foreign investment firm or credit institution, the transfer tax exemption requires that the transferee submits a notification of the transfer to the Finnish Tax Administration within two months of the transfer, or that the broker submits an annual declaration regarding the transfer to the Finnish Tax Administration as set forth in the Act on Assessment Procedure.

Certain separately defined transfers, such as those relating to equity investments or the distribution of funds, are not covered by the transfer tax exemption. In addition, the tax exemption does not apply to transfers carried out in order to fulfil the obligation to redeem minority shares under the Finnish Companies Act or to transfers in which consideration comprises in full or in part work contribution.

If the transfer or sale of the shares does not fulfil the above criteria for a tax exempt transfer, transfer tax at the rate of 1.6 percent of the transaction price or of the value of other consideration is payable by the purchaser. However, if the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm, fund management company or EEA alternative investment fund manager, the seller must collect the tax from the purchaser. If the broker is a Finnish stockbroker or credit institution or the Finnish branch or office of a foreign stockbroker or credit institution, it is liable to charge the transfer tax to the buyer and execute the payment on behalf of the buyer. If neither party to the transaction is resident in Finland or the Finnish branch or office of a foreign credit institution, investment service firm, fund management company or EEA alternative investment fund manager, no transfer tax is payable on the transfer of shares (excluding transfers of shares in real estate company, as defined in the Finnish Transfer Tax Act). No transfer tax is collected if the amount of the tax is less than EUR 10.

DOCUMENTS AVAILABLE FOR REVIEW

The duplicates of the following documents are available for review during the validity period of this Offering Circular within standard business hours at the registered office of the Company at Vaasanpuistikko 20 A, FI-65100 Vaasa, Finland:

- Articles of Association of Lemonsoft Oyj in effect as at the date of this Offering Circular;
- The Articles of Association of Lemonsoft Oyj as they will be registered with the Trade Register after the Company's Board of Directors have resolved on applying for the Company's Shares to be admitted to trading on First North;
- the Lemonsoft Group's audited consolidated financial statements as at and for the year ended 31 December 2020 including the cash flow statement prepared for the Offering Circular (and including the auditor's report), the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2019 (including the auditor's report) as well as the parent company Lemonsoft Oyj's audited financial statements as at and for the year ended 31 December 2018 including the cash flow statement prepared for the Offering Circular (and including the auditor's report);
- the Lemonsoft Group's unaudited financial information as at and for the nine months ended 30 September 2021, including comparative financial information as at and for the nine months ended 30 September 2020;
- the Offering Circular;
- auditor's report concerning pro forma financial information; and
- decision by the Finnish Financial Supervisory Authority regarding the Finnish Prospectus (in Finnish).

APPENDIX A – LEMONSOFT OYJ'S ARTICLES OF ASSOCIATION ON THE DATE OF THE OFFERING CIRCULAR

(The text of the appendix begins on the following page.)

LEMONSOFT OYJ'S ARTICLES OF ASSOCIATION ON THE DATE OF THE OFFERING CIRCULAR

The Articles of Association of the Company are presented below as they are registered with the Trade Register on the date of this Offering Circular. This is an unofficial English translation.

1 § Trade name and domicile

The company's trade name is Lemonsoft Oyj, and its registered office is in Vaasa.

2 § Field of operation

The company's field of operation is the design, development, sale and marketing of software as well as the provision of related support and maintenance services. The company can also produce, provide, develop, deliver, market and sell software development, consulting, training, office and administrative services as well as engage in the sale of information technology equipment. The company can own real estate and securities for the purposes of its operations. The company can engage in these operations either directly or through its subsidiaries or affiliates and joint ventures.

3 § Board of directors

The company's board of directors consists of three to eight members.

The term of office of the members of the board of directors expires at the end of the next annual general meeting of shareholders following their election.

4 § Managing director

The company has a managing director, whose appointment and dismissal is decided by the company's board of directors.

5 § Representation of the company

The company is represented by the chairman of the board of directors and the managing director, each individually, by any two members of the board of directors jointly, and by the person(s) to whom the board of directors has granted the right to represent the company.

The board of directors may also authorise one or more persons to represent the company by virtue of procuration rights.

6 § Place of the general meeting

The general meeting must be held in a place determined by the board of directors. In addition to the company's registered office, the general meeting can be held in Helsinki, Espoo or Vantaa.

7 § Notice convening the general meeting

The notice to convene a general meeting of shareholders must be delivered to the shareholders in writing (including by e-mail) no earlier than three (3) months and no later than one (1) week before the record date of the general meeting.

8 § Registration for the general meeting

In order to attend a general meeting of shareholders, a shareholder must notify the company thereof by registering for the meeting no later than the date and time set by the board of directors and stated in the notice convening the meeting, which may be no earlier than ten (10) days prior to the meeting.

9 § Annual general meeting

The annual general meeting must be held each year on a date determined by the board of directors within a period of six (6) months from the end of the financial period.

In the annual general meeting, the following shall be

presented:

(i) financial statements, including the report of the board of directors;

(ii) the auditor's report,

decided:

(iii) adoption of the financial statements;

(iv) use of profits shown on the balance sheet;

(v) granting discharge to the members of the board of directors and the managing director;

(vi) the number and remuneration of the members of the board of directors and the principles for remuneration of travelling costs;

(vii) the auditor's fee;

elected:

(viii) the members of the board of directors;

(ix) the auditor and

attended to:

(x) any other matters referred to in the notice of the meeting.

10 § Auditor

The company shall have one primary auditor, which shall be an auditing firm pursuant to the Auditing Act whose responsible auditor is an authorised public accountant (KHT). The term of the auditor expires at the end of the next annual general meeting of shareholders following the election.

11 § Consent clause

Acquiring shares in the company via assignment requires the consent of the company's board of directors. The application for the approval shall be made in writing. The company must within one month of receiving the application notify the applicant in writing of its decision. If no decision is given in this manner, consent will be deemed to have been given.

12 § Redemption clause

The shareholders and secondarily the company have the right to redeem shares transferred to a new shareholder outside the company from a party other than the company. The transferee shall without delay give notice of the transfer of the share in writing to the board of directors. The redemption right applies to all acquisitions. The following terms and conditions are applied to redemption:

(i) If more than one shareholder wishes to exercise their redemption right, the board of directors must divide the shares between the parties wishing to redeem in proportion to their shareholdings. If the shares cannot be divided evenly in this manner, the excess shares will be distributed amongst those wishing to redeem by drawing lots. If none of the shareholders exercise their right of redemption, the company has the right to redeem shares transferred to a new owner.

(ii) The board of directors must inform the shareholders of the transfer of shares within one month from issuing the notice concerning such a transfer. The notice must be delivered in the same manner as a notice to convene a general meeting of shareholders. The notice must include the redemption price and the date by which claims for redemption must be made.

(iii) The shareholders must submit a written redemption claim to the company within one month of the board of directors being notified of the transfer of shares.

(iv) The redemption price is the purchase price of the shares or, if the acquisition is gratuitous, the fair price of the shares, which the company's auditor will state, if necessary, applying generally accepted valuation methods.

(v) The company must decide upon redemption and present its redemption claim to the transferee within one month of the expiry of the time reserved for the shareholders to present their redemption claim. The company must notify the shareholders within the same time of whether the company will use its redemption right. The notice to the shareholders must be delivered in the same manner as a notice to convene a general meeting of shareholders.

Any disputes regarding the right of redemption and the redemption price must be referred to arbitration in accordance with the provisions of the Arbitration Act.

13 § Book-entry system

The shares of the company are incorporated in the book-entry system of securities after the registration period has ended.

APPENDIX B – LEMONSOFT OYJ'S NEW ARTICLES OF ASSOCIATION

(The text of the appendix begins on the following page.)

LEMONSOFT OYJ'S NEW ARTICLES OF ASSOCIATION

The Articles of Association of the Company are presented below as they will be registered with the Trade Register after the Company's Board of Directors have resolved on applying for the Company's Shares to be admitted to trading on First North. This is an unofficial English translation.

1 § Trade name and domicile

The company's trade name is Lemonsoft Oyj, and its registered office is in Vaasa.

2 § Field of operation

The company's field of operation is the design, development, sale and marketing of software as well as the provision of related support and maintenance services. The company can also produce, provide, develop, deliver, market and sell software development, consulting, training, office and administrative services as well as engage in the sale of information technology equipment. The company can own real estate and securities for the purposes of its operations. The company can engage in these operations either directly or through its subsidiaries or affiliates and joint ventures.

3 § Board of directors

The company's board of directors consists of three to eight members.

The term of office of the members of the board of directors expires at the end of the next annual general meeting of shareholders following their election.

4 § Managing director

The company has a managing director, whose appointment and dismissal is decided by the company's board of directors.

5 § Representation of the company

The company is represented by the chairman of the board of directors and the managing director, each individually, by any two members of the board of directors jointly, and by the person(s) to whom the board of directors has granted the right to represent the company.

