

A modern office interior with a grid ceiling, several large white spherical pendant lights, and a reception desk with a purple wood-grain finish. A colorful mural of a woman's face is on the wall to the right. In the foreground, there are several modern chairs and a small table.

**Loihde Plc**  
**FINANCIAL STATEMENTS**  
**RELEASE**

**1 JANUARY – 31 DECEMBER 2024**

**13 February 2025**

**LOIHDE**

Loihde Plc Company announcement 13 February 2025 at 8:00 a.m. EET (unaudited)

## LOIHDE PLC'S FINANCIAL STATEMENTS RELEASE 1 JANUARY–31 DECEMBER 2024

### Loihde's efficiency is improving as planned: Revenue increased by 5% and adjusted EBITDA improved by 45% in 2024

#### October–December 2024 in brief

- Loihde Group's revenue for the fourth quarter amounted to EUR 39.8 (37.3) million, an increase of 7%.
- Adjusted EBITDA was EUR 3.9 (3.8) million, or 9.8% (10.1%) of revenue.
- In December, the company recognised an impairment of EUR 9.9 million on goodwill related to IT consulting.

#### January–December 2024 in brief

- Loihde Group's revenue for the entire year was EUR 139.7 (132.7) million, an increase of 5%.
- Revenue by business area in January–December:
  - Security Solutions: EUR 76.8 (67.6) million, an increase of 14%
  - Cyber, Cloud & Connect: EUR 31.3 (29.0) million, an increase of 8%
  - Data & AI: EUR 15.9 (18.5) million, a decrease of 14%
  - Digital Services: EUR 16.0 (18.1) million, a decrease of 12%
- Adjusted EBITDA was EUR 11.0 (7.6) million, or 7.9% (5.7%) of revenue.
- Adjusted operating profit (EBIT) was EUR 3.1 (0.0) million, or 2.2% (0.0%) of revenue.
- The Board of Directors proposes to the Annual General Meeting (AGM) that a dividend of EUR 0.75 per share be paid from distributable funds and that the AGM authorises the Board to decide on an additional dividend of not more than EUR 0.75 per share.

## **Outlook for 2025**

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–DECEMBER, EUR 1,000	1–12 2024	1–12 2023	Change in %
Revenue, EUR 1,000	139,702	132,690	5%
- Security Solutions	76,766	67,552	14%
- Cyber, Cloud & Connect	31,335	28,978	8%
- Data & AI	15,919	18,462	-14%
- Digital Services	15,964	18,128	-12%
- Other (incl. eliminations)	-282	-430	34%
EBITDA	9,923	6,669	49%
Adjusted EBITDA, EUR 1,000 <sup>1</sup>	10,986	7,569	45%
Adjusted EBITDA, %	7.9%	5.7%	
EBITA, EUR 1,000	2,999	422	611%
Adjusted EBITA, EUR 1,000 <sup>1</sup>	4,062	1,322	207%
Adjusted EBITA, %	2.9%	1.0%	
Operating profit (EBIT), EUR 1,000	-7,837	-901	-769%
Adjusted operating profit (EBIT), EUR 1,000 <sup>1</sup>	3,125	-1	217,408%
Profit/loss for the period, EUR 1,000	-8,083	-620	-1,205%
Adjusted profit/loss for the period, EUR 1,000 <sup>1</sup>	2,667	121	2,111%
Equity-to-assets ratio, %	66.7%	69.6%	
Earnings per share (EPS), EUR, basic (undiluted) <sup>2</sup>	-1.41	-0.11	-1,207%
Earnings per share (EPS), EUR, diluted <sup>2</sup>	-1.40	-0.11	-1,213%
Return on investment (ROI), %	-6.9%	0.5%	
Adjusted return on investment (ROI), % <sup>1</sup>	3.6%	1.3%	
Net debt / EBITDA	0.09	-0.91	
Net debt / adjusted EBITDA	0.09	-0.80	
Average number of employees	826	863	-4%

<sup>1</sup> The adjusted EBITDA, the adjusted operating profit (EBIT) 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, impairments and other adjustments from the respective reported figure.

<sup>2</sup> The parent company's treasury shares (25,846 shares on average in January–December 2024 and 4,014 shares on average in January–December 2023) are excluded from the total number of shares.

