

A photograph of four people (three men and one woman) standing outdoors in a city setting, engaged in conversation. The man on the far left is wearing a dark suit and glasses. The man next to him is wearing a black jacket, sunglasses, and a backpack. The man next to him is wearing a light-colored button-down shirt and a backpack. The woman on the far right is wearing a floral patterned shirt and sunglasses, and is carrying a large white shopping bag. The background shows a city street with buildings and trees.

LOIHDE

Loihde Plc
HALF-YEAR REPORT
1 January – 30 June 2025

18 July 2025

Loihde Plc Company announcement 18 July 2025 at 8:00 a.m. EEST

Loihde Plc Half-Year Report 1 January–30 June 2025

In April–June, revenue and profitability on par with the comparison period as expected, continuous services grew

April–June 2025 in brief

- Loihde Group's revenue for the second quarter amounted to EUR 35.2 (35.4) million, a change of -1%
- Adjusted EBITDA was EUR 2.6 (2.6) million, or 7.3% (7.2%) of revenue

January–June 2025 in brief

- Loihde Group's revenue for January–June amounted to EUR 70.5 (68.4) million, an increase of 3%
- Revenue by business area in January–June:
 - Security Solutions: EUR 38.6 (36.0) million, an increase of 7%
 - Cyber, Cloud & Connect: EUR 15.7 (15.7) million, a change of 0%
 - Data, Digital & AI: EUR 16.3 (16.6) million, a change of -2%
- Adjusted EBITDA was EUR 4.1 (4.2) million, or 5.8% (6.1%) of revenue
- Adjusted operating profit (EBIT) was EUR 0.2 (0.2) million, or 0.2% (0.4%) of revenue
- Revenue from continuing services was EUR 19.8 (17.9) million, corresponding to 28.0% (26.2%) of total revenue. Growth of 10%. At the end of June, the annualised contract backlog for continuous services amounted to EUR 40.2 (37.4) million, growth of 7%.

The figures in the half-year report are unaudited.

Outlook for 2025 (unchanged)

In 2025, Loihde expects the Group's revenue to grow or to be on par with the previous year.

The Group's adjusted EBITDA is estimated to improve compared to 2024, when it was EUR 11.0 million.

Financial targets for the strategy period 2024–2027

Loihde Group aims to achieve an average annual revenue growth of approximately 10%, including potential acquisitions. The revenue target for the end of the strategy period, i.e. for 2027, is at least EUR 200 million.

In terms of profitability, the target is to achieve an adjusted EBITDA margin of 15% by the end of the strategy period.

The target return on investment (ROI) is 10% and net debt / EBITDA between 0–2x.

Key figures (IFRS)

January–June, EUR 1,000	1–6 2025	1–6 2024	Change in %	1–12 2024
Revenue, EUR 1,000	70,481	68,423	3%	139,702
- Security Solutions	38,552	36,041	7%	76,766
- Cyber, Cloud & Connect	15,669	15,715	0%	31,335
- Data, Digital & AI	16,309	16,623	-2%	31,629
- Other (incl. eliminations) ¹	-48	44	-209%	-28
EBITDA	3,120	3,640	-14%	9,923
Adjusted EBITDA, EUR 1,000¹	4,068	4,161	-2%	10,986
Adjusted EBITDA, %	5.8%	6.1%		7.9%
EBITA, EUR 1,000	-437	273	-260%	2,999
Adjusted EBITA, EUR 1,000¹	511	794	-36%	4,062
Adjusted EBITA, %	0.7%	1.2%		2.9%
Operating profit (EBIT), EUR 1,000	-773	-273	-183%	-7,837
Adjusted operating profit (EBIT), EUR 1,000¹	175	248	-29%	3,125
Profit/loss for the period, EUR 1,000	-1,129	-644	-75%	-8,083
Adjusted profit/loss for the period, EUR 1,000¹	-371	-227	-63%	2,667
Equity-to-assets ratio, %	65.7%	67.8%		66.7%
Earnings per share (EPS), EUR, basic (undiluted)²	-0.20	-0.11	75%	-1.41
Earnings per share (EPS), EUR, diluted²	-0.20	-0.11	76%	-1.40
Return on investment (ROI), %, rolling 12 months	-7.9%	2.9%		-6.9%
Adjusted return on investment (ROI), %¹, rolling 12 months	3.5%	3.8%		3.6%
Net debt/EBITDA, rolling 12 months	0.72	-0.03		0.09
Net debt/adjusted EBITDA, rolling 12 months	0.62	-0.03		0.09
Average number of employees	793	835	-5%	826
Revenue from continuing services (RR), EUR 1,000	19,758	17,912	10%	36,947
Continuous services' (RR) share of total revenue, %	28%	26.2%		26.4%
Annualised contract backlog for continuous services (ARR) at the end of the period, EUR 1,000	40,158	37,425	7%	38,677

The figures in the table are figures for continuing operations.

¹ The adjusted EBITDA, the adjusted operating profit (EBIT), the adjusted profit for the period and the adjusted return on investment are calculated by excluding capital gains/losses arising from the disposal of properties, fixed asset shares and businesses, insurance and other compensations and other adjustments from the respective reported figure.

² The parent company's treasury shares (26,389 shares on average in January–June 2025, 30,606 shares on average in January–June 2024, and 25,846 shares on average in January–December 2024) are excluded from the total number of shares.

CEO Samu Konttinen:

In April–June, Loihde's revenue was on par with the previous year at EUR 35.2 (35.4) million. Adjusted EBITDA was also on par with the corresponding period both in terms of euros at EUR 2.6 (2.6) million and in relative terms at 7.3% (7.2%) of revenue.

