Lehto Group Plc

Half-year financial report January-June 2026

Lehto Group Plc: Half-year financial report 1 January – 30 June 2026

20 August 2026 at 08.00 (Finnish time)

Focus on electricity storage deployment

This report has been prepared in accordance with IAS 34 and on a going-concern basis. The company complies with the half-yearly reporting requirements of the Securities Markets Act. This half-yearly report is unaudited. Figures in parentheses refer to the corresponding period of the previous year, unless otherwise stated.

January–June 2026 in brief

- Operations during January–June focused on the commissioning of battery energy storage systems.
- At the end of the reporting period, one 9 MW battery storage system was in the testing phase, and five systems with a combined capacity of 10.2 MW were in the implementation phase.
- At the close of the reporting period, seven battery storage systems with a combined capacity of 2.4 MW were in productive operation.
- In January, Lehto acquired the rights to build a 30 MW battery storage system in Kalajoki. Design work for the project is currently underway.
- The average level of market revenues paid in the reserve and wholesale markets fell from the 2025 level.
- Trading in Lehto's shares on the Nasdaq Helsinki main market has been suspended since February 2024. Lehto has previously announced its intention to transfer the trading of its shares from the Nasdaq Helsinki main market to the First North Growth Market. Admission to trading on the First North Growth Market requires the preparation of a company description and approval from Nasdaq Helsinki.
- The company is in dialogue with Nasdaq regarding the requirements for a First North listing and the timetable for commencing trading. At present, the company cannot provide an estimate as to when it will receive approval to begin trading.

Financial development during the review period

The Group's net sales amounted to EUR 0.2 million (EUR 0.4 million in January–June 2025) and consisted primarily of market revenues from electricity storage systems and rental income from properties and equipment owned by the Group.

The Group's operating result from continuing operations was EUR -1.4 (-1.5) million, driven particularly by low net sales and maintenance costs for the Lehto Components Oy factory. The result for the period was EUR -1.1 (-1.7) million.

Group	1-6/ 2026	1-6/ 2025	1-12/ 2025
Net sales from continuing operations, EUR million	0.2	0.4	1.4
Operating result from continuing operations, EUR million	-1.4	-1.5	-2.6
Result from continuing operations, EUR million	-1.1	-1.7	-2.3
Result from discontinued operations, EUR million	0.0	0.0	0.0
Result for the period, EUR million	-1.1	-1.7	-2.3
Cash and other liquid assets, EUR million	1.3	0.8	2.0
Interest-bearing liabilities, EUR million	0.5	4.0	0.6
Equity ratio, %	-38.4 %	-6.8 %	-17.9 %

At the end of June, the Group had 12 employees, 8 of whom were on full-time or part-time layoff. The laid-off individuals are employees of Lehto Components Oy. The company regularly uses subcontractors for the development, design, and implementation of electricity storage projects.

CEO Hannu Lehto:

During the first half of the year, we focused on the deployment of battery energy storage systems. The results of these efforts are not yet reflected in financial metrics, but the financial impact will follow with a time lag.

The average market return on battery storage has declined since last year, a clear consequence of the increase in storage capacity within the market. As a result of this lower return, the payback period for storage investments has lengthened, though it remains at a financially viable level.

The electrification of society continues, and an increasing share of electricity generation is based on renewable energy sources. This sustains the demand for electricity storage systems into the future. Thanks to our project development efforts, we are well-positioned to capitalize on this growing market demand. We have also reached an agreement with a battery supplier to finance significant battery capacity through installment payments.

Financial outlook

Lehto does not provide a numerical estimate of the development of its net sales or operating result in 2026. During 2026, Lehto aims to build significantly more new electricity storage capacity, which will be used primarily in the reserve and wholesale markets.

Lehto has previously set a target to build new electricity storage capacity during 2026–2028, aiming for revenue of approximately EUR 25 million and an operating profit exceeding 10% of revenue from these operations by 2028. The company will update its business plan and financial targets by the time the 2026 financial statements are finalized, taking into account current market return levels and realistic project completion schedules.

The business requires significant battery investments, which will be acquired partly by leasing and partly by purchasing for its own balance sheet.

