

GOFORE PLC
Q1-Q4 / 2024

Financial Statements Release 2024

Last quarter profitability strong considering
market situation

20 February 2025
Unaudited



October-December 2024 Highlights

Last quarter profitability strong considering market situation

- Net sales declined by -3.6%, were 49.8 (51.7) million euros. Organic growth -3.6%.
- Own personnel capacity continued to increase also in the last quarter of the year compared to previous year.
- Adjusted EBITA 6.7 (8.3) million euros, 13.4% (16.0%).
- Customer prices declined -0.8%, average salary +0.5%.
- Number of employees total of 1,471 (1,465) people, overall capacity standing at 1,539 (1,529).
- The Board of Directors approved of a new strategy, financial targeting and changes in the Group Executive Team on 19 December 2024.

Group Key Figures Summary, MEUR	Q4/2024	Q4/2023
Net sales	49.8	51.7
Organic Growth of Net Sales, %	-3.6%	9.1%
Adjusted EBITA	6.7	8.3
Adjusted EBITA, %	13.4%	16.0%
EBITA	6.6	9.1
Operating Profit (EBIT)	5.7	8.0
Earnings per share (EPS), undiluted	0.31	0.43
Earnings per share (EPS), diluted	0.30	0.43
Number of employees at the end of period	1,471	1,465
Overall capacity (FTE), at the end of period	1,539	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-December 2024 Highlights

Gofore's profitability remained good, adjusted EBITA 12.8%

- Net sales slightly below the previous year's level, -1.6% and were 186.2 (189.2) million euros.
- Adjusted EBITA 23.9 (26.7) million euros, 12.8% (14.1%) of net sales.
- Customer prices dropped, -0.3%, average salary development standing at +1.0%.
- Gofore's employer brand strengthened and employee experience improved.
- Amount of large accounts grew and customer net promoter score rose to an all-time high.

Group Key Figures Summary, MEUR	2024	2023
Net sales	186.2	189.2
Organic Growth of Net Sales, %	-3.2%	22.0%
Adjusted EBITA	23.9	26.7
Adjusted EBITA, %	12.8%	14.1%
EBITA	24.4	27.1
Operating Profit (EBIT)	20.8	23.0
Earnings per share (EPS), undiluted	1.04	1.15
Earnings per share (EPS), diluted	1.02	1.15
Number of employees at the end of period	1,471	1,465
Overall capacity (FTE), at the end of period	1,539	1,529

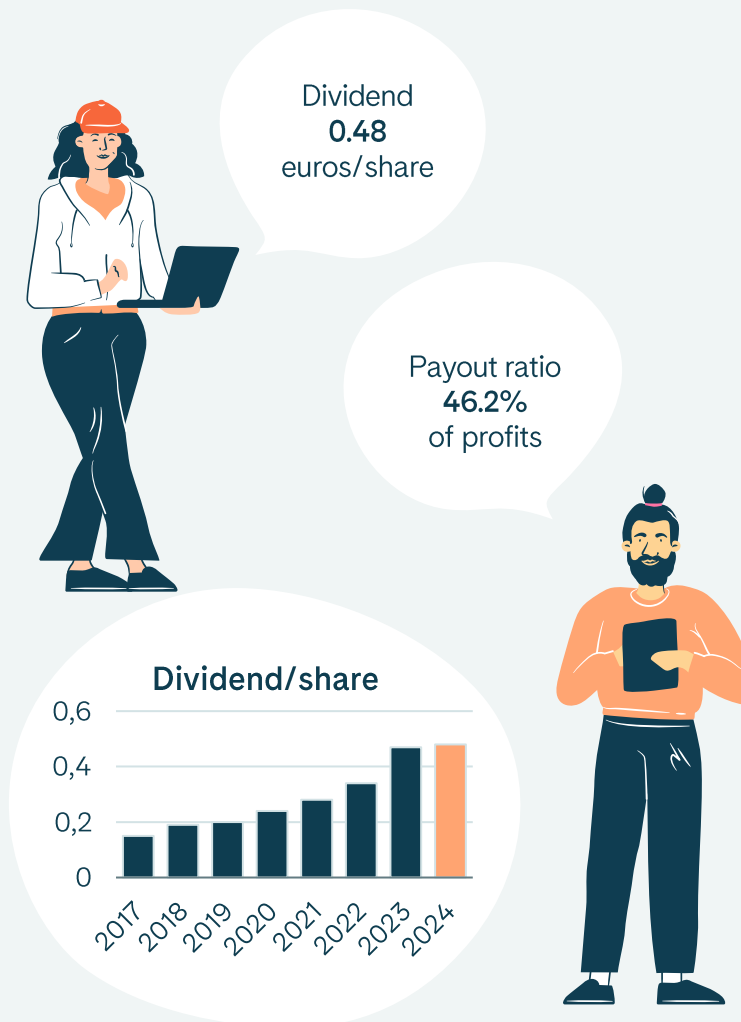
All figures are compared to the corresponding period of the previous year.
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Board of Director's proposal for dividends

The parent company's distributable assets as at 31 December 2024 amounted to EUR 99.2 million, including the profit for the financial period of EUR 18.6 million. The Board of Directors proposes to the Annual General Meeting on 11 April 2025 that dividends be distributed for the financial period ended on 31 December 2024 in the amount of EUR 0.48 per share, equaling a total of 7.5 million euros in dividend payout.

At the date of the proposal, there are 15,679,622 outstanding shares that yield dividends, equaling a total of 7.5 million euros in dividend payout. According to the proposal, the rest of the profit for the financial period, 11.1 million euros, will be recognised in the company's own equity. The proposed dividend is 46.2% of earnings per share. Of the year 2023 profit, a dividend of 0.47 euros per share was distributed, a total of 7.3 million euros.

The 2024 dividend is paid to a shareholder who is on the company's list of shareholders maintained by Euroclear Finland Oy on the record date 15 April 2025. A dividend will not be paid for the shares in the company's possession on the record date. According to the proposal, dividends are paid on estimate on 24 April 2025.



Updated long-term financial targets

Related to Gofore's updated strategy, in December 2024, the Gofore Board of Directors decided to update the company's financial targets that span over the economic cycle.