Growth in continuous services

In Security Solutions, growth was achieved in continuous services, such as video surveillance, nurse call systems and the alarm transmission service. Continuous services are a differentiating factor for us in the security technology market, and we believe that the market trends support our service business as conventional security technology solutions become digitalised and customer needs become increasingly diverse. This year, we have won several significant public sector tenders for security technology, but the materialisation of the contracts into orders and deliveries has progressed slower than expected, which had a negative impact on the development of revenue in the second quarter. During the first half of the year, we improved our inventory management, and the balance sheet value of inventories has developed favourably.

We also achieved growth in continuous services in the Cyber, Cloud & Connect business, and we are particularly satisfied with the growth of the Cyber Security Operations Centre (CSOC) and the strengthening of the customer base. We have also seen continued positive development in our network management services. One example of this is the five-year agreement we signed with the City of Turku for a value of approximately EUR 9.5 million. At the same time, consulting services and, in particular, the resale of network devices, weakened during the second quarter and had a negative impact on revenue and profitability. As part of refocusing our operations, we are phasing out certain services that are outside our core offering, which means that the invoicing of continuous services for a few such customers will decrease in the second half of the year and in 2026 as the agreements expire. With regard to our strategically most

important continuous services, namely the Cyber Security Operations Centre and the Network Operations Centre, we are confident in their growth potential and we develop these services with a long-term approach.

IT consulting is stabilising, but the market situation remains difficult

The situation in IT consulting has improved as the clear decline in revenue seen in 2024 is levelling off, and revenue for the first half of the year was close to the previous year's level. Nevertheless, our view is that the market remains fairly challenging in the short term. Our invoicing rates have been fairly good and, in certain areas of expertise, the demand has exceeded our delivery capacity. We are actively recruiting experts for these needs. During the second quarter, we signed up new clients for data platform projects and artificial intelligence pilots, for example. In addition, we have renewed contracts and also achieved growth with our largest customers in the financial sector. The AI-based AinoAid application we delivered in 2024 won the European Commission's *Security Innovation Award* in June, and the utilisation of AI is a topic in many of our discussions with customers. In terms of profitability, IT consulting has developed in a positive direction, and we expect this trend to continue during the second half of the year.

We are making progress as planned

In the first half of the year, revenue increased by 3% year-on-year to EUR 70.5 (68.4) million. Adjusted EBITDA was EUR 4.1 (4.2) million, or 5.8% (6.1%) of revenue.

During the first half of the year, revenue from continuing services increased by 10% year-on-year to EUR 19.8 (17.9) million, corresponding to 28.0% (26.2%) of total revenue. At the end of June, the annualised contract backlog for continuous services amounted to EUR 40.2 (37.4) million, representing year-on-year growth of 7%.

As a whole, the year has gone according to plan. We have achieved growth in the security business and in continuous services in the area of

cyber security and corporate network services, and the decline in revenue from IT consulting is levelling off. Our profit performance is typically weighted towards the end of the year, and we are confident that we will achieve a level of profitability that is stronger than in the first half of the year. In line with this, we are confident that our full-year result will show an improvement in profit performance in accordance with our guidance.

Revenue and profit performance in April–June 2021

The Group's revenue was EUR 35.2 (35.4) million, a change of -0.6%.

The Group's EBITDA was EUR 1.8 (2.2) million, or 5.1% (6.3%) of revenue, and the adjusted EBITDA was EUR 2.6 (2.6) million, or 7.3% (7.2%) of revenue.

Revenue and profit performance in January–June 2025

In the first half of the year, the Group's revenue amounted to EUR 70.5 (68.4) million. Revenue increased by 3% year-on-year.

In the Security Solutions business, revenue increased by 7% and amounted to EUR 38.6 (36.0) million. In the Cyber, Cloud & Connect business, revenue was on par with the comparison period at EUR 15.7 (15.7) million. Revenue from the Data, Digital & AI business came to EUR 16.3 (16.6) million, representing a decrease of 2%.

EBITDA was EUR 3.1 (3.6) million, or 4.4% (5.3)% of revenue. Adjusted EBITDA was EUR 4.1 (4.2) million, or 5.8% (6.1%) of revenue.

Operating profit (EBIT) was EUR -0.8 (-0.3) million, or -1.1% (-0.4%) of revenue, and adjusted operating profit (EBIT) was EUR 0.2 (0.2) million, or 0.2% (0.4%) of revenue.

Personnel expenses totalled EUR 34.5 (34.7) million, or 48.9% (50.7%) of revenue.

Other operating expenses amounted to EUR 7.3 (7.7) million, or 10.3% (11.3%) of revenue.

The Group's planned depreciation totalled EUR 3.9 (3.9) million.

The Group's profit for the review period was EUR -1.1 (-0.6) million. Earnings per share (EPS) were EUR -0.20 (-0.11) (both basic and diluted).

Financial position, financing and investments

The Group's balance sheet total at the end of the review period was EUR 124.0 (139.3) million. Goodwill on the balance sheet amounted to EUR 54.0 (64.0) million. The decrease in the balance sheet total was mainly attributable to the dividend paid and the impairment of goodwill of EUR 9.9 million related to IT consulting, which was recognised in December 2024.

The equity-to-assets ratio at the end of the review period was 65.7% (67.8%), and the Group's return on equity¹ was -2.7% (-1.3%). Return on investment (ROI)¹ was -7.9% (2.9%) and adjusted return on investment¹ was 3.5% (3.8%). Return on equity and return on investment were weakened by the impairment of goodwill mentioned above.

