

GOFORE PLC  
H1 / 2024

# Half-Year Financial Report

January – June 2024

Q2 adjusted EBITA 12.7%, up from previous year

15 August 2024  
Unaudited



# April-June 2024 Highlights

## Q2 adjusted EBITA 12.7%, up from previous year

- Profitability improved compared to comparison period. Adjusted EBITA 6.1 (5.4) million euros, 12.7% (11.3%).
- Net sales grew by 0.9% despite lower demand, were 48.0 (47.6) million euros. Organic growth -3.1%.
- Utilisation rate improved slowly but trend-like during the quarter.
- April-June had one more working day than in 2023.
- Price competition exceptionally made customer prices drop, -1.0%, average salary +0.1%.
- Number of employees grew to a total of 1,453 (1,396) people. Overall capacity standing at 1,511 (1,489).

Group Key Figures Summary, MEUR	Q2/2024	Q2/2023	2023
Net sales	48.0	47.6	189.2
Organic Growth of Net Sales, %	-3.1%	22.0%	22.0%
Adjusted EBITA	6.1	5.4	26.7
Adjusted EBITA, %	12.7%	11.3%	14.1%
EBITA	6.1	5.4	27.1
Operating Profit (EBIT)	5.2	4.5	23.0
Earnings per share (EPS), undiluted	0.25	0.21	1.15
Earnings per share (EPS), diluted	0.25	0.21	1.15
Number of employees at the end of period	1,453	1,396	1,465
Overall capacity; in-house and subcontracted staff (FTE), at the end of period	1,511	1,489	1,529

All figures are compared to the corresponding period of the previous year.  
All key figure calculation methods are explained in section "Calculation formulas for key figures"

# January-June 2024 Highlights

## Gofore's adjusted EBITA 13.2%

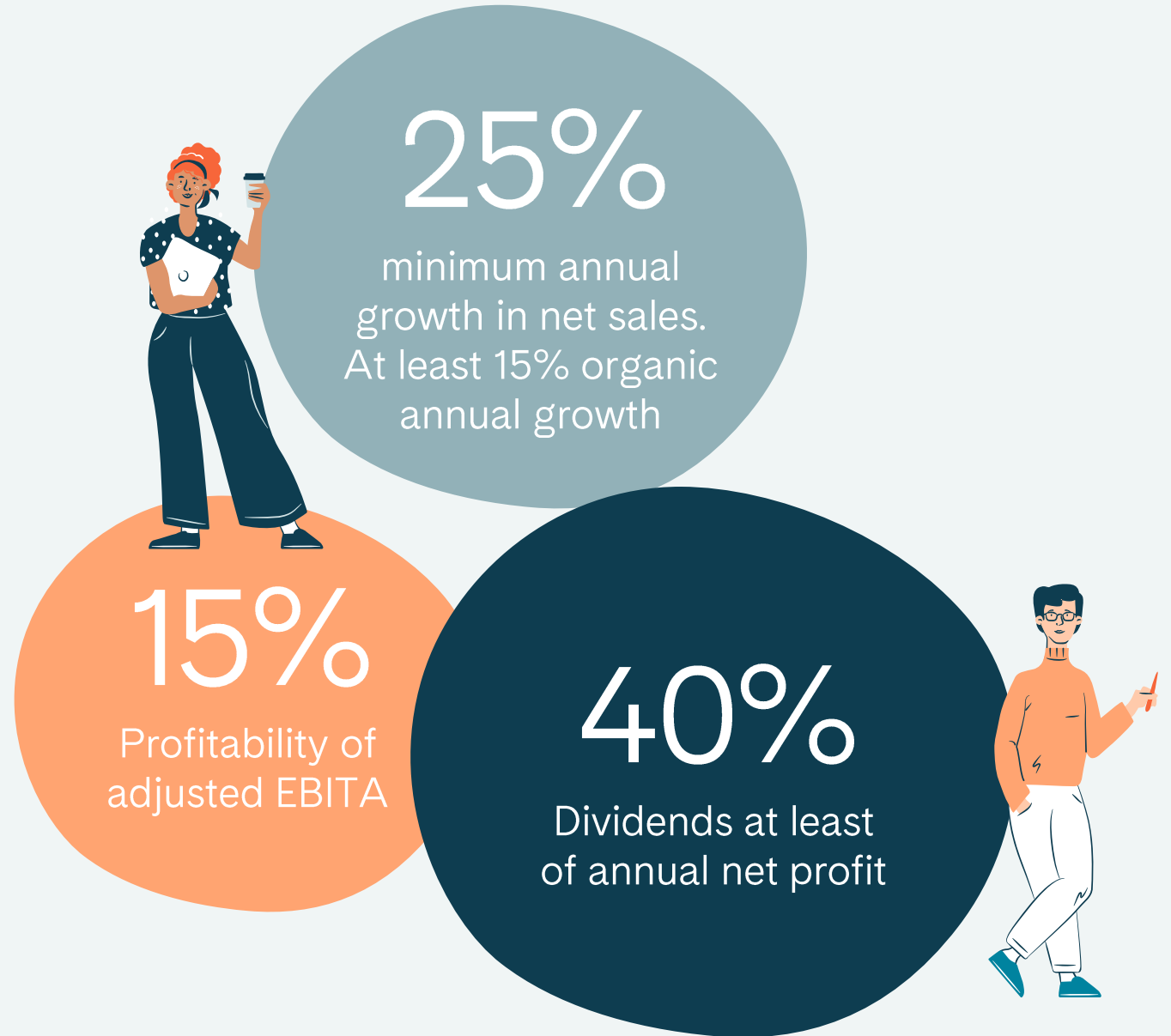
- Net sales grew by 0.5% and were 97.2 (96.7) million euros.
- Adjusted EBITA 12.9 (13.7) million euros, 13.2% (14.2%) of net sales.
- Customer prices dropped, -0.1%, average salary development standing at +0.8%.

Group Key Figures Summary, MEUR	H1/2024	H1/2023	2023
Net sales	97.2	96.7	189.2
Organic Growth of Net Sales, %	-2.5%	27.1%	22.0%
Adjusted EBITA	12.9	13.7	26.7
Adjusted EBITA, %	13.2%	14.2%	14.1%
EBITA	12.9	13.5	27.1
Operating Profit (EBIT)	11.0	11.6	23.0
Earnings per share (EPS), undiluted	0.53	0.56	1.15
Earnings per share (EPS), diluted	0.53	0.56	1.15
Number of employees at the end of period	1,453	1,396	1,465
Overall capacity; in-house and subcontracted staff (FTE), at the end of period	1,511	1,489	1,529

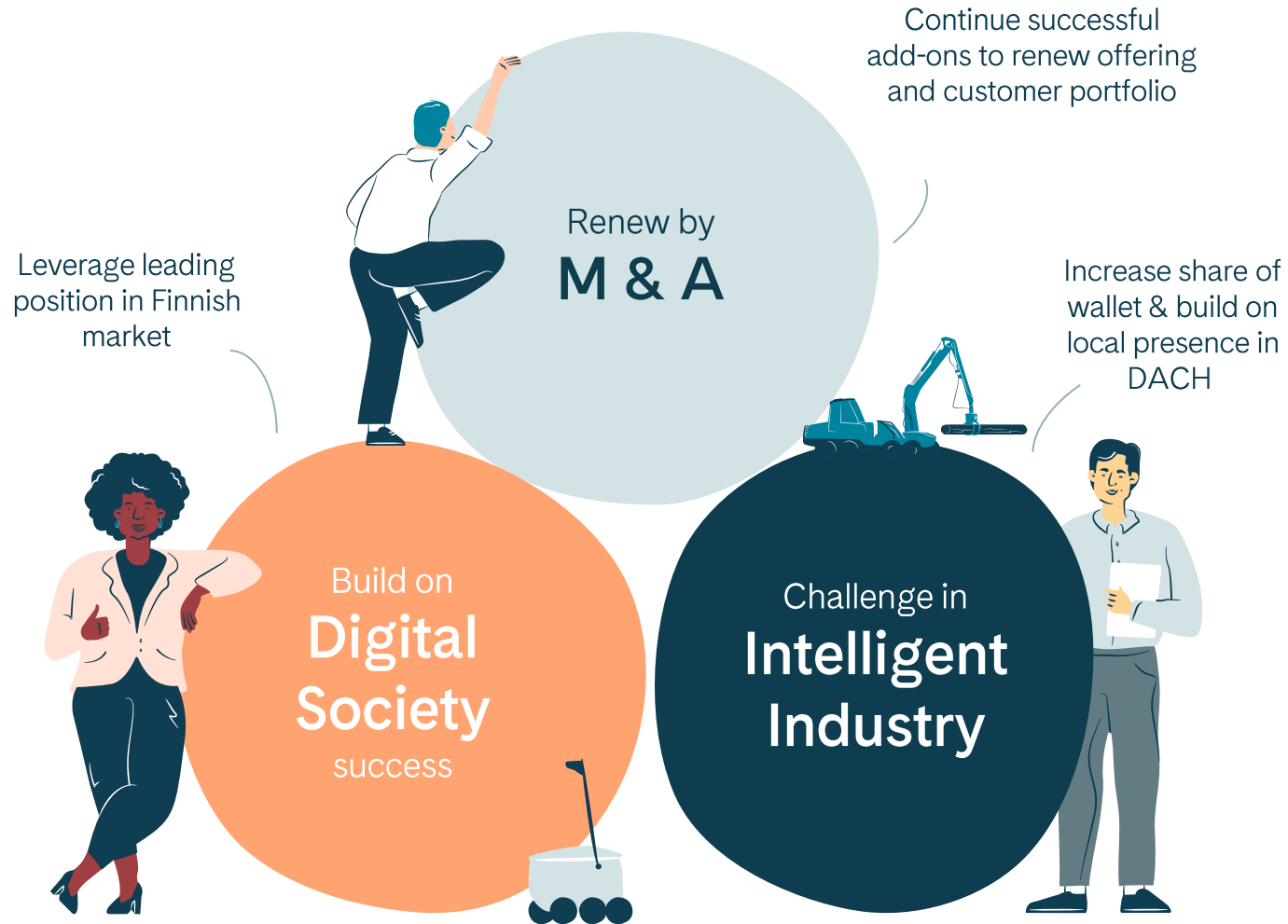
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# Long-term financial targets

In February 2024, Gofore's Board of Directors has decided to reiterate the company's financial targets that span over the economic cycle.