## **CEO Samu Konttinen:**

In the last quarter of 2024, Loihde's revenue increased by 7% to EUR 39.8 (37.3) million. Adjusted EBITDA improved by 3% and totalled EUR 3.9 (3.8) million, or 9.8% (10.1%) of revenue.

Overall, the last quarter of the year was really good for us, although the weak market in IT consulting continues to weigh on our revenue and profit. In our other service areas, market conditions are more positive, and we did well especially in continuous services and projects related to security.

### **Security Solutions exceeded expectations**

Our security and corporate network services continued to grow well. The growth in our Security Solutions business area towards the end of the year exceeded our expectations. Due to the introduction of a more front-loaded project recognition policy in 2024, the expectations for the last quarter of the year were lower than the actual growth. The strong growth shows that Loihde has a very solid market position in the Finnish security technology sector. One of our competitive advantages is our strong information security and network expertise, since also physical security solutions are digital and networked in today's world. Nurse call systems and related maintenance services for hospitals and assisted living facilities also grew well towards the end of the year.

In cyber security services, identity and access management (IAM) consulting continued to grow significantly during the period. Our Cyber Security Operations Centre (CSOC) and our Network Operations Centre (NOC), which both operate 24/7, have also steadily increased their customer base and revenue.

### **No turnaround in IT consulting yet**

The difficulties in the IT consulting market have continued, resulting in lower year-on-year revenue for these service areas. However, our position as the supplier of our key customers has been strengthened, particularly in finance and manufacturing, and we have gained new customers in sectors such as energy and retail. Customers are particularly interested in improving their own operations through data, automation and artificial intelligence. The oversupply of bespoke software development relative to demand has increased price competition. Overall, we expect the IT consulting market to gradually improve during this year, but the early part of the year is likely to remain challenging.

### **Full-year profitability improved significantly**

Full-year revenue saw a year-on-year increase of 5% and came to EUR 139.7 million. Adjusted EBITDA improved by 45% and totalled EUR 11.0 (7.6) million, or 7.9% (5.7%) of revenue.

Revenue from strategically important continuous services increased by 14% and came to EUR 36.9 (32.6) million, which corresponds to 26.4% (24.5%) of the company's revenue. At the end of the financial year, the annualised contract backlog for continuous services amounted to EUR 38.7 (34.7) million.

As the market situation has been challenging in some respects, we are very pleased with these results, and I would like to thank Loihde's employees for their great work and our customers for their continued trust in our services.

## **Revenue and profit performance in October–December 2024**

The Group's revenue increased by 7% in October–December and totalled EUR 39.8 (37.3) million.

The Group's EBITDA was EUR 3.5 (3.5) million, or 8.8% (9.4%) of revenue, and the Group's adjusted EBITDA was EUR 3.9 (3.8) million, or 9.8% (10,1%) of revenue.

## **Revenue and profit performance in January–December 2024**

The Group's revenue for the full year 2024 totalled EUR 139.7 (132.7) million. Revenue saw a year-on-year increase of 5%.

Revenue from the Security Solutions business increased by 14% and amounted to EUR 76.8 (67.6) million. Revenue from the Cyber, Cloud & Connect business increased by 8% to EUR 31.3 (29.0) million. Revenue from the Data & AI business decreased by 14% and amounted to EUR 15.9 (18.5) million. Revenue from the Digital Services business decreased by 12% to EUR 16.0 (18.1) million.

EBITDA was EUR 9.9 (6.7) million, or 7.1% (0.6%) of revenue. Adjusted EBITDA was EUR 11.0 (7.6) million, or 7.9% (5.7%) of revenue.

Operating profit (EBIT) was EUR -7.8 (-0.9) million, or -5.6% (-0.7%) of revenue, and adjusted operating profit (EBIT) was EUR 3.1 (-0.0) million, or 2.2% (0.0%) of revenue. The operating profit was reduced by a goodwill impairment of EUR 9.9 million.

Personnel expenses totalled EUR 66.4 (68.2) million, or 47.5% (51.4%) of revenue.

Other operating expenses amounted to EUR 15.3 (16.6) million, or 11.0% (12.5%) of revenue.

The Group's planned depreciation, amortisation and impairment totalled EUR 7.9 (7.6) million. In December, the company recognised an impairment of EUR 9.9 million on goodwill related to IT consulting.

The Group's profit for the period was EUR -8.1 (-0.6) million and adjusted profit EUR 2.7 (0.1) million. Basic earnings per share (EPS) were EUR -1.41 (-0.11) and diluted EPS were EUR -1.40 (-0.11).