The board of directors may also authorise one or more persons to represent the company by virtue of procuration rights.

6 § Place of the general meeting

The general meeting must be held in a place determined by the board of directors. In addition to the company's registered office, the general meeting can be held in Helsinki, Espoo or Vantaa.

7 § Notice convening the general meeting

The notice to convene a general meeting of shareholders must be delivered by publishing it on the company's website no earlier than three (3) months and no later than three (3) weeks before the general meeting, provided that the date of the publication must be at least nine (9) days before the record date of the general meeting.

8 § Registration for the general meeting

In order to attend a general meeting of shareholders, a shareholder must notify the company thereof by registering for the meeting no later than the date and time set by the board of directors and stated in the notice convening the meeting, which may be no earlier than ten (10) days prior to the meeting.

9 § Annual general meeting

The annual general meeting must be held each year on a date determined by the board of directors within a period of six (6) months from the end of the financial period.

In the annual general meeting, the following shall be

presented:

(i) financial statements, including the report of the board of directors;

(ii) the auditor's report,

decided:

(iii) adoption of the financial statements;

(iv) use of profits shown on the balance sheet;

(v) granting discharge to the members of the board of directors and the managing director;

(vi) the number and remuneration of the members of the board of directors and the principles for remuneration of travelling costs;

(vii) the auditor's fee;

elected:

(viii) the members of the board of directors;

(ix) the auditor and

attended to:

(x) any other matters referred to in the notice of the meeting.

10 § Auditor

The company shall have one primary auditor, which shall be an auditing firm pursuant to the Auditing Act whose responsible auditor is an authorised public accountant (KHT). The term of the auditor expires at the end of the next annual general meeting of shareholders following the election.

11 § Book-entry system

The shares of the company are incorporated in the book-entry system of securities after the registration period has ended.

APPENDIX C – AUDITOR'S REPORT CONCERNING PRO FORMA FINANCIAL INFORMATION

(The text of the appendix begins on the following page.)

KPMG Oy Ab
Töölönlahdenkatu 3 A
PO Box 1037
00101 Helsinki
FINLAND

Telephone +358 20 760 3000
www.kpmg.fi

Independent auditor's assurance report on the compilation of pro forma financial information included in a prospectus

To the Board of Directors of Lemonsoft Oyj

We have completed our assurance engagement to report on the compilation of pro forma financial information of Lemonsoft Oyj ("Company" and "Issuer") prepared by the board of directors of Lemonsoft Oyj. The unaudited pro forma financial information comprises the pro forma consolidated income statement for the nine-month period ended 30 September 2021 and for the twelve-month period ended 31 December 2020, and related notes and key figures, and it is set out in section "Unaudited Pro Forma Financial Information" of the prospectus dated 8 November 2021 issued by the Company. The applicable basis used by the board of directors of Lemonsoft Oyj in preparing the pro forma financial information is specified in Annex 20 of Commission Delegated Regulation (EU) 2019/980 and described in the section "Unaudited Pro Forma Financial Information" of the prospectus.

The pro forma financial information has been compiled by the board of directors to illustrate the impact of the transactions described in section "Pro Forma Financial Information" of the prospectus on Lemonsoft Oyj's financial performance for the nine-month period ended 30 September 2021 and the twelve-month period ended 31 December 2020, as if the transactions had taken place at 1 January 2020 for the pro forma consolidated income statement. As part of this process, information about Lemonsoft Oyj's financial performance has been extracted by the board of directors from Lemonsoft Oyj's consolidated financial statements for the period ended 31 December 2020, on which an audit report has been published in the prospectus and from Lemonsoft Oyj's consolidated financial information for the nine-month period ended 30 September 2021 on which no review report has been published.

The board of directors' responsibility for the pro forma financial information

The board of directors is responsible for compiling the pro forma financial information in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council and Commission Delegated Regulation (EU) 2019/980

The Practitioner's Independence and Quality Control

We are independent from Lemonsoft Oyj according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted.

The practitioner applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The practitioner's responsibilities

Our responsibility is to express an opinion, as required by section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980, as to whether the pro forma financial information has been compiled, in all material respects, by the board of directors on the basis stated and whether that basis is consistent with the accounting policies applied by the issuer.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420) *Assurance engagements to report on the compilation of pro forma financial information*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance as to whether the pro forma financial information has been compiled by the board of directors, in all material respects, in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council and Commission Delegated Regulation (EU) 2019/980.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the basis used by the board of directors in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

— the basis stated has been consistently applied in the pro forma adjustments; and

— the resulting pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

— the pro forma financial information has been properly compiled on the basis stated on in the section "Unaudited Pro Forma Financial Information" of the prospectus dated 8 November 2021 and

— the basis stated is consistent with the accounting policies applied by Lemonsoft Oyj.

Restriction to the distribution of the report

This report has been issued solely for the purposes of including in the prospectus prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council and Commission Delegated Regulation (EU) 2019/980. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Helsinki 8 November 2021

KPMG OY AB

Kim Järvi
Authorised Public Accountant, KHT

APPENDIX D – FINANCIAL INFORMATION

Table of contents of financial information

THE LEMONSOFT GROUP'S UNAUDITED FINANCIAL INFORMATION AS AT AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021, INCLUDING UNAUDITED COMPARATIVE FINANCIAL INFORMATION AS AT AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

Lemonsoft Oyj

Financial information for the period 1.1.-30.9.2021

This review does not meet the requirements of the First North rulebook for the quarterly financial reports

Business ID 2017863-1

Headquarters Vaasa

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CONSOLIDATED INCOME STATEMENT

EUR	1-9/2021	1-9/2020
NET SALES	**12,284,082.38**	**9,937,606.63**
Other operating income	44,203.42	70,000.00
Materials and services		
Materials and consumables		
Purchases during the financial year	-714,283.25	-722,506.53
Change in inventories	29,344.10	-6,598.49
External services	-644,143.42	-454,972.26
Total materials and services	-1,329,082.57	-1,184,077.28
Personnel expenses		
Salaries and fees	-4,591,405.41	-3,667,970.82
Pension expenses	-835,684.15	-634,411.54
Other social security expenses	-125,846.71	-77,964.78
Total personnel expenses	-5,552,936.27	-4,380,347.14
Depreciation and amortization according to plan		
Depreciation and amortization according to plan	-316,305.73	-291,174.42
Goodwill amortization	-496,228.87	-360,037.55
Total depreciation and amortization	-812,534.60	-651,211.97
Other operating expenses	-1,267,661.04	-931,953.11
EBIT	**3,366,071.32**	**2,860,017.13**
Financial income and expenses		
Other interest and financial income		
From others	3,448.31	4,509.52
Other interest and financial expenses		
To others	-15,039.88	-10,115.58
Total financial income and expenses	-11,591.57	-5,606.06
PROFIT (LOSS) BEFORE TAXES	**3,354,479.75**	**2,854,411.07**
Income taxes		
Taxes for the financial year	-698,012.24	-639,275.16
Total income taxes	-698,012.24	-639,275.16
Minority interest	21,614.81	3,919.55
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**2,634,852.70**	**2,211,216.36**

CONSOLIDATED BALANCE SHEET

EUR	9/2021	9/2020
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	0.00	163.62
Goodwill	1,030,512.46	222,410.80
Consolidation goodwill	5,805,764.04	3,384,585.70
Development costs	72,500.04	127,499.97
Total intangible assets	6,908,776.53	3,734,660.09
Tangible assets		
Buildings and structures	251,547.89	262,029.08
Machinery and equipment	259,332.80	268,242.64
Works of art	0.00	1,500.00
Other tangible assets	53,618.81	138,477.38
Total tangible assets	564,499.50	670,249.10
Investments		
Other investments	1,495,314.87	1,493,838.96
Total Investments	1,495,314.87	1,493,838.96
TOTAL NON CURRENT ASSETS	**8,968,590.91**	**5,898,748.15**
CURRENT ASSETS		
Inventories		
Materials and supplies	56,174.48	29,667.51
Total Inventories	56,174.48	29,667.51
Receivables		
Current receivables		
Accounts receivables	1,037,361.52	749,490.19
Other receivables	110,346.31	96,987.81
Accrued receivables	57,986.17	19,276.65
Total current receivables	1,205,694.00	865,754.65
Cash at bank and on hand	4,537,069.99	4,107,230.34
TOTAL CURRENT ASSETS	**5,798,938.47**	**5,002,652.50**
Total Assets	**14,767,529.38**	**10,901,400.65**
EQUITY		
Share capital	80,000.00	8,000.00
Invested unrestricted equity reserve	35,565.64	0.00
Retained earnings	4,633,553.14	3,780,076.76
Profit (Loss) for the financial year	2,634,852.70	2,211,216.37
Invested unrestricted equity	0.00	200,000.00
TOTAL EQUITY	**7,383,971.47**	**6,199,293.13**
Minority interest	**22,594.81**	**3,919.55**
LIABILITIES		
Non-current liabilities		
Loans from financial institutions	2,750,000.00	1,750,000.00
Total non-current liabilites	2,750,000.00	1,750,000.00
Current liabilities		
Loans from financial institutions	1,000,000.00	500,000.00
Advances received	592,853.19	552,984.59