# Three avenues to growth



## Strategy Update 2024

Gofore has for long carried out its strategy planning in a two-year cycle.

According to the same cycle, the strategy update will also this year take place at the end of this year.

The strategy update will be discussed in the **2025 Capital Markets Day** in early 2025 so stay tuned for the date!



# Thoughts from our CEO

Mikael Nylund



Gofore's profitability improved in the second quarter compared to that of previous year's, and adjusted EBITA was 12.7%. Our net sales were 48 million euros, which means we did not manage to grow this time, but instead remained in the previous year's level with organic growth slightly on the negative side.

The challenging period that is driven by the overall weak economy and has lasted for over a year has taught us how to live with new circumstances. Our strategic cornerstones, our idea of deep partnerships with customers and a comprehensive digital transformation service offering, continue to work for us. We have also learned to control our operative efficiency, especially utilisation rates, in a situation where customer projects include continuous changes and more change than before. Our profitability target has not enabled entering the toughest price competition, which has partly hampered our growth. We believe this to be the right choice for our long term success.

Customer demand picked up in the second quarter. This spring, more public sector tenders were started than in the beginning of the year. We especially saw a variety of frame agreement type of tenders on expert services in the social and wellbeing service area. In the private sector, some customers have continued to condense their supplier networks and increased control over price levels, as they have done since the beginning of the year.

Industrial sector customers' situations were varied and quite customer-specific. Some industrial customers managed to improve their performance, while others are still in a demand low point caused by global markets. Overall demand for Gofore's services developed positively.

At the same time, we continued to see negative impacts of customers' savings decisions. Some customers continued to shut or cut down projects. As we see it, this does not mean that digital development is slowing down. On one hand, this accumulates need. On the other, customers are almost forced to renew their development portfolios. Old projects that are not mission critical in the current situation are weeded out, making room for new investments that make more business sense. We consider this change healthy, and also one that makes sure Gofore's business is on a sustainable foundation as customers invest in the most important areas. Digital technology development, such as the current AI revolution, continuously creates new opportunities.

Operatively, the second quarter proceeded as expected. Project turnover presented challenges to our utilisation rates. Although we continue to lag behind our targets, we managed to continue the positive trend that has carried on throughout the calendar year, even considering the seasonality of the summer.

On the other hand, the competitive situation has continued tight, which can be seen in customer price development. Second quarter saw customer prices decline by 1% for the first time in a long time.

The general economic situation has continued weak against earlier expectations. This has partly slowed down the improvement of customer demand. However, we base our strategy on the growth potential of investments alongside the economy. Gofore has proven to be able and hungry to seize a growing market and to continue profitable growth.

Pioneer-like innovation of unique, value adding digital solutions of concepts builds our competitive edge also for the future. There is more information in this report on a growth engine programme called Forward'27 where we join our long-term customer Ponsse and develop a related concept for our Intelligent Industry clientele.

Gofore has for long carried out its strategy planning in a two-year cycle. According to the same cycle, our strategy update will also this year take place at the end of this year. We want to grab opportunities in a quickly changing world while strengthening our existing strengths further.

# Quarterly Performance; Net sales and adjusted EBITA

EUR thousand, unless otherwise specified	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023
Net sales	47,977	49,237	51,710	40,821	47,561	49,150
Change in Net sales, %	1%	0%	13%	29%	28%	39%
Adjusted EBITA	6,094	6,782	8,276	4,730	5,397	8,302
Adjusted EBITA, %	12.7%	13.8%	16.0%	11.6%	11.3%	16.9%
Change in Adjusted EBITA, %	13%	-18%	10%	26%	-4%	62%
Organic growth of Net sales, %	-3%	-2%	9%	20%	22%	32%

# Monthly Performance; Net sales and personnel

Month 2024	Net sales, MEUR (Net sales 2023)	Pro forma LTM Net sales	Number of employees at end of period	No. of working days in Finland	Full Time Equivalent, FTE	Subcontracting, FTE
January	16,9 (15,8)	193.3	1 463 (1 318)	22 (21)	1 372 (1 225)	147 (186)
February	16,3 (15,3)	193.7	1 461 (1 342)	21 (20)	1 372 (1 256)	149 (184)
March	16,0 (18,1)	191.3	1 456 (1 354)	20 (23)	1 371 (1 271)	160 (189)
April	17,0 (14,5)	193.1	1 456 (1 385)	21 (18)	1 372 (1 293)	155 (187)
May	16,8 (17,2)	192.3	1 455 (1 400)	21 (21)	1 369 (1 311)	159 (192)
June	14,2 (15,9)	189.7	1 453 (1 396)	19 (21)	1 368 (1 319)	143 (170)

All key figure calculation methods are explained in section "Calculation formulas for key figures"

# Key Figures

EUR thousand, unless otherwise specified	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
Net sales	47,977	47,561	97,214	96,710	189,241
Change in Net sales, %	0.9%	28.1%	0.5%	33.4%	26.2%
EBITDA	7,108	6,176	14,859	14,970	30,428
EBITDA, %	14.8%	13.0%	15.3%	15.5%	16.1%
Adjusted EBITA	6,094	5,397	12,877	13,698	26,704
Adjusted EBITA, %	12.7%	11.3%	13.2%	14.2%	14.1%
EBITA	6,094	5,418	12,878	13,509	27,090
EBITA, %	12.7%	11.4%	13.2%	14.0%	14.3%
Operating Profit (EBIT)	5,208	4,460	10,978	11,594	23,019
Operating Profit (EBIT), %	10.9%	9.4%	11.3%	12.0%	12.2%
Profit for the period	4,098	3,431	8,495	8,873	18,263
Return on equity (ROE), %	16.7%	16.7%	17.9%	21.7%	21.1%
Return on investment (ROI), %	18.2%	18.0%	19.2%	23.1%	21.3%
Equity ratio, %	57.2%	58.0%	57.2%	58.0%	56.0%
Net gearing, %	-17.2%	-26.9%	-17.2%	-26.9%	-13.1%
Number of employees at the end of period	1,453	1,396	1,453	1,396	1,465
Average overall capacity, FTE	1,370	1,308	1,371	1,279	1,322
Average subcontracting, FTE	152	183	152	185	172
Earnings per share (EPS), undiluted	0.25	0.21	0.53	0.56	1.15
Earnings per share (EPS), diluted	0.25	0.21	0.53	0.56	1.15
Cash flow from operative activities per share					1.23
Equity per share					5.98
Dividend per share					0.47
DPS/EPS, %					40.9%
Effective dividend yield (DPS/Price), %					2.1%
Price-Earnings ratio, P/E					19.5

All key figure calculation methods are explained in section "Calculation formulas for key figures"



# Maintaining profitability remained in focus on Q2

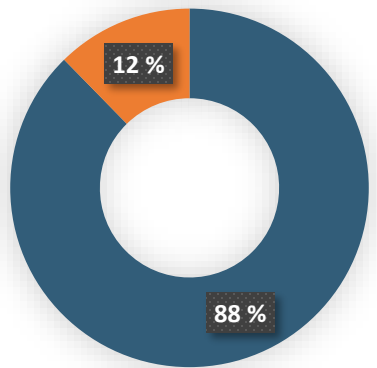
- Lower demand and price competition weighted on profitability, which however on a better level than in the comparison period (adj. EBITA 12.7%).
- The proportion of other operating expenses of net sales decreased, moderate salary increases and managing utilisation rate supported profitability.
- Customer savings in the DACH area partly affected second quarter profitability negatively through a lower utilisation rate.
- Recruitment continued to concentrate on direct customer needs, while focus remained on profitability and sales.
- Utilisation rate saw a trend-like improvement as during Q1, however remaining slightly weaker than in the comparison period.
- Customer price pivoted due to price competition, was -1.0%.
- Average salary change on a moderate level, was +0.1%.
- Personnel expenses' share of net sales rose and was 63.2% (62.0%). Share of subcontracting was lower than in the comparison period, 15% (18%).



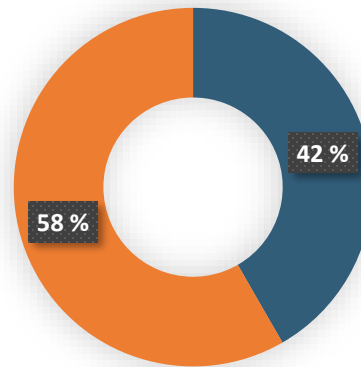
Customer price and salary changes excluding the Creanex acquisition made in 2023.

# Net sales distribution in January-June

TOP 5 customers contributed 27% of net sales

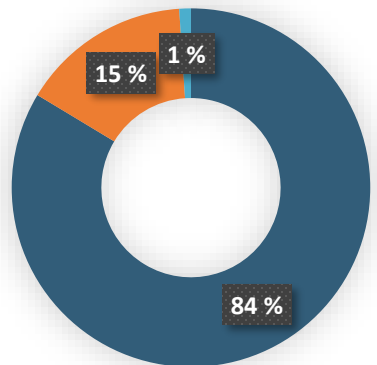


- Finland
- Other countries

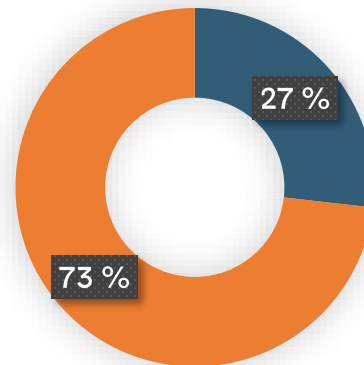


- Private sector sales
- Public sector sales

97.2 MEUR



- Net sales, Crew
- Net sales, subcontracting
- Net sales, products



- TOP 5
- Others



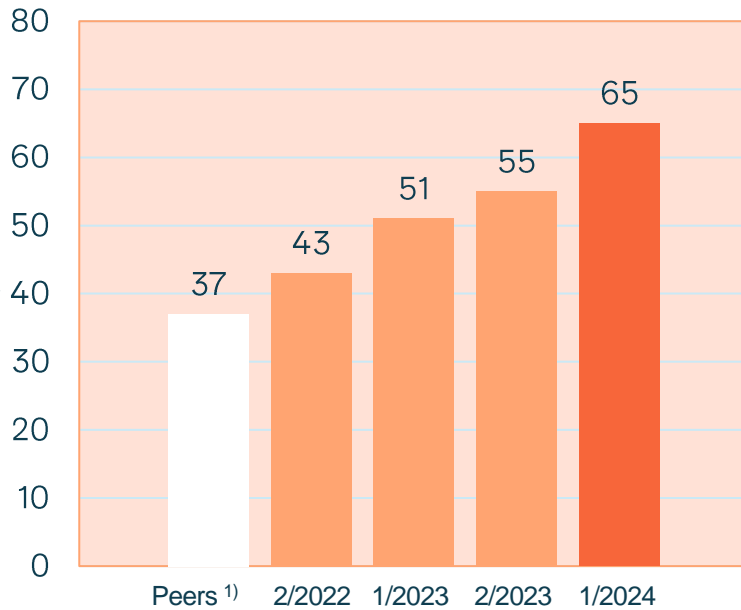
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# Market Highlights