## **Financial position, financing and investments**

The Group's balance sheet total at the end of the financial year was EUR 130.1 (145.5) million. Goodwill on the balance sheet amounted to EUR 54.0 (63.9) million. The balance sheet total decreased mainly due to the dividend paid and the impairment of goodwill related to IT consulting.

The equity-to-assets ratio at the end of the financial year was 66.7% (69.6%). Return on investment (ROI) was -6.9% (0.5%) and adjusted ROI was 3.6% (1.3%). The Group's return on equity was -8.6% (-0.6%).

Cash flow from operating activities was EUR 8.0 (1.9) million.

The Group's investments totalled EUR 8.6 (8.0) million. The most significant investments were in right-of-use assets, which included equipment used for continuous services and leased premises. In the comparative period, investments also included the effects of an acquisition.

Loihde Plc paid a dividend of EUR 1.00 per share for 2023 in accordance with the resolution of the Annual General Meeting (AGM). The dividend record date was 10 May 2024 and the payment date 17 May 2024. The total amount of dividends was approximately EUR 5.7 (10.3) million.

## Shares and shareholders

The number of shares outstanding from the parent company Loihde Plc was 5,723,427 at the end of the financial year and 5,729,953 on average from January to December (5,738,513 at the end of the financial year 2023 and 5,741,198 on average from January to December 2023). The average number of outstanding shares from July to December was 5,727,501 (July to December 2022: 5,743,707). Each share entitles its holder to one vote at the AGM.

	31 Dec. 2024	31 Dec. 2023
Number of shares	5,760,383	5,761,707
Treasury shares held by the parent company	36,956	23,194
Treasury shares held by subsidiaries	400	400
Shares outstanding from the Group	5,723,027	5,738,113
Market value, EUR million	68.7	69.1
Number of shareholders	24,073	24,918
Number of nominee-registered shares	4,295	10,158

## Overview of trading on Nasdaq First North Growth Market Helsinki 1 January–31 December 2024

	Number of Total shares ex- value, changed EUR	Highest, EUR	Lowest, EUR	Weighted average price, EUR	Latest, EUR
LOIHDE	499,757 6,203,476	14.95	10.30	12.41	12.00

The share buyback programme initiated by the company on 5 September 2023 ended on 19 April 2024. During the programme, the company acquired 59,123 treasury shares, which have been cancelled on 7 May

2024, in accordance with the decision of the company's Board of Directors on 29 April 2024.

On 27 June 2024, Loihde Plc's Board of Directors decided to start a share buyback programme in accordance with the authorisation granted to them by the AGM on 7 May 2024. The repurchase of Loihde shares started on 1 July 2024, and by 31 December 2024, Loihde had acquired 36,956 shares through the share buyback programme. The shares were acquired by public trading on Nasdaq First North Growth Market Finland at the market price quoted at the time of acquisition.

The list of major shareholders is available on the company's website at loihde.com.

## Share-based incentive schemes

During the financial year, the company has issued a total of 57,799 new shares in relation to share-based incentive schemes.

### *Bonus shares under the 2021–2023 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 2021. A total of 12,987 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 2021–2023*

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 7,762 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) 2023*

For savings shares subscriptions under the ESSP that began in 2023, the company issued 8,470 new shares in March and 8,043 new shares in June. The new shares were savings shares subscribed for with the savings accumulated by ESSP participants between 1 December 2023 and 30 May 2024.

### *Employee Share Savings Plan (ESSP) 2024*

On 29 April 2024, 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.

During the financial year 2024, two share issues have been carried out in connection with the ESSP, in which the company has transferred shares to the participants corresponding to their savings accumulated between 1 June and 30 November 2024. In September and December, the company issued 9,670 and 10,289 shares, respectively, to subscribe for savings shares.

### *Share-based incentive scheme for the CEO*

On 26 February 2024, Loihde Plc's Board of Directors decided to launch a new long-term Restricted Share Plan (RSP) for the CEO. It is the purpose of the RSP to align the objectives of the owners and the CEO in order to increase Loihde's value and implement the company's business strategy in the long term as well as to commit the CEO to the company.

The RSP for the CEO has one three-year vesting period, covering 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.

### *Share-based incentive scheme for the Board of Directors*

On 7 May 2024, the AGM decided on a directed share issue without payment to pay the bonus shares relating to the vesting period that started in 2021 of the long-term share-based incentive scheme for the company's Board of Directors. In the share issue, the company transferred a total of 578 shares to those who participated in the vesting period.