500 MEUR

of net sales by 2030

Organically outperforming market growth.
At least half of total growth expected to be organic.



15%

Profitability of adjusted EBITA

40%

Dividends minimum of annual net profit

CMD 2025 materials
can be found on our
IR website!

Growth strategy

OUR FOCUS

Digital Society

1.

Building on gained expertise and current customer base, we seek growth especially in the DACH public sector, Health and Social Services, large companies, and Security.

Intelligent Industry

2.

We seek growth in industrial companies as a whole, as well as Automotive companies in the DACH region with focus on digital R&D and services.

Geographical focus in Finland & DACH

3.

With success, we can expand into new markets.



M&A

OUR UNIQUE VALUE

Goforeans

1.

Building on the mentality praised by our customers and the way of achieving things together supported by the company culture.

Strategic customers

2.

Delivering consistent value through developing long-term strategic partnerships that are based on solid customer perception, trust and good relationships.

Exceptional offering

3.

Further developing and sharpening the portfolio of services for the chosen customer industries, and rethinking consulting.



Thoughts from our CEO

Mikael Nylund



Gofore's net sales contracted in 2024 for the first time after more than 15 years of profitable growth. The net sales ultimately settled at 186.2 million euros, which is 1.6% lower than in 2023. Profitability remained at a good level, with adjusted EBITA at 12.8%.

In a weaker economic environment, customer demand was lower throughout the year compared to previous year. We refrained from the fiercest price competition, which hindered growth but protected profitability.

At the beginning of 2024, we believed in a quicker economic recovery than what occurred. However, customers in both the private and public sectors have continued to take a cautious approach to investments.

Despite this, we managed to grow our business moderately in our domestic market in Finland, particularly among public sector customers and in consulting services. In contrast, we suffered a contraction in net sales in new areas, such as outside Finland and in the more cyclical industrial customer base.

We successfully continued to implement our customer strategy based on strategic partnerships. As a result, customer satisfaction even increased slightly despite the challenging savings situations. The number of large customers (>1 million euros/year in billing) continued to grow.

We were pleased to notice that many of our customers value a long-term, broadly serving, and responsible partner even in tougher times.

At the same time, it was significantly difficult to open new accounts. In the public sector, the competitive situation was tough, as the open nature of its procurement attracts supply when the market is generally quieter. The number of competitors increased, and price competition due to oversupply remained fierce, which complicated our growth during the year. Savings programs were implemented in almost all customer groups, cutting ongoing projects and postponing new initiatives.

However, we see that we strengthened our positions during the past year. We navigated through a difficult year together with our staff and managed to avoid the widespread layoffs and redundancies common in the industry. This reflects the healthy state of Gofore's structures and the good resilience of both them and our personnel.

We believe this also played a role in our continued rise in the employer comparison within the IT consulting sector, with Gofore being recognized as the most attractive IT consulting employer in Universum's professional survey.

The last quarter of the year continued the trend of gradual growth in capacity that turned in the second half of the year.

In the latter part of the year—when customer projects typically face the most urgent deadlines—the utilisation rate also reached its highest level of the year. December was a very fragmented month this year due to long holidays. This significantly affected the overall results for the quarter.

At the end of 2024, we announced our updated long-term targets: we aim in net sales of 500 million euros by 2030, while maintaining our ability to be a profitability leader in the industry. Regarding the market, we have not seen a sudden improvement at the beginning of the year, but we expect a gradual and long-term phase of demand recovery. We are, however, decidedly pursuing new growth, including through our new, more customer-oriented organization.

The fundamentals of our business and structures are on a healthy foundation. In our thinking, Gofore is and will remain a growth company.

Quarterly Performance; Net sales and adjusted EBITA

EUR thousand, unless otherwise specified	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023
Net sales	49,829	39,123	47,977	49,237	51,710	40,821	47,561	49,150
Change in Net sales, %	-4%	-4%	1%	0%	13%	29%	28%	39%
Adjusted EBITA	6,674	4,366	6,094	6,782	8,276	4,730	5,397	8,302
Adjusted EBITA, %	13.4%	11.2%	12.7%	13.8%	16.0%	11.6%	11.3%	16.9%
Change in Adjusted EBITA, %	-19%	-8%	13%	-18%	10%	26%	-4%	62%
Organic growth of Net sales, %	-4%	-4%	-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	Own capacity, 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)
June	5,9 (5,9)	189.8	1 446 (1 423)	23 (21)	1 366 (1 341)	65 (83)
August	15,8 (16,9)	188.6	1 452 (1 448)	22 (23)	1 366 (1 353)	144 (166)
September	17,4 (18,0)	188.0	1 474 (1 460)	21 (21)	1 380 (1 374)	172 (186)
October	18,8 (18,7)	188.1	1 472 (1 466)	23 (22)	1 384 (1 371)	169 (184)
November	17,7 (18,7)	187.1	1 469 (1 471)	21 (22)	1 371 (1 376)	166 (181)
December	13,4 (14,3)	186.2	1 471 (1 465)	18 (18)	1 382 (1 372)	157 (158)

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

Key Figures

EUR thousand, unless otherwise specified	Q4/2024	Q4/2023	2024	2023
Net sales	49,829	51,710	186,166	189,241
Change in Net sales, %	-3.6%	13.2%	-1.6%	26.2%
EBITDA	7,630	10,135	28,461	30,428
EBITDA, %	15.3%	19.6%	15.3%	16.1%
Adjusted EBITA	6,674	8,276	23,916	26,704
Adjusted EBITA, %	13.4%	16.0%	12.8%	14.1%
EBITA	6,607	9,081	24,429	27,090
EBITA, %	13.3%	17.6%	13.1%	14.3%
Operating Profit (EBIT)	5,731	8,003	20,776	23,019
Operating Profit (EBIT), %	11.5%	15.5%	11.2%	12.2%
Profit for the period	4,918	6,849	16,806	18,263
Return on equity (ROE), %	19.1%	29.9%	16.9%	21.1%
Return on investment (ROI), %	19.2%	28.9%	17.8%	21.3%
Equity ratio, %	62.1%	56.0%	62.1%	56.0%
Net gearing, %	-34.1%	-13.1%	-34.1%	-13.1%
Number of employees at the end of period	1,471	1,465	1,471	1,465
Average overall capacity, FTE	1,379	1,373	1,373	1,322
Average subcontracting, FTE	164	174	149	172
Earnings per share (EPS), undiluted	0.31	0.43	1.04	1.15
Earnings per share (EPS), diluted	0.30	0.43	1.02	1.15
Cash flow from operative activities per share			2.37	1.23
Equity per share			6.69	5.98
Dividend per share			0.48	0.47
DPS/EPS, %			46.2%	40.9%
Effective dividend yield (DPS/Price), %			2.2%	2.1%
Price-Earnings ratio, P/E			21.3	19.5