Cash flow from operating activities amounted to EUR 2.9 (3.9) million. Cash flow from operating activities was weakened by the profit for the period being lower than in the comparison period, as well as higher income taxes paid and interest expenses.

The Group's investments totalled EUR 3.8 (3.7) million. The most significant investments during the review period were in right-of-use assets, which included equipment used for continuous services.

Loihde Plc paid a dividend of EUR 0.75 per share for 2024 in accordance with the resolution of the Annual General Meeting (AGM). The dividend record date was 12 May 2025 and the payment date 19 May 2025. The total amount of dividends was approximately EUR 4.3 million.

¹ Rolling 12 months

Shares and shareholders

The number of shares outstanding from the parent company Loihde Plc was 5,740,197 at the end of the review period and 5,728,134 on average in January–June (5,740,424 at the end of June 2024 and 5,732,406 on average in January–June 2024). The figures take into account the shares subscribed under the Employee Share Savings Plan, issued on 30 June 2025. Each share entitles its holder to one vote at the AGM.

	30 June 2025	30 June 2024
Number of shares	5,740,197	5,740,424
Treasury shares held by the Group	400	400
Shares outstanding from the Group	5,739,797	5,740,024
Market value, EUR million	64.9	70.0
Number of shareholders	23,715	24,463
Number of nominee-registered shares	5,286	6,562

Overview of trading on Nasdaq First North Growth Market Helsinki 1 January–30 June 2025

	Number of shares ex- changed	Total value, EUR	Highest, EUR	Lowest, EUR	Weighted average price, EUR	Latest, EUR
LOIHDE	212,037	2,520,564	13.00	10.70	11.89	11.30

The share buyback programme initiated by the company on 1 July 2024 ended on 14 March 2025. During the programme, the company acquired 58,776 treasury shares, which were cancelled on 10 April 2025 in accordance with the decision of the company's Board of Directors on 25 March 2025.

The list of major shareholders is available on the company's website at [loihde.com](https://www.loihde.com).

Share-based incentive schemes

During the review period, the company issued a total of 38,590 new shares in relation to share-based incentive schemes.

Bonus shares under the share-based incentive scheme for the CEO

In January, Loihde issued 6,000 new shares for the payment of bonus shares under the CEO's conditional Restricted Share Plan (RSP). The RSP for the CEO covers the years 2024–2026. The main terms of the RSP include the continued employment of the CEO, subject to certain conditions, at the time of payment of the bonus. The number of bonus shares to be transferred is also affected by the number of shares acquired by the CEO at market conditions.

Bonus shares under the 2022–2024 share-based incentive scheme for the personnel

In March, Loihde carried out a directed share issue without payment in relation to the payment of matching shares and bonus shares for the personnel incentive scheme vesting period that began in 2022. A total of 8,241 new shares were transferred to incentive scheme participants in the share issue.

Bonus shares under the long-term incentive scheme (LTI) for the management and key personnel 2022–2024

In March, Loihde also carried out a directed share issue without payment to pay the bonuses of the incentive scheme for management and key employees that began in 2021. A total of 7,546 shares were transferred

in the share issue in accordance with the terms and conditions and performance criteria of the incentive scheme.

Savings shares under the Employee Share Savings Plan (ESSP) 2024

For savings shares subscriptions under the ESSP that began in 2024, the company issued 8,406 new shares in March and 8,397 new shares in June. The new shares were savings shares subscribed for with the savings accumulated by ESSP participants between 1 December 2024 and 30 May 2025.

Employee Share Savings Plan (ESSP) 2025

On 29 April 2025, the Board of Directors of Loihde Plc decided to continue the ESSP that started the year before with a new savings plan. The aim of the ESSP is to encourage employees to acquire and own Loihde shares. The ESSP is also intended to align the interests of the shareholders and the employees and to increase employee motivation and long-term commitment to the company.

Share-based incentive scheme for the management and key personnel

On 12 February 2025, the Board of Directors of Loihde Plc decided to launch a new share-based long-term incentive scheme (LTI 2025) for the Group's senior management and selected key employees. The scheme has one three-year vesting period, running from 2025 to 2027. Potential bonuses will be paid in spring 2028. The incentive scheme covers 28 people. The criteria for the payment of the bonus are the EBITDA target set by the Board of Directors for the vesting period and the development of total shareholder return (TSR).

Loihde Plc's share-based incentive schemes are described on the company's website at <https://www.loihde.com/en/investors/governance/remuneration/>.

Group structure and business areas

Loihde Plc is an expert organisation specialising in digital development and security solutions that enables business continuity for its customers.

The Group has three business units: Data, Digital & AI; Cyber, Cloud & Connect; and Security Solutions. The three business units form one reportable operating segment.

The legal structure of the Group does not fully reflect the operational business structure. Loihde Group consists of:

- the parent company Loihde Plc
- Loihde Advance Ltd
- Loihde Factor Ltd
- Loihde Cloudon Ltd
- Loihde Trust Ltd
- Loihde Properties Ltd

Changes in Group structure

The Data & AI business unit and the Digital Services business unit were combined into a single business unit, Data, Digital & AI, on 1 April 2025. In connection with this combination of business units, the company has begun preparations for the merger of Loihde Advance Ltd and Loihde Factor Ltd. The merger is expected to take place on 30 September 2025.

Personnel, management and corporate governance

The Group's number of employees, converted into full-time equivalents (FTE), averaged 793 in the review period January–June 2025 (835 in January–June 2024) and stood at 764 (819) at the end of the review

period. Potential part-time employment has also been taken into account in calculating the average number of employees.