Balance sheet and financial position

Balance sheet, EUR million	**30 Jun 2026**	**30 Jun 2025**	**31 Dec 2025**
Non-current assets	3.4	6.9	3.0
Current assets			
Inventories	0.0	0.6	0.1
Current receivables	0.6	0.2	0.8
Cash and cash equivalents	1.3	0.8	2.0
Non-current assets held for sale	0.9	1.9	1.4
Assets total	**6.2**	**10.4**	**7.3**
Equity	-2.4	-0.7	-1.3
Financial liabilities	0.5	4.0	0.6
Lease liabilities	0.0	0.0	0.0
Other paybles	5.4	4.4	5.5
Liabilities related to non-current assets held for sale	2.7	2.7	2.7
Equity and liabilities total	**6.2**	**10.4**	**7.5**

Assets

Non-current assets, amounting to EUR 3.4 million, consist primarily of assets related to electricity storage facilities as well as holdings and shares in real estate companies.

Current receivables, amounting to EUR 0.6 million, consist mainly of trade receivables and funds deposited in an escrow account in accordance with the restructuring program.

Changes in cash and cash equivalents were driven primarily by investment expenditures for electricity storage projects and ongoing operating expenses.

The long-term assets held for sale consist of a right-of-use asset related to the lease agreement for Lehto Components Oy’s Hartola factory, as well as machinery and equipment.

Liabilities

Loans from financial institutions were fully repaid in connection with the sale of the Oulainen factory in November 2025. Other liabilities include, among others, liabilities under the restructuring program (EUR 3.2 million), accounts payable (EUR 1.1 million), and loans taken out for electricity storage projects (EUR 0.5 million).

Liabilities associated with non-current assets held for sale consist of lease liabilities related to the Hartola factory of Lehto Components Oy, in accordance with the IFRS 16 standard.

Cash flow

Cash flow statement, EUR million	**1-6/ 2026**	**1-6/ 2025**	**1-12/ 2025**
Cash flow from operating activities			
Result for the period + adjustments to accrual-based items	-1.0	-0.9	-1.8
Change in net working capital	0.7	-0.1	0.4
Total cash flow from operating activities	-0.3	-1.1	-1.4
Cash flow from investments	-0.4	-0.7	4.4
Cash flow from financing	-0.1	0.4	-3.1
Change in cash and cash equivalents	**-0.8**	**-1.4**	**-0.1**
Cash and cash equivalents at the beginning of the year	2.0	2.2	2.2
Cash and cash equivalents at the end of the period	1.3	0.8	2.0

Risks and uncertainties

The most important risks for 2026 are described below.

Market risk

The company's energy business revenues depend on prices determined in the market through auction procedures. It is possible that as competition increases, market revenues will weaken significantly from current levels, resulting in lower than expected revenue streams for the company.

Liquidity and funding risk

The company does not have significant regular revenue streams at the time of publication of this half-year financial report. The company's current expenses can be covered by existing cash resources during 2026, but the existing cash resources are not sufficient to pay the electricity storage investments in accordance with the business plan and the debts specified in the restructuring program. The company must sell its assets and obtain debt financing for electricity storage investments in order to meet all its future payments.

Failure to obtain financing for electricity storage projects or to sell assets could lead to a situation in which the company is unable to meet all of its payment obligations.

Risks related to 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 Lehto Components Oy's Hartola factory operations. It is possible that the factory operations will not be sold. In such a situation, the company would be left with cost burdens related to the maintenance of the factories and the company would possibly not be able to meet its payments.

Key decisions of the 2026 Annual General Meeting

The Annual General Meeting held on 27 April 2026 resolved, in accordance with the Board of Directors' proposal, that no dividend be paid based on the balance sheet adopted for the financial year 1 January–31 December 2025.

In accordance with the proposal of the Shareholders' Nomination Board, three members were elected to the Board of Directors: Hannu Lehto, Tarja Teppo, and Timo Okkonen. The term of office of the Board members expires at the Annual General Meeting in 2027.

The audit firm Moore Idman Oy was elected as the auditor; the firm has notified the company that Authorised Public Accountant (KHT) Jussi Savio will serve as the auditor with principal responsibility.

The Annual General Meeting resolved to authorize the Board of Directors to decide on the acquisition of the company's own shares, in one or several installments, using funds belonging to the company's unrestricted equity or without consideration, such that the number of shares to be acquired is a maximum of 16,200,000. This amount corresponds to approximately 10 per cent of all the company's shares.