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

Profitability on good level despite declining net sales

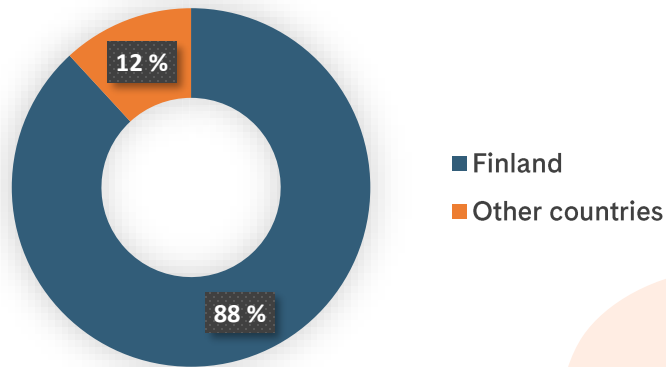
- Net sales declined -3.6%, however Gofore was able to defend its good profitability level, adj. EBITA 13.4% (16.0%).
- Other operating expenses accounted for 9.1% (8.8%) of net sales and moderate salary increases supported defending the profitability. Internal cost efficiency program was halted on Q3 2024.
- Gofore's business adapts to the market environment.
- Customer price change during the year was -0.3%, -0.8% on Q4
- Average salary change during the year was +1.0% (+3.6%), +0.5% on Q4.
- Own personnel capacity continued modest growth also in the last quarter and Gofore has continued cautious recruitment.



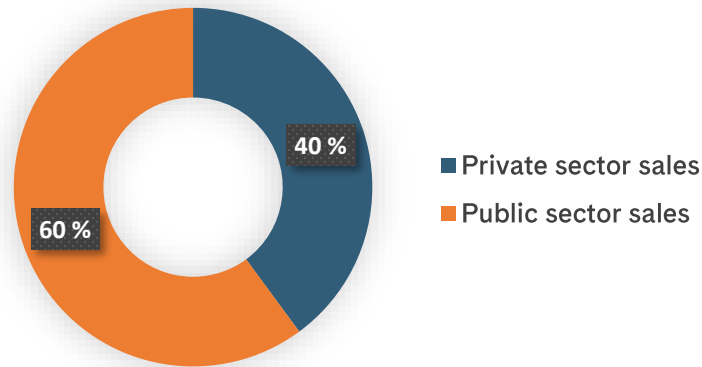
Customer price and salary changes excluding the Creanex acquisition made in 2023.

Net sales distribution in January-December

TOP 5 customers contributed 27% of net sales

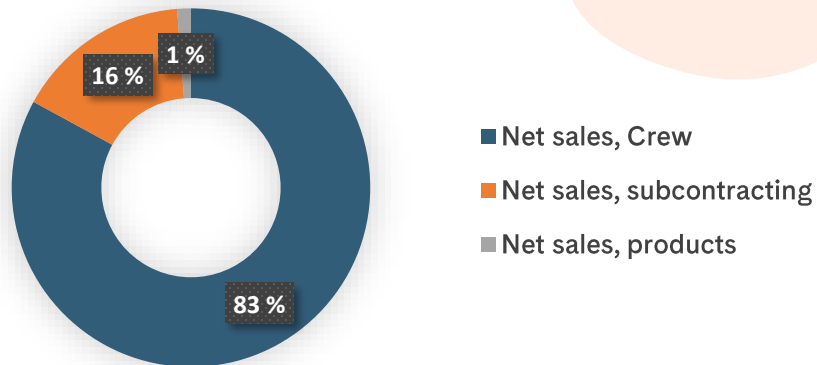


- Finland
- Other countries

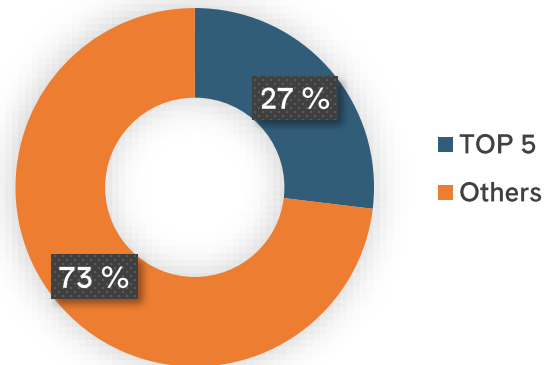


- Private sector sales
- Public sector sales

186.2 MEUR



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



- TOP 5
- Others



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Market Highlights

Human-centric ERP renewal speeds Normet's global growth

- Normet, who delivers technology for the mining, tunneling and construction industries, is unifying the processes, operating models and the IT infrastructure of its organisation that operates in 30+ countries.
- Target is to create growth by developing customer experience and data-driven management with the help of a globally unite enterprise resource planning system (ERP).
- Human-centric change management has from the beginning been a part of the project focused on renewing tools and ways of working within the company. Piloting that exceeded expectations was finalized in 2024.
- Change execution was utilized in the change implementation, and employees were able to impact the new ERP and concretely see its benefits, which helped minimize change resistance and speeded commitment.
- Gofore's and Normet's collaboration began already in 2020 and continues with global implementation. Normet's ERP is implemented this year in India, Austria, Switzerland and the UK.



Image @Normet

AI assistant trialled in wellbeing service counties

Gofore helps wellbeing service counties in recognising benefits of AI in the work of various experts.