Account payables	433,472.29	275,234.69
Other payables	829,738.28	692,565.31
Accrued liabilities	1,754,899.33	927,403.38
Total current liabilities	4,610,963.09	2,948,187.97
TOTAL LIABILITIES	**7,360,963.09**	**4,698,187.97**
Total equity and liabilities	**14,767,529.37**	**10,901,400.65**

CONSOLIDATED CASH FLOW STATEMENT

EUR	1-9/2021	1-9/2020
Cash flow from operating activities:		
Profit (Loss) before extraordinary items	3,354,479.75	2,854,411.07
Adjustments:	846,660.83	660,148.22
Depreciation and amortisation according to plan	812,534.60	651,211.97
Unrealised exchange rate gains and losses		
Non-cash items	22,534.66	14,542.31
Financial income and expenses	11,591.57	-5,606.06
Cash flow before change in working capital	4,201,140.58	3,514,559.29
Change in working capital:	387,930.85	166,424.28
Change in current non-interest-bearing operating	-111,432.57	116,067.48
Change in inventories (increase (-) / decrease (+))	-29,344.10	6,598.49
Change in current non-interest-bearing payables	528,707.52	43,758.31
Cash flow from operating activities before financial	4,589,071.43	3,680,983.57
Interest and other operating financial expenses	-15,039.88	10,115.58
Interest received from operations	3,448.31	-4,509.52
Direct taxes paid	-840,639.82	-639,275.16
Net financial items and taxes	-852,231.39	-633,669.10
Net cash from operating activities (A)	**3,736,840.04**	**3,047,314.47**
Cash flow from investing activities:		
Acquisition of intangible and tangible assets	-2,768,351.32	-215,122.88
Proceeds from sale of tangible and intangible assets	75,161.55	57,000.00
Acquired shares in subsidiaries	-1,146,888.78	-3,277,641.38
Net cash used in investing activities (B)	**-3,840,078.55**	**-3,435,764.26**
Cash flow from financing activities:		
Dividends paid	-2,210,000.00	-1,530,000.00
Repayment of non-current loans	1,750,000.00	2,250,000.00
Net cash from financing activities (C)	**-460,000.00**	**720,000.00**
Change in cash at hand and in banks (A + B + C)	**-563,238.51**	**331,550.21**
Cash at hand and in banks at 1 January	5,100,308.50	3,775,680.13
Cash at hand and in banks at 31 December	**4,537,069.99**	**4,107,230.34**
Change in cash	-563,238.51	331,550.21

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR	1-9/2021	1-9/2020
Restricted equity		
Share capital at 1 January	8,000.00	13,500.00
Share capital at the end of reporting period	80,000.00	8,000.00
Total resricted equity	**80,000.00**	**8,000.00**
Free equity		
Invested unrestricted equity reserve 1 January	35,565.64	0.00
Invested unrestricted equity reserve at the end of	35,565.64	0.00
Invested unrestricted equity reserve total	35,565.64	0.00
Retained earnings at 1 January	6,843,553.13	5,310,076.76
Dividends distributed	-2,210,000.00	-1,530,000.00
Retained earnings at the end of reporting period	4,633,553.13	3,780,076.76
Profit for the financial year	2,634,852.70	2,211,216.36
Total free equity	7,303,971.47	5,991,293.12
Capital loans		
Capital loans 1 January	0.00	0.00
Capital loans at the end of reporting period	0.00	200,000.00
Total capital loan	0.00	200,000.00
TOTAL EQUITY	**7,383,971.47**	**6,199,293.12**

GROUP'S COMMITMENTS

EUR	9/2021	9/2020
Rental obligations		
Rental obligations < 1 y	120,099.79	43,676.62
Rental obligations > 1 y	11,470.00	645.00
Total rental obligations	**131,569.79**	**44,321.62**
Lease obligations		
Lease obligations < 1 y	1,605.86	20,621.71
Lease obligations > 1 y	0	0.00
Residual value liability for leasing	0	68,580.63
Total lease obligations	**1,605.86**	**89,202.34**
Cash pledges (movable object, security)	1,072,586.96	1,072,586.96
Business mortgage, parent company	1,500,000.00	500,000.00
Total	**2,572,586.96**	**1,572,586.96**

THE LEMONSOFT GROUP'S AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020 INCLUDING THE CASH FLOW STATEMENT PREPARED FOR THE OFFERING CIRCULAR (INCLUDING THE AUDITOR'S REPORT)

Lemonsoft Oyj

Financial statements

1 January 2020-31 December 2020

Unofficial translation

These financial statements must be stored at least until 31 December 2030.

Address Vaasanpuistikko 20 4th floor
65100 VAASA
FINLAND

Business ID 2017863-1

Domicile Vaasa

Lemonsoft Oyj

Financial statements 1 January 2020 – 31 December 2020

Contents

Consolidated income statement

	1 January 2020-31 December 2020
NET SALES €	**13 587 989,74**
Other operating income	55,810.18
Materials and services	
Materials and consumables	
Purchases during the financial year	-942,625.39
Change in inventories	-9,435.62
External services	
External services	-695,389.07
Total materials and services	**-1,647,450.08**
Personnel expenses	
Salaries and fees	-5,150,130.18
Pension expenses	-783,805.87
Other social security expenses	-130,633.38
Total personnel expenses	**-6,064,569.43**
Depreciation, amortization and impairment	
Depreciation and amortization according to plan	-425,440.34
Amortisation of consolidation goodwill	-463,137.98
Total depreciation, amortization and impairment	**-888,578.32**
Other operating expenses	-1 137,410.84
EBIT	**3,905,791.25**
Financial income and expenses	
Other interest and financial income	
From others	5,657.59
Interest and other financial income	
To others	-19,063.02
Total financial income and expenses	**-13,405.43**
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**3,892,385.52**
Income taxes	
Taxes of the financial year	-916,761.31
Total income taxes	**-916,761.31**
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**2,975,624.51**

Consolidated balance sheet

ASSETS €	31 December 2020
NON-CURRENT ASSETS	
Intangible assets	
Goodwill	391,103.69
Consolidation goodwill	3,207,227.69
Development costs	109,999.98
Total intangible assets	**3,708,331.36**
Tangible assets	
Buildings and structures	259,327.76
Machinery and equipment	246,645.84
Works of art	1,500.00
Other tangible assets	117,262.76
Total tangible assets	**624,736.36**
Investments	
Shares in group companies	1,020.00
Other investments	1,493,838.96
Total investments	**1,494,858.96**
Total NON-CURRENT ASSETS	**5,827,926.68**
CURRENT ASSETS	
Inventories	
Materials and consumables	26,830.38
Total inventories	**26,830.38**
Receivables	
Current	
Account receivables	823,408.67
Accrued receivables	46,385.54
Total current	**869,794.21**
Cash at bank and in hand	5,098,775.69
Total CURRENT ASSETS	**5,995,400.28**
Total assets	**11,823,326.96**

EQUITY AND LIABILITIES €	31 December 2020
EQUITY	
Share capital	13,500.00
Reserve for invested unrestricted equity	35,565.64
Retained earning	3,763,560.86
Profit (loss) for the financial year	2,975,624.51
Capital loans	200,000.00
Total EQUITY	**6,988,251.01**
LIABILITIES	
Non-current	
Loans from financial institutions	1,500,000.00
Total non-current	**1,500,000.00**
Current	
Loans from financial institutions	500,000.00
Advances received	469,706.37
Accounts payable	443,541.87
Other payables	678,661.43
Accrued liabilities	1,243,166.28
Total current	**3,335,075.95**
Total LIABILITIES	**4,835,075.95**
Total equity and liabilities	**11,823,326.96**

Consolidated cash flow statement

Indirect cash flow statement

	2 020
Cash flows from operating activities:	
Profit (loss) before extraordinary items	3,892,385.82
Adjustments:	
Depreciation and amortization according to plan	888,578.32
Unrealized exchange rate gains and losses	
Non-cash items	16,774.74
Financial income and expenses	13,405.43
Other adjustments	0.00
Cash flows before change in working capital	4,811,144.31
Change in working capital:	
Change in current non-interest-bearing operating receivables (increase (-) / decrease (+))	109,795.49
Change in inventories (increase (-) / decrease (+))	9,435.62
Change in current non-interest-bearing payables (increase (+) / decrease (-))	367,090.85
Cash flow from operating activities before financial items and taxes	5,297,466.27
Interest and other operating financial expenses paid	-19,063.02
Dividends received from operations	0.00
Interest received from operations	5,657.59
Direct taxes paid	-828,656.14
Net cash from operating activities (A)	**4,455,404.70**
Cash flows from investing activities:	
Acquisition of intangible and tangible assets	-239,025.41
Proceeds from sale of tangible and intangible assets	57,000.00
Acquisition of other investments	0.00
Acquired shares in subsidiaries	-3,420,283.73
Taxes on gains on disposal	0.00
Net cash used in investing activities (B)	**-3,602,309.14**
Cash flows from financing activities:	
Dividends paid	-1,530,000.00
Repayment of non-current loans	2,000,000.00
Group contribution paid	0.00
Net cash from financing activities (C)	**470,000.00**
Change in cash at hand and in banks (A + B + C) (increase (+) / decrease (–))	**1,323,095.56**
Cash at hand and in banks on 1 January	3,775,680.13
Cash at hand and in banks on 31 December	**5,098,775.69**
	1,323,095.56

Notes

Accounting policies for financial statements

This set of financial statements for financial year 2020 is only to be included in the prospectus prepared in connection with the listing of Lemonsoft Oyj and for listing the Company's shares on Nasdaq Helsinki Oy's First North Growth Market. This material may not be used for any other purpose. These Financial statements are not the Company's statutory financial statements and have not been approved by the Company's Annual General Meeting.