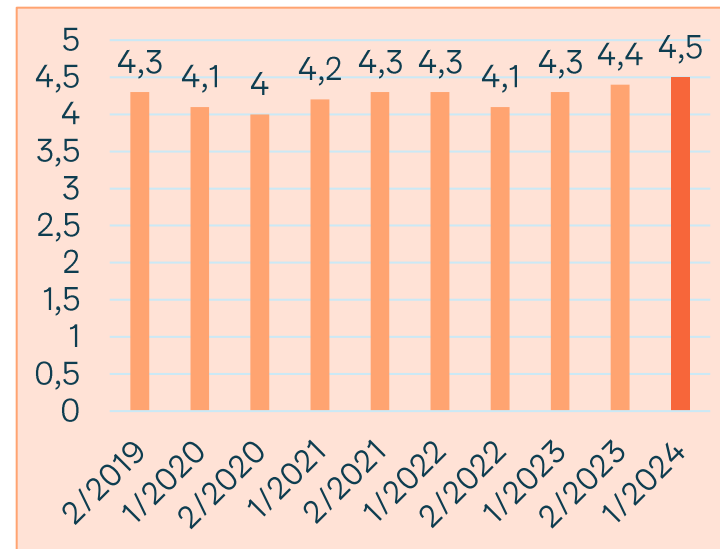
# Customer satisfaction at all-time high



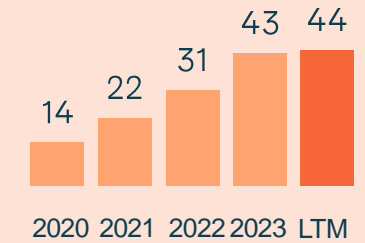
Net Promoter Score on all-time high level in the spring of 2024



Overall satisfaction in the spring 4.5 / 5



No. of customers paying 1+ MEUR p.a. rolling 12 mos



<sup>1)</sup> B2B peer companies who publicly report on their NPS values; value from end of 2022. Source: Innolink  
LTM = Last twelve months rolling value

# Building a safer Finland

In May, the National Police Board of Finland chose Gofore to carry out a renewal of the Finnish firearms registry.

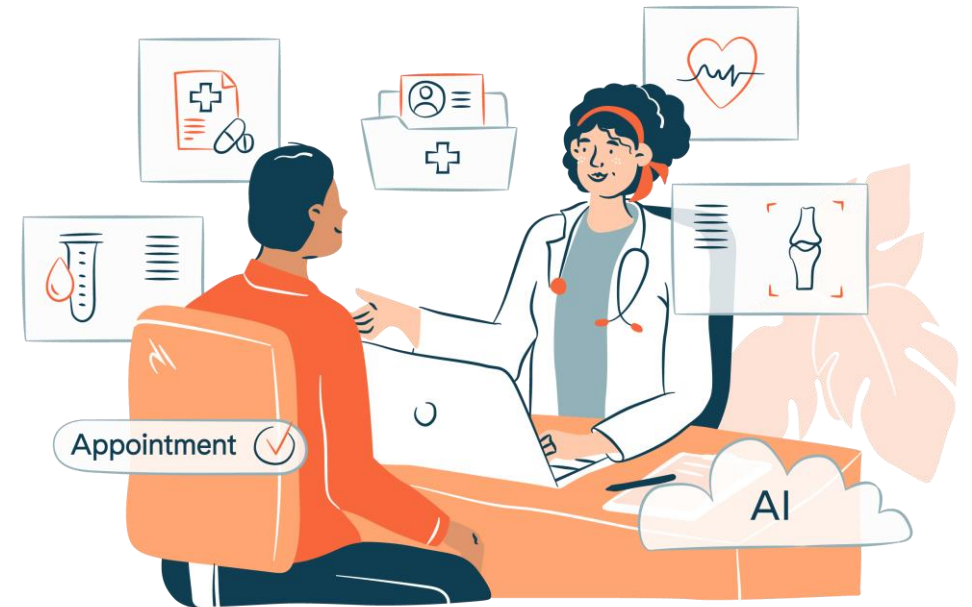
- Gofore was chosen to develop the Finnish firearms registry system with the National Police Board of Finland.
- Developing the new system is also followed by maintenance and potential continued development of the system.
- The five-year agreement's value for Gofore is some 10 million euros.
- The firearms system that the Finnish police uses is an extensive one, containing customer, permit as well as item and firearm information and interfacing several police and other interest group systems.
- The system's objective is to also improve the citizens' digital service in the future.



# Diverse development in the wellbeing service counties

In the first half of 2024, Gofore was chosen in a number of frame agreements and projects of the Finnish wellbeing service counties and their in-house IT partners.

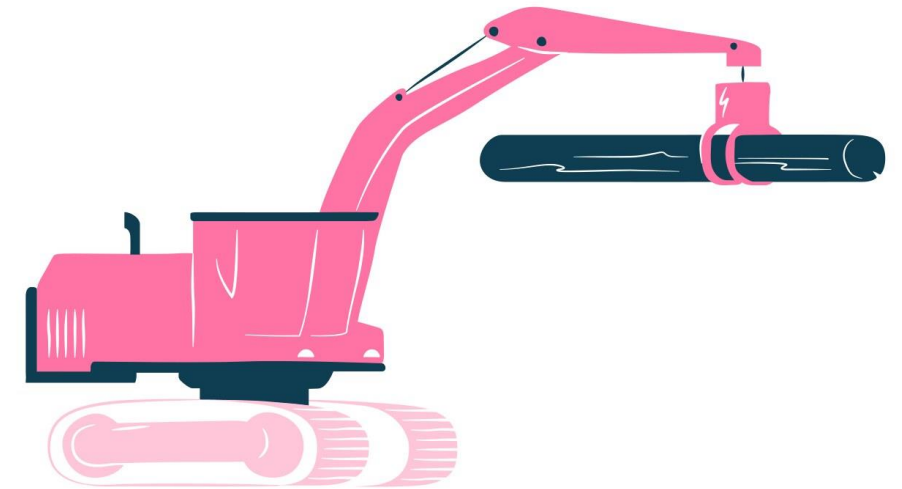
- Budgets of the newly formed wellbeing service counties are tightening, and procurement focusing on the most mission critical areas of operation, where Gofore's offering is an excellent fit.
- Services that deals won in January-June entail e.g. operation process development, cyber security expert services, customer resource management system development, Sharepoint development and information management development.
- New projects also include the concept already successful with large cities, where service paths of families are developed utilising progressed analytics and AI.



# Ponsse and Gofore expand collaboration to product digital lifecycle management related research

Gofore's long-standing cooperation with Finnish forestry OEM Ponsse on developing control systems, test automation and simulators is expanding. Gofore is involved in a growth engine programme with Ponsse and their system developer subsidiary EPEC.

- Forward27 is a growth engine programme partly financed by Business Finland, targeting to create new Finnish export solutions.
- Target of the three-year project is to find out how a product lifecycle can be modeled and maintained digitally, including a digital twin of the product.
- Digital twin helps identify bottlenecks, deviations or critical points in the operation of a forestry machine in production use, at best to help prevent machine failure.
- Forward27 growth engine programme's research focuses on creating autonomous machines, sustainable energy solutions and supply chains, as well as building data driven solutions.



Read more: <https://www.ponsse.com/fi/forward-27>

# Customer agreements in Q2

Customer	Project	Service	New customer	~Value, MEUR	Years
State Treasury	Azure integration service development	Development projects, support and basic maintenance	No	2	4+2-4
YLE National Broadcast Company	Frame agreement	Application development, design and maintenance services in 2024-2028	No	35*	4
Istekki	Customer resource management system development	Expert services	No	0.5	3
2M-IT	Sharepoint development	Expert services	No	0.9	4
National Police Board of Finland	Firearms registry system development	Development, maintenance and potential continued development	No	10	5
Sansia	Cyber security, frame agreement	Digital security expert services	No	1.6	
North Ostrobothnia wellbeing services county, Pohde	Frame agreement, development of wellbeing county and rescue services' operation processes	Expert services	No	4.5**	3+1

## Frame agreement reporting

As Gofore is chosen as a supplier in a public tender, it is too early to say when and how much invoicing there will be. When a new agreement is announced, the tender has recently been completed and Gofore has received information on its placement among other suppliers. In a frame agreement's case, the actual orders within the frame will be made later, and the agreement length is usually 3-7 years including the potential option for additional years.

\* Eight suppliers chosen in the frame agreement.

\*\* Five suppliers chosen in the frame agreement.



# Customer agreements in Q1

Customer	Project	Service	New customer	~Value, MEUR	Years
Finnish Transport Infrastructure Agency	Image data service platform	Cloud partnership, continued development and maintenance	No	4.4	4
Finnish Transport Infrastructure Agency	Identity access management solutions	Handover and development of services	No	4.5	3+3
Päijät-Häme wellbeing services county	ICT development frame agreement	Extensive development	Yes	10*	4
2M-IT	Wellbeing services counties' ICT development, subcontracting	Program and project management, development	No	2.9	4
Statistic Finland	Application developers, database and science experts	System renewal	No	3.5	3+2
KELA	Expert team	OmaKanta national healthcare service	No	1.3	2+2
Finnish Patent and Registration Office	IT expert services	The Realtime Economy project	No	0.7	1
Ministry of Education and Culture	Continuous learning digital services	Machine learning and analytics solutions	No	1.3	2+1

## Frame agreement reporting

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\* Several suppliers selected for the frame agreement.