As skilled and committed personnel is one of the key factors enabling Loihde's success, the company focuses on fostering positive corporate culture and employee satisfaction, sustainable modes of operation and continuous competence development. Job satisfaction is assessed by continuously collecting feedback through pulse surveys and discussions.

During the review period, the members of the Group's Leadership Team were Group CEO Samu Konttinen; EVP, Security Solutions Marko Järvinen; EVP, Data, Digital & AI Juha Meronen; EVP, Cyber, Cloud & Connect Jarno Mäki; EVP, Business Development Katja Ahola; CFO Pirjo Suhonen; CMO Jere Teutari; and CPO Tuuli Stenbäck.

The Board of Directors of Loihde Plc consisted of Marko Kauppi (Chair), Juha Murtopuro, Jari Niska, Anni Ronkainen, Matti Vikkula, Christian Wetterstrand and, from 8 May 2025, Tuulia Holkkola.

General Meeting

Loihde Plc's Annual General Meeting (AGM) was held in Seinäjoki on 8 May 2025. The AGM confirmed the company's financial statements for the financial year 2024 and discharged the persons responsible for accounts and operations from liability.

The AGM resolved to distribute a dividend of EUR 0.75 per share based on the profit for 2024. The dividend record date was 12 May 2025 and the payment date 19 May 2025.

In addition, the AGM authorised the Board of Directors to decide on the distribution of a potential additional dividend in one or more instalments in such a way that the total amount of the additional dividend to be distributed does not exceed EUR 0.75 per share. The authorisation is valid

until 31 December 2025. The company will publish any decisions of the Board of Directors concerning the distribution of an additional dividend separately and will, at the same time, confirm the record date and the payment date.

The AGM adopted the Remuneration Policy for Governing Bodies and the Remuneration Report 2024.

The AGM confirmed the number of Board members as seven, re-elected the current Board members Marko Kauppi, Juha Murtopuro, Jari Niska, Anni Ronkainen, Matti Vikkula and Christian Wetterstrand, and elected Tuulia Holkkola as a new Board member. Marko Kauppi was elected as Chair of the Board and Jari Niska as Vice-Chair.

The AGM decided that the Chair of the Board shall be paid an annual fee of EUR 55,000, the Vice-Chair an annual fee of EUR 40,000 and the members an annual fee of EUR 27,400. The AGM further decided that the Chair of a committee shall be paid an annual fee of EUR 7,000 and the members an annual fee of EUR 3,500.

The audit firm Ernst & Young Oy was elected as the company's auditor, with Maria Onniselkä, an auditor approved by the Finnish Central Chamber of Commerce, as the auditor with principal responsibility.

The AGM authorised the Board of Directors to decide on a share buy-back programme, where at most 350,000 of the company's shares would be acquired, in one or more instalments, using the company's unrestricted equity. The authorisation entitles the Board of Directors to decide on the acquisition of shares also otherwise than in proportion to the shareholdings of the shareholders (directed acquisition). The authorisation is valid until the end of the next AGM, but until 30 June 2026 at the latest.

The AGM authorised the Board of Directors to decide on the issue of a maximum of 570,000 shares. The authorisation concerns issuing new

shares as well as transferring treasury shares held by the company. The shares can be used for financing acquisitions or restructuring, or for other purposes in the way and to the extent decided by the Board of Directors, and as part of the personnel's incentive schemes, a maximum of 100,000 shares. The share issue authorisation is valid until the end of the next AGM, but until 30 June 2026 at the latest.

Significant legal matters

In December 2021, Loihde Trust Ltd won a public tender organised by Finnish Customs. During the delivery project, a disagreement arose between Loihde and Customs regarding the functionalities included in the agreement, and Customs terminated the delivery agreement in October 2023. In Loihde's view, the termination of the contract by Customs is unfounded, and on 21 March 2024, Loihde Trust Ltd brought legal action against Customs, claiming approximately EUR 1.9 million in damages from Customs. Customs has filed a counterclaim against Loihde Trust Ltd, in which they are seeking damages of approximately EUR 2.2 million from Loihde. Loihde considers the counterclaim to be unfounded and has not made any provisions in relation to it. The dispute is still pending.

Market review

Uncertainty in the Finnish economy is reflected in a weakened willingness of companies to invest. Customer demand for digital development has remained high, but in an uncertain market situation, development projects may be postponed to a later date. At the same time, the over-supply of IT consultancy relative to demand has increased price competition. There is a wide variation between sectors, and demand for digital development has remained strong in sectors such as manufacturing, finance and energy. There is also variation between service areas. Therefore, we do not see this as a longer-term market change but believe that the positive digitalisation trend will continue.

The security business is less affected by economic fluctuations, as there is no desire to compromise on security even in more difficult times. In addition, the uncertain geopolitical situation increases the awareness of and preparedness for cyber threats and other security threats. The slowdown in the construction sector has reduced the demand for locking solutions, which has increased price competition also in security technology solutions, where Loihde's strong market position is primarily based on expertise and quality of service.

With the growth of digitalisation, the secure development of systems and applications and comprehensive cyber security solutions are increasingly critical aspects of total security for companies. There is also an increased need for cyber security services since cybercrime is becoming increasingly professional and corporate IT environments are becoming increasingly complex, and this has increased the significance of, for example, identity and access management. Cyber security and secure network connections are also increasingly linked to the protection of the physical environment, including video surveillance, access control and locking solutions. According to our survey, almost every other company has merged its security organisation and is managing security as a whole.