The consolidated financial statements do not include comparative information for previous years, as the Group was established in the current year.

WorkIn Oy, established on 1 October 2020, had no business transactions in the period 1 October 2020 – 31 December 2020 and consequently was not consolidated (Accounting Act, chapter 6, section 3, subsections 1(1-2).

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

Recognition and measurement principles of non-current assets

Non-current assets are carried at cost consisting of related direct expenditures less amortization/depreciation according to plan. The amortization and depreciation according to plan is recognized on the straight-line basis plan over the estimated useful lives of the non-current assets, except for the building which is depreciated using the declining balance method (4%) in accordance with the Finnish Business Income Tax Act (BITA).

Amortisation/Depreciation periods:

Development costs	5 years
Intangible rights	3 years
Goodwill	5-8 years
Other tangible assets	5 years
Machinery and equipment	5 years

Inventories

Inventories are stated at cost.

Measurement principles of receivables, investments and liabilities

Accounts receivable, loan and other receivables as well as accrued receivables recognized under receivables, are measured at the lower of face value and probable value in accordance with the Accounting Act (hereafter 'AA'), chapter 5, section 2, subsection 1. Investments and other similar financial assets are measured at the lower of cost and probable fair market value. Liabilities are carried at the higher of face value and the value calculated on the basis of the appropriate index.

Accounting principles for consolidated financial statements

Consolidated entities

The consolidated financial statements comprise the following group companies.

Company	Ownership
Lemonsoft Oyj	parent company
Aacon Oy	100%
Lixani Oy	51%

Accounting policies for consolidated financial statements

Mutual shareholdings are accounted for by using the acquisition method. The excess of the consideration for a subsidiary over the equity corresponding to the share acquired is presented as consolidation goodwill.

Intra-group transactions, mutual receivables and liabilities as well as internal profit distribution are eliminated.

Events after the financial year-end

In early 2021 demand has remained on the same level compared to the previous year. The Group's net sales and profitability are increasing on a year-on-year basis.

During the financial year 2021 Lemonsoft Oyj has made several acquisitions. On February 12, 2021 Lemonsoft Oy acquired the entire share capital of Metsys Oy (0920514-1). In June 2021 Lemonsoft Oyj acquired the business of Talosofta from Alma Mediapartners Oy. On 18 August 2021 Lemonsoft Oyj acquired the entire share capital of PlanMill Oy (2062705-4).

Aacon Oy (2299480-0) was merged with Lemonsoft Oyj on March 31, 2021.

By unanimous decision of the shareholders on August 30, 2021 it has been decided to change the Company's corporate form into a public limited company and to increase the Company's share capital as a fund increase to reach the required limit of EUR 80,000 for public limited companies. By the same unanimous decision of the shareholders on August 30, 2021, it was decided to carry out a share split, in which 24,999 new shares will be issued for each existing share.

Notes on income statement

Net sales

Net sales comprise monthly recurring revenue and revenue from services, recognized using accrual accounting.

Other operating income

Other operating income includes development funding received from Business Finland.

Personnel

	Group
	2020
Average number of personnel during the financial year	102

Management remuneration

	Group
	2020
CEO	158,456.88
Members of the Board of Directors	64,000.00

Notes on assets

Capitalised development costs – amortisation period and method

The development costs attributable to the LemonOnline software, carried out in 2016 and 2017, are amortized on a straight-line basis over five years. The capitalized development costs attributable to the Angular 6 project completed in 2018 and totaling EUR 150,000 are amortized on a straight-line basis over five years.

Intangible rights – amortization period and method

The cost of software licenses recognized in intangible rights and held under non-current assets are amortized on a straight-line basis over three years.

Other non-current expenditures – amortization period and method

Other non-current expenditures under non-current assets comprise refurbishment costs for business premises recognized in 2017 and 2018 and are amortized on a straight-line basis over five years.

Material items under Accrued receivables

	Group
Receivables for salaries	256.78
Rental receivables	17,180.00
Tax receivables	3,028.76
Prepaid costs	25,920.00
Total Accrued receivables	**46,385.54**

Group's intangible and tangible assets

The Group's non-current assets mainly comprise the intangible and tangible assets and investments of Lemonsoft Oyj.

Intangible assets of the Group

	Intangible assets	Goodwill	Consolidation goodwill	Other tangible assets	Total
Cost at 1 January 2020	14,860.69	689,573.56	0.00	350,000.00	1,054,434.25
Additions	0.00	239,025.41	3,670,365.67	0.00	239,025.41
Disposals	0.00	0.00	0.00	0.00	0.00
Transfer between classes	0.00	0.00	0.00	0.00	0.00
Cost at 31 December 2020	14,860.69	928,598.97	3,670,365.67	350,000.00	1,293,459.66
Accumulated amortizations and impairment at 1 January 2020	12,157.81	367,710.40	0.00	169,999.98	549,868.19
Accumulated amortization on disposals and transfers	0.00	0.00	0.00	0.00	0.00
Amortization for the financial year	2,702.88	169,784.88	463,137.98	70,000.04	242,487.80
Impairment	0.00	0.00	0.00	0.00	0.00
Accumulated amortisation at 31 December 2020	14,860.69	537,495.28	463,137.98	240,000.02	792,355.99
Revaluation	0.00	0.00	0.00	0.00	0.00
Book value at 31 December 2020	**0.00**	**391,103.69**	**3,207,227.69**	**109,999.98**	**3,708,331.36**
Book value at 31 December 2019	2,702.88	321,863.16	0.00	180,000.02	504,566.06

Tangible assets of the Group

	Buildings and structures	Machinery and equipment	Works of art	Other tangible assets	Total
Cost at 1 January 2020	331,300.00	565,715.55	1,500.00	424,292.52	1,322,808.07
Additions	0.00	273.22	0.00	0.00	273.22
Disposals	0.00	63,010.62	0.00	0.00	63,010.62
Transfer between classes	0.00	0.00	0.00	0.00	0.00
Cost at 31 December 2020	331,300.00	628,999.39	1,500.00	424,292.52	1,386,091.91
Accumulated amortizations and impairment at 1 January 2020	61,166.96	170,227.87	0.00	222,171.28	453,566.11
Accumulated amortization on disposals and transfers	0.00	0.00	0.00	0.00	0.00
Amortization for the financial year	10,805.28	86,104.44	0.00	84,858.48	181,768.20
Impairment	0.00	0.00	0.00	0.00	0.00
Accumulated amortisation at 31 December 2020	71,972.24	256,332.31	0.00	307,029.76	635,334.31
Revaluation	0.00	0.00	0.00	0.00	0.00
Book value at 31 December 2020	**259,327.76**	**246,645.84**	**1,500.00**	**117,262.76**	**624,736.36**
Book value at 31 December 2019	270,133.04	395,487.68	1,500.00	202,121.24	869,241.96

Investments of the Group

	In group companies	Other shares and similar rights of ownership	Total
Cost at 1 January 2020	1,020.00	1,493,838.96	1,494,858.96
Additions	0.00	233,680.00	233,680.00
Interest cost capitalised	0.00	0.00	0.00
Deductions	0.00	233,680.00	233,680.00
Transfer between classes	0.00	0.00	0.00
Cost at 31 December 2020	1,020.00	1,493,838.96	1,494,858.96
Accumulated amortizations and impairment on 1 January 2020	0.00	0.00	0.00
Accumulated amortization on disposals and transfers	0.00	0.00	0.00
Amortization for the financial year	0.00	0.00	0.00
Impairment	0.00	0.00	0.00
Impairment reversal	0.00	0.00	0.00
Accumulated amortisation at 31 December 2020	0.00	0.00	0.00
Revaluation	0.00	0.00	0.00
Book value at 31 December 2020	**1,020.00**	**1,493,838.96**	**1,494,858.96**
Book value at 31 December 2019	1,020.00	1,493,838.96	1,494,858.96

Notes on equity and liabilities

Changes in equity

	GROUP
EQUITY	**2020**
Restricted equity	
Share capital at 1 January	13,500.00 €
Share capital at 31 December	13,500.00 €
Total restricted equity at 31 December	13,500.00 €
Unrestricted equity	
Reserve for invested unrestricted equity at 1 January	0.00 €
Reserve for invested unrestricted equity at 31 December	35,565.64 €
	35,565.64 €
Retained earnings at 1 January	5,293,560.86 €
Dividends distributed	-1,530,000.00 €
Retained earnings at 31 December	3,763,560.86 €
Profit/Loss for the financial year	2,975,624.51 €
Total unrestricted equity at 31 December	6,774,751.01 €
Capital loans	
Capital loans at 31 December 2020	200,000.00 €
TOTAL EQUITY	**6,988,251.01 €**

Non-current liabilities maturing after more than five years

The parent company has no non-current liabilities maturing after more than five years.