# Retendered customer agreements, next 12 months

Customer	Reason/way of retendering	~Value, MEUR p.a.
Municipality customer	Actual agreement period ends 11/2024, after which agreement continues with six months' notice. There is no known timing for the retendering of the agreement.	3
Government agency	Value of current agreement reaching maximum and ends in the beginning of H1/2025, new tendering about to begin.	3,4

## Significant customer agreement outlook

Gofore evaluates and communicates the outlook of significant agreements half-yearly for the next twelve months, based on its best knowledge at the time.



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# People Development

# Cautious recruitment continued

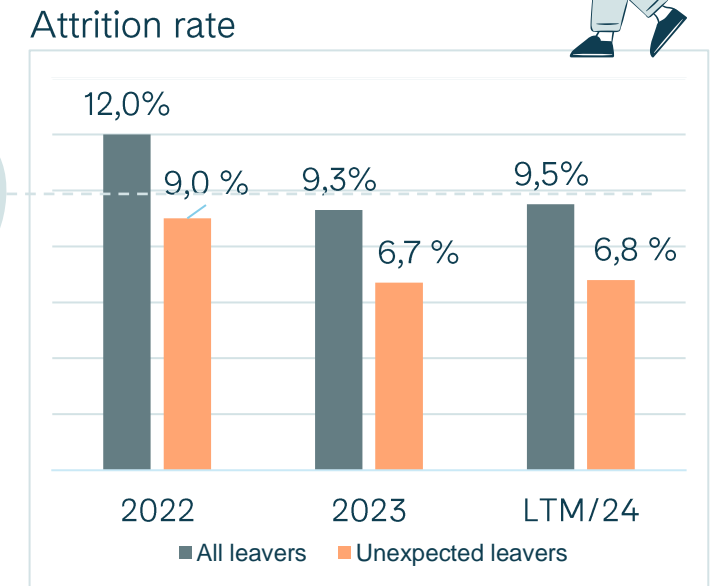
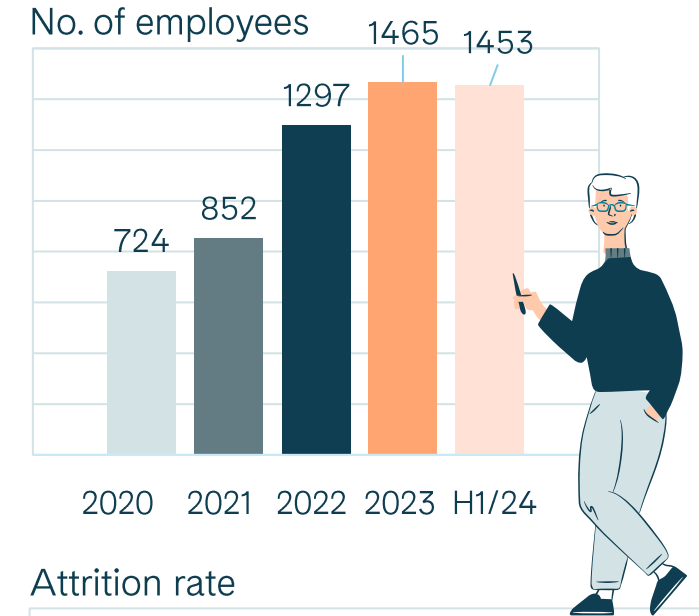
Cautious recruitment continued for the entire H1 2024, salary development supported profitability.

- Gofore’s number of employees grew from corresponding period in 2023 to a total of 1,453 (1,396) people.
- 57 (167) new experts started work in January-June.
- Recruiting was continued only to match direct customer needs.
- Attrition rate of employees on target level (10%); 9.5% (9.3%).
- Share of unexpected leavers at 6.8% (6.7%).
- Salary development supporting maintaining profitability; average salary growth in January-June was +0.8% (3.9%).
- Employee experience (eNPS) 34 in the spring survey (51 in the spring of 2023).

Comparison period H1/2023.

Number of employees at the end of the period.

Attrition rate is the LTM figure; last 12 month rolling value at the end of period.





# Outlook

# Market outlook

Digital transformation has a strong outlook in the mid and long term. A turn in customer demand is taking place in the short term but we expect this to happen gradually in a longer period of time.

## **Prolonged market caution**

The overall weak economical situation has continued and put an increasing strain on customer investments in 2024. Customer savings targets have also been visible in digital development investments, where tighter than before project selection has been taking place.

We estimate that the situation will be prolonged, and according to the latest economical growth estimates the Finnish economy will see growth in 2025. An upturn in the Confederation of Finnish Industries' trust indicators in essential industries supports this view.

Technology development continues despite the economical situation. AI development especially, but also other digital technology development requires continuous investment from customer organisations. A lower willingness to invest will accumulate investment need. Based on this, we estimate the demand for IT services to develop positively in the mid and long term.

## **Moderate growth and price competition in the public sector**

Finland's new government that began its work in the summer of 2023 has carried out a tighter than before finance politics and public economy adjustments.

As for 2024, there is some, mostly individual, tightening of IT and development budgets. We expect similar but partly more significant cuts in 2025.

Price competition in IT consulting, driven by over capacity, as continued. However, we see this as an exceptional phenomena that reflects on the industry over capacity. As the demand in other customer groups picks up, public sector supply and demand will be more balanced.

We estimate public sector digital investments to continue in the new government's term, based on statements of the government programme. We therefore expect the public sector market to continue moderate growth in 2024.

## **Private sector waiting for interest rate cuts**

Cautious investments caused by the uncertain economy is starting to accumulate needs in the private sector. We estimate a turn in interest rates to increase investments. At the same time, various uncertainties continue, complicating decision making.

Fluctuating customer situations continue on the industrial sector that is of importance to Gofore.

Some customers manage to grow, some face more direct implications of the economical slowdown and geopolitical change.

This can be seen in the customers' ability and willingness to invest.

## **Active market in the DACH area**

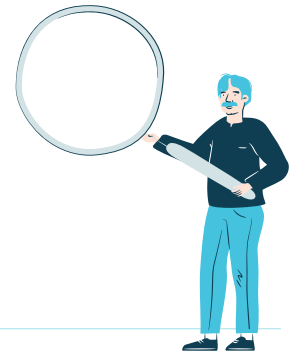
Macro economy in the DACH area matches that of Finland's. In 2024, that has been seen in more than estimated customer savings.

Despite the weaker economic cycle, we see a lot of activity in market. We estimate this will be seen as positive development in the region during this year.

## **Talent market clearly easier – for now**

Weaker performance of the IT industry was clearly reflected on the talent market in 2023. Weakened demand for talent and the warier climate have both affected the industry's attrition as a whole. This also means that the biggest salary hike pressures are behind us for the time being.

We estimate that talent availability will remain very good throughout 2024. We believe that the potential picking up of the industry will again be quickly seen as a tightening talent competition. In our view, winning companies in this competition are the ones who have had the ability to take care of their employees also in a more difficult market.



# Short-term risks and uncertainty factors in the operating environment

## Macro-economic situation

Uncertainty of the economy has prolonged and affects the entire IT industry throughout 2024. According to economy forecasts, the Finnish economy will return to a growth curve in 2025. Potential weakening of the economic situation would have a negative impact on Gofore's customers' ability to invest in digital development, especially in the private sector.

Geopolitical uncertainty remains high.

## Public sector customer market

The public sector is more resilient to macro-economic changes than the private sector. Weakening of the public economy and the adjusting finance policy of the new Finnish government may, however, affect the public sector's IT investment. Content of the new government programme, however, mitigates this uncertainty.

A sizeable share of assignments from the public sector are given within larger frame agreements. Frame agreements are quantitative or otherwise time limited, and retendered as they are or in another form. Gofore's significant, existing public sector agreements that are due to be retendered in 2024 according to the company's knowledge are listed in this report.

## Private sector customer market

Companies are more vulnerable to political situation or country-specific macro-economical risks. Finnish export companies' results have continued on a satisfactory level in 2024, but order intakes are largely behind expectations. Should this outlook become weaker, there is a growing risk of decreasing investments.

However, in the mid and long term, digitalisation is seen as a competitive edge and high on company agendas, and Gofore's offering creates high added value to customers.

## DACH market

Gofore's business in the DACH area is still in its early stages. Integration from separate parts into one entity is still ongoing. There are risks involved in the solidifying and integrating the business, and if materialised would hinder the targeted development of the business. Such risks are related to e.g. customer acquisition, staff and key people.

## Talent market

Demand for skilled workforce has slowed down in the IT industry due to the market situation. Several industry companies have laid off staff or slowed down headcount growth. This has resulted to less competition of talent than before. We think it's very likely that this is a temporary situation and the competition on talent will return. To prepare for this, avoid overly high attrition and to ensure adequate recruitment, we continuously develop Gofore's already strong employer brand, flexible working and the wellbeing of our staff.

## M&A market

Gofore intends to continue disciplined acquisitions by acquiring companies that fit its strategy. The M&A market has had less activity of late, and valuation levels have not matched. High interest rates have somewhat decreased the competition on targets. There has been a moderate increase of activity of the M&A market in 2024. There are risks involved in the integration of made acquisitions, mitigated with pre-designed integrating models.

# Q3/2024 Performance drivers

Positive signs in the market but no quick changes are expected. Recruitment is moderate and utilisation rate likely to set on previous year's level.

## Growth Drivers

- Amount of free capacity was smaller at the start of Q3 than in Q2 but due to seasonality, managing free capacity is of essence to operative efficiency upon returning from the holiday season.
- Subcontracting expected to set on previous quarter's level, continuing lower than comparison period.
- Customer savings and caution expected to continue in current market situation. Positive activity seen in the sales pipeline, but its impacts are likely to take effect at year-end.
- Recruitment continues to take place for direct customer needs only but number of employees expected to grow from beginning of the year.

## Profitability Drivers

- Utilisation rate expected to continue to set on comparison period's level, but there is uncertainty due to the customer savings occurred in the DACH area.
- Price competition expected to remain tough, slowing down price development and narrowing margin averages in the short term.
- Cost control (since Q3/2023) continues to positively impact OPEX development, but its effect is coming down due to savings measures already taken.

## Other Factors

- One more working day in Q3 than the comparison period, +1.6% impact on available working time.





# Disclosure and guidance

As of February 2022, Gofore has not provided forecasts about the revenue or profit for the financial year. Before, Gofore may have presented an estimate of the company's revenue or performance guidance in the financial statement release or half-year report.

Gofore continuously develops the content of its monthly business reviews and interim reports, in an effort to further improve the company's transparency and more real-time monitoring of financial developments.