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 four business areas: Data & AI; Digital Services; Cyber, Cloud & Connect; and Security Solutions. The four business areas 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 and
- Loihde Properties Ltd.

## **Changes in Group structure**

Hämeen Lukko Oy has merged with Loihde Trust Ltd on 29 February 2024, and Loihde Trust Ltd has acquired the alarm transmission business of Vakka-Suomen Puhelin Oy on 31 May 2024.

On 22 November 2024, Loihde sold the entire share capital of its subsidiary Loihde Advisory AB, registered in Sweden, for the purpose of dissolution. Loihde Advisory AB had previously, in August 2023, sold its entire business operations to Witted Megacorp Ltd and did not engage in any business activities in the financial year 2024.

## **Personnel, management and corporate governance**

The number of employees converted into full-time equivalents (FTE) averaged 826 during the financial year (863 in 2023) and stood at 819

(841) at the end of the financial year. Potential part-time employment has also been taken into account when 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 financial year, the members of the Group's Leadership Team were Group CEO Samu Konttinen; EVP, Security Solutions Marko Järvinen; EVP, Data & AI Tomi Bergman until 31 October 2024; EVP, Digital Services Juha Meronen; EVP, Cyber, Cloud & Connect Jarno Mäki; EVP, Business Development Katja Ahola; CFO Pirjo Suhonen; CMO Jere Teutari; CPO Kristiina Aaltonen until 30 June 2024; and CPO Tuuli Stenbäck from 1 November 2024.

Until 7 May 2024, the Board of Directors of Loihde Plc consisted of Timo Kotilainen (Chair), Kaj Hagros, Juha Murtopuro, Matti Piri, Anni Ronkainen, Matti Vikkula and Stefan Wikman, and from 7 May 2024, the Board consisted of Marko Kauppi (Chair), Juha Murtopuro, Jari Niska, Anni Ronkainen, Matti Vikkula and Christian Wetterstrand.

## **General Meeting**

Loihde Plc's Annual General Meeting (AGM) was held in Vaasa on 7 May 2024. The AGM confirmed the company's financial statements for the financial year 2023 and discharged the persons responsible for the accounts and operations from liability.

The AGM resolved to distribute a dividend of EUR 1.00 per share based on the profit for 2023. The dividend record date was 10 May 2024 and the payment date 17 May 2024.

The AGM adopted the Remuneration Report 2023 for governing bodies.

The AGM confirmed the number of Board members as six, re-elected the current Board members Juha Murtopuro, Anni Ronkainen and Matti Vikkula, and elected Marko Kauppi, Jari Niska and Christian Wetterstrand as new Board members. Marko Kauppi was elected Chair of the Board and Jari Niska 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. Also, the AGM 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. No separate meeting fees will be paid. The AGM decided on a directed share issue without payment in order to pay the commitment shares earned in the second vesting period of the share-based incentive scheme for the Board of Directors, which began on 7 May 2021 and ended on 31 December 2023.

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

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 2025 at the latest.

The AGM authorised the Board of Directors to decide on a share issue of a maximum of 583,000 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, a maximum of 483,000 shares, and as part of the personnel's

incentive schemes, a maximum of 100,000 shares. The share issue authorisation with regard to shares used for acquisitions and restructuring is valid until the end of the next AGM, but until 30 June 2025 at the latest, while the authorisation with regard to shares related to incentive schemes for the company's personnel is valid for four years from the decision of the AGM. The authorisation does not revoke the previous authorisations granted by the AGM to the Board of Directors on 6 May 2021, 5 May 2022 and 4 May 2023 to the extent that the previous authorisations concern shares issued as part of the personnel incentive schemes.

The AGM decided that the annual fee of the Chair of the Shareholders' Nomination Board will be EUR 4,000 and that the annual fee of the members will be EUR 2,500.

The AGM authorised the Board of Directors to decide on donations of at most EUR 50,000 in total to training and research activities that support the company's business or non-profit or comparable causes.