The blurring of the boundary between the physical and digital worlds creates demand for companies like Loihde – companies that have the ability to help their customers not only develop new digital services and leverage data but also anticipate and solve the security threats related to these.

The most significant megatrend in IT today is artificial intelligence (AI), and its use is growing rapidly, especially with the emergence of large language models. In addition to AI solutions delivered to customers, AI plays an important role in IT industry work itself, such as programming, analytics and cyber security. The interest in AI is also reflected in data solutions, as high-quality data and data management are prerequisites for effective AI solutions.

Cloud transformation, i.e. organisations transferring from using their own servers to using cloud or hybrid environments, has been under way for several years and continues to be strong. The benefits of cloud technologies, such as cost-efficiency, information security and scalability, are driving this major transition.

The competition for skilled employees has eased with the change in the IT market situation, but there is still competition for experienced professionals, particularly in certain service areas.

Strategy

Loihde's comprehensive portfolio of security, data, digitalisation and cloud technologies is well aligned with global market trends. As a result of the global situation and technological development, security in both the physical and cyber world has become an even more topical issue, and the use of data is growing rapidly, driven by, for example, efforts in artificial intelligence. Businesses are modernising their networks, and more and more companies are seeking the benefits of cloud

technologies. Developing and deploying digital services is essential for all companies that want to remain competitive.

Around the customer needs related to these, Loihde has formed five complementary and interlinked service areas, which also serve as a basis for the company's business units:

- 1) Data & AI, 2) Digital Services, 3) Cyber Security, 4) Cloud & Connect, 5) Security Solutions

Each service area focuses on delivering in-depth expertise and an excellent customer experience. Together, they can deliver comprehensive service packages and act as a total security and digitalisation partner for customers. The common mission of everyone at Loihde is to enable the continuity of the customers' business.

During the strategy period 2024–2027, Loihde aims to grow faster than the market and achieve a significant improvement in profitability.

Loihde will focus in particular on continuous services. The aim is for continuous services to grow faster than Loihde's other offering and represent 30% of revenue at the end of the strategy period.

To clarify the total offering, customer communication and employer brand, Loihde is now using a single, common Loihde brand, instead of the earlier network model with several sub-brands. Synergies will also be sought through jointly produced support functions.

Risks and uncertainties

Market uncertainty and the acceleration of inflation may reduce companies' ability and willingness to make investments or lead to such investments being postponed. They may also have negative effects on customers' ability to pay. Increased costs may affect Loihde's profitability.

The uncertain global political situation has contributed to increasing the risk level through the aforementioned indirect effects, but it has also increased the need for cyber security services.

A significant portion of Loihde's business consists of projects executed for customers. Mismatch problems in project resource allocation, failures in project pricing or execution or project delays may impair the company's profitability. Unfavourable terms and conditions of customer or supplier agreements or disputes arising with regard to their content may have negative impacts on the company's profit or may generate unexpected additional costs. Other customer-related risks include the loss of one or more key customers, a considerable decrease of purchases or customers' financial problems.

Loihde is a service and expert company with business relying highly on skilled personnel. The company's profit and the implementation of the company's strategy may be impaired significantly if the company cannot recruit and retain skilled experts and continuously develop their competence according to the customer needs at each particular moment. There is intense competition for highly competent professionals in Loihde's business segments, which may lead to wage inflation and create upward pressure on personnel expenses.

As a security sector company, Loihde is subject to high expectations regarding the security and continuity of its services. A data breach, a data protection violation or the realisation of another security risk in the company's or a customer's environment may have significant direct and indirect negative effects.

Loihde consists of several companies and corporate acquisitions are also possible in the future. Failure in integrating companies and building synergy may complicate the attainment of Loihde's strategic targets and decrease the commitment of the management and personnel of Group companies. Potential corporate acquisitions may also lead to unforeseen

risks and hidden responsibilities, for which it has been impossible to make preparations.

Events after the review period

There have been no significant events after the end of the review period.

Financial calendar

In addition to the half-year-report and the financial statements release, Loihde publishes a more concise business report for the first and third quarters of the year.

- The business report for January–September 2025 will be published on Wednesday, 29 October 2025.

Financial reports are published on the company's website at <https://www.loihde.com/en/investors/reports-and-presentations>.

18 July 2025

Loihde Plc
Board of Directors

Webcast press conference

Loihde's CEO Samu Konttinen will present the results in a webcast today, 18 July 2025 at 11:00 a.m. EEST. The webcast will be live at <https://loihde.events.inderes.com/q2-2025>

The presentation and a recording of the webcast will later be available in Finnish on the company's website at <https://www.loihde.com/en/investors/reports-and-presentations>.

Further information

CEO Samu Konttinen, Media contact: Director of Communications Tiina Nieminen, tel. +358 44 4113480 or tiina.nieminen@loihde.com

Certified Adviser Aktia Alexander Corporate Finance Oy, tel. +358 50 520 4098

Loihde enables business continuity. We help our customers gain a sustainable competitive edge through data, AI and digitalisation, harness the potential of the cloud and protect themselves against both physical and cyber threats. The combining of these skills is what makes Loihde a unique and comprehensive partner. We are approximately 760 skilled professionals, and our revenue in 2024 amounted to EUR 140 million. loihde.com

TABLES

Accounting principles for the half-year report

The half-year report has been prepared in accordance with Finnish legislation and the information is presented to the extent required by the Nasdaq First North Growth Market Rulebook sections 4.4.6 and 4.4.7. Loihde Plc prepares its financial statements in accordance with IFRS, and the accounting principles followed in this half-year report are consistent with those followed in the 2024 consolidated financial statements. This half-year report is not an interim report in accordance with IAS 34. The figures presented have been rounded from the exact figures. The figures in the half-year report are unaudited.