- The purpose of the AI for professionals project is to explore and identify the possibilities of artificial intelligence and to develop and implement AI assistants in the work of various social and healthcare experts.
- Gofore is involved in the first phase of the trial in the Central Finland and South Savo welfare areas and is building the necessary technical solution for it.
- The goal is to improve work productivity; enhancing work efficiency and cost-effectiveness as well as improving the quality of needs assessment, service guidance and actual care by standardizing operational models.
- By improving service quality of guidance to care, target is to achieve a positive impact on patient wellbeing and thus reduce the need for care.
- There are several scaling opportunities within professional groups, services, and data sources, as well as geographically.
- The project is part of the social and health sector AI ecosystem established by the Ministry of Social Affairs and Health, under which DigiFinland has initiated 10 different AI trials in wellbeing service counties.



Customer agreements in July-December

Customer	Project	Service	New customer	~Value, MEUR	Years
Istekki	Frame agreement	Service development expert and consulting services	No	10.9 ¹⁾	4
Car manufacturer	Frame agreement	Testing expert centre services	No	3.6 p.a.	5
Fintraffic	Frame agreement	ICT architecture consulting	No	0.9 ²⁾	2.5
City of Helsinki	Frame agreement	Extensive development, e.g. architecture, project management, data science and analysis, Low-code/no-code development, quality assurance & test automation	No	55 ³⁾	4
KELA	The one application model	Solution delivery & support and maintenance services	No	10-15	3
WasteHero	ERP SaaS integration	Project management, definition, configuration, localisation, integration and data migration	Yes	1.7-2.2 ⁴⁾	1.7
Finnish Border Guard	Frame agreement	ERP project support	Yes	⁵⁾	⁵⁾
Elenia	Extranet project	Software and continued development and maintenance	No	N/A	0.9 + 2
Metsähallitus Forestry	Frame agreement	Extensive development support, e.g. Lean and Agile experts	No	4.4 ⁶⁾	2

¹⁾ A maximum of five suppliers were chosen for each area and area-specific frame agreements will be made.

²⁾ Gofore is one of three suppliers.

³⁾ Gofore involved in 7/10 of the frame agreement areas, priority supplier on one. Other areas involve 3-4 suppliers.

⁴⁾ The procurement group under WasteHero include three area waste management companies, Rosk'n Roll and Jätekukko.

⁵⁾ The agreement has not been made, which is why the value or duration cannot be disclosed yet. Gofore is the sole supplier in the areas which it was chosen for.

⁶⁾ The five areas of the frame agreement include 2-3 other suppliers.

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. 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.

Customer agreements in January-June

Customer	Project	~Value MEUR	Years	Customer	Project	~Value MEUR	Years
State Treasury	Azure integration service development	2	4+2-4	Finnish Transport Infrastructure Agency	Image data service platform	4.4	4
YLE National Broadcast Company	Frame agreement	35	4	Finnish Transport Infrastructure Agency	Identity access management solutions	4.5	3+3
Istekki	Customer resource management system development	0.5	3	Päijät-Häme wellbeing services county	ICT development frame agreement	10	4
2M-IT	Sharepoint development	0.9	4	2M-IT	Wellbeing services counties' ICT development, subcontracting	2.9	4
National Police Board of Finland	Firearms registry system development	10	5	Statistic Finland	Application developers, database and science experts	3.5	3+2
Sansia	Cyber security, frame agreement	1.6		KELA	Expert team	1.3	2+2
North Ostrobothnia wellbeing services county, Pohde	Frame agreement, development of wellbeing county and rescue services' operation processes	4.5	3+1	Finnish Patent and Registration Office	IT expert services	0.7	1
				Ministry of Education and Culture	Continuous learning digital services	1.3	2+1

Retendered customer agreements, next 12 months

Customer	Reason/way of retendering	~Value, MEUR p.a.
Government agency	Value of current agreement reaching maximum and ends in the beginning of H1/2025, retendering about to begin.	3,4

Municipality customer	The agreement previously listed as an upcoming retender, reached the end of its basic period on 11/2024 but continues until further notice.	3
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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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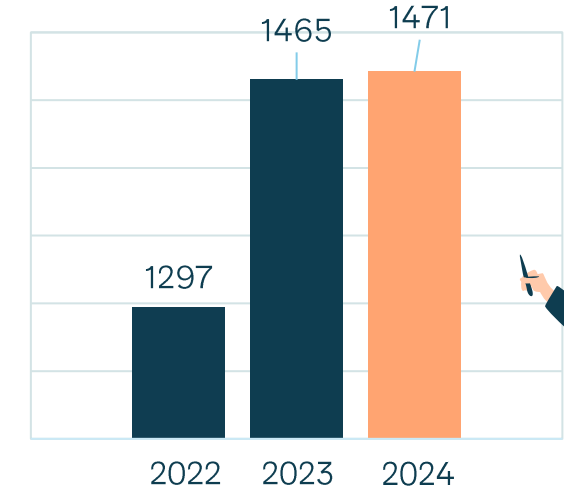
People Development

Strong community grew stronger

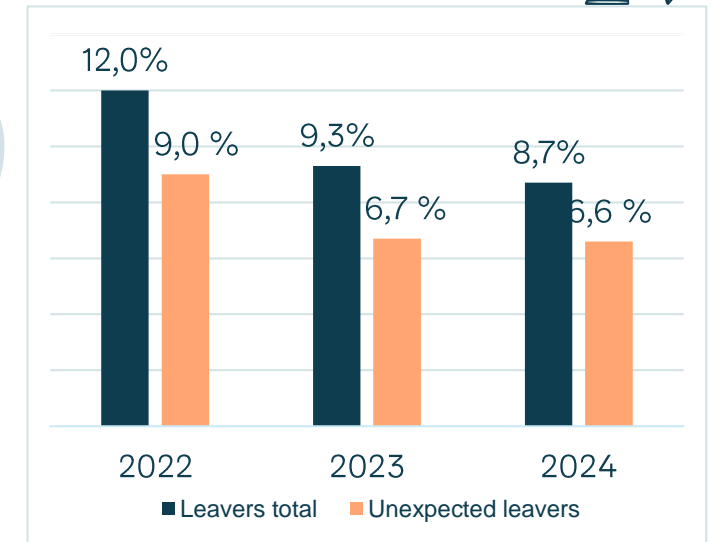
Gofore's employer brand and organisational resilience grew stronger in a challenging market situation in 2024.

