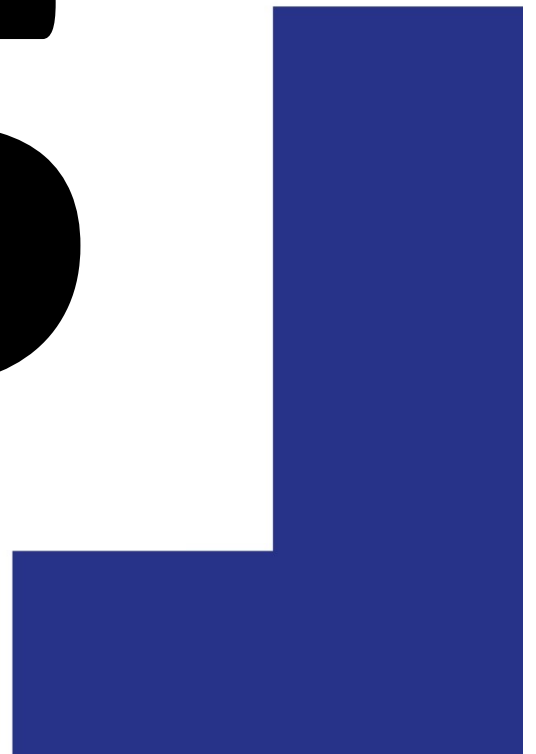




LEHTO

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Half-Year Financial Report
1 January – 30 June 2025

Lehto Group Plc:

Half-year financial report, January – June 2025

Lehto Group Plc
Half-Year Financial Report
21 August 2025 at 9.00 (Finnish time)

Focus on electricity storage project development

This report has been prepared in accordance with the IAS 34 standard and the report has been prepared on a going concern basis. The company complies with half-yearly reporting according to the Finnish Securities Markets Act. The financial statement bulletin is unaudited.

Key events in January-June

Development of the electricity storage business

- During the review period, Lehto's focus was on developing electricity storage projects.
- At the end of the review period, Lehto had two small electricity storage facilities in use on the reserve market and five electricity storage facilities with a combined capacity of approximately 2.2 MW under construction.
- In addition, Lehto has 12 electricity storage projects in development, with a combined capacity of approximately 55 MW. The company estimates that some of the projects under development will be ready by the end of 2025.
- The projects have been financed with cash and project-specific loans from external investors. Lehto is also in negotiations on leasing and installment financing for batteries.

Events related to the restructuring program

- During the first half of the year, Lehto reduced its secured, unsecured, conditional and maximum liabilities defined in the restructuring program by a total of EUR 0.3 million. At the end of the second half of the year, approximately EUR 1.8 million of liabilities under the restructuring program must be reduced.
- Lehto Group Oyj and its subsidiary Lehto Components sold their assets during the review period for approximately EUR 0.3 million. The proceeds from the sales were mainly used to pay off restructuring liabilities.

Events related to the shares

- On 31 January 2025, the 75,000,000 new shares issued in the conversion of Lehto's convertible bond were registered in the Trade Register. As a result of the conversion, the number of shares in the company increased to 162,339,410 shares.
- On 31 January 2025, Lehto announced that as a result of the conversion of the convertible bond, Ilmarinen Mutual Pension Insurance Company's holding in Lehto Group Plc's shares and votes has increased to 7.08 percent.
- On 31 January 2025, Lehto announced that as a result of the conversion of the convertible bond, the combined holding of Hannu Lehto and his controlled entity Lehto Invest Oy in all shares and votes in Lehto Group Plc has increased to over 51.75 percent. At that time, Hannu Lehto and Lehto Invest Oy announced that they would use the exception provided for in Chapter 11,

Section 21, Subsection 5 of the Securities Markets Act and that they would give up their voting rights exceeding the threshold for the mandatory bid within one month of the obligation to make a bid, i.e. by 28 February 2025.

- On 28 February 2025, Lehto announced that the combined holding of Hannu Lehto and Lehto Invest Oy in Lehto Group Plc's shares and votes has decreased to 49.96 percent as a result of the transfer of shares.
- On 15 May 2025, Lehto announced that it had transferred 203,424 of its own shares held by the company to the members of the Board of Directors as part of the Board's annual remuneration.
- Stock exchange releases have been published regarding the above-mentioned events related to the shares, which can be read in full at <https://lehto.fi/en/investors/stock-exchange-releases/>.