# Financial information

January - June 2024

Unaudited

# Group Structure

## Personnel and offices

At the end of the reporting period, the Group employed a total of 1,453 (1,396) employees. The number of personnel increased from the corresponding period in 2023 by 4%. Growth was due to organic growth, as well as a result of the Creanex acquisition.

The number of employees in Finland amounted to 1,288 (1,228), and in the other countries of operation to a total of 165 (168) employees at the end of the reporting period.

Gofore has offices in Finland, Estonia, Germany, Austria, Italy and Spain.

## Corporate acquisitions

There were no corporate acquisitions during the reporting period.

Name	Principal activities	Country of incorporation	% equity interest
			30.06.2024
Gofore Oyj	Parent company / Production company	Finland	
Gofore Spain SL	Production company	Spain	100%
Gofore Germany GmbH	Production company	Germany	100%
Gofore Estonia OÜ	Production company	Estonia	100%
Gofore Lead Oy <sup>1)</sup>	Production company	Finland	100%
Rebase Consulting Oy	Production company	Finland	65%
Gofore Verify Oy	Production company	Finland	100%
Sleek Oy	Production company	Finland	69%
Gofore Drive Oy	Production company	Finland	100%
eMundo GmbH (Germany) <sup>2)</sup>	Production company	Germany	100%
eMundo GmbH (Austria) <sup>2)</sup>	Production company	Austria	100%
Creanex Oy <sup>3)</sup>	Production company	Finland	100%

### Notes to the table of Group subsidiaries:

- 1) On 1 November 2023 Gofore acquired 5% minority share of Ccea Oy's share capital. After the transaction Gofore held 100% of the share capital of Ccea. On 1 January 2024 Ccea Oy was merged to Gofore Lead Oy.
- 2) eMundo GmbH Austria is 100% owned subsidiary by eMundo Germany. The company also has a branch office in Italy.
- 3) Creanex Oy has been consolidated to the Group 3.7.2023.

# Net sales

## Modest net sales growth of +1% in April-June

### April-June 2024

During the reporting quarter, Gofore's net sales grew modestly at 1 % compared to the corresponding period in 2023, amounting EUR 48.0 (47.6) million.

Organic growth of -3 %. The average hourly price of services sold decreased by -1.0 % from the comparison period.

Net sales generated from public sector sales increased to EUR 28.2 (27.2) million. Net sales generated from the private sector declined by -3 % to EUR 19.8 (20.4) million.

The public sector's share of total net sales was 59 % (57 %) and private sector 41 % (43 %).

Net sales coming from Finland was EUR 42.5 (39.8) million, representing 88 % (84 %) share of the Group's net sales. Other countries' share of the Group net sales was 12 % (16 %); EUR 5.5 (7.7) million.

Subcontracted work represented 15 % (18 %) share of the Group's net sales; EUR 7.3 (8.5) million.

### January - June 2024

During the reporting period, Gofore's net sales increased by 1 % from previous year, amounting to EUR 97.2 (96.7) million.

The average hourly price of services sold also decreased by -0.1 % from the comparison period.

Net sales generated from public sector sales increased to EUR 56.7 (55.4) million. Net sales from the private sector were EUR 40.5 (41.3) million. The public sector share of the net sales were 58 % (57 %) and private sector 42 % (43 %).

Net sales coming from Finland was EUR 85.2 (81.0) million, representing 88 % (84 %) share of the Group's net sales. Other countries contributed EUR 12.0 (15.7) million; 12 % (16 %). Subcontracted work represented 15 % (18 %) share of Group net sales; EUR 14.9 (17.7) million.

# Profitability

January-June's adjusted EBITA was 13.2%.

## April-June 2024

During the reporting quarter, Gofore's adjusted EBITA increased by 12.9% compared to the corresponding period previous year and amounted to EUR 6.1 (5.4) million and accounted to 12.7% (11.3%) of net sales. There was one working day more in the reporting quarter than in the comparing period.

The calculation method of the adjusted EBITA is presented separately in the section "Calculation formulas for key figures". The break down of adjusted EBITA is shown in the section Alternative performance measures.

EBITA amounted to EUR 6.1 (5.4) million; 12.7% (11.4%) of the net sales.

The proportion of personnel expenses of net sales increased to the level of the comparison period, accounting for 63.2% (62.0%). Personnel expenses for the period amounted to EUR 30.3 (29.5) million. The increase is attributable to growth in the number of personnel.

Other operating expenses amounted to a total of EUR 4.3 (5.0) million and accounted for 9.0% (10.5%) of net sales. The largest expense items included other personnel expenses, ICT expenses and external services.

Depreciations excluding amortizations of intangible assets related to acquisitions were EUR 1.0 (0.8) million, accounting for 2.1% (1.6%) of net

sales. Depreciations and amortizations were 1.9 (1.7) million euros; 4.0% (3.6%) of net sales.

Operating profit (EBIT) was EUR 5.2 (4.5) million and accounted for 10.9% (9.4%) of net sales. Finance costs and income were EUR 0.2 (0) million.

Profit for the reporting quarter amounted to EUR 4.1 (3.4) million.

## January-June 2024

During the reporting period, Gofore's adjusted EBITA amounted to EUR 12.9 (13.7) million and accounted for 13.2% (14.2%) of net sales.

EBITA amounted to EUR 12.9 (13.5) million; 13.2% (14.0%) of net sales. Gofore Drive's contingent consideration increased the comparison period's other operating expenses and thus weakened the EBITA for EUR 0.2 million. Item does not affect adjusted EBITA.

Personnel expenses were 61.2 (57.2) million euros; 62.9% (59.2%) of net sales. Other operating expenses were 8.5 (10.0) million euros; 8.7% (10.4%) of net sales. Operating profit (EBIT) was EUR 11.0 (11.6) million and accounted for 11.3% (12.0%) of net sales. Finance costs and income were EUR 0.1 (-0.2) million.

Profit for the reporting period amounted to EUR 8.5 (8.9) million.

# Balance sheet, financing and R&D

The Group's liquidity is good, balance sheet and financing position strong

Equity ratio amounted to 57.2% (58.0%) with net gearing of -17.2% (-26.9%). At the end of reporting period, the balance sheet total of the Gofore Group amounted to EUR 168.9 (145.1) million, of which total equity accounted for EUR 96.3 (84.1) million. At the end of the review period, interest-bearing net debt amounted to EUR -16.6 (-22.6) million.

At the end of the review period, Gofore Plc's unsecured loans from credit institutions amounted to EUR 12.0 (15.7) million. Gofore has not withdrawn any new loan during the review period. The company has interest rate cap and interest rate swap agreements in place to hedge variable rate borrowings. More information can be found in the disclosure Financing.

The loans are associated with the conventional covenants tied to the equity ratio and interest-bearing net debt to EBITDA ratio. The covenant conditions were met on 30 June 2024. At the end of reporting period, right-of-use assets were EUR 13.7 (3.2) million and lease liabilities EUR 13.9 (3.2) million. Increase was materially due to the headquarters' 10-year office lease signed in 2023.

## Research & Development

The company's development activity in the reporting period was focused on enhancing its digital platform and enterprise resource management system.

57.2%

Equity ratio

-17.2%

Net gearing

-16.6

Interest-bearing net debt, EUR million

# Cashflow

The Group's cash flow from operations was positive

## April-June

Cash flow from operations decreased over the reporting quarter to EUR 6.1 (8.3) million. Cash flow from investments amounted to EUR -0.3 (-1.0) million.

Investments in subsidiary shares during the reporting quarter amounted to EUR 0 (-0.7) million. Investment in the comparison period is related to the payment of the Gofore Drive and eMundo acquisitions' additional purchase prices.

Cash flow from financing activities amounted to EUR -9.5 (-7.1) million, including repayments of lease agreement liabilities for EUR -0.8 million, loan amortizations for EUR -1.1 million, cash flows from financials instruments EUR 0 million and dividends paid, -7.6 million.

## January-June

Cash flow from operations increased over the reporting period to EUR 14.4 (11.4) million. Cash flow from investments amounted to EUR -0.7 (-6.2 ) million.

Investments in subsidiary shares during the reporting period amounted to EUR 0 (-5.6) million. Investment in the comparison period is related to the payment of the Gofore Drive and eMundo acquisitions' additional purchase prices.

Cash flow from financing activities amounted to EUR -11.2 (-8.5) million, including repayments of lease agreement liabilities for EUR -1.5 million, loan amortizations for EUR -1.4 million, cash flows from financials instruments EUR 0 million and dividends paid, -7.6 million. Granted loans to executive team members EUR 0.7 million.

At the end of the period, cash assets amounted to EUR 41.0 (40.9) million.

# Corporate Governance and Share Information

January-June 2024



# Share and ownership structure

Gofore Plc's share is quoted on the official stock exchange list of Nasdaq Helsinki Ltd; share trading code GOFORE.

Share of ownership	30.06.2024	30.06.2023
<b>Sector's share of ownership</b>		
Private companies	5.5 %	5.2 %
Financial and insurance institutions	25.9 %	27.7 %
Public corporations	10.8 %	9.7 %
Households	54.6 %	54.5 %
Non-profit organisations	0.6 %	0.8 %
Foreign ownership	2.5 %	2.1 %
<b>Direct foreign ownership</b>		
Direct foreign ownership	0.8 %	0.7 %
Holder of nominee registered shares	19.5 %	21.0 %
Foreign ownership total	20.3 %	21.7 %
<b>Share details</b>		
Nominee registered shares	3,055,934	3,264,103
Issued shares total	15,660,139	15,539,134
Number of registered shareholders	8,993	7,184
Registered share capital	80,000	80,000
Holding of own shares	23,640	0
Own shares of all votes and shares	0.2 %	0.0 %

# 8,993

Shareholders at the end of period

# 20.3%

Foreign ownership in total

# 25.9%

Financial and insurance institutions ownership

# Shares and Trading

Trading of shares	30.06.2024	30.06.2023
Trading volume, millions of shares	2.0	1.2
Trading volume of outstanding shares, %	12.7 %	7.8 %
Trading value, MEUR	45.1	30.7
Market value, MEUR	376.8	388.5
Closing price, EUR	24.10	25.00
Trading volume - weighted average price, EUR	22.87	25.74
Highest trading price, EUR	26.55	27.80
Lowest trading price, EUR	20.30	22.20

## Changes in major shareholders' ownership

- No flagging notifications during the reporting period.