- Gofore's number of employees grew by 0.4 % (13%) to a total of 1,471 (1,465) people.
- 140 (312) new recruits started during the year.
- Employer pull grew but the amount of recruiting and hires decreased somewhat; 6,434 (6,737) applications, 2.2% (4.2%) were hired.
- Gofore did not have to adjust to the market situation with change negotiations, and strong culture supported in a difficult market.
- Employee attrition decreased to 8.7%, share of unexpected leavers at 6.6%.
- Employee experience significantly improved from previous year - eNPS 44 (34) in the fall survey.

Number of employees



Attrition



Gofore the most attractive IT consultancy

2024

UNIVERSUM

According to the Universum survey made among IT professionals, Gofore is the most attractive employer in the Finnish IT consultancy space.



2024

REPUTATION & TRUST

Gofore's reputation was rated 3rd best out of all Finnish listed companies by private investors.



2024

CUSTOMER PERCEPTION

According to the Customer Insight study in 2024, our customers perceive our mentality to be exceptional in Finland and DACH.

Candidate experience

4.5/5

of rejected applicants

96%

of hired were happy with the process

2.2%

of applicants hired (6,434 applicants, 140 hired)

22%

hired through internal recommendation

Deepening mental health support

Being open about mental health issues and learning together with Goforeans has led to increased support to brain and mental health.

Mental health related leaves 2024 slightly higher than industry average

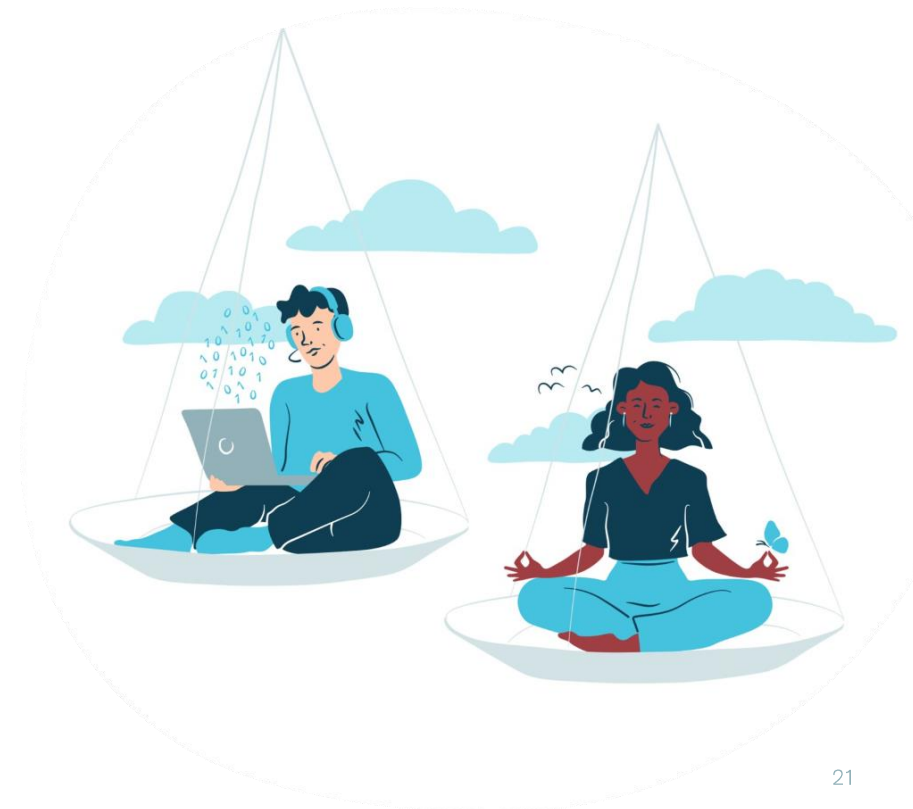
- Mental health related sick leaves 39.4% (37.5%) of all sick leaves.
- Average length of mental health-related sick leave has decreased, -25%, 3.1 (3.5) days/employee.
- 7% (6.4%) of Goforeans had a mental related sick leave.

New tools found with Goforeans for managing mental wellbeing

- Ensuring the support of our company culture, community and services to experts in customer work.
- New personalized discussion practice for agreeing clear goals and expectations, help for prioritising and challenges and recognising success.

Continue learning from research and with partners

- Gofore Impact Foundation launching funding for brain friendly digital services research.
- Strong occupational health cooperation and exploring alternative ways for early wellbeing interventions.
- Two of the largest offices, Helsinki and Tampere, were awarded for their brain friendliness in the Rakli work environment competition.



Organisational renewal paves way for strategy implementation

The new organisation and the changes in the Group Executive Team took effect on 1 January 2025.

- In October 2024, we started to plan the renewal of the Gofore organisation.
- The main objective was to identify ways of creating unique value for customers and to support growth.
- The new organisation is customer-centric as opposed to the previous capability-based structure.
- The organisation also supports strategic geographical choices: Finland and the DACH area.
- As planned, the change negotiations needed to redesign the organisation did not lead to a decision to reduce headcount.



Reorganised Gofore Group

DIGITAL SOCIETY

INTELLIGENT INDUSTRY

BUSINESS, PEOPLE & CUSTOMER VALUE

GOFORE DACH

Delivering value to customers in German-speaking Europe

GOFORE FINLAND

Delivering value to customers in Finland

SALES, ACCOUNT MANAGEMENT, CAPABILITIES, PEOPLE DEVELOPMENT & DELIVERY

GOFORE GROWTH PLATFORM

Shared services and assets implementing the strategy & committed to making the business succeed

GROWTH SERVICES

Brand. Offering and Sustainability, Finance, IT, Legal, People and Culture, Strategy and M&A

DIGITAL BUSINESS PLATFORM

Core Business Systems, Data-platform & Analytics, AI

CEO & GROUP EXECUTIVE TEAM



Significant events after
the review period

Significant events after the review period

January stock exchange releases

13.1.2025 Gofore's Shareholders' Nomination Board's proposals to the Annual General Meeting 2025

22.1.2025 Gofore initiates a new period of employee share savings plan

January 2025

The year 2025 began similarly to the previous year, still under challenging and cautious signs in terms of customer demand. By the end of the year, customer projects were concluding, and new projects are partly still being sought.