Material items under Accrued liabilities

	Group
Holiday pay liability including social costs	719,731.62
Tax liability	183,939.12
Other	339,495.54
Total Accrued liabilities	**1,243,166.28**

Collaterals and commitments

In rem collaterals

Form of collateral	Parent company
Deposited security (movable property or a security)*	1,072,586.96 €
Corporate mortgage, parent company	500,000.00 €
Total	**1 572,586.96 €**

* The value of the deposited security corresponds to the acquisition price of the pledged real estate shares.

Rental and lease obligations

	Group 2020
Rental obligations < 1 v	39,760.71
Rental obligations > 1 v	258.00
Lease obligations < 1 v	12,274.36
Lease obligations > 1 v	0.00
Residual value obligations for leases	68,580.63

Other financial obligations

The company is obligated to review the VAT deductions made on the property investments completed in 2017-2018 if the taxable use of the property declines over the review period. The last review year is 2028.

Auditor's fees

	Group 2020
Audit	15,059.50
Audit-related assignments	203.00
Tax advisory	0.00
Other services	0.00
Total	**15,262.50**

Notes on related parties

The members of the company's Board of Directors and the management team, and the persons and entities considered to be their related parties, have no material business relationships with the company. No non-routine transactions with related parties have been carried out. The employee benefits of management are on the same level as in the previous year.

Signatures for the financial statements

In Vaasa on 4th of November 2021

Christoffer Häggblom Kari Joki-Hollanti Michael Richter

Saila Miettinen-Lähde Ilkka Hiidenheimo

Auditor's note

A report on the audit performed has been issued today.

In Vaasa on 8th of November 2021

KPMG Oy

Kim Järvi

Authorized Public Accountant, KHT

List of accounting books and materials

Accounting books, voucher classes and their retention method

Financial statements

- Financial statements and balance sheet specifications

List of accounts and balances

- Income statement, by account
- Balance sheet, by account
- List of accounts

Accounting books

- General ledgers
- Sales ledger
- Purchase ledger
- Payroll accounting

Voucher classes

Class	Definition	Vouchers, pcs
2	YP accrual	60
3	Revenue	32
4	Purchases	24
5	Salaries	13
6	Bank statements	157
8	Opening balances	1
9	Memo vouchers	175
99	VAT entry	12

Retention of vouchers

The vouchers for the financial year, correspondence regarding transactions and other accounting material must be retained for at least six years after the end of the year during which the financial year ended (AA, chapter 2, section 10, subsection 2).

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FINLAND

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Auditor's Report

To the Board of the Directors of Lemonsoft Oyj

Opinion

We have audited the consolidated financial statements of Lemonsoft Oyj (business identity code 2017863-1), prepared to be included in a prospectus, which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated income statement and cash flow statements for the twelve-month period ended December 2020 and notes to the consolidated financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the company's financial position as at 31 December 2020 and financial performance for the twelve-month period ended 31 December 2020 in accordance with the laws and regulations governing the preparation of financial statements in Finland.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Consolidated Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and are also responsible for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors and the Managing Director are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The consolidated financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events so that the consolidated financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This auditors' report has only been issued to be included in a prospectus prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and Council and Commission Delegated Regulation (EU) 2019/980. Lemonsoft Oyj has prepared a separate set of statutory financial statements for the financial year 1 January to 31 December 2020 which also include the parent company financial statements in accordance with laws and regulations governing the preparation of financial statements in Finland. We have on 10 March 2021 issued an auditors' report on the statutory financial statements to the shareholders of Lemonsoft Oyj.

Helsinki 8 November 2021

KPMG OY AB

Kim Järvi
Authorised Public Accountant, KHT

THE PARENT COMPANY LEMONSOFT OYJ'S AUDITED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2019 (INCLUDING THE AUDITOR'S REPORT)

Lemonsoft Oy

Financial statements and report of the Board of Directors

1 January 2019-31 December 2019

Unofficial translation

These financial statements must be stored at least until 31 December 2029.

Address Vaasanpuistikko 20 4th floor **Business ID** 2017863-1 **Domicile** Helsinki
65100 VAASA
FINLAND

Lemonsoft Oy

Financial statements 1 January 2019 – 31 December 2019

Contents

Report of Board of Directors

Significant events during the financial year

Good demand for Lemonsoft's products and services continued also in 2019 and net sales increased by 12.18% compared to the previous year. Cost level remained moderate and increase in net sales contributed to good result.

On 2 December 2019 Lemonsoft Oy acquired all shares in Ohjelma-Aitta Oy resulting in formation of a group but no consolidation will be made for preparation of the annual financial statements. Ohjelma-Aitta Oy will be merged into Lemonsoft Oy in spring 2020. (based on the Accounting Act, chapter 6, section 3, subsections 1(1-2)).

Significant events after the financial year-end

On 2 January 2020 Lemonsoft Oy acquired all shares in Aacon Oy. The software Kellokortti.fi developed by Aacon complements the comprehensive solution of Lemonsoft.

In early 2020 demand has remained on the same level compared to the previous year. The company's net sales and profitability are increasing on a year-on-year basis.

Estimate of probable future developments

Company management is forecasting positive development in net sales in the financial year.

Information on scope and extent of research and development activities

The company has invested heavily in development activities and will continue this. All development costs for 2019 have been expensed.

Estimate of most significant risks and uncertainties

The Lemonsoft solution is suitable for most types of businesses without tailoring. A wide customer base and the business model based on monthly recurring revenue significantly reduce uncertainties.

The availability and retention of staff is essential for operating activities. The company has been able to manage the risk well, thanks to the good employer image.

The information security risk related to the operations is managed using the information security policy.

Financial indicators

The company's operations were very profitable in the financial year ended. The following indicators reflect the company's result and financial position:

	2019	2018	2017
Net sales	10,638,749	9,484,328	7,918,540
EBIT	3,138,613	2,498,405	1,999,505
EBIT, % of net sales	30%	26%	25%
Return on equity, %	45%	45%	50%
Equity ratio	78%	67%	58%

Non-financial indicators on personnel

	2019	2018	2017
Average number of personnel during the financial year	78	74	62
Salaries of the financial year (1,000 €)	3,963	3,577	2,973

The company had on average 76 full-time employees and additionally two part-time employees during the financial year. In general, employment contracts are open-ended.

Proposal of Board of Directors for use of profits of company

The distributable funds of the company total EUR 5,327,708.04 including EUR 2,483,754.07 profit for the financial year. The Board proposes to the Annual General Meeting that the distributable funds be allocated as follows:

Divided of EUR 2,250 per share be paid	1,530,000.00
To be retained in equity	3,797,708.04
	5,327,708.04

After the end of the financial year there has been no material changes in the financial position of the company. The company's liquidity is good and, according to the Board of Directors' understanding, the proposed distribution of profit does not endanger liquidity.

Company shares

The company has 680 shares. Each share entitles the holder to one vote at the Annual General Meeting. All shares have equal rights to dividends and company assets.

Loans and obligations in respect of related parties

No loans have been granted to the persons considered to be the company's related parties, nor any guarantees or other collaterals given on their behalf.

Information on sufficiency of equity

Equity at 31 December 2019	5,512,708.06
Cumulative depreciation difference	0
Capital loan	0
Difference between the book value of subsidiary shares and their fair value	0
Difference between the book value of a building and its fair value	0
Equity under the Finnish Limited Liability Companies Act (chapter 20, section 23)	**5,512,708.06**

Company organisation, management and auditor

Harri Karttunen, Kari Joki-Hollanti, Christoffer Häggblom, Michael Richter and Jani Tyyni have served as Board members appointed by the Annual General Meeting held on 15 March 2019. Harri Karttunen has acted as the Chairman of the Board, and Kari Joki-Hollanti as the CEO. KPMG Oy, a firm of authorised public accountants, is the company's auditor, with Anne Kulla, authorised public accountant KHT, as the responsible auditor.