Consolidated comprehensive income statement (IFRS)

EUR 1,000	1 Jan.–30 June 2025	1 Jan.–30 June 2024	1 Jan.–31 Dec. 2024
CONTINUING OPERATIONS			
REVENUE	70,481	68,423	139,702
Other operating income	103	158	257
Change in inventories of finished goods and work in progress	-	0	0
Production for own use	37	28	47
Use of materials and services	-25,767	-22,553	-48,416
Employee benefit expenses	-34,460	-34,708	-66,354
Depreciation, amortisation and impairment	-3,893	-3,913	-7,860
Impairment of goodwill	-	-	-9,900
Other operating expenses	-7,274	-7,707	-15,312
OPERATING PROFIT (EBIT)	-773	-273	-7,837
Finance income and expenses			
Interest and finance income	233	433	608
Interest and finance expenses	-376	-239	-537
Total finance income and expenses	-142	194	71
PROFIT/LOSS BEFORE TAXES	-916	-80	-7,766
Income taxes	-213	-565	-317
Profit/loss from continuing operations	-1,129	-644	-8,083
PROFIT/LOSS FOR THE PERIOD	-1,129	-644	-8,083

	1 Jan.–30 June 2025	1 Jan.–30 June 2024	1 Jan.–31 Dec. 2024
Other comprehensive income:			
Items not subsequently reclassified to profit or loss			
Value remeasurements of defined benefit plans	-	-	47
	-	-	47
Items that may be reclassified subsequently to profit or loss			
Translation differences from foreign units		8	14
		8	14
Other comprehensive income		8	61
TOTAL COMPREHENSIVE INCOME	-1,129	-636	-8,022
Profit/loss attributable to:			
Owners of the parent company	-1,129	-644	-8,083
	-1,129	-644	-8,023
Total comprehensive income attributable to:			
Owners of the parent company	-1,129	-636	-8,022
	-1,129	-636	-8,022
Earnings per share			
Earnings per share, basic (undiluted)	-0.20	-0.11	-1.41
Earnings per share, diluted	-0.20	-0.11	-1.40

Consolidated balance sheet (IFRS)

EUR 1,000	30 June 2025	30 June 2024	31 Dec. 2024
ASSETS			
NON-CURRENT ASSETS			
Tangible property, plant and equipment	4,870	4,543	4,721
Investment properties	2,897	3,130	3,007
Right-of-use assets	12,827	10,395	12,013
Goodwill	53,970	64,035	53,970
Intangible assets	1,124	1,624	1,416
Other financial assets	17	17	17
Receivables	130	129	126
Deferred tax assets	1,378	1,427	1,426
NON-CURRENT ASSETS	77,213	85,301	76,697
CURRENT ASSETS			
Inventories	13,426	14,449	14,120
Trade and other receivables	14,682	15,989	16,065
Assets based on customer contracts	7,255	6,853	6,425
Prepayments and accrued income	4,387	5,460	4,954
Current tax assets	336	225	290
Financial assets at fair value through profit or loss	4,269	4,122	4,099
Cash and cash equivalents	2,445	6,933	7,479
CURRENT ASSETS	46,800	54,030	53,432
ASSETS	124,013	139,331	130,129

	30 June 2025	30 June 2024	31 Dec. 2024
EQUITY AND LIABILITIES			
Owners of the parent company			
Share capital	1,504	1,504	1,504
Reserve fund	8,132	8,132	8,132
Reserve for invested unrestricted equity	49,634	49,892	49,689
Translation differences	0	-4	0
Retained earnings	22,090	34,686	27,393
Owners of the parent company	81,361	94,211	86,719
EQUITY	81,361	94,211	86,719
NON-CURRENT LIABILITIES			
Lease liabilities	8,143	6,031	7,651
Liabilities from customer contracts	35	147	67
Accrued expenses and deferred income	0	24	-
Pension liabilities	14	75	14
Deferred tax liability	380	437	444
NON-CURRENT LIABILITIES	8,573	6,715	8,175
CURRENT LIABILITIES			
Lease liabilities	5,329	4,754	4,874
Trade and other payables	10,282	12,082	11,018
Liabilities from customer contracts	5,363	6,100	3,385
Current tax liabilities	101	474	362
Accrued expenses and deferred income	13,005	14,996	15,597
CURRENT LIABILITIES	34,079	38,405	35,235
LIABILITIES	42,652	45,120	43,411
EQUITY AND LIABILITIES	124,013	139,331	130,129

Consolidated cash flow statement (IFRS)

EUR 1,000	1 Jan.–30 June 2025	1 Jan.–30 June 2024	1 Jan.–31 Dec. 2024
Cash flow from operating activities			
PROFIT/LOSS FOR THE PERIOD	-1,129	-644	-8,083
Adjustments:			
Depreciation	3,893	3,913	17,760
Unrealised changes in value and exchange gains and losses	77	-293	-297
Capital gains or losses from tangible and intangible assets and companies	-11	-2	-2
Finance income and expenses	66	100	226
Income taxes	213	565	317
Other adjustments*	122	60	156
Total adjustments	4,360	4,342	18,160
Change in working capital			
Change in inventories	694	-2,397	-2,068
Increase/decrease in current non-interest-bearing receivables	1,109	3,226	4,036
Increase/decrease in current non-interest-bearing liabilities	-1,356	-505	-3,748
Change in provisions	-	-	-3
Total change in working capital	447	324	-1,782
Interest and other financial items paid	-269	-184	-431
Interest and other financial items received	69	114	201
Dividends received	6	5	12
Other financial items	-19	-38	-63
Taxes paid	-536	-43	-12
Cash flow from operating activities	2,929	3,876	8,002