Consequently, the available capacity remained high, consistent with the situation from a year ago, and the utilisation rate in January was still low. Simulator product sales also started cautiously in January.

Net sales were 15.6 (16.9) million euros, and there was one less working day compared to the previous year.



See more:
gofore.com/invest

KEY FIGURES

	Net sales, MEUR	LTM pro forma	No. of Employees	Own Capacity, FTE	Subcontracting FTE	No. of Working Days in Finland
January 2025 (January 2024)	15.6 (16.9)	184.9	1,470 (1,463)	1,387 (1,372)	148 (147)	21 (22)



Outlook

Market outlook

The mid and long term outlook of digital transformation are strong. Leverage from economic recovery is expected to become available gradually.

Market uncertainty continues

The weak economic cycle has affected customer investments throughout 2024. We do not predict a rapid change for the better, but rather a gradual, long-term recovery in customer demand. Higher economic growth forecasts for 2025 anticipate a revival in demand.

General macroeconomic and geopolitical uncertainty maintains customer caution. However, technological development continues despite this. In particular, the development of artificial intelligence, as well as other digital technologies, requires ongoing investment from customer organizations. We estimate that organizations begin to accumulate investment debt, which is expected to start being resolved.

Overcapacity in the public sector

In the summer of 2023, a new government was formed in Finland. Adjustments to public finances, which are a key focus of the government's policy, have impacted some public sector IT budgets, and we expect this to continue.

Price competition continued in 2024. According to our estimates, this is still an exceptional phenomenon that reflects overcapacity in the sector.

As the demand from other customer groups improves, the supply and demand in the public sector will balance out.

We estimate that digital investments in the public sector will continue during the current government's term, based on the government program's commitments and upcoming growth initiatives. In particular, there will be investments in the overall security of society. We expect the public sector market to continue moderate growth in 2025.

Revival of exports in the private sector

We expect the decline in interest rates to begin impacting digital investments in the private sector during 2025. However, this depends on the outlook of each customer industry, which varies. The globally weaker economic situation has affected the outlook and order intake of export companies. A recovery in exports and a turnaround in order intake towards growth would accelerate investments.

In retail and services, we estimate that customer development initiatives will continue. We anticipate new opportunities arising through the consolidation of IT providers.

Headwinds in the DACH region economy

In the DACH region, and particularly in Germany, the economic cycle has been challenging in 2024, and exports have suffered. This has led to significant reductions and cancellations of customer projects for Gofore due to customer savings. Forecasts indicate that the economic direction is slowly turning.

Talent market clearly eased - for now

The weak situation in the IT sector in 2024 has also reflected in the talent market. The weakened demand for talent has resulted in lower turnover. The pressure on wage increases has eased.

We estimate that the availability of talent will remain good in 2025. We still see that any potential revival in the sector will quickly reflect in the labor market with higher turnover and competition for talent. The need for expertise in artificial intelligence, cybersecurity, and other new technologies reinforces this.

In the labor market, employee-centric companies whose business is stable continue to perform best.



Short-term risks and uncertainty factors in the operating environment

Geopolitics and economic trends

Geopolitical risks have increased globally. The direct impact of conflicts, sanctions, and restrictions on Gofore remains small. For example, the potential effects of U.S. import tariffs on customers focused on exports and economic trends may be negative.

Economic uncertainty has continued into 2025 and still affects the entire IT industry at the beginning of the year. Our outlook is based on economic forecasts indicating that the economies of Finland and Germany will grow faster than the previous year. A possible deterioration in the economic situation would negatively affect Gofore's customers' ability to invest in digital development, especially in the private sector.

Public sector customer market

The public sector withstands macroeconomic changes better than the private sector. Weakening of public finances and the new Finnish government's adjusting fiscal policy may impact IT investments. However, the content of the Finnish government program and investment targets reduce this uncertainty. With the competitive situation in the public sector remaining tight, the risk of price erosion has increased.

A significant portion of public sector contracts is made under larger framework agreements. Framework agreements are fixed in quantity or otherwise time-limited, after which they are re-tendered. Significant contracts known to Gofore that will be re-tendered in the next 12 months are detailed in this report.

Private sector customer market

Companies are more vulnerable than the public sector regarding political situations or country-specific macroeconomic risks. Although corporate confidence in the future has improved, the contraction of order books has continued into 2024. If the outlook weakens, the risk of reduced corporate investments increases. However, in the medium and long term,

digitalization remains a high-priority development agenda for companies, seen as a competitive advantage, and Gofore's offerings provide high added value to customers.

Project risks

The share of fixed and ceiling price projects is predicted to grow, driven by tightening customer budgets. Gofore typically makes efforts to direct procurement to a target-priced model and/or a project start where a joint scope can be created. The rising share of fixed, target and ceiling priced projects creates a higher risk in the project portfolio.

DACH region business

Gofore's business in the DACH region is still in its early stages. The integration of its operations into a single functional entity has progressed well. In particular, the weak development of the German economy has led to customer savings. If savings continue, there is a risk of business contraction, which could potentially have negative effects on personnel and key individuals.

Cybersecurity

Cyber threats have increased recently due to geopolitical uncertainty and the growing activity of state actors. At Gofore, information security is based on an ISO 27001 certified information security management system (in Germany, the TISAX information security standard) and strong cybersecurity expertise, which we also use to serve our customers. Gofore actively operates in national networks to anticipate threats directed at itself and its customers.

Q1/2025 Performance drivers

Gofore estimates that the growth and profitability drivers have not materially changed and that there is continued uncertainty of customer demand.

Growth Drivers

- As in the beginning of 2024, customer projects have ended at the turn of the year and new ones have not correspondingly started.
- No capacity growth expected compared to year-end.
- Customer demand is expected to vary between customer groups and there is uncertainty related to it.
- New organisation may negatively affect sales in Q1 but we see it strengthening sales and customer work in the longer term.