The Annual General Meeting resolved to authorize the Board of Directors to decide on the issuance of a total of no more than 16,200,000 shares, whether through a share issue or by granting option rights or other special rights entitling to shares, in one or several installments; this corresponds to approximately 10 per cent of all the company's shares.

The aforementioned resolutions, as well as other resolutions of the Annual General Meeting, are available in the minutes of the General Meeting on the company's website at https://lehto.fi/en/annual-general-meeting/.

Shares and ownership

At the end of the reporting period, the number of Lehto Group Plc shares was 162,339,410, and the company had 13,954 shareholders. The company held no treasury shares. The company has a single share class, and each share entitles the holder to one vote at the General Meeting.

Lehto Group Plc's shares are listed on the Nasdaq Helsinki exchange list, but trading in the shares has been suspended since February 2024. The company has previously announced its intention to transfer the trading venue for its shares from the Nasdaq Helsinki exchange list to the First North Growth Market.

Admission to trading on the First North Growth Market requires the preparation of a company description and approval from Nasdaq Helsinki. The company is in dialogue with Nasdaq regarding the requirements for a First North listing and the timetable for commencing trading. At present, the company cannot provide an estimate as to when it will receive approval to commence trading.

The Company has not received any flagging notifications during the reporting period.

Events after the reporting period

D.Sc. (Econ.) Janne Lehto (born 1991) has been appointed Chief Financial Officer of Lehto Group Plc, effective September 1, 2026.

19 August 2026
Lehto Group Plc
Board of Directors

Further information:
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TABLES (unaudited)

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 and this half-year report 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.

Lehto Group Plc owns 100% of Lehto Energia Oy, a company engaged in the implementation of certain electricity storage projects. This company has not been consolidated into the group financial statements; instead, the EUR 250,000 equity investment made by Lehto Group Plc in the company is presented as an investment in the group’s balance sheet and cash flow statement. During the reporting period, Lehto Energia Oy has generated no net sales and incurred no significant expenses.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME EUR million	1-6/2026	1-6/2025	1-12/2025
Net sales	**0.2**	**0.4**	**1.4**
Other operating income	0.3	0.0	0.5
Changes in inventories	-0.1	-	-0.4
Material and services	-0.3	-0.2	-0.6
Employee benefit expenses	-0.4	-0.5	-1.0
Depreciation and amortisation	-0.6	-0.8	-1.2
Other operating expenses	-0.6	-0.5	-1.3
Operating result	**-1.4**	**-1.5**	**-2.6**
Financial income	0.2	0.0	0.5
Financial expenses	0.0	-0.1	-0.2
Result before taxes	**-1.1**	**-1.7**	**-2.3**
Income taxes	0.0	0.0	0.0
Result from continuing operations	**-1.1**	**-1.7**	**-2.3**
Result from discontinued operations	0.0	0.0	0.0
Result for the period	**-1.1**	**-1.7**	**-2.3**
Result attributable to			
Equity holders of the parent company	-1.1	-1.7	-2.3
Non-controlling interest	0.0	0.0	0.0
	-1.1	**-1.7**	**-2.3**
Components of other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation difference	0.0	0.0	0.0
	0.0	**0.0**	**0.0**
Comprehensive result, total	**-1.0**	**-1.7**	**-2.3**
Comprehensive result attributable to			
Equity holders of the parent company	-1.0	-1.7	-2.3
Non-controlling interest	0.0	0.0	0.0
	-1.0	**-1.7**	**-2.3**
Earnings per share calculated from the result attributable to			
Average number of (issue-adjusted) outstanding shares during the period,	162 339 410	162 189 933	162 265 286
Average number of (issue-adjusted) outstanding shares during the period,	162 339 410	162 189 933	162 265 286
Earnings per share from continuing operations, basic	-0.00	-0.01	-0.01
Earnings per share from continuing operations, diluted	-0.00	-0.01	-0.01
Earnings per share from discontinued operations, basic	-	0.00	0.00
Earnings per share from discontinued operations, diluted	-	0.00	0.00
Earnings per share, basic	-0.00	-0.01	-0.01
Earnings per share, diluted	-0.00	-0.01	-0.01