Balance sheet

ASSETS €	31 December 2019	31 December 2018
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	2,702.88	6,875.48
Goodwill	321,863.16	459,777.84
Development costs	180,000.02	250,000.00
Total intangible assets	**504,566.06**	**716,653.32**
Tangible assets		
Buildings and structures	270,133.04	281,388.56
Machinery and equipment	319,760.74	157,978.03
Works of art	1,500.00	1,500.00
Other tangible assets	202,121.24	286,979.72
Total tangible assets	**793,515.02**	**727,846.31**
Investments		
Shares in group companies	230,000.00	0.00
Other investments	1,393,838.96	1,393,838.96
Total investments	**1,623,838.96**	**1,393,838.96**
Total NON-CURRENT ASSETS	**2,921,920.04**	**2,838,338.59**
CURRENT ASSETS		
Receivables		
Current		
Accounts receivable	788,607.77	861,049.18
Accounts receivable from group companies	24,017.62	0.00
Other receivables	500.05	18,716.60
Accrued receivables	58,423.49	67,695.15
Total current	**871,548.93**	**947,460.93**
Cash at bank and in hand	3,775,680.13	3,041,103.09
Total CURRENT ASSETS	**4,647,229.06**	**3,988,564.02**
Total assets	**7,569,149.10**	**6,826,902.61**

Balance sheet

EQUITY AND LIABILITIES €	31 December 2019	31 December 2018
EQUITY		
Share capital	8,000.00	8,000.00
Retained earnings	3,020,953.99	2,333,334.03
Profit (Loss) for the financial year	2,483,754.07	1,911,619.96
Total EQUITY	**5,512,708.06**	**4,252,953.99**
LIABILITIES		
Non-current		
Loans from financial institutions	0.00	555,446.96
Total non-current		**555,446.96**
Current		
Loans from financial institutions	0.00	234,924.86
Advances received	491,181.99	512,830.80
Accounts payable	405,989.09	179,632.09
Other payables	407,205.47	444,135.23
Accrued liabilities	752,064.49	646,978.68
Total current	**2,056,441.04**	**2,018,501.66**
Total LIABILITIES	**2,056,441.04**	**2,573,948.62**
Total equity and liabilities	**7,569,149.10**	**6,826,902.61**

Income statement

	1 January 2019 -31 December 2019	1 January 2018 -31 December 2018
NET SALES €	**10,638,749.31**	**9,484,328.13**
Other operating income	0.00	12,221.55
Materials and services		
Materials and consumables		
Purchases during the financial year	-748,997.30	-394,853.19
External services		
External services	-590,152.77	-524,113.04
Total materials and services	**-1,339,150.07**	**-918,966.23**
Personnel expenses		
Salaries and fees	-3,962,851.07	-3,577,473.80
Pension expenses	-682,455.60	-637,856.05
Other social security expenses	-89,032.75	-83,151.27
Total personnel expenses	**-4,734,339.42**	**-4,298,481.12**
Depreciation, amortisation and impairment		
Depreciation and amortisation according to plan	-365,518.65	-353,636.07
Total depreciation, amortisation and impairment	**-365,518.65**	**-353,636.07**
Other operating expenses	-1,061,128.36	-1,497,061.19
EBIT	**3,138,612.81**	**2,428,405.07**
Financial income and expenses		
Other interest and financial income		
From others	6,943.69	5,444.44
Interest and other financial expenses		
To others	-2,858.09	-9,298.93
Total financial income and expenses	**4,085.60**	**-3,854.49**
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**3,142,698.41**	**2,424,550.58**
Income taxes		
Taxes for the financial year	-658,944.34	-512,930.62
Total income taxes	**-658,944.34**	**-512,930.62**
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**2,483,754.07**	**1,911,619.96**

Cash flow statement

Indirect cash flow statement

	2 019	2 018
Cash flows from operating activities:		
Profit (Loss) before extraordinary items	3,142,698.41	2,424,550.58
Adjustments:		
Depreciation and amortisation according to plan	365,518.65	353,636.07
Unrealised exchange rate gains and losses		
Non-cash items	6,994.26	27,704.05
Financial income and expenses	-4,085.60	-3,854.98
Other adjustments	3,845.56	0.00
Cash flows before change in working capital	3,514,971.28	2,802,035.72
Change in working capital:		
Change in current non-interest-bearing operating receivables (increase (-) / decrease (+))	72,015.87	-241,803.96
Change in inventories (increase (-) / decrease (+))	0.00	0.00
Change in current non-interest-bearing payables (increase (+) / decrease (-))	272,762.27	55,034.71
Cash flow from operating activities before financial items and taxes	3,859,749.42	2,615,266.47
Interest and other operating financial expenses paid	0.00	0.00
Dividends received from operations	0.00	0.00
Interest received from operations	0.00	0.00
Direct taxes paid	-658,944.34	-513,845.03
Net cash from operating activities (A)	**3,200,805.08**	**2,101,421.44**
Cash flows from investing activities:		
Acquisition of intangible and tangible assets	-219,100.10	-415,797.82
Proceeds from sale of tangible and intangible assets	0.00	0.00
Acquisition of other investments	0.00	0.00
Acquired shares in subsidiaries	-230,000.00	0.00
Taxes on gains on disposal	0.00	0.00
Net cash used in investing activities (B)	**-449,100.10**	**-415,797.82**
Cash flows from financing activities:		
Dividends paid	-1,224,000.00	-816,000.00
Repayment of non-current loans	-793,127.94	-223,366.80
Group contribution paid	0.00	0.00
Net cash from financing activities (C)	**-2,017,127.94**	**-1,039,366.80**
Change in cash at hand and in banks (A + B + C) increase (+) / decrease (–)	**734,577.04**	**646,256.82**
Cash at hand and in banks at 1 January	3,041,103.09	2,394,846.27
Cash at hand and in banks at 31 December	**3,775,680.13**	**3,041,103.09**
	734,577.04	646,256.82

Notes

Basis of preparation

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

On 2 December 2019 Lemonsoft Oy acquired all shares in Ohjelma-Aitta Oy. The subsidiary has not been consolidated as it is insignificant and the merger process has been initiated (Accounting Act, chapter 6, section 3, subsections 1(1-2).

Accounting policies for financial statements

Recognition and measurement principles and methods

Net sales

Net sales comprise monthly recurring revenue and revenue from services, recognised using accrual accounting.

Measurement principles of receivables, investments and liabilities

Accounts receivable, loan and other receivables as well as accrued receivables recognised under receivables, are measured at the lower of face value and probable value in accordance with the Accounting Act (hereafter 'AA'), chapter 5, section 2, subsection 1. Investments and other similar financial assets are measured at the lower of cost and probable fair market value. Liabilities are carried at the higher of face value and the value calculated on the basis of the appropriate index.

Intangible rights

The cost of software licenses recognised in intangible rights and held under non-current assets are amortised on a straight-line basis over three years.

Development costs

The development costs attributable to the LemonOnline software, carried out in 2016 and 2017, are amortised on a straight-line basis over five years. The capitalised development costs attributable to the Angular 6 project completed in 2018 and totalling EUR 150,000 are amortised on a straight-line basis over five years.

Goodwill

The cost of the merger asset recognised in intangible rights under non-current assets in 2017, EUR 689,573.56, is amortised on a straight-line basis over the estimated useful life of five years.

Other non-current expenditures

Other non-current expenditures under non-current assets comprise refurbishment costs for business premises recognised in 2017 and 2018, and are amortised on a straight-line basis over five years.

Buildings and structures

The cost of buildings and structures is depreciated using the declining balance method (4%).

Machinery and equipment

The cost of machinery and equipment is depreciated on a straight-line basis over five years.