Profitability Drivers

- Utilisation rate is estimated to set near the comparison period's (Q1 2024) level.
- Price competition is likely to continue tight, curtailing average margins in the short term.
- Challenges in the DACH area market are estimated to continue, which can affect profitability.
- Exceeding the work amount of one ceiling priced customer project impacts Q1 result somewhat.

Other Factors

- One less working day in the period than the comparison period.

Disclosure and guidance

As of February 2022, Gofore has not provided forecasts about the revenue or profit for the financial year.

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 - December 2024

Unaudited

Group Structure

Personnel and offices

At the end of the reporting period, the Group employed a total of 1,471 (1,465) employees. The number of personnel did not materially increase from the corresponding period in 2023.

The number of employees in Finland amounted to 1,323 (1,296), and in the other countries of operation to a total of 148 (169) employees at the end of the reporting period.

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

In July 2024 Gofore decided to close the branch office in Bolzano, Italy. The branch was closed in December 2024.

Corporate acquisitions

There were no corporate acquisitions during the reporting period.

Name	Principal activities	Country of incorporation	% equity interest
			31.12.2024
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 ¹⁾	Production company	Finland	100%
Rebase Consulting Oy	Production company	Finland	65%
Gofore Verify Oy	Production company	Finland	100%
Sleek Oy	Production company	Finland	68%
Gofore Drive Oy	Production company	Finland	100%
eMundo GmbH (Germany) ²⁾	Production company	Germany	100%
Gofore GmbH (Austria) ²⁾	Production company	Austria	100%
Creanex Oy ³⁾	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), 100% owned subsidiary by eMundo (Germany), changed its name on 21.9.2024 to Gofore GmbH. eMundo Germany also has a branch office in Italy, which was closed on 17.12.2024
- 3) Creanex Oy has been consolidated to the Group 3.7.2023.

Net sales

Slight net sales decrease of -4% in October-December.

October-December 2024

During the reporting quarter, Gofore's net sales decreased by -4 % compared to the corresponding period in 2023, amounting EUR 49.8 (51.7) million.

Organic growth of -4 %. The average hourly price of services sold decreased by -0.8 % from the comparison period.

Net sales generated from public sector sales increased to EUR 31.5 (30.2) million. Net sales generated from the private sector declined by -15 % to EUR 18.3 (21.6) million.

The public sector's share of total net sales was 63 % (58 %) and private sector 37 % (42 %).

Net sales coming from Finland was EUR 44.7(45.0) million, representing 90 % (87 %) share of the Group's net sales. Other countries' share of the Group net sales was 10 % (13 %); EUR 5.2 (6.8) million.

Subcontracted work represented 16 % (16 %) share of the Group's net sales; EUR 8.1 (8.5) million.

January-December 2024

During the reporting period, Gofore's net sales decreased by -2 % from previous year, amounting to EUR 186.2 (189.2) million.

The average hourly price of services sold also decreased by -0.3 % from the comparison period.

Net sales generated from public sector sales increased to EUR 111.9 (108.7) million. Net sales from the private sector were EUR 74.3 (80.5) million. The public sector share of the net sales were 60 % (57 %) and private sector 40 % (43 %).

Net sales coming from Finland was EUR 164.1 (159.7) million, representing 88 % (84 %) share of the Group's net sales. Other countries contributed EUR 22.1 (29.5) million; 12 % (16 %). Subcontracted work represented 16 % (18 %) share of Group net sales; EUR 29.5 (33.4) million.

Profitability

January-December's adjusted EBITA was 12.8%.

October-December 2024

During the reporting quarter, Gofore's adjusted EBITA decreased by -19.4% compared to the corresponding period previous year and amounted to EUR 6.7 (8.3) million and accounted to 13.4% (16.0%) of net sales. There was equal number of working days 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 6.6 (9.1) million; 13.3% (17.6%) of the net sales. In Q4 2023, partial reversal of eMundo contingent consideration increased other operating income by 0.7 million improving EBITA. Item did not affect adjusted EBITA. In contrast, restructuring costs deteriorated the EBITA result.

The proportion of personnel expenses of net sales increased to the level of the comparison period, accounting for 61.7% (58.7%). Personnel expenses for the period amounted to EUR 30.7 (30.3) million. The increase is attributable to growth in the number of personnel.

Other operating expenses amounted to a total of EUR 4.5 (4.5) million and accounted for 9.1% (8.8%) 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 (1.1) million, accounting for 2.1% (2.0%) of net sales. Depreciations and amortizations were 1.9 (2.1) million euros; 3.8% (4.1%) of net sales.

Operating profit (EBIT) was EUR 5.7 (8.0) million and accounted for 11.5% (15.5%) of net sales. Finance costs and income were EUR 0.1 (0.2) million.

Profit for the reporting quarter amounted to EUR 4.9 (6.8) million.

January-September 2024

During the reporting period, Gofore's adjusted EBITA amounted to EUR 23.9 (26.7) million and accounted for 12.8% (14.1%) of net sales. In the section Alternative performance measures a separate break down of items affecting the adjusted EBITA are shown. EBITA amounted to EUR 24.4 (27.1) million; 13.1% (14.3%) of net sales.

Personnel expenses were 116.3 (112.7) million euros; 62.5% (59.5%) of net sales. Other operating expenses were 16.9 (18.9) million euros; 9.1% (10.0%) of net sales. Operating profit (EBIT) was EUR 20.8 (23.0) million; 11.2% (12.2%) of net sales. Finance costs and income were EUR 0.6 (-0.1) million.

Profit for the reporting period amounted to EUR 16.8 (18.3) million.

Balance sheet, financing and R&D

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

Equity ratio amounted to 62.1% (56.0%) with net gearing of -34.1% (-13.1%). At the end of reporting period, the balance sheet total of the Gofore Group amounted to EUR 171.7 (167.1) million, of which total equity accounted for EUR 105.7 (93.5) million. At the end of the review period, interest-bearing net debt amounted to EUR -36.0 (-12.3) million. Interest-bearing net debt excluding leasing liabilities amounted to EUR -49.4 (-26.0) million.