CONSOLIDATED BALANCE SHEET

EUR million	30 Jun 2026	30 Jun 2025	31 Dec 2025
Assets			
Other intangible assets	0.1	0.2	0.2
Property, plant and equipment	1.6	5.2	1.5
Investment properties	0.6	0.6	0.6
Investments and receivables	1.0	0.9	0.8
Deferred tax assets			
Non-current assets total	*3.4*	*6.9*	*3.0*
Inventories	0.0	0.6	0.1
Trade and other receivables	0.6	0.2	0.8
Cash and cash equivalents	1.3	0.8	2.0
Current assets total	*1.9*	*1.6*	*2.9*
Non-current assets held for sale	0.9	1.9	1.4
Assets, total	**6.2**	**10.4**	**7.3**
Equity and liabilities			
Share capital	0.1	0.1	0.1
Invested non-restricted equity reserve	102.6	102.6	102.6
Translation difference	-0.2	-0.2	-0.2
Retained earnings	-106.3	-104.0	-104.0
Result for the financial period	-1.0	-1.7	-2.3
Capital loan	2.5	2.5	2.5
Equity attributable to shareholders of the parent company	-2.4	-0.7	-1.3
Non-controlling interest	0.0	0.0	0.0
Equity total	*-2.4*	*-0.7*	*-1.3*
Deferred tax liabilities			
Non-current provisions	0.9	0.0	0.9
Financial liabilities	0.4	3.1	0.5
Lease liabilities	0.0	0.0	0.0
Other non-current liabilities	3.1	3.5	3.2
Non-current liabilities total	*4.4*	*6.6*	*4.6*
Current provisions	-	0.1	-
Financial liabilities	0.1	0.9	0.1
Lease liabilities	-	0.0	-
Trade and other payables	1.3	0.8	1.3
Current liabilities total	*1.4*	*1.8*	*1.4*
Liabilities related to non-current assets held for sale	*2.7*	*2.7*	*2.7*
Liabilities total	8.6	11.1	8.6
Equity and liabilities, total	**6.2**	**10.4**	**7.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to shareholders of the parent company							
	Share capital	Invested non-restricted equity reserve	Translation difference	Retained earnings	Capital loan	**Total**	Non-controlling interest	**Equity, total**
Equity at 1 January 2025	**0.1**	**102.6**	**-0.2**	**-104.0**	**2.5**	**1.0**	**0.0**	**1.0**
Comprehensive income								
Result for the financial period			0.0	-1.7		**-1.7**	0.0	**-1.7**
Total comprehensive income			***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**
Equity at 1 January 2026	**0.1**	**102.6**	**-0.2**	**-106.3**	**2.5**	**-1.3**	**0.0**	**-1.3**
Comprehensive income								
Result for the financial period			0.0	-1.0		-1.1	0.0	-1.1
Total comprehensive income			***0.0***	***-1.0***		***-1.1***	***0.0***	***-1.1***
Transactions with equity holders								
Convertible bond conversion								
Capital loan withdrawal								
Distribution of dividends								
Direct expenses related to share issue								
Transactions with equity holders, total								
Changes in holdings in subsidiaries								
Equity at 30 June 2026	**0.1**	**102.6**	**-0.2**	**-107.3**	**2.5**	**-2.4**	**0.0**	**-2.4**

CONSOLIDATED CASH FLOW STATEMENT EUR million	1-6/ 2026	1-6/ 2025	1-12/ 2025
Cash flow from operating activities			
Result for the financial period	-1.1	-1.7	-2.3
Adjustments:			
Non-cash items	-0.5	0.0	-0.2
Depreciation and amortisation	0.6	0.8	1.2
Financial income and expenses	-0.3	0.1	-0.3
Capital gains	0.0	0.0	-0.3
Changes in working capital:			
Change in trade and other receivables	0.2	0.0	-0.6
Change in inventories	0.1	0.1	0.6
Change in trade and other payables	0.5	-0.2	0.4
Interest paid and other financial expenses	0.1	-0.1	-0.2
Financial income received	0.2	0.0	0.3
Income taxes paid	0.0	0.0	0.0
Net cash from operating activities	**-0.3**	**-1.1**	**-1.4**
Cash flow from investments			
Investment in property, plant and equipment	-0.2	-0.7	-1.4
Proceeds from sale of tangible and intangible assets	0.0		5.8
Loans granted	-0.3		
Repayments of loan receivables	0.0		
Net cash from investments	**-0.4**	**-0.7**	**4.4**
Cash flow from financing			
Loans drawn	0.0	0.5	0.4
Loans repaid	-0.1	-0.1	-3.5
Net cash used in financing activities	**-0.1**	**0.4**	**-3.1**
Change in cash and cash equivalents (+/-)	*-0.8*	*-1.4*	*-0.1*
Cash and cash equivalents at the beginning of the year	2.0	2.2	2.2
Effects of exchange rate change	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	1.3	0.8	2.0