	1 Jan.–30 June 2025	1 Jan.–30 June 2024	1 Jan.–31 Dec. 2024
Cash flow from investing activities			
Investments in tangible and intangible assets	-784	-689	-1,489
Proceeds from sale of tangible and intangible assets	11	16	138
Acquisition of subsidiary, net of cash acquired	-	-	-60
Proceeds from sale of other investments	-100	-39	61
Cash flow from investing activities	-873	-712	-1,351
Cash flow from financing activities			
Share issue against payment	184	315	589
Repurchase of shares	-257	-477	-900
Repayments of short-term loans	-	-14	-14
Proceeds from long-term loans	-	-	-14
Repayments of long-term loans	-	-4	-4
Repayments of lease liabilities	-2,722	-2,738	-5,541
Dividends paid	-4,296	-5,731	-5,731
Cash flow from financing activities	-7,091	-8,650	-11,601
Change in cash and cash equivalents	-5,034	-5,486	-4,950
Cash and cash equivalents, opening balance	7,479	12,436	12,436
Change in cash and cash equivalents	-5,034	-5,486	-4,950
Foreign exchange differences on cash and cash equivalents	-	-17	-7
Impact of currency exchange rate changes	-	-17	-7
Cash and cash equivalents	2,445	6,933	7,479

*) Other adjustments include share bonus periodisation and acquisition cost adjustments to cash flow from investing activities

Consolidated statement of changes in equity (IFRS)

EUR 1,000	Share capital	Reserve for invested unrestricted equity	Reserve funds	Translation differences	Retained earnings	Retained earnings (loss)	Total	Total equity
EQUITY 1 JAN. 2025	1,504	49,689	8,132	0	27,393	27,393	86,179	86,179
Adjusted equity	1,504	49,689	8,132	0	27,393	27,393	86,179	86,179
Comprehensive income								
Profit/loss for the period	-	-	-	-	-1,129	-1,129	-1,129	-1,129
Other comprehensive income:								
Translation differences	-	-	-	0	0	0	0	0
TOTAL COMPREHENSIVE INCOME	-	-	-	0	-1,129	-1,129	-1,129	-1,129
Transactions with owners								
Distribution of dividends, distribution of assets	-	-	-	-	-4,299	-4,299	-4,299	-4,299
Repurchase of shares	-	-257	-	-	-	-	-257	-257
Share-based payments	-	-	-	-	122	122	122	122
Share issue	-	202	-	-	-	-	202	202
Other changes	-	0	-	-	2	2	2	2
Total transactions with owners	-	-55	-	-	-4,174	-4,174	-4,229	-4,229
TOTAL EQUITY 30 JUNE 2025	1,504	49,634	8,132	0	22,090	22,090	81,361	81,361

EUR 1,000	Share capital	Reserve for invested unrestricted equity	Reserve funds	Translation differences	Retained earnings	Retained earnings (loss)	Total	Total equity
EQUITY 1 JAN. 2024	1,504	50,152	8,132	-4	40,993	40,993	100,778	100,778
Adjusted equity	1,504	50,152	8,132	-4	40,993	40,993	100,778	100,778
Comprehensive income								
Profit/loss for the period	-	-	-	-	-644	-644	-644	-644
Other comprehensive income:								
Translation differences	-	-	-	0	8	8	8	8
TOTAL COMPREHENSIVE INCOME	-	-	-	0	-636	-636	-636	-636
Transactions with owners								
Distribution of dividends, distribution of assets	-	-	-	-	-5,731	-5,731	-5,731	-5,731
Repurchase of shares	-	-477	-	-	-	-	-477	-477
Share-based payments	-	-	-	-	60	60	60	60
Share issue	-	217	-	-	-	-	217	217
Total transactions with owners	-	-260	-	-	-5,671	-5,671	-5,931	-5,931
TOTAL EQUITY 30 JUNE 2024	1,504	49,892	8,132	-4	34,686	34,686	94,211	94,211

	Share capital	Reserve for invested unrestricted equity	Reserve funds	Translation differences	Retained earnings	Retained earnings (loss)	Total	Total equity
EQUITY 1 JAN. 2024	1,504	50,152	8,132	-4	40,993	40,993	100,778	100,778
Adjusted equity	1,504	50,152	8,132	-4	40,993	40,993	100,778	100,778
Comprehensive income								
Profit/loss for the period	-	-	-	-	-8,083	-8,083	-8,083	-8,083
Other comprehensive income:								
Value remeasurements of defined benefit plans	-	-	-	-	47	47	47	47
Translation differences	-	-	-	4	10	10	14	14
TOTAL COMPREHENSIVE INCOME	-	-	-	4	-8,026	-8,026	-8,022	-8,022
Transactions with owners								
Distribution of dividends, distribution of assets	-	-	-	-	-5,731	-5,731	-5,731	-5,731
Repurchase of shares	-	-900	-	-	-	-	-900	-900
Share-based payments	-	-	-	-	158	158	158	158
Share issue	-	437	-	-	-	-	437	437
Total transactions with owners	-	-463	-	-	-5,574	-5,574	-5,574	-5,574
TOTAL EQUITY 31 DEC. 2024	1,504	49,689	8,132	0	27,393	27,393	86,179	86,179

Consolidated commitments, guarantees and contingent liabilities (IFRS)

Contingent liabilities - Accounting policies

A contingent liability is a possible obligation resulting from previous events, the existence of which will only be ascertained once an uncertain event that is beyond the Group's control materialises. An existing obligation that is unlikely to require the fulfilment of a payment obligation or the amount of which cannot be reliably determined is also deemed to constitute a contingent liability. The contingent liability is presented in the notes to the financial statements.