Lehto has previously announced its intention to transfer the trading venue of its shares from the Nasdaq Helsinki Stock Exchange (main list) to the First North Growth Market. Contrary to previous information, Lehto estimates that the transfer of the trading venue for the shares will not take place by the end of 2025, but only in the first half of 2026, when trading in the shares would also begin. Admission of shares to trading on the First North Growth Market requires the preparation of a prospectus and approval by Nasdaq Helsinki. Currently, trading in the shares is suspended.

Financial development during the review period

The Group's net sales from continuing operations, EUR 0.4 million, were at the level of the comparison period and consisted mainly of rental income from properties owned by the Group, electricity market incomes and income from the sale of inventories.

The operating result from continuing operations was EUR -1.5 million (EUR -4.7 million in 1H24). The operating result was affected by low net sales, factory maintenance costs and costs related to the start-up of the energy construction business.

Group	1-6/ 2025	1-6/ 2024 *	1-12/ 2024
Net sales from continuing operations, EUR million	0.4	0.4	1.1
Operating result from continuing operations, EUR million	-1.5	-4.7	-5.7
Result from continuing operations, EUR million	-1.7	-6.1	-3.3
Result from discontinued operations, EUR million	0.0	0.4	0.4
Result for the period, EUR million	-1.7	-5.7	-2.9
Cash and other liquid assets, EUR million	0.8	0.7	2.2
Interest-bearing liabilities, EUR million	4.0	15.8	3.5
Equity ratio, %	-6.8 %	-174.7 %	8.2 %

**The figures in the comparative period's income statement have changed due to a change in the classification of continuing operations. In this report, discontinued operations include Lehto Group Plc's subsidiaries that went bankrupt and the Swedish operations.*

The Group's cash and cash equivalents decreased to EUR 0.8 million (EUR 2.2 million on 31 December 2024). The decrease in cash and cash equivalents was mainly due to the loss-making result and investments in electricity storage projects.

The Group's personnel decreased during the review period. At the end of June, the Group had 57 (76 on 31 December 2024) employees, of whom 50 (67 on 31 December 2024) were on full-time or part-time layoffs. The laid-off employees are employees of Lehto Components Oy.

Energy construction business during the review period

During the review period, Lehto's focus was on developing electricity storage projects and coordinating the technical requirements and commercial solutions for electricity storage. Among other things, Lehto signed several land lease agreements for electricity storage locations, prepared technical plans related to the sites, negotiated with electricity grid companies on connecting electricity storage to electricity grids, and obtained permits related to the construction of electricity storage.

During the review period, Lehto started the construction of five new electricity storage projects with a total capacity of approximately 2.2 MW. At the end of the review period, the projects in question were still under construction. The commissioning of the electricity storage projects requires passing tests and approval from the transmission grid company Fingrid. The construction permit processes for electricity storage projects and the permit processes of electricity grid companies have required more time than expected.

At the end of the review period, Lehto had 12 electricity storage projects in the development phase, with a combined capacity of approximately 55 MW. The company estimates that some of the projects under development will be ready for production by the end of 2025. The projects have been financed with cash and project-specific loans from external investors. Loans from investors amounted to approximately EUR 0.5 million during the review period. Lehto is also in negotiations for leasing and installment financing of batteries.

Balance sheet and financial position

Consolidated balance sheet, EUR million	30 Jun 2025	30 Jun 2024	31 Dec 2024
Non-current assets	6.9	7.8	6.4
Current assets			
Inventories, excluding IFRS 16 assets	0.6	1.3	0.7
Current receivables	0.2	0.6	0.2
Cash and cash equivalents	0.8	0.7	2.2
Non-current assets held for sale	1.9		2.4
Assets total	10.4	10.4	11.8
Equity	-0.7	-18.2	1.0
Financial liabilities	4.0	15.8	3.5
Lease liabilities	0.0	0.3	0.0
Advances received		0.0	
Other payables	4.4	12.5	4.7
Liabilities related to non-current assets held for sale	2.7		2.6
Equity and liabilities total	10.4	10.4	11.8

Assets

Non-current assets increased by EUR 0.5 million from the year-end as a result of investments in electricity storage made to the balance sheet. At the end of the review period, non-current assets were EUR 6.9 million and they mainly consist of Lehto Components Oy's Oulainen factory building and machinery and furniture. Non-current assets also include a total of EUR 1.5 million in ownerships and shares in real estate companies and one project company, as well as parts and components of electricity storage.

Inventories, EUR 0.6 million, mainly consist of materials of Lehto Components Oy and finished products owned by Lehto Group Plc.