Reconciliation of intangible and tangible assets

	Intangible rights	Goodwill	Other intangible assets	Total
Cost at 1 January 2019	14,860.69	689,573.56	350,000.00	1,054,434.25
Additions	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00
Transfers between classes	0.00	0.00	0.00	0.00
Cost at 31 December 2019	14,860.69	689,573.56	350,000.00	1,054,434.25
Accumulated amortisation and impairment at 1 January 2019	7,985.21	229,795.72	100,000.02	337,780.95
Accumulated amortisation on disposals and transfers	0.00	0.00	0.00	0.00
Amortisation for the financial year	4,172,60	137,914.68	69,999.98	212,087.26
Impairment	0.00	0.00	0.00	0.00
Accumulated amortisation at 31 December 2019	12,157.81	367,710.40	170,000.00	549,868.21
Revaluation	0.00	0.00	0.00	0.00
Book value at 31 December 2019	**2,702.88**	**321,863.16**	**180,000.00**	**504,566.04**
Book value at 31 December 2018	6,875.48	459,777.84	249,999.98	716,653.30

	Buildings and structures	Machinery and equipment	Works of art	Other tangible assets	Total
Cost at 1 January 2019	331,300.00	219,868.70	1,500.00	424,292.52	976,961.22
Additions	0.00	219,100.10	0.00	0.00	219,100.10
Disposals	0.00	0.00	0.00	0.00	0.00
Transfers between classes	0.00	0.00	0.00	0.00	0.00
Cost at 31 December 2019	331,300.00	438,968.80	1,500.00	424,292.52	1,196,061.32
Accumulated depreciation and impairment at 1 January 2019	49,911.44	61,890.67	0.00	137,312.80	249,114.91
Accumulated depreciation on disposals and transfers	0.00	0.00	0.00	0.00	0.00
Depreciation for the financial year	11,255.52	57,317.39	0.00	84,858.48	153,431.39
Impairment	0.00	0.00	0.00	0.00	0.00
Accumulated depreciation at 31 December 2019	61,166.96	119,208.06	0.00	222,171.28	402,546.30
Revaluation	0.00	0.00	0.00	0.00	0.00
Book value at 31 December 2019	**270,133.04**	**319,760.74**	**1,500.00**	**202,121.24**	**793,515.02**
Book value at 31 December 2018	281,388.56	157,978.03	1,500.00	286,979.72	727,846.31

Collaterals given, off-balance sheet commitments and arrangements and pension obligations

In rem collaterals

Form of collateral	The lower of liability and collateral, amount
Corporate mortgage	500,000.00 €
Total	**500,000.00 €**

Disclosures on nature and business purpose of material off-balance sheet arrangements and aggregate amount of financial commitments

The company is obligated to review the VAT deductions made on the property investments completed in 2017-2018 if the taxable use of the property declines over the review period.

	2019	2018
VAT obligation for property investment	0.00	31,322.28
Rental obligations < 1 v	25,535.00	50,872.80
Rental obligations > 1 v	1,806.00	3,354.00
Lease obligations < 1 v	21,531.36	21,531.36
Lease obligations > 1 v	10,765.68	32,297.04
Residual value obligations for leases	68,580.63	68,580.63

Breakdown of Accrued receivables and Accrued liabilities

Receivables for salaries	138.44
Rental receivables	17,180.00
Prepaid costs	41,105.05
Total Accrued receivables	**58,423.49**
Payables for salaries	656,230.54
Tax liability	95,833.95
Total Accrued liabilities	**752,064.49**

Personnel

	2019	2018
Average number of personnel during the financial year	78	74

Notes on related parties

The members of the company's Board of Directors and the management team, and the persons and entities considered to be their related parties, have no material business relationships with the company.

The company has not carried out non-routine transactions with related parties. The employee benefits of management are on the same level as in the previous year.

Ohjelma-Aitta Oy

Net sales for the period 1 December 2019 – 31 December 2019 19,369.12€

Auditor's fees

Ernst & Young Oy	**2019**	**2018**
Audit	3,800.00	7,400.00
Audit-related assignments	0.00	0.00
Tax advisory	0.00	0.00
Other services	0.00	0.00
Total	3,800.00	7,400.00

KPMG Oy	**2019**	**2018**
Audit	1,625.00	0.00
Audit-related assignments	0.00	0.00
Tax advisory	0.00	0.00
Other services	412.50	0.00
Total	2,037.50	0.00

Management remuneration

	2019	**2018**
CEO	126,120.00	109,430.00
Members of the Board of Directors	66,000.00	62,000.00
Total	194,139.00	173,448.00

Equity

Changes in equity

EQUITY	Year 2019	Year 2018
Share capital at 1 January	8,000.00	8,000.00
Share capital at 31 December	8,000.00	8,000.00
Total restricted equity at 31 December	8,000.00	8,000.00
Retained earnings at 1 January	4,244,953.99	3,149,334.03
Dividends distributed	-1,224,000.00	-816,000.00
Retained earnings at 31 December	3,020,953.99	2,333,334.03
Profit for the financial year	2,483,754.07	1,911,619.96
Total unrestricted equity at 31 December	5,504,708.06	4,244,953.99
TOTAL EQUITY	**5,512,708.06**	**4,252,953.99**

Board of Directors' proposal for the use of distributable unrestricted equity

Retained earnings	3,020,953.99
Profit for the financial year	2,483,754.07
Capitalised development costs	-180,000.02
Total distributable unrestricted equity	5,327,708.04

The Board of Directors proposes that a divided of EUR 2,250 per share be paid, in total EUR 1,530,000.00. The remaining portion, EUR 3,797,708.04, will remain in retained earnings.

Signatures for the financial statements

_____ ____ day _____ month 2020

_____
Kari Joki-Hollanti

_____
Harri Karttunen

_____
Christoffer Häggblom

_____
Michael Richter

_____
Jani Tyyni

Auditor's note

A report on the audit performed has been issued today.

_____ ____ day _____ month 2020

_____
KPMG Oy
Anne Kulla
Authorised Public Accountant, KHT

List of accounting books and materials

Accounting books, voucher classes and their retention method

Financial statements

- Financial statements and balance sheet specifications

List of accounts and balances

- Income statement, by account
- Balance sheet, by account
- List of accounts

Accounting books

- General ledgers
- Sales ledger
- Purchase ledger
- Payroll accounting

Voucher classes

Class	Definition	Vouchers, pcs
2	YP accrual	60
3	Revenue	30
4	Purchases	27
5	Salaries	12
6	Bank statements	200
8	Opening balances	1
9	Memo vouchers	126
99	VAT entry	12

Retention of vouchers

The vouchers for the financial year, correspondence regarding transactions and other accounting material must be retained for at least six years after the end of the year during which the financial year ended (AA, chapter 2, section 10, subsection 2).

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Auditor's Report

To the Annual General Meeting of Lemonsoft Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lemonsoft Oy (business identity code 2017863-1) for the year ended 31 December, 2019. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Vaasa, 20 February 2020

KPMG OY AB

ANNE KULLA
Authorised Public Accountant, KHT

THE PARENT COMPANY LEMONSOFT OYJ'S AUDITED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2018 INCLUDING THE CASH FLOW STATEMENT PREPARED FOR THE OFFERING CIRCULAR (INCLUDING THE AUDITOR'S REPORT)

Lemonsoft Oyj

Financial statements

1 January 2018-31 December 2018

Unofficial translation

These financial statements must be stored at least until 31 December 2028.

Lemonsoft Oyj

Financial statements 1 January 2018 – 31 December 2018

Contents

Balance sheet

ASSETS	31 December 2018	31 December 2017
NON-CURRENT ASSETS		
Intangible assets		
Development costs	250,000.00	140,000.00
Intangible rights	6,875.48	11,100.47
Goodwill	459,777.84	597,692.64
Total intangible assets	**716,653.32**	**748,793.11**
Tangible assets		
Machinery and equipment	157,978.03	130,614.53
Buildings and structures	281,388.56	293,113.04
Works of art	1,500.00	0.00
Other tangible assets	286,979.72	209,817.20
Total tangible assets	**727,846.31**	**633,544.77**
Investments		
Other shares and similar rights of ownership	1,393,838.96	1,393,838.96
Total investments	**1,393,838.96**	**1,393,838.96**
Total NON-CURRENT ASSETS	**2,838,338.59**	**2,776,176.84**
CURRENT ASSETS		
Receivables		
Current		
Accounts receivable	861,049.18	698,144.40
Other receivables	18,716.60	4,602.64
Accrued receivables	67,695.15	35,144.01
Total current	**947,460.93**	**737,891.05**
Cash at bank and in hand	3,041,103.09	2,394,846.27
Total CURRENT ASSETS	**3,988,564.02**	**3,132,737.32**
Total assets	**6,826,902.61**	**5,908,914.16**

Balance sheet

EQUITY AND LIABILITIES	31 December 2018	31 December 2017
EQUITY		
Share capital	8,000.00	8,000.00
Retained earnings	2,333,334.03	1,578,162.11
Profit (Loss) for the financial year	1,911,619.96	1,571,171.92
Total EQUITY	**4,252,953.99**	**3,157,334.03**
LIABILITIES		
Non-current		
Loans from financial institutions	555,446.96	790,365.24
Total non-current	**555,446.96**	**790,365.24**
Current		
Loans from financial institutions	234,924.86	232,556.35
Advances received	512,830.80	501,008.23
Accounts payable	179,632.09	220,801.74
Other payables	444,135.23	349,947.46
Accrued liabilities	646,978.68	656,901.11
Total current	**2,018,501.66**	**1,961,214.89**
Total LIABILITIES	**2,573,948.62**	**2,751,580.13**
Total equity and liabilities	**6,826,902.61**	**5,908,914.16**