### **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 e.g. 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 one in two companies have merged their security organisations and are 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 to 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 underway 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 e.g. 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) Cloud & Connect, 3) Cyber Security, 4) Digital Services, and 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 may reduce companies' ability and willingness to make investments or lead to such investments being postponed. It may also have negative effects on customers' ability to pay. Increased costs may affect Loihde's profitability. Russia's invasion of Ukraine does not directly affect Loihde's business but has increased the risk level through the above-mentioned indirect effects. The uncertain global political situation also increases the need for cyber security and physical 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 over their contents may have an adverse effect 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 heavily on skilled personnel. The company's profit and the implementation of the company's strategy may be significantly impaired if the company cannot recruit and retain skilled experts and continuously develop their competence according to the customer needs at each particular moment. In Loihde's business segments, the competition for skilled employees has eased as the market situation has changed, but there is still competition for experienced professionals, particularly in certain service areas, 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 or indirect adverse effects.

Loihde consists of several companies and corporate acquisitions are also possible in the future. Failure in integrating companies and building synergies may complicate the attainment of Loihde's strategic targets and decrease the commitment of the management and employees of Group companies. Potential corporate acquisitions may also lead to unforeseen risks and hidden liabilities, for which it has been impossible to make preparations.

## **Proposal on the use of the profit for the period**

The Board of Directors proposes to the AGM that a dividend of EUR 0.23 per share, in accordance with the dividend policy, and an additional dividend of EUR 0.52 per share, i.e. a total of EUR 0.75 per share, be paid from the parent company's distributable funds (EUR 82,818,276.42), of which the loss for the period is EUR 15,880,926.49. Based on the situation on the date of publication of the financial statements release, the dividend and additional dividend would correspond to EUR 4,290,042.75 in total.

In addition to this, the Board of Directors proposes to the AGM that the AGM authorises the Board 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 company will publish such a decision separately and will at the same time confirm the final record and payment dates. The authorisation would be valid until 31 December 2025.

No material changes have taken place in the company's financial position after the end of the financial year.

## **Events after the financial year**

On 15 January 2025, Loihde announced that it would initiate change negotiations to improve the company's business competitiveness and profitability.

## **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–March 2025 will be published on Wednesday, 30 April 2025.
- The half-year report for January–June 2025 will be published on Friday, 18 July 2025.
- The business report for January–September 2025 will be published on Wednesday, 29 October 2025.

The Financial Statements, the Report of the Board of Directors, the Auditor's Report and the Corporate Governance Statement for the financial year 2024 will be published in week 13.

The AGM is scheduled to take place on 8 May 2025. The Board of Directors will publish a separate notice of the AGM later.

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

13 February 2025

Loihde Plc  
Board of Directors

## **Webcast press conference**

Loihde's CEO Samu Konttinen will present the results in a webcast today, 13 February 2025 at 11:00 a.m. EET. The webcast will be live at <https://loihde.events.inderes.com/q4-2024>.

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**

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*Loihde enables business continuity. We help our customers to gain a sustainable competitive edge through data, AI and digitalisation, to harness the potential of the cloud and to 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 820 skilled professionals, and our revenue in 2024 amounted to EUR 139.7 million. loihde.com*

## TABLES

### **Accounting principles for the financial statements release**

The financial statements release 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 the International Financial Reporting Standards (IFRS). The figures presented have been rounded from the exact figures. The figures in the financial statements release are unaudited.



## Consolidated comprehensive income statement (IFRS)

EUR 1,000	1 July–31 Dec. 2024	1 July–31 Dec. 2023	1 Jan–31 Dec. 2024	1 Jan–31 Dec. 2023
<b>REVENUE</b>	71,279	67,198	139,702	132,690
Other operating income	99	325	257	586
Changes in inventories of finished goods and work in progress	0	-53	-	-50
Production for own use	19	25	47	76
Use of materials and services	-25,863	-22,214	-48,416	-41,915
Employee benefit expenses	-31,646	-31,313	-66,354	-68,164
Depreciation, amortisation and impairment	-3,947	-3,858	-7,860	-7,571
Impairment of goodwill	-9,900	-	-9,900	-
Other operating expenses	-7,605	-7,703	-15,312	-16,554
<b>OPERATING PROFIT (EBIT)</b>	<b>-7,564</b>	<b>2,406</b>	<b>-7,837</b>	<b>-901</b>
<b>Finance income and expenses</b>				
Interest and finance income	175	620	608	1,452
Interest and finance expenses	-298	-590	-537	-1,058
<b>Total finance income and expenses</b>	<b>-123</b>	<b>30</b>	<b>71</b>	<b>394</b>
<b>PROFIT/LOSS BEFORE TAXES</b>	<b>-7,687</b>	<b>2,436</b>	<b>-7,766</b>	<b>-507</b>
Income taxes	248	53	-317	-112
<b>Profit/loss from continuing operations</b>	<b>-7,439</b>	<b>2,489</b>	<b>-8,083</b>	<b>-620</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-7,439</b>	<b>2,489</b>	<b>-8,083</b>	<b>-620</b>