Cash and cash equivalents decreased by EUR 1.7 million, which was due to a loss and investments in electricity storage.

Non-current assets held for sale consist of lease rights related to Lehto Components Oy's Hartola factory, machinery and equipment.

Liabilities

The amount of financial liabilities increased by EUR 0.5 million during the review period as a result of loans taken out for electricity storage investments. At the end of the review period, the amount of financial liabilities was EUR 4.0 million, of which approximately EUR 3.5 million consists of secured RCF bank debt and approximately EUR 0.5 million of loans taken out for electricity storage investments.

The RCF bank debt will be repaid according to the schedule specified in the company's restructuring program. The debt is secured by, among other things, all shares and most significant receivables of real estate companies owned by Lehto Group Oy, as well as the assets of bankrupt subsidiaries. If the assets of the bankruptcy estates of subsidiaries are used to repay Lehto Group Oy's RCF bank debt, the bankruptcy estates in question will become creditors of Lehto Group Oy with the rights of the original creditor.

Other liabilities are mainly unsecured liabilities according to the restructuring program and in addition, ordinary trade and accrued liabilities.

Liabilities related to non-current assets held for sale are the realized and future rental obligations of Lehto Components Oy's Hartola factory in accordance with IFRS 16.

Cash Flow

Cash flow statement, EUR million	1-6/ 2025	1-6/ 2024	1-12/ 2024
Cash flow from operating activities			
Result for the period + adjustments to accrual-based items	-0.9	-4.2	-5.4
Change in net working capital	-0.1	-0.8	-0.4
Total cash flow from operating activities	-1.1	-5.0	-5.8
Cash flow from investments	-0.7	0.0	-0.2
Cash flow from financing	0.4	-0.5	2.0
Change in cash and cash equivalents	-1.4	-5.4	-4.0
Cash and cash equivalents at the beginning of the year	2.2	6.1	6.1
Cash and cash equivalents at the end of the period	0.8	0.7	2.2

Financial outlook

Due to uncertainties related to the initial phase of the business, Lehto does not provide a precise estimate of the development of its net sales or operating result in 2025.

During 2025, Lehto aims to build significantly more new electricity storage capacity, which will be used primarily in the reserve and wholesale markets, but also in connection with the properties' own energy solutions.

During 2026-2028, Lehto aims to build new electricity storage capacity so that the net sales generated from electricity storage in 2028 would be approximately EUR 25 million and the operating result would be more than 10% of net sales.

The business requires significant battery investments, which will be acquired partly by leasing and partly by purchasing for its own balance sheet. The working capital needs of the initial phase of the business will be managed through capital investments specified in Lehto's restructuring program.

Risks and uncertainties

The most important risks for 2025 are described below.

Liquidity and funding risk

The company is in restructuring proceedings and in accordance with the restructuring program, the company's cash expenses can be financed in the following main aspects:

- The company's current operating expenses will be paid with capital investments in accordance with the restructuring program and with the income flows from completed electricity storage projects.
- The investments required by electricity storage projects will be financed with project-specific debt instruments.
- Payments of restructuring liabilities will be financed by the sale of assets

At the time of publication of this half-yearly report, the company does not have significant regular income flows. The company's current cash resources are not sufficient to cover the company's current expenses, investments required by electricity storage projects and payments in accordance with the restructuring program. In the last quarter of the year, the company will have to make repayments of restructuring liabilities of approximately EUR 2.2 million. Although Lehto's reserve and wholesale market yields are expected to grow during 2025, the company must succeed in selling its assets and/or obtaining new equity or debt financing to meet its payment obligations.

Failure to raise capital or sell assets could result in the company being unable to meet its payment obligations.

Risks related to starting and expanding the energy construction business

The business is still in its early stages and its expansion requires, among other things, technical assessment and planning, building procurement channels, finding suitable energy project sites, operational implementation of projects, obtaining financing, and finding partners and building cooperation models. Failure to implement these may lead to delays in starting the business and a deterioration in liquidity.

Risks related to the sale of factory operations

The company is in negotiations to sell the factory operations of Lehto Components Oy. It is possible that the factory operations cannot be sold or the factory premises and equipment cannot be leased. In such a situation, the company would be left with cost burdens related to the maintenance of the factories and the company might not be able to meet its payments.

Resolutions of the Annual General Meeting

The Annual General Meeting held on 22 May 2025 decided, in accordance with the proposal of the Board of Directors, that no dividend be paid based on the approved balance sheet for the financial year 1 January - 31 December 2024.