Commitments, guarantees and contingent liabilities

EUR 1,000

	30 June 2025	30 June 2024	31 Dec. 2024
Business mortgages	7,084	7,084	7,084
Lease guarantees	319	408	357
Performance and warranty guarantees, drawn	1,298	1,376	1,507
Bank guarantees	612	612	612
Other commitments	71	31	68
Total	9,385	9,511	9,628

EUR 1,000

	30 June 2025	30 June 2024	31 Dec. 2024
VAT return obligation for real estate investments	98	79	83
TOTAL GUARANTEES AND CONTINGENT LIABILITIES	9,482	9,590	9,711

The parent company of Loihde Group has provided guarantees for performance and warranty guarantees provided by Group companies and as collateral for a bank guarantee.

Loihde Group has a contingent liability of EUR 510,000 to the city of Vaasa relating to a land use agreement, for which the Group has applied for a bank guarantee of EUR 612,000 as collateral. The fulfilment of the commitment is conditional on the town plan related to the land use agreement being approved and the building permit obtaining legal validity.

Calculation formulas

Annualised contract backlog for continuous services (ARR)

The contract value of continuous services in the last month of the period x 12

EBITDA:

Operating profit + depreciation, amortisation and impairment

EBITA

Operating profit + depreciation, amortisation and impairment of intangible assets

Adjustments:

The adjusted EBITDA, the adjusted operating profit (EBIT), adjusted EBITA and the adjusted profit for the period are calculated by excluding capital gains/losses arising from the disposal of properties, fixed asset shares and businesses, insurance and other compensations and other adjustment items significantly affecting comparability from the respective reported figure.

Return on equity, % (ROE):

$$\frac{\text{Profit/loss before appropriations - income taxes from actual operations}}{\text{Equity (average) + minority interest (average)}} \times 100$$

The divisor used is the average of the value at the beginning and end of the period

Return on investment, % (ROI)

$$\frac{\text{Net result + taxes + finance expenses}}{\text{Equity (average) + interest-bearing liabilities}} \times 100$$

The divisor used is the average of the value at the beginning and end of the period

Equity-to-assets ratio:

$$\frac{\text{Equity + minority interest}}{\text{Balance sheet total - advances received}} \times 100$$

The values on the balance sheet date are used in the divisor and the dividend.

Investments:

Capital expenditure for the period; divestment of assets not excluded.

Net debt/EBITDA

$$\frac{\text{Non-current and current interest-bearing liabilities + non-current and current lease liabilities - interest-bearing receivables - other financial assets - cash and cash equivalent}}{\text{EBITDA 12 months}} \times 100$$

Reconciliation calculations for alternative performance measures

Loihde Plc discloses alternative performance measures to provide a better picture of the operational development of business operations and to improve comparability between reporting periods. The alternative performance measures used by Loihde Plc are EBITDA, adjusted EBITDA, adjusted EBITA, adjusted EBIT, adjusted operating profit (EBIT) and adjusted profit for the period.

Alternative performance measures published quarterly

EBITDA AND ADJUSTED EBITDA

EUR 1,000	4–6 2025	4–6 2024	1–6 2025	1–6 2024	1–12 2024
Operating profit (EBIT)	-169	288	-773	-273	-7,837
Depreciation, amortisation and impairment	1,970	1,946	3,893	3,913	7,860
Impairment of goodwill					9,900
EBITDA	1,801	2,233	3,120	3,640	9,923
Gains from the disposal of fixed assets	-	-1	-	-1	-48
Restructuring expenses	642	270	795	348	726
Other non-recurring operating expenses	119	52	154	175	385
Foreign exchange differences	-	-1	-	-1	-1
ADJUSTED EBITDA	2,561	2,554	4,068	4,161	10,986

Alternative performance measures published twice a year

ADJUSTED EBITA

EUR 1,000	1–6 2025	1–6 2024	1–12 2024
Operating profit (EBIT)	-773	-273	-7,837
Amortisation and impairment of tangible assets	336	546	936
EBITA	-437	273	2,999
Gains from the disposal of fixed assets	0	-1	-48
Restructuring expenses	795	348	726
Other non-recurring operating expenses	154	175	385
Foreign exchange differences	-	0	-1
ADJUSTED EBITA	511	794	4,062

ADJUSTED OPERATING PROFIT (EBIT)

EUR 1,000	1–6 2025	1–6 2024	1–12 2024
Operating profit (EBIT)	-773	-273	-7,837
Gains from the disposal of fixed assets	-	-1	-48
Impairment of goodwill			9,900
Restructuring expenses	795	348	726
Other non-recurring operating expenses	154	175	385
Foreign exchange differences	-	0	-1
ADJUSTED OPERATING PROFIT (EBIT)	175	248	3,125

ADJUSTED PROFIT/LOSS FOR THE PERIOD

EUR 1,000	1–6 2025	1–6 2024	1–12 2024
Profit/loss for the period	-1,129	-644	-8,083
Gains from the disposal of fixed assets	-	-1	-48
Impairment of goodwill			9,900
Restructuring expenses	795	348	726
Other non-recurring operating expenses	154	175	385
Tax effects of adjustment items	-190	-105	-212
Foreign exchange differences	-	0	0
ADJUSTED PROFIT/LOSS FOR THE PERIOD	-371	-227	2,667