## Directed share issues

- No directed share issue with new shares during the reporting period. 76,360 pcs of own shares have been used to personnel incentive programs (CrewShare, matching share plan). The total number of issued shares has not changed from 31 Dec 2023.

# 376.8

Market value at the end of period, MEUR

# 7.6%

Share value change since beginning of the year

# 24.10

Closing price of the period, EUR

# Share-based loyalty and remuneration schemes

63%  
OF GOFOREANS  
INVOLVED IN  
CREWSHARE

Gofore has had a share savings plan called CrewShare open to its entire staff since 2018, as well as two newer share-based incentive plans for key people and the management team. All three started a new savings or earnings period in March 2024.

## CrewShare Plan

The plan is available to all Gofore Group's employees, who are offered the possibility to save monthly and invest in shares in the company at a 10 percent discount, if the Board of Directors of the company so decides. The accrued savings are allocated towards acquiring Gofore's shares after the expiration of the savings period.

The new plan period started on 1 March 2024 and ends on 28 February 2025. Accrued savings will be used for the acquisition of the Gofore shares biannually following the publications of the Half-year Report in September 2024 and financial statements release for the year 2024 in March 2025.

## Performance Share Plan

In March 2024, a new period began for the share-based incentive plan for the group's key personnel, as a continuation to the 2022 plan.

The Performance Share Plan 2024–2026 consists of a three-year performance period, covering the financial years in question.

## Matching Share Plan

In March, a new plan was started for the Group's management team as a reward for having first made a personal investment in Gofore shares. The rewards from the Matching Share Plan will be paid after the end of the three-year matching period. The subscriptions were made in March.

Target group of the Matching Share Plan consists of the CEO and the members of the Group Executive Team.

### Read more:

<https://gofore.com/en/invest/share-and-shareholders/share-based-remuneration-plan/>

# Annual General Meeting and authorisations

## Annual General Meeting

The Annual General Meeting was held on 4 April 2024 and the company's financial statements for the financial period of 1 January–31 December 2023 were adopted and dividend of EUR 0.47 per share to be paid. The total amount of dividend is EUR 7,349,154.53 calculated based on outstanding shares as per the day of the Annual General Meeting. The record date for the dividend distribution is 8 April 2024 and the dividend payment date 15 April 2024.

All resolutions and decisions of the Board of Directors' organisational meeting can be seen at <https://gofore.com/en/invest/governance/annual-general-meeting-2024/>

## Authorising the Board of Directors to resolve on the repurchase of the Company's own shares and/or accepting them as a pledge

The Annual General Meeting decided to authorise the Board of Directors to decide upon the acquisition of a maximum of 1,550,613 of the company's own shares and/or accepting the same number of the company's own shares as a pledge, in one or several tranches, by using the company's unrestricted equity. The maximum total of shares that will be acquired and/or accepted as a pledge corresponds to approximately 10% of all shares in the company as of the date of this notice. However, the company cannot, together with its subsidiaries, own or accept as a pledge altogether more than 10% of its own shares at any point in time.

This authorisation revokes the authorisation given by the Annual General Meeting on 24 March 2023 to resolve on the repurchase of the company's own shares. The authorisation is valid until the closing of the next Annual General Meeting, however, no longer than 30 June 2025.

## Authorising the Board of Directors to resolve on the issuance of shares and the issuance of option rights and other special rights entitling to shares

The Annual General Meeting decided to authorise the Board of Directors to resolve on the issuance of shares as well as the issuance of option rights and other special rights entitling to shares referred to in chapter 10, section 1 of the Finnish Limited Liability Companies Act, in one or several tranches, either against payment or without payment.

The authorisation remains in force until the end of the next annual general meeting, however not for longer than until 30 June 2025. This authorisation will revoke any existing, unused authorisations to decide on a share issue and the issuance of option rights or other special rights entitling to shares.

## Authorising the Board of Directors to decide on a donation to the Gofore Impact Foundation

The Annual General Meeting decided to authorise the Board of Directors to decide on one or several donations to the Gofore Impact Foundation for a charitable or similar purpose up to a maximum amount of EUR 250,000. Board of Directors is also authorised to decide on the timing of the above-

mentioned donation as well as on the other terms of the donation. The authorisation is valid until the end of the next Annual General Meeting.

The main purpose of the Gofore Impact Foundation is to support the positive impacts of digitalisation, such as democracy and equality development, to mitigate the social tensions and side effects related to digital change, as well as relieve digital inequality and social exclusion. The foundation also wishes to impact the diversity of digital change makers, as well as the overall vitality of the industry.

During the reporting period the company donated EUR 115,500 to the Gofore Impact Foundation.

# Consolidated Half-Year Financial Report

1 January – 30 June 2024

Tables Section

Unaudited

# Consolidated Statement of Profit and Loss and Other Comprehensive Income

EUR thousand	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
<b>Net sales</b>	<b>47,977</b>	<b>47,561</b>	<b>97,214</b>	<b>96,710</b>	<b>189,241</b>
Production for own use	0	79	0	166	254
Other operating income	72	90	141	134	1,255
Materials and services	-6,339	-7,097	-12,811	-14,803	-28,736
Employee benefit expenses	-30,302	-29,477	-61,179	-57,215	-112,688
Depreciations, amortisations and impairment	-1,900	-1,715	-3,881	-3,376	-7,409
Other operating expenses	-4,300	-4,980	-8,505	-10,023	-18,900
<b>Operating profit (EBIT)</b>	<b>5,208</b>	<b>4,460</b>	<b>10,978</b>	<b>11,594</b>	<b>23,019</b>
Finance costs	-270	-170	-538	-432	-725
Finance income	436	136	639	225	615
<b>Profit before tax</b>	<b>5,374</b>	<b>4,426</b>	<b>11,079</b>	<b>11,387</b>	<b>22,909</b>
Income tax	-1,276	-996	-2,584	-2,514	-4,646
<b>Profit for the financial period</b>	<b>4,098</b>	<b>3,431</b>	<b>8,495</b>	<b>8,873</b>	<b>18,263</b>
<b>Other Comprehensive Income</b>					
<b>Net other comprehensive profit or loss to be reclassified to profit or loss in subsequent periods</b>					
Cash flow hedges	-27	15	-20	-53	-237
<b>Other comprehensive income, net of tax</b>	<b>-27</b>	<b>15</b>	<b>-20</b>	<b>-53</b>	<b>-237</b>
<b>Total comprehensive income for the financial period</b>	<b>4,071</b>	<b>3,446</b>	<b>8,474</b>	<b>8,820</b>	<b>18,027</b>
<b>Profit/loss for the financial period attributable to:</b>					
Equity holders of the parent	3,959	3,332	8,211	8,677	17,923
Non-controlling interests	139	98	283	196	340
<b>Total</b>	<b>4,098</b>	<b>3,431</b>	<b>8,495</b>	<b>8,873</b>	<b>18,263</b>
<b>Total comprehensive income for the financial period attributable to:</b>					
Equity holders of the parent	3,932	3,348	8,191	8,624	17,686
Non-controlling interests	139	98	283	196	340
<b>Total</b>	<b>4,071</b>	<b>3,446</b>	<b>8,474</b>	<b>8,820</b>	<b>18,027</b>
Earnings per share (EPS), undiluted	0.25	0.21	0.53	0.56	1.15
Earnings per share (EPS), diluted	0.25	0.21	0.53	0.56	1.15

# Consolidated Statement of Financial Position

EUR thousand	30.06.2024	30.06.2023	31.12.2023
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	49,055	47,694	49,055
Other intangible assets	19,616	20,577	21,700
Tangible assets	2,493	1,046	2,048
Right-of-use assets	13,747	3,160	13,455
Other receivables	1,347	839	685
Deferred tax assets	144	160	152
<b>Total non-current assets</b>	<b>86,402</b>	<b>73,477</b>	<b>87,096</b>
<b>Current assets</b>			
Inventories	573	0	472
Trade receivables	34,511	26,816	36,658
Contract assets	1,279	646	516
Other current assets	3,653	2,557	3,085
Income tax receivables	713	111	46
Securities	747	533	762
Cash and cash equivalents	40,995	40,927	38,450
<b>Total current assets</b>	<b>82,472</b>	<b>71,591</b>	<b>79,989</b>
<b>Total assets</b>	<b>168,874</b>	<b>145,067</b>	<b>167,085</b>

EUR thousand	30.06.2024	30.06.2023	31.12.2023
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	80	80	80
Fund for unrestricted equity	54,992	50,567	53,448
Other reserves	285	490	306
Retained earnings	40,351	32,474	39,153
<b>Equity attributable to equity holders of the parent</b>	<b>95,709</b>	<b>83,610</b>	<b>92,986</b>
Non-controlling interests	576	476	510
<b>Total equity</b>	<b>96,285</b>	<b>84,086</b>	<b>93,495</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	7,531	11,208	8,976
Other payables	845	2,369	868
Lease liabilities	11,252	1,213	10,789
Deferred tax liabilities	4,041	4,247	4,452
<b>Total non-current liabilities</b>	<b>23,669</b>	<b>19,036</b>	<b>25,086</b>
<b>Current liabilities</b>			
Trade and other payables	19,960	16,400	21,718
Contract liabilities	469	118	80
Interest-bearing loans and borrowings	4,443	4,443	4,443
Lease liabilities	2,612	2,009	2,744
Accrued expenses	19,875	17,922	18,658
Income tax payable	1,562	1,054	862
<b>Total current liabilities</b>	<b>48,920</b>	<b>41,946</b>	<b>48,504</b>
<b>Total liabilities</b>	<b>72,589</b>	<b>60,982</b>	<b>73,590</b>
<b>Total equity and liabilities</b>	<b>168,874</b>	<b>145,067</b>	<b>167,085</b>