The number of members of the Company's Board of Directors was decided to be three. In accordance with the proposal of the Shareholders' Nomination Board, Timo Okkonen, Tarja Teppo and Hannu Lehto were re-elected as members of the Board of Directors. Jani Nokkanen had previously notified the Company that he was no longer available as a member of the Board of Directors. The term of office of the Board of Directors members will end at the Annual General Meeting in 2026.

The Annual General Meeting authorized the Board of Directors to decide on the acquisition of the Company's own shares in one or more installments with funds belonging to the Company's unrestricted equity or without consideration, so that the maximum number of shares to be acquired is 16,200,000 shares. The amount corresponds to approximately 10 percent of all shares in the Company.

The Annual General Meeting authorized the Board of Directors to decide on share issues and the issuance of stock options and other special rights entitling to shares, so that the Board of Directors is authorized to decide on the issuance of a total of 16,200,000 shares through a share issue or by issuing stock options or other special rights entitling to shares. The amount corresponds to approximately 10 percent of all shares in the company.

The above-mentioned and other decisions of the Annual General Meeting are reported in the stock exchange release published on 22 May 2025.

Events after the review period

There are no events after the end of the review period that would have a material impact on Lehto's revenue, results or financial position.

20 August 2025
Lehto Group Plc
Board of Directors

TABLES

The preparation principles and calculation formulas for the half-yearly report are mainly the same as in the company's latest financial statements. The financial statements have been prepared on a going concern basis. The going concern basis has no effect on the valuation of balance sheet items, as the valuation of the Group's assets is based on an estimate of the recoverable amounts in situations where they fall below the carrying amount determined on a going concern basis.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME EUR million	1-6/ 2025	1-6/ 2024 *	1-12 / 2024
Net sales	0.4	0.4	1.1
Other operating income	0.0	0.6	0.8
Changes in inventories	-	-0.2	-0.2
Material and services	-0.2	-0.3	-0.7
Employee benefit expenses	-0.5	-1.7	-2.2
Depreciation and amortisation	-0.8	-0.9	-1.0
Other operating expenses	-0.5	-2.5	-3.4
Operating result	-1.5	-4.7	-5.7
Financial income	0.0	0.0	6.2
Financial expenses	-0.1	-1.5	-3.9
Result before taxes	-1.7	-6.1	-3.3
Income taxes	0.0	0.0	0.0
Result from continuing operations	-1.7	-6.1	-3.3
Result from discontinued operations	0.0	0.4	0.4
Result for the period	-1.7	-5.7	-2.9
Result attributable to			
Equity holders of the parent company	-1.7	-5.7	-2.9
Non-controlling interest	0.0	0.0	0.0
	-1.7	-5.7	-2.9
Components of other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Translation difference	0.0	-0.1	-0.1
	0.0	-0.1	-0.1
Comprehensive result, total	-1.7	-5.8	-3.0
Comprehensive result attributable to			
Equity holders of the parent company	-1.7	-5.8	-3.0
Non-controlling interest	0.0	0.0	0.0
	-1.7	-5.8	-3.0
Earnings per share calculated from the result attributable to shareholders of the parent company, EUR per share			
Average number of (issue-adjusted) outstanding shares during the period, basic	162 189 933	87 135 986	88 078 609
Average number of (issue-adjusted) outstanding shares during the period, diluted	162 189 933	87 147 129	88 084 150
Earnings per share from continuing operations, basic	-0.01	-0.07	-0.04
Earnings per share from continuing operations, diluted	-0.01	-0.07	-0.04
Earnings per share from discontinued operations, basic	0.00	0.01	0.00
Earnings per share from discontinued operations, diluted	0.00	0.01	0.00
Earnings per share, basic	-0.01	-0.07	-0.03
Earnings per share, diluted	-0.01	-0.07	-0.03

**The figures in the comparative period's income statement have changed due to a change in the classification of continuing operations. In this report, discontinued operations include Lehto Group Plc's subsidiaries that went bankrupt and the Swedish operations.*

CONSOLIDATED BALANCE SHEET**EUR million****30 Jun 2025****30 Jun 2024****31 Dec 2024****Assets***Non-current assets*