	1 July–31 Dec. 2024	1 July–31 Dec. 2023	1 Jan–31 Dec. 2024	1 Jan–31 Dec. 2023
<b>Other comprehensive income:</b>				
<b>Items not subsequently reclassified to profit or loss</b>				
Value remeasurements of defined benefit plans	47	70	47	70
	<b>47</b>	<b>70</b>	<b>47</b>	<b>70</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Translation differences from foreign units	5	-26	14	-12
	<b>5</b>	<b>-26</b>	<b>14</b>	<b>-12</b>
<b>Other comprehensive income</b>	<b>52</b>	<b>45</b>	<b>61</b>	<b>58</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-7,386</b>	<b>2,534</b>	<b>-8,022</b>	<b>-561</b>
<b>Profit/loss attributable to:</b>				
Owners of the parent company	-7,439	2,489	-8,083	-620
Non-controlling interests	-	-	-	-
	<b>-7,439</b>	<b>2,489</b>	<b>-8,083</b>	<b>-620</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent company	-7,386	2,534	-8,022	-561
Non-controlling interests	-	-	-	-
	<b>-7,386</b>	<b>2,534</b>	<b>-8,022</b>	<b>-561</b>
<b>Earnings per share</b>				
Earnings per share, basic (undiluted)	-1.30	0.43	-1.41	-0.11
Earnings per share, diluted	-1.29	0.43	-1.40	-0.11

## Consolidated balance sheet (IFRS)

EUR 1,000	31 Dec. 2024	31 Dec. 2023
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Tangible property, plant and equipment	4,721	5,404
Investment properties	3,007	2,381
Right-of-use assets	12,013	9,902
Goodwill	53,970	63,881
Intangible assets	1,416	2,140
Other financial assets	17	17
Receivables	126	158
Deferred tax assets	1,426	1,463
<b>NON-CURRENT ASSETS</b>	<b>76,697</b>	<b>85,348</b>
<b>CURRENT ASSETS</b>		
Inventories	14,120	12,052
Trade and other receivables	16,065	20,603
Assets based on customer contracts	6,425	7,695
Prepayments and accrued income	4,954	3,290
Current tax assets	290	291
Financial assets at fair value through profit or loss	4,099	3,775
Cash and cash equivalents	7,479	12,436
<b>CURRENT ASSETS</b>	<b>53,432</b>	<b>60,142</b>
<b>ASSETS</b>	<b>130,129</b>	<b>145,490</b>

EUR 1,000	31 Dec. 2024	31 Dec. 2023
<b>EQUITY AND LIABILITIES</b>		
<b>Owners of the parent company</b>		
Share capital	1,504	1,504
Reserve fund	8,132	8,132
Reserve for invested unrestricted equity	49,689	50,152
Translation differences	-	-4
Retained earnings	27,393	40,993
<b>Owners of the parent company</b>	<b>86,719</b>	<b>100,778</b>
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>
<b>EQUITY</b>	<b>86,719</b>	<b>100,778</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing financial liabilities	-	4
Lease liabilities	7,651	5,429
Liabilities from customer contracts	67	283
Accrued expenses and deferred income	-	43
Pension liabilities	14	75
Deferred tax liability	444	458
<b>NON-CURRENT LIABILITIES</b>	<b>8,175</b>	<b>6,291</b>
<b>CURRENT LIABILITIES</b>		
Interest-bearing financial liabilities	-	14
Lease liabilities	4,874	4,837
Trade and other payables	11,018	14,536
Liabilities from customer contracts	3,385	6,329
Current tax liabilities	362	34
Accrued expenses and deferred income	15,597	12,670
<b>CURRENT LIABILITIES</b>	<b>35,235</b>	<b>38,421</b>
<b>LIABILITIES</b>	<b>43,411</b>	<b>44,712</b>
<b>EQUITY AND LIABILITIES</b>	<b>130,129</b>	<b>145,490</b>