# Consolidated Statement of Changes in Equity

2024								
Attributable to equity holders of the parent								
EUR thousand	Share capital	Fund for unrestricted equity	Reserve for fair value	Retained earnings	Total	Non-controlling interests	Total equity	
<b>Equity on 1.1.2024</b>	80	53,448	306	39,153	92,986	510	93,495	
Profit for the period				8,211	8,211	283	8,495	
Other comprehensive income			-20		-20		-20	
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-20</b>	<b>8,211</b>	<b>8,191</b>	<b>283</b>	<b>8,474</b>	
<b>Transactions with shareholders and non-controlling interests:</b>								
Share-based payments		1,525		352	1,877		1,877	
Dividends				-7,349	-7,349	-244	-7,593	
Share issue		23			23	-24	-1	
Purchase of own shares				0	0		0	
Acquisition of a subsidiary paid in shares		0			0		0	
Change in non-controlling interests		-4		-16	-19	51	32	
<b>Equity on 30.06.2024</b>	<b>80</b>	<b>54,992</b>	<b>285</b>	<b>40,351</b>	<b>95,709</b>	<b>576</b>	<b>96,285</b>	
2023								
Attributable to equity holders of the parent								
EUR thousand	Share capital	Fund for unrestricted equity	Reserve for fair value	Retained earnings	Total	Non-controlling interests	Total equity	
<b>Equity on 1.1.2023</b>	80	49,897	542	28,764	79,283	475	79,759	
Profit for the period				8,677	8,677	196	8,873	
Other comprehensive income			-53		-53		-53	
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-53</b>	<b>8,677</b>	<b>8,624</b>	<b>196</b>	<b>8,820</b>	
<b>Transactions with shareholders and non-controlling interests:</b>								
Share-based payments		638		316	954		954	
Dividends				-5,283	-5,283	-340	-5,623	
Share issue		32			32		32	
Purchase of own shares					0		0	
Acquisition of a subsidiary paid in shares		0			0		0	
Change in non-controlling interests		0		-0	-0	145	145	
<b>Equity on 30.06.2023</b>	<b>80</b>	<b>50,567</b>	<b>490</b>	<b>32,474</b>	<b>83,610</b>	<b>476</b>	<b>84,086</b>	



# Consolidated Statement of Cash Flows

EUR thousand	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
<b>Operating activities</b>					
Profit before tax	5,374	4,426	11,079	11,387	22,909
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and impairment	1,900	1,715	3,881	3,376	7,409
Finance income and expenses	-166	34	-101	207	110
Other adjustments	190	148	1,907	1,082	1,504
Change in working capital	-161	3,044	423	-1,442	-6,994
Interest received and paid	145	-16	193	-54	17
Other financial items	-12	-13	-20	-28	-31
Income tax paid	-1,190	-1,087	-2,932	-3,079	-5,755
<b>Net cash flow from operating activities</b>	<b>6,082</b>	<b>8,251</b>	<b>14,430</b>	<b>11,449</b>	<b>19,168</b>
<b>Net cashflow from investing activities</b>					
Proceeds from sale of tangible assets	1	58	3	58	80
Purchase of intangible assets	0	-79	0	-166	-254
Purchase of tangible assets	-253	-317	-680	-454	-1,602
Acquisition of a subsidiary, net of cash acquired	0	-669	0	-5,623	-9,114
<b>Net cash flow from investing activities</b>	<b>-252</b>	<b>-1,007</b>	<b>-678</b>	<b>-6,186</b>	<b>-10,889</b>
<b>Net cash flow from financing activities</b>					
Treasury shares acquired	0	0	0	0	-2,318
Repayment of lease liabilities	-814	-596	-1,524	-1,179	-2,706
Granted loans	0	0	-685	0	0
Repayment of borrowings	-1,116	-1,139	-1,446	-2,406	-4,637
Financial instruments	0	68	10	560	1,026
Share issue	23	32	23	32	97
Dividends paid to equity holders of the parent	-7,349	-5,283	-7,349	-5,283	-5,283
Dividends paid to non-controlling interest	-244	-195	-244	-195	-195
Changes in non-controlling interest	10	0	8	0	53
<b>Net cash flow from financing activities</b>	<b>-9,489</b>	<b>-7,114</b>	<b>-11,207</b>	<b>-8,471</b>	<b>-13,964</b>
<b>Net increase in cash and cash equivalents</b>	<b>-3,659</b>	<b>130</b>	<b>2,545</b>	<b>-3,208</b>	<b>-5,685</b>
Cash and cash equivalents at beginning of period	44,654	40,797	38,450	44,135	44,135
<b>Cash and cash equivalents at end of period</b>	<b>40,995</b>	<b>40,927</b>	<b>40,995</b>	<b>40,927</b>	<b>38,450</b>

# Notes to the Accounts

1 January – 30 June 2024

# Basis of preparation

The unaudited half-year financial report has been prepared in accordance with IAS 34, Interim Financial Reporting, and it should be read in conjunction with the consolidated financial statements for 2023. Information concerning the full year 2023 is based on the audited financial statements for 2023.

The same accounting policies, methods of computation and applications of judgment are followed in this half-year report as was followed in the consolidated financial statements for 2023. Amendments to the standards taking effect in 2024 did not have material impact on the Group.

The fair values of financial assets and liabilities are materially consistent with their carrying amounts. For this reason, they are not presented separately in table format in the half-year report. Disclosures concerning share-based payments are presented in section Corporate Governance and Share Information.

## **Key accounting considerations related to uncertainty arising from the macro economic circumstances**

Gofore continued to assess the impacts of geopolitical and macro economical uncertainties by reviewing the carrying values of the balance sheet items, which did not indicate a need for asset impairments. Gofore's financial position remained strong.

# Distribution of revenue

EUR thousand, unless otherwise specified	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
<b>Net sales by customer sector</b>					
Private sector sales	19,761	20,387	40,531	41,312	80,531
Public sector sales	28,216	27,174	56,684	55,399	108,710
<b>Net sales by origin of customer</b>					
Finland	42,457	39,832	85,232	80,967	159,714
Other countries	5,520	7,729	11,983	15,743	29,528
<b>Net sales by class</b>					
Net sales, Crew	40,135	39,044	81,307	79,036	154,229
Net sales, subcontracting	7,328	8,517	14,886	17,674	33,412
Net sales, products	514		1,021		1,600
<b>Timing of revenue recognition</b>					
Services transferred at a point in time	534	25	1,061	39	1,683
Services transferred over time	47,443	47,536	96,153	96,671	187,558
<b>Net sales by agreement types</b>					
Time and material based projects	45,114	45,073	90,792	91,323	176,433
Fixed price projects	1,484	1,647	3,658	3,758	7,919
Maintenance services	840	816	1,698	1,590	3,206
Third party commissions	19	25	40	39	83
Products	514		1,021		1,600
<b>Net sales, Group total</b>	<b>47,977</b>	<b>47,561</b>	<b>97,214</b>	<b>96,710</b>	<b>189,241</b>

# Intangible Assets

EUR thousand	Trademarks	Customer relationships	Non-compete agreement	Technology based intangibles	Models and templates	Capitalized development expenditure	Other intangible assets	Other intangible assets total	Goodwill	Intangible assets total
<b>Cost</b>										
1.1.2024	1,322	23,597	5,586	1,516	200	101	1,980	34,302	49,055	83,357
Additions	0	0	0	0	0	0	0	0	0	0
Business combinations	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0
<b>30.06.2024</b>	<b>1,322</b>	<b>23,597</b>	<b>5,586</b>	<b>1,516</b>	<b>200</b>	<b>101</b>	<b>1,980</b>	<b>34,302</b>	<b>49,055</b>	<b>83,357</b>
<b>Amortisation and impairment</b>										
1.1.2024	-1,018	-7,834	-2,799	-110	-189	-62	-591	-12,602	0	-12,602
Amortisations	-98	-1,191	-521	-79	-11	-6	-178	-2,085	0	-2,085
<b>30.06.2024</b>	<b>-1,115</b>	<b>-9,025</b>	<b>-3,320</b>	<b>-189</b>	<b>-200</b>	<b>-68</b>	<b>-769</b>	<b>-14,687</b>	<b>0</b>	<b>-14,687</b>
<b>Net book value</b>										
1.1.2024	305	15,763	2,787	1,406	11	39	1,389	21,700	49,055	70,755
<b>30.06.2024</b>	<b>207</b>	<b>14,573</b>	<b>2,266</b>	<b>1,327</b>	<b>0</b>	<b>32</b>	<b>1,211</b>	<b>19,616</b>	<b>49,055</b>	<b>68,671</b>

EUR thousand	Trademarks	Customer relationships	Non-compete agreement	Technology based intangibles	Models and templates	Capitalized development expenditure	Other intangible assets	Other intangible assets total	Goodwill	Intangible assets total
<b>Cost</b>										
1.1.2023	1,228	22,069	5,288	66	200	101	1,726	30,679	47,694	78,373
Additions	0	0	0	0	0	0	166	166	0	166
Business combinations	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0
<b>30.06.2023</b>	<b>1,228</b>	<b>22,069</b>	<b>5,288</b>	<b>66</b>	<b>200</b>	<b>101</b>	<b>1,892</b>	<b>30,845</b>	<b>47,694</b>	<b>78,539</b>
<b>Amortisation and impairment</b>										
1.1.2023	-788	-5,137	-1,806	-24	-122	-49	-286	-8,214	0	-8,214
Amortisations	-103	-1,300	-472	-7	-33	-3	-136	-2,054	0	-2,054
<b>30.06.2023</b>	<b>-891</b>	<b>-6,438</b>	<b>-2,278</b>	<b>-31</b>	<b>-156</b>	<b>-52</b>	<b>-423</b>	<b>-10,268</b>	<b>0</b>	<b>-10,268</b>
<b>Net book value</b>										
1.1.2023	440	16,932	3,482	42	78	52	1,440	22,465	47,694	70,159
<b>30.06.2023</b>	<b>337</b>	<b>15,631</b>	<b>3,011</b>	<b>35</b>	<b>44</b>	<b>48</b>	<b>1,470</b>	<b>20,577</b>	<b>47,694</b>	<b>68,271</b>

## Tangible Assets

EUR thousand	Machinery & Equipment	Other tangible assets	Total
<b>Cost</b>			
1.1.2024	1,759	1,821	3,580
Additions	428	252	680
Business combinations	0	0	0
Disposals	-1	0	-1
Reclassifications	399	-399	0
<b>30.06.2024</b>	<b>2,585</b>	<b>1,674</b>	<b>4,259</b>
<b>Depreciation and impairment</b>			
1.1.2024	-1,169	-364	-1,533
Depreciations charge for the year	-162	-72	-234
Disposals	0	0	0
<b>30.06.2024</b>	<b>-1,330</b>	<b>-436</b>	<b>-1,766</b>
<b>Net book value</b>			
1.1.2024	591	1,457	2,048
<b>30.06.2024</b>	<b>1,255</b>	<b>1,238</b>	<b>2,493</b>