Other intangible assets

0.2

0.0

0.2

Property, plant and equipment

5.2

5.4

4.7

Investment properties

0.6

0.7

0.6

Investments and receivables

0.9

1.8

0.9

Non-current assets total

6.9

7.8

6.4

Current assets

Inventories

0.6

1.3

0.7

Trade and other receivables

0.2

0.6

0.2

Cash and cash equivalents

0.8

0.7

2.2

Current assets total

1.6

2.6

3.0

Non-current assets held for sale

1.9

2.4

Assets, total**10.4****10.4****11.8****Equity and liabilities***Equity*

Share capital

0.1

0.1

0.1

Invested non-restricted equity reserve

102.6

88.7

102.6

Translation difference

-0.2

-0.2

-0.2

Retained earnings

-104.0

-101.1

-101.1

Result for the financial period

-1.7

-5.7

-2.9

Capital loan

2.5

-

2.5

Equity attributable to shareholders of the parent company

-0.7

-18.2

1.0

Non-controlling interest

0.0

0.0

0.0

Equity total

-0.7

-18.2

1.0

Non-current liabilities

Non-current provisions

0.0

0.0

0.0

Financial liabilities

3.1

0.0

1.8

Lease liabilities

0.0

0.1

0.0

Other non-current liabilities

3.5

0.1

3.5

Non-current liabilities total

6.6

0.2

5.3

Current liabilities

Current provisions

0.1

0.4

0.1

Financial liabilities

0.9

15.8

1.7

Lease liabilities

0.0

0.2

0.0

Trade and other payables

0.8

12.0

1.1

Current liabilities total

1.8

28.4

2.9

Liabilities related to non-current assets held for sale

2.7

2.6

Liabilities total

11.1

28.5

10.9

Equity and liabilities, total**10.4****10.4****11.8****LEHTO**

**CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY**

EUR million

	Equity attributable to shareholders of the parent company						Non-controlling interest	Equity, total
	Share capital	Invested non- restricted equity reserve	Translation difference	Retained earnings	Capital loan	Total		
Equity at 1 January 2024	0.1	88.7	-0.1	-101.1		-12.4	0.0	-12.4
<i>Comprehensive income</i>								
Result for the financial period			-0.1	-5.7		-5.8	0.0	-5.8
<i>Total comprehensive income</i>			-0.1	-5.7		-5.8	0.0	-5.8
Equity at 30 June 2024	0.1	88.7	-0.2	-106.7		-18.2	0.0	-18.2
Equity at 1 January 2025	0.1	102.6	-0.2	-104.0	2.5	1.0	0.0	1.0
<i>Comprehensive income</i>								
Result for the financial period			0.0	-1.7		-1.7	0.0	-1.7
<i>Total comprehensive income</i>			0.0	-1.7		-1.7	0.0	-1.7
Equity at 30 June 2025	0.1	102.6	-0.2	-105.7	2.5	-0.7	0.0	-0.7

CONSOLIDATED CASH FLOW STATEMENT	1-6/ 2025	1-6/ 2024	1-12/ 2024
EUR million			
Cash flow from operating activities			
Result for the financial period	-1.7	-5.7	-2.9
<i>Adjustments:</i>			
Non-cash items	0.0	0.0	-0.4
Depreciation and amortisation	0.8	1.1	1.1
Financial income and expenses	0.1	1.6	-2.1
Capital gains		-0.6	-0.3
Income taxes	0.0	0.0	0.0
<i>Changes in working capital:</i>			
Change in trade and other receivables	0.0	-3.1	-2.7
Change in inventories	0.1	1.7	2.2
Change in trade and other payables	-0.2	0.7	0.0
Interest paid and other financial expenses	-0.1	-0.6	-0.8
Financial income received	0.0	0.0	0.0
Income taxes paid	0.0	0.0	0.0
Net cash from operating activities	-1.1	-5.0	-5.8
Cash flow from investments			
Investment in property, plant and equipment	-0.7	0.0	0.0
Investment in other intangible assets		0.0	-0.2
Proceeds from sale of tangible and intangible assets		0.0	0.1
Financial assets at fair value through profit or loss		0.0	
Repayments of loan receivables		0.0	0.0
Net cash from investments	-0.7	0.0	-0.2
Cash flow from financing			
Loans drawn	0.5		
Loans repaid	-0.1	-0.3	-0.3
Lease liabilities paid		-0.2	-0.2
Equity loans drawn			2.5
Net cash used in financing activities	0.4	-0.5	2.0
<i>Change in cash and cash equivalents (+/-)</i>	<i>-1.4</i>	<i>-5.4</i>	<i>-4.0</i>
Cash and cash equivalents at the beginning of the year	2.2	6.1	6.1
Effects of exchange rate change	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	0.8	0.7	2.2