## Consolidated cash flow statement (IFRS)

EUR 1,000	1 Jan.– 31 Dec. 2024	1 Jan.– 31 Dec. 2023
<b>Cash flow from operating activities</b>		
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-8,083</b>	<b>-620</b>
<b>Adjustments:</b>		
Depreciation	17,760	7,571
Unrealised changes in value and exchange gains and losses	-297	-466
Capital gains or losses from tangible and intangible assets and companies	-2	-78
Finance income and expenses	226	72
Income taxes	317	112
Other adjustments*	156	492
<b>Total adjustments</b>	<b>18,160</b>	<b>7,703</b>
<b>Change in working capital</b>		
Change in inventories	-2,068	-1,054
Increase/decrease in current interest-free receivables	4,036	-6,692
Increase/decrease in current interest-free liabilities	-3,748	3,758
Change in provisions	-3	-42
<b>Total change in working capital</b>	<b>-1,782</b>	<b>-4,031</b>
Interest and other financial items paid	-431	-314
Interest and other financial items received	201	206
Dividends received	12	24
Other financial items	-63	-92
Taxes paid	-12	-974
<b>Cash flow from operating activities</b>	<b>8,002</b>	<b>1,902</b>

	1 Jan.– 31 Dec. 2024	1 Jan.– 31 Dec. 2023
<b>Cash flow from investing activities</b>		
Investments in tangible and intangible assets	-1,489	-1,815
Proceeds from sale of tangible and intangible assets	138	99
Acquisition of subsidiary, net of cash acquired		-2,049
Disposal of subsidiary, net of cash disposed	-60	
Proceeds from sale of other investments	61	7,981
<b>Cash flow from investing activities</b>	<b>-1,351</b>	<b>4,215</b>
<b>Cash flow from financing activities</b>		
Share issue against payment	589	828
Repurchase of shares	-900	-281
Repayments of short-term loans	-14	-6
Proceeds from long-term loans	-	1
Repayments of long-term loans	-4	-44
Repayments of lease liabilities	-5,541	-5,027
Dividends paid	-5,731	-10,332
<b>Cash flow from financing activities</b>	<b>-11,601</b>	<b>-14,862</b>
<b>Change in cash and cash equivalents</b>	<b>-4,950</b>	<b>-8,745</b>
Cash and cash equivalents, opening balance	12,436	21,173
Change in cash and cash equivalents	-4,950	-8,745
Foreign exchange differences on cash and cash equivalents	-7	8
Impact of currency exchange rate changes	-7	8
Cash and cash equivalents	7,479	12,436

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

**Consolidated statement of changes in equity (IFRS)**

EUR 1,000	Share capital	Reserve for invested un-restricted equity	Reserve funds	Translation differences	Retained earnings	Retained earnings (loss)	Total	Total equity
<b>EQUITY 1 JAN. 2024</b>	1,504	50,152	8,132	-4	40,993	40,993	100,778	100,778
<b>Comprehensive income</b>								
<b>Profit/loss for the period</b>					-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
<b>TOTAL COMPREHENSIVE INCOME</b>				<b>4</b>	<b>-8,026</b>	<b>-8,026</b>	<b>-8,022</b>	<b>-8,022</b>
<b>Transactions with owners</b>								
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
<b>Total transactions with owners</b>		<b>-463</b>			<b>-5,574</b>	<b>-5,574</b>	<b>-6,037</b>	<b>-6,037</b>
<b>TOTAL EQUITY 31 DEC. 2024</b>	<b>1,504</b>	<b>49,689</b>	<b>8,132</b>	<b>0</b>	<b>27,393</b>	<b>27,393</b>	<b>86,719</b>	<b>86,719</b>

EUR 1,000	Share capital	Reserve for invested un-restricted equity	Reserve funds	Translation differences	Retained earnings	Retained earnings (loss)	Total	Total equity
<b>EQUITY 1 JAN. 2023</b>	1,504	50,189	8,132	-4	51,490	51,490	111,312	111,312
<b>Comprehensive income</b>								
<b>Profit/loss for the period</b>					-620	-620	-620	-620
Other comprehensive income:								
Value remeasurements of defined benefit plans					70	70	70	70
Translation differences					-12	-12	-12	-12
<b>TOTAL COMPREHENSIVE IN-COME</b>					<b>-561</b>	<b>-561</b>	<b>-561</b>	<b>-561</b>
<b>Transactions with owners</b>								
Distribution of dividends, distribution of assets					-10,335	-10,335	-10,335	-10,335
Repurchase of shares		-287					-287	-287
Share-based payments					397	397	397	397
Share issue		249					249	249
Transfer of expired dividends of joint book-entry account shares					3	3	3	3
<b>Total transactions with owners</b>		<b>-37</b>			<b>-9,935</b>	<b>-9,935</b>	<b>-9,973</b>	<b>-9,973</b>
<b>TOTAL EQUITY 31 DEC. 2023</b>	<b>1,504</b>	<b>50,152</b>	<b>8,132</b>	<b>-4</b>	<b>40,993</b>	<b>40,993</b>	<b>100,778</b>	<b>100,778</b>