Income statement

	1 January 2018 -31 December 2018	1 January 2017 -31 December 2017
NET SALES	**9,484,328.13**	**7,918,540.46**
Other operating income	12,221.55	71,890.50
Materials and services		
Materials and consumables		
Purchases during the financial year	-394,853.19	-315,635.32
External services		
External services	-524,113.04	-555,389.30
Total materials and services	**-918,966.23**	**-871,024.62**
Personnel expenses		
Salaries and fees	-3,577,473.80	-2,973,277.02
Pension expenses	-637,856.05	-528,699.94
Other social security expenses	-83,151.27	-81,765.51
Total personnel expenses	**-4,298,481.12**	**-3,583,742.47**
Depreciation, amortisation and impairment		
Depreciation and amortisation according to plan	-353,636.07	-249,359.91
Total depreciation, amortisation and impairment	**-353,636.07**	**-249,359.91**
Other operating expenses	-1,497,061.19	-1,286,799.43
EBIT	**2,428,405.07**	**1,999,504.53**
Financial income and expenses		
Other interest and financial income		
From others	5,444.44	3,290.80
Interest and other financial expenses		
To others	-9,298.93	-14,650.61
Total financial income and expenses	**-3,854.49**	**-11,359.81**
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**2,424,550.58**	**1,988,144.72**
Income taxes		
Taxes for the financial year	-512,930.62	-416,972.80
Total income taxes	**-512,930.62**	**-416,972.80**
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**1,911,619.96**	**1,571,171.92**

Cash flow statement

Indirect cash flow statement	**2018**
Cash flows from operating activities:	
Profit (loss) before extraordinary items	2 424 550,58
Adjustments:	
Depreciation and amortization according to plan	353 636,07
Unrealized exchange rate gains and losses	
Non-cash items	27 704,05
Financial income and expenses	-3 854,98
Other adjustments	0,00
Cash flows before change in working capital	2 802 035,72
Change in working capital:	
Change in current non-interest-bearing operating receivables (increase (-) / decrease (+))	-241 803,96
Change in inventories (increase (-) / decrease (+))	0,00
Change in current non-interest-bearing payables (increase (+) / decrease (-))	55 034,71
Cash flow from operating activities before financial items and taxes	2 615 266,47
Interest and other operating financial expenses paid	0,00
Dividends received from operations	0,00
Interest received from operations	0,00
Direct taxes paid	-513 845,03
Net cash from operating activities (A)	**2 101 421,44**
Cash flows from investing activities:	
Acquisition of intangible and tangible assets	-415 797,82
Proceeds from sale of tangible and intangible assets	0,00
Acquisition of other investments	0,00
Acquired shares in subsidiaries	0,00
Taxes on gains on disposal	0,00
Net cash used in investing activities (B)	**-415 797,82**
Cash flows from financing activities:	
Dividends paid	-816 000,00
Repayment of non-current loans	-223 366,80
Group contribution paid	0,00
Net cash from financing activities (C)	**-1 039 366,80**
Change in cash at hand and in banks (A + B + C) (increase (+) / decrease (–))	**646 256,82**
Cash at hand and in banks on 1 January	2 394 846,27
Cash at hand and in banks on 31 December	**3 041 103,09**
	646 256,82

Notes

Basis of preparation

This set of financial statements for financial year 2020 is only to be included in the prospectus prepared in connection with the listing of Lemonsoft Oyj and for listing the Company's shares on Nasdaq Helsinki Oy's First North Growth Market. This material may not be used for any other purpose. These Financial statements are not the Company's statutory financial statements and have not been approved by the Company's Annual General Meeting.

The financial statements have been prepared in accordance with the Government Decree for small undertakings and micro-undertakings, chapters 2 and 3 (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, chapter 1, section 1, subsection 5(1)).

Accounting policies for financial statements

Recognition and measurement principles and methods

Measurement principles of receivables, investments and liabilities

Accounts receivable, loan and other receivables as well as accrued receivables recognised under receivables, are measured at the lower of face value and probable value in accordance with the Accounting Act (hereafter 'AA'), chapter 5, section 2, subsection 1. Investments and other similar financial assets are measured at the lower of cost and probable fair market value. Liabilities are carried at the higher of face value and the value calculated on the basis of the appropriate index.

Intangible rights

The cost of software licenses recognised in intangible rights and held under non-current assets are amortised on a straight-line basis over three years.

Development costs

The development costs attributable to the LemonOnline software, carried out in 2016 and 2017, are amortised on a straight-line basis over five years. The capitalised development costs attributable to the Angular 6 project completed in 2018 and totalling EUR 150,000 are amortised on a straight-line basis over five years.

Goodwill

The cost of the merger asset recognised in intangible rights under non-current assets in 2017, EUR 689,573.56, is amortised on a straight-line basis over the estimated useful life of five years.

Other non-current expenditures

Other non-current expenditures under non-current assets comprise refurbishment costs for business premises recognised in 2017 and 2018, and are amortised on a straight-line basis over five years.

Machinery and equipment

The depreciation plan for machinery and equipment was adjusted in 2018 to shift from the declining balance method to the straight-line method over five years.

Collaterals given, off-balance sheet commitments and arrangements and pension obligations

In rem collaterals

Form of collateral	The lower of liability and collateral, amount
Deposited security (movable property or a security)	436,686.43
Corporate mortgage	500,000.00
Total	**936,686.43**

Disclosures on nature and business purpose of material off-balance sheet arrangements and aggregate amount of financial commitments

The company is obligated to review the VAT deductions made on the property investments completed in 2017-2018 if the taxable use of the property declines over the review period.

	Year 2018	Year 2017
VAT obligation for property investment	31,322.28	47,348.60
Rental obligations < 1 year	50,872.80	22,879.23
Rental obligations > 1 year	3,354.00	0.00
Lease obligations < 1 v	21,531.36	36,037.21
Lease obligations > 1 v	32,297.04	11,279.23

Personnel

	Year 2018	Year 2017
Average number of personnel during the financial year	74	62

Information corresponding to a report of the Board of Directors

Significant events during the financial year

Changes have taken place in the Lemonsoft Board of Directors in the financial year. In December 2018 the Annual General Meeting appointed a new Board member, Jani Tyyni. Pekka Haapanen served as a Board member from April 2018 to December 2018.

Kari Joki-Hollanti was appointed as a CEO in autumn 2018.

Financial statement information required from small undertakings and micro-undertakings

Changes in equity

EQUITY	Year 2018	Year 2017
Share capital on 1 January	8,000.00	8,000.00
Share capital on 31 December	8,000.00	8,000.00
Total restricted equity on 31 December	8,000.00	8,000.00
Retained earnings on 1 January	3,149,334.03	2,228,160.51
Dividends distributed	-816,000.00	-649,998.40
Retained earnings on 31 December	2,333,334.03	1,578,162.11
Profit for the financial year	1,911,619.96	1,571,171.92
Total unrestricted equity on 31 December	4,244,953.99	3,149,334.03
TOTAL EQUITY	**4,252,953.99**	**3,157,334.03**

Board of Directors' proposal for the use of distributable unrestricted equity

Retained earnings	2,333,334.03
Profit for the financial year	1,911,619.96
Capitalised development costs	- 250,000.00
Total distributable unrestricted equity	3,994,953.99

The Board of Directors proposes that a divided of EUR 1,800 per share be paid, in total EUR 1,224,000. The remaining portion, EUR 2,770,953.99, will remain in retained earnings.

Signatures for the financial statements

In Vaasa on 4th of November 2021

Kari Joki-Hollanti | Christoffer Häggblom | Michael Richter

Saila Miettinen-Lähde | Ilkka Hiidenheimo

Auditor's note

A report on the audit performed has been issued today.

In Vaasa on 5th of November 2021

Ernst & Young Oy
Kristian Berg
Authorised Public Accountant, KHT

List of accounting books and materials

Accounting books, voucher classes and their retention method

Financial statements

- Financial statements and balance sheet specifications

List of accounts and balances

- Income statement, by account
- Balance sheet, by account
- List of accounts

Accounting books

- General ledgers
- Sales ledger
- Purchase ledger
- Payroll accounting

Voucher classes

Class	Definition	Vouchers, pcs
2	YP accrual	58
3	Revenue	31
4	Purchases	28
5	Salaries	15
6	Bank statements	220
8	Opening balances	1
9	Memo vouchers	106
10	Entries for financial statements	14
99	VAT entry	12

Retention of vouchers

The vouchers for the financial year, correspondence regarding transactions and other accounting material must be retained for at least six years after the end of the year during which the financial year ended (AA, chapter 2, section 10, subsection 2).

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AUDITOR'S REPORT (Translation of the Finnish original)

To the Board of Directors of Lemonsoft Oyj

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Lemonsoft Oyj (business identity code 2017863-1) for the year ended 31 December 2018. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

This auditor's report has merely been issued to be included in the Offering Circular prepared in accordance withthe Regulation of the European Parliament and of the Council (EU) 2017/1129 and with the Commission Delegated Regulation (EU) 2019/980.

We have issued to the Annual General Meeting an auditor's report dated 14 March 2019 on the financial statements of Lemonsoft Oyj for the period ended 31 December 2018.

Vaasa 5.11.2021

Ernst & Young Oy
Authorized Public Accountant Firm

Kristian Berg

Kristian Berg
Authorized Public Accountant

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