KEY FIGURES	1-6/ 2025	1-6/ 2024 *1)	1-12/ 2024
Net sales, EUR million	0.4	0.4	1.1
Net sales, change %	21.6 %	-87.4 %	-75.6 %
Operating result, EUR million	-1.5	-4.7	-5.7
Operating result, as % of net sales	-350.4 %	-1303.4 %	-521.2 %
Result for the period, EUR million	-1.7	-5.7	-2.9
Result for the period, as % of net sales	-385.8 %	-1583.8 %	-270.2 %
Equity ratio, %	-6.8 %	-174.7 %	8.2 %
Gearing, %	-1099.7 %	-1.0 %	496.4 %
Net gearing ratio, %	-837.1 %	-84.4 %	412.1 %
Return on equity, ROE, %	N/A	-41.3 %	N/A
Return on investment, ROI, %	-76.8 %	-5.9 %	1.4 %
Order backlog, EUR million	0.0	0.0	0.0
Personnel at the end of period	57	99	76
Gross expenditure on assets, EUR million	-0.7	0.0	-0.2
Equity / share, EUR	-0.004	-0.21	0.0
Earnings per share, basic	-0.01	-0.07	-0.03
Earnings per share, diluted	-0.01	-0.07	-0.03
Average number of (issue-adjusted) outstanding shares during the period, basic	162 189 933	87 135 986	88 078 609
Average number of (issue-adjusted) outstanding shares during the period, diluted	162 189 933	87 147 129	88 084 150
Number of (issue-adjusted) outstanding shares at the end of the period	162 339 410	87 135 986	162 135 986
Market value of share at the end of period, EUR million	N/A *2)	2.8	N/A *2)
Share prices, EUR			
Highest price, EUR		0.06	0.0578
Lowest price, EUR		0.02	0.0151
Average price, EUR		0.03	N/A *2)
Price at the end of period, EUR		0.03	0.0318
Share turnover, shares			18 708 406
Share turnover out of average number of shares, %			21.2 %
Price / Earnings			-0.95

*1) The figures in the comparative period's income statement have changed due to a change in the classification of continuing operations. In this half-year report, companies that went bankrupt and the Swedish operations are presented as discontinued operations.

*2) Trading in the share has been suspended since February 6, 2024.

LIABILITIES AND GUARANTEES

EUR million	30 Jun 2025	30 Jun 2024	31 Dec 2024
Loans covered by pledges on assets			
Loans from financial institutions	3.4	3.4	3.4
Total	3.4	3.4	3.4
Guarantees			
Company mortgages	67.6	67.6	67.6
Real-estate mortgages	67.6	69.0	67.6
Pledges	0.7	0.0	0.1
Total	135.9	136.6	135.3
Contract guarantees			
Warranty guarantees	0.0	0.0	0.0
Rent guarantees	0.1	0.1	0.1
Counter-guarantees given on behalf of bankrupt companies	3.1	30.9	3.1
Total	3.3	31.0	3.3
Contract guarantees			
Production guarantees	0.5	0.8	0.6

The pledges are investments and other financial assets pledged as collateral for loans from financial institutions. Pledges are presented at carrying amount.

TRANSACTIONS WITH RELATED PARTIES

In addition to Group companies, members of the Board of Directors and the Group's senior management, the Group's related parties include those entities in which the related party or their family members have influence, either through ownership or management. Related parties also include associated companies and joint ventures. There have been no transactions with associated companies.

Transactions with related parties

EUR million	Sales 1-6/2025	Sales 1-6/2024	Purchases 1-6/2025	Purchases 1-6/2024	Sales 1-12/2024	Purchases 1-12/2024
Key personnel and their controlled entities	0.2	0.0	0.1	0.2	0.1	0.1
Total	0.2	0.0	0.1	0.2	0.1	0.1
EUR million	Receivable 30 June 2025	Receivable 30 June 2024	Liabilities 30 June 2025	Liabilities 30 June 2024	Receivable 31 Dec 2024	Liabilities 31 Dec 2024
Key personnel and their controlled entities	-	-	2.8	0.0	-	2.5
Total	-	-	2.8	0.0	-	2.5

During the review period Lehto sold one land plot for the related party.

Transactions with related parties have been carried out on market terms. Liabilities to related parties relate to loans granted to the company by entities controlled by Hannu Lehto.

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www.lehto.fi