**Consolidated commitments, guarantees and contingent liabilities (IFRS)****Commitments, guarantees and contingent liabilities**

EUR 1,000

	31 Dec. 2024	31 Dec. 2023
Business mortgages	7,084	7,084
Lease guarantees	357	328
Performance and warranty guarantees, drawn	1,507	1,143
Bank guarantees	612	612
Other commitments	68	47
<b>Total</b>	<b>9,628</b>	<b>9,214</b>

EUR 1,000

	31 Dec. 2024	31 Dec. 2023
VAT liability on real estate investments	83	85
<b>TOTAL GUARANTEES AND CONTINGENT LIABILITIES</b>	<b>9,711</b>	<b>9,299</b>

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.

**Contingent liabilities**

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**

### ***EBITDA:***

Operating profit + depreciation, amortisation and impairment

### ***Adjustments:***

The adjusted EBITDA, the adjusted operating profit (EBIT) 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 adjustments from the respective reported figure.

### ***Return on equity % (ROE):***

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

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

### ***Return on investment % (ROI):***

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

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

### ***Equity-to-assets ratio:***

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

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

### ***Investments:***

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

## 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 operating profit (EBIT) and adjusted profit for the period.

### Alternative performance measures published quarterly

#### EBITDA AND ADJUSTED EBITDA

EUR 1,000	10-12 2024	10-12 2023	1-12 2024	1-12 2023
Operating profit (EBIT)	-8,403	1,540	-7,837	-901
Depreciation, amortisation and impairment	2,009	1,972	7,860	7,571
Impairment of goodwill	9,900	-	9,900	-
<b>EBITDA</b>	<b>3,506</b>	<b>3,512</b>	<b>9,923</b>	<b>6,669</b>
Gains from the disposal of fixed assets	-47	232	-48	-78
Restructuring expenses	283	179	726	617
Other non-recurring operating expenses	158	80	385	362
Foreign exchange differences	0	0	-1	-1
<b>ADJUSTED EBITDA</b>	<b>3,899</b>	<b>3,771</b>	<b>10,986</b>	<b>7,569</b>

### Alternative performance measures published twice a year

#### ADJUSTED EBITA

EUR 1,000	1-12 2024	1-12 2023
Operating profit (EBIT)	-7,837	-901
Amortisation and impairment of intangible assets	936	1,323
Impairment of goodwill	9,900	-
<b>EBITA</b>	<b>2,999</b>	<b>422</b>
Gains from the disposal of fixed assets	-48	-78
Restructuring expenses	726	617
Other non-recurring operating expenses	385	362
Foreign exchange differences	-1	-1
<b>ADJUSTED EBITA</b>	<b>4,062</b>	<b>1,322</b>

#### ADJUSTED OPERATING PROFIT (EBIT)

EUR 1,000	1-12 2024	1-12 2023
Operating profit (EBIT)	-7,837	-901
Gains from the disposal of fixed assets	-48	-78
Impairment of goodwill	9,900	-
Restructuring expenses	726	617
Other non-recurring operating expenses	385	362
Foreign exchange differences	-1	-1
<b>ADJUSTED OPERATING PROFIT (EBIT)</b>	<b>3,125</b>	<b>-1</b>

#### ADJUSTED PROFIT/LOSS FOR THE PERIOD

EUR 1,000	1-12 2023	
Profit/loss for the period	-8,083	-620
Gains from the disposal of fixed assets	-48	-78
Impairment of goodwill	9,900	-
Restructuring expenses	726	617
Other non-recurring operating expenses	385	362
Tax effects of adjustment items	-212	-160
Foreign exchange differences	0	0
<b>ADJUSTED PROFIT/LOSS FOR THE PERIOD</b>	<b>2,667</b>	<b>121</b>