KEY FIGURES	1-6/2026	1-6/2025	1-12/2025
Net sales, EUR million	0.2	0.4	1.4
Net sales, change %	-47.8%	21.6%	24.6%
Operating result, EUR million	-1.4	-1.5	-2.6
Operating result, as % of net sales	-601%	-350.4%	-193.5%
Result for the period, EUR million	-1.1	-1.7	-2.3
Result for the period, as % of net sales	-471.9%	-385.8%	-169.1%
Equity ratio, %	-38.4%	-6.8%	-17.9%
Gearing, %	-294.3%	-1099.7%	
Net gearing ratio, %	-21.6%	-837.1%	-54.7%
Return on equity, ROE, %	N/A	N/A	N/A
Return on investment, ROI, %	N/A	N/A	N/A
Order backlog, EUR million	0.0	0.0	0.0
Personnel at the end of period	12	57	24
Gross expenditure on assets, EUR million	-0.2	-0.7	-1.4
Equity / share, EUR	0.015	-0.004	0.000
Earnings per share, basic	0.00	-0.01	-0.01
Earnings per share, diluted	0.00	-0.01	-0.01
Average number of (issue-adjusted) outstanding shares during the period, basic	162,339,410	162,189,933	162,265,286
Average number of (issue-adjusted) outstanding shares during the period, diluted	162,339,410	162,189,933	162,265,286
Number of (issue-adjusted) outstanding shares at the end of the period	162,339,410	162,339,410	162,339,410
Market value of share at the end of period, EUR million	N/A *	N/A *	N/A *
Share prices, EUR	N/A *	N/A *	N/A *
Highest price, EUR	N/A *	N/A *	N/A *
Lowest price, EUR	N/A *	N/A *	N/A *
Average price, EUR	N/A *	N/A *	N/A *
Price at the end of period, EUR	N/A *	N/A *	N/A *
Share turnover, shares	N/A *	N/A *	N/A *
Share turnover out of average number of shares, %	N/A *	N/A *	N/A *
Price / Earnings	N/A *	N/A *	N/A *

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

LIABILITIES AND GUARANTEES

EUR million	30 Jun 2026	30 Jun 2025	31 Dec 2025
Loans covered by pledges on assets			
Loans from financial institutions	0.0	3.4	0.0
Total		**3.4**	**0.0**
Guarantees			
Company mortgages	67.6	67.6	67.6
Real-estate mortgages	33.8	67.6	33.8
Pledges	0.1	0.7	0.1
Total	**101.5**	**135.9**	**101.5**
Contract guarantees			
Rent guarantees	0.1	0.1	0.1
Counter-guarantees given on behalf of bankrupt companies	3.0	3.1	3.4
Total	**3.1**	**3.3**	**3.5**
Contract guarantees			
Production guarantees	0.0	0.5	0.0

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.

	Sales	Sales	Purchases	Purchases	Sales	Purchases
EUR million	**1-6/2026**	**1-6/2025**	**1-6/2026**	**1-6/2025**	**1-12/2025**	**1-12/2025**
Key personnel and their controlled entities	0.0	0.2	0.1	0.1	0.2	0.2
Total	**0.0**	**0.2**	**0.1**	**0.1**	**0.2**	**0.2**

	Receivables	Receivables	Liabilities	Liabilities	Receivables	Liabilities
EUR million	**30 Jun 2026**	**30 Jun 2025**	**30 Jun 2026**	**30 Jun 2025**	**31 Dec 2025**	**31 Dec 2025**
Key personnel and their controlled entities	0.0	0.0	3.0	2.8	0.0	3.1
Total	**0.0**	**0.0**	**3.0**	**2.8**	**0.0**	**3.1**

Related party liabilities include EUR 2.5 million of capital loan classified as equity from Lehto Invest Oy