EUR thousand	Machinery & Equipment	Other tangible assets	Total
<b>Cost</b>			
1.1.2023	1,328	680	2,007
Additions	207	247	454
Business combinations	0	0	0
Disposals	-36	0	-36
<b>30.06.2023</b>	<b>1,499</b>	<b>927</b>	<b>2,425</b>
<b>Depreciation and impairment</b>			
1.1.2023	-974	-283	-1,256
Depreciations charge for the year	-98	-25	-123
Disposals	0	0	0
<b>30.06.2023</b>	<b>-1,072</b>	<b>-307</b>	<b>-1,379</b>
<b>Net book value</b>			
1.1.2023	354	397	751
<b>30.06.2023</b>	<b>427</b>	<b>619</b>	<b>1,046</b>

## Right-of-use Assets

EUR thousand	Right-of-use assets, buildings	Right-of-use assets, vehicles	Total
<b>1.1.2024</b>	<b>13,070</b>	<b>385</b>	<b>13,455</b>
Additions	1,801	54	1,855
Disposals	0	0	0
Business combinations	0	0	0
Depreciations for the financial year	-1,457	-106	-1,563
<b>30.06.2024</b>	<b>13,414</b>	<b>333</b>	<b>13,747</b>
<b>1.1.2023</b>	<b>3,365</b>	<b>198</b>	<b>3,564</b>
Additions	553	264	817
Disposals	0	-22	-22
Business combinations	0	0	0
Depreciations for the financial year	-1,109	-89	-1,199
<b>30.06.2023</b>	<b>2,809</b>	<b>351</b>	<b>3,160</b>

# Financing

Gofore Plc had unsecured loans of EUR 12.0 (15.7) million at the end of the review period. Gofore did not raised any new loans during the period. The loans are associated with the conventional covenants tied to the equity ratio and interest-bearing net debt to EBITDA ratio. The covenant conditions were met on 30 June 2024.

The company has made interest rate cap and swap agreements of EUR 8.9 million nominal value to hedge its floating rate loans. Cash flow hedge accounting is applied to those agreements. At the end of the reporting period the floating rate loans amounted to EUR 11.9 million of which 75% were hedged. The effective portion of fair value changes is recognized into OCI and presented in fair value reserves in equity. The fair value of the agreements are presented in the table below.

Instrument 30.6.2024	Notional	Hedging type	Maturity	Fair value pos	Fair value neg	Fair value net
Swap	3,500	Cash flow	1.11.2027	8	0	8
Cap 1	3,000	Cash flow	2.3.2026	36	5	31
Cap 2	8,000	Cash flow	29.12.2028	413	95	318
<b>Total</b>				<b>457</b>	<b>100</b>	<b>357</b>

Instrument 30.6.2023	Notional	Hedging type	Maturity	Fair value pos	Fair value neg	Fair value net
Swap	3,500	Cash flow	1.11.2027	44	0	44
Cap 1	3,000	Cash flow	2.3.2026	92	8	84
Cap 2	8,000	Cash flow	29.12.2028	601	117	484
<b>Total</b>				<b>736</b>	<b>124</b>	<b>612</b>



# Related party transactions, commitments and litigations

## Related party transactions

There were no sales, purchases or payables with related parties during the review period. Gofore has granted to its Group executive team members, as part of the implementation of the Matching Share Plan, market condition interest-bearing loans EUR 685 thousand to finance the subscription of the company's shares. The accrued interest income amounts to EUR 10 thousand at the end of the reporting period. The remuneration of the Board of Directors, Group CEO and members of the Group executive team is published in the annual financial statements.

## Commitments

Gofore Plc holds an unsecured operative guarantee limit of EUR 1.5 million of which EUR 768 thousand is in use at 30.6.2024. The company has made a 5-year lease agreement concerning new office in Helsinki in the late 2023. Premises will be taken into use during 2024 and 2025.

Gofore has given a negative pledge on its financial loans.

## Litigations and proceedings

Gofore is not involved in any on-going litigations nor proceedings relating to its business operations.

# Alternative performance measures (APM)

Gofore uses and presents among others the following alternative performance measures to better illustrate the operative development of its business:

EBITA, EBITDA, ROI, ROE, equity ratio and net gearing. EBITA is the operating profit before amortisation of PPA. PPA amortisations arise from assets recognised in fair value in acquired business combinations.

The items included in the EBITA and adjusted EBITA consist of the following:

EUR thousand, unless otherwise specified	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
<b>EBITA, Adjusted EBITA and EBITDA</b>					
<b>EBIT</b>	<b>5,208</b>	<b>4,460</b>	<b>10,978</b>	<b>11,594</b>	<b>23,019</b>
Amortisation of intangible assets identified in PPA	886	957	1,900	1,915	4,071
<b>EBITA</b>	<b>6,094</b>	<b>5,418</b>	<b>12,878</b>	<b>13,509</b>	<b>27,090</b>
Transaction costs from business combinations	0	0	0	6	268
PNL Impact of Contingent Consideration	0	0	0	204	-611
Restructuring costs	0	0	0	0	0
Gains or losses from sales of fixed assets	0	-21	-1	-21	-43
<b>Adjusted EBITA</b>	<b>6,094</b>	<b>5,397</b>	<b>12,877</b>	<b>13,698</b>	<b>26,704</b>
<b>EBIT</b>	<b>5,208</b>	<b>4,460</b>	<b>10,978</b>	<b>11,594</b>	<b>23,019</b>
Depreciations	1,014	758	1,981	1,461	3,338
Amortisation of intangible assets identified in PPA	886	957	1,900	1,915	4,071
<b>EBITDA</b>	<b>7,108</b>	<b>6,176</b>	<b>14,859</b>	<b>14,970</b>	<b>30,428</b>

# Calculation Formulas for Key Figures

Figure	Definition
EBITDA	Operating profit + depreciations and amortization.
EBITDA margin, %	Operating profit + depreciations and amortization divided by net sales and multiplied by a hundred.
Operating profit before amortization of intangible assets identified in PPA and impairment of goodwill (EBITA)	Operating profit + amortization of intangible assets identified in purchase price allocation (PPA) + impairment of goodwill.
Operating profit before amortization of intangible assets identified in PPA and impairment of goodwill (EBITA) margin, %	Operating profit + amortization of intangible assets identified in purchase price allocation (PPA) + impairment of goodwill divided by net sales and multiplied by a hundred.
Operating profit (EBIT) margin, %	Operating profit divided by net sales and multiplied by a hundred.
Earnings per share (EPS), euros	Profit for the period attributable for shareholders of the company divided by the weighted average number of shares outstanding during the financial period adjusted for share issues.
Earnings per share (EPS), euros, diluted	Profit for the period attributable for shareholders of the company divided by the weighted average number of shares outstanding during the financial period adjusted for share issues added with new potential shares.

# Calculation Formulas for Key Figures

Figure	Definition
Cash flow per share	Operative cash flow divided by weighted average number of shares outstanding during the period
Equity per share	Equity attributable for shareholders of the company divided by number of shares outstanding at the end of the period
DPS/EPS, %	Dividend per share divided by earnings per share, undiluted, multiplied by a hundred
Dividend per share (DPS)	Dividends during the period divided by weighted average number of shares outstanding during the period
Effective dividend yield, %	Dividend per share divided by share price at the end of the financial period.
P/E -ratio	Share price at the end of financial period divided by Earning per share, undiluted
Return on equity (ROE), %	Profit for the period (annualised) divided by average total equity, multiplied by a hundred.
Return on investment (ROI), %	Profit before taxes (annualised) + financial expenses (annualised) divided by average total equity + average interest-bearing loans and borrowings, multiplied by a hundred.
Equity ratio, %	Total equity divided by balance sheet total – advances received, multiplied by a hundred.
Net interest-bearing debt (NIBD)	Non-current interest-bearing liabilities + Non-current lease liabilities + Current interest-bearing liabilities + Current lease liabilities – Non-current interest-bearing receivables – Current interest-bearing receivables – Securities – Cash and cash equivalents
Net gearing, %	Net interest-bearing debt, divided by total equity and multiplied by a hundred.

# Calculation Formulas for Key Figures

Figure	Definition
Full-time Equivalent, FTE	Overall capacity of the Group's personnel, converted into a value corresponding to the number of full-time employees. The figure includes the entire personnel, regardless of their role. The figure is not affected by annual leave, time-off in lieu of overtime, sick leave or other short-term absences. Part-time agreements and other long-term deviations from normal working hours reduce the amount of overall capacity in comparison with the total number of employees. The capacity of acquired companies' personnel has been considered as of the acquisition date.
Subcontracting, FTE	Subcontracting, FTE (Full Time Equivalent) figure shows the overall amount of subcontracting used in invoiced work, converted into a value corresponding to the number of full-time employees. Subcontracting used by acquired companies has been included as of the acquisition date.
Number of employees, at the end of the period	The number of employees at the end of the review period.
Attrition rate	The number of terminated employment divided by the number of staff at the end of the reporting period. Therefore, attrition rate numbers from time periods of different lengths are not comparable.
Adjusted EBITA	Reported EBITA + (+ goodwill impairment +/- costs/gains directly related to acquiring business combinations +/- costs/gains from contingent considerations+ restructuring costs of business structure – gains of sales of fixed assets + losses of sales of fixed assets).
Adjusted EBITA, %	Reported EBITA + (+ goodwill impairment +/- costs/gains directly related to acquiring business combinations +/- costs/gains from contingent considerations+ restructuring costs of business structure – gains of sales of fixed assets + losses of sales of fixed assets) divided by net sales and multiplied by a hundred.
Organic growth	Organic growth is defined by comparing the quarterly net sales in the Group income statement with the net sales of the previous reporting period's corresponding quarter. The growth is calculated with a comparable Group structure using the Group structure of the time of reporting to calculate pro forma net sales for the corresponding period. The pro forma net sales include the impact of acquisitions and divestments retroactively and is unaudited.
Last twelve months' net sales, LTM	The last twelve months (LTM) pro forma net sales figure that the company uses tells the net sales for the Group structure of the time of reporting. The pro forma net sales include the impact of acquisitions and divestments retroactively and is unaudited.

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## Upcoming financial reporting

- Monthly Business Reviews in the beginning of the next month.
- July and August Business Reviews will be published together in September.
- More information can be found at <https://gofore.com/en/news/gofores-financial-communications-calendar-and-annual-general-meeting-in-2024/>
- Q3 interim report on 24 October 24 2024.

Stay in touch!

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