At the end of the review period, Gofore Plc's unsecured loans from credit institutions amounted to EUR 8.9 (13.4) 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 31 December 2024. At the end of reporting period, right-of-use assets were EUR 13.1 (13.5) million and lease liabilities EUR 13.3 (13.5) million.

Research & Development

The company's research and development activity in the reporting period was focused on digital product lifecycle development with industrial customers.

62.1%

Equity ratio

-34.1%

Net gearing

-36.0

Interest-bearing net debt, EUR million

Cashflow

The Group's cash flow from operations was strong.

October-December

Cash flow from operations increased over the reporting quarter to EUR 14.3 (14.7) million. Cash flow from investments amounted to EUR -2.1 (-1.7) million.

Investments in subsidiary shares during the reporting quarter amounted to EUR -1.5 (-0.8) million. Investment relates to the payment of rest of eMundo acquisition. In comparison period rest of (5%) CCEA minority shares were acquired.

Cash flow from financing activities amounted to EUR -1.9 (-4.8) million, including repayments of lease agreement liabilities for EUR -0.8 million and loan amortizations for EUR -1.2 million.

January-December

Cash flow from operations increased over the reporting period to EUR 37.1 (19.2) million. Cash flow from investments amounted to EUR -2.9 (-10.9) million.

Investments in subsidiary shares during the reporting period amounted to EUR -1.5 (-9.1) million. Investment in the comparison period is related to the Creanex acquisition and payment of the Gofore Drive and eMundo acquisitions' additional purchase prices and rest of (5%) CCEA minority shares.

Cash flow from financing activities amounted to EUR -15.8 (-14.0) million, including repayments of lease agreement liabilities for EUR -3.0 million, loan amortizations for EUR -4.5 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 56.8 (38.4) million.



Corporate Governance and Share Information

January-December 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	31.12.2024	31.12.2023
Sector's share of ownership		
Private companies	4.5 %	5.9 %
Financial and insurance institutions	27.5 %	27.0 %
Public corporations	10.5 %	10.0 %
Households	54.0 %	54.8 %
Non-profit organisations	0.6 %	0.8 %
Foreign ownership	2.9 %	1.6 %
Direct foreign ownership	0.8 %	0.8 %
Holders of nominee registered shares	21.4 %	19.4 %
Foreign ownership total	22.2 %	20.2 %
Nominee registered shares	3,361,823	3,038,623
Issued shares total	15,703,262	15,660,139
Number of registered shareholders	8,581	8,976
Registered share capital	80,000	80,000
Holding of own shares	23,640	100,000
Own shares of all votes and shares	0.2 %	0.0 %

8,584

Shareholders at the end of period

22.2%

Foreign ownership in total

27.5%

Financial and insurance institutions ownership

Shares and Trading

Trading of shares	31.12.2024	31.12.2023
Trading volume, millions of shares	3.2	2.8
Trading volume of outstanding shares, %	20.2 %	17.8 %
Trading value, MEUR	71.1	65.1
Market value, MEUR	348.1	348.5
Closing price, EUR	22.20	22.40
Trading volume - weighted average price, EUR	22.55	23.76
Highest trading price, EUR	26.55	27.80
Lowest trading price, EUR	20.20	19.30

Changes in major shareholders' ownership

- Gofore Plc has on 23 December 2024 received a notification pursuant to the Finnish Securities Markets Act, according to which Alcur Fonder AB's holding of Gofore Plc's shares and voting rights has decreased below the five (5) percent threshold on 20 December 2024. According to the notification, reason for the notification was the disposal of shares and voting rights.

Directed share issues

- On 17 September: A directed share issue (43,123) shares as part of the CrewShare employee share savings plan; new shares were trade registered on 25 September 2024.
- 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.

348.1

Market value at the end of period, MEUR

-0.9%

Share value change since beginning of the year

22.20

Closing price of the period, EUR

Share-based loyalty and remuneration schemes

60%
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.

Annual General Meeting 2025

The planned date for Gofore Plc's Annual General Meeting is 11 April 2025. The notice of the meeting shall be given by the Board of Directors at a later date.

Consolidated Financial Report

1 January – 31 December 2024

Tables Section

Unaudited

Consolidated Statement of Profit and Loss and Other Comprehensive Income

EUR thousand	Q4/2024	Q4/2023	2024	2023
Net sales	49,829	51,710	186,166	189,241
Production for own use	27	0	27	254
Other operating income	149	1,033	1,084	1,255
Materials and services	-7,123	-7,726	-25,582	-28,736
Employee benefit expenses	-30,721	-30,349	-116,292	-112,688
Depreciations, amortisations and impairment	-1,899	-2,132	-7,684	-7,409
Other operating expenses	-4,531	-4,532	-16,942	-18,900
Operating profit (EBIT)	5,731	8,003	20,776	23,019
Finance costs	-196	-68	-785	-725
Finance income	332	249	1,342	615
Profit before tax	5,866	8,184	21,333	22,909
Income tax	-949	-1,335	-4,527	-4,646
Profit for the financial period	4,918	6,849	16,806	18,263
Other Comprehensive Income				
Net other comprehensive profit or loss to be reclassified to profit or loss in subsequent periods				
Cash flow hedges	-29	-189	-207	-237
Other comprehensive income, net of tax	-29	-189	-207	-237
Total comprehensive income for the financial period	4,889	6,660	16,599	18,027
Profit/loss for the financial period attributable to:				
Equity holders of the parent	4,790	6,771	16,297	17,923
Non-controlling interests	128	77	509	340
Total	4,918	6,849	16,806	18,263
Total comprehensive income for the financial period attributable to:				
Equity holders of the parent	4,760	6,582	16,090	17,686
Non-controlling interests	128	77	509	340
Total	4,889	6,660	16,599	18,027
Earnings per share (EPS), undiluted	0.31	0.43	1.04	1.15
Earnings per share (EPS), diluted	0.30	0.43	1.02	1.15

Consolidated Statement of Financial Position

EUR thousand	31.12.2024	31.12.2023
Assets		
Non-current assets		
Goodwill	49,055	49,055
Other intangible assets	17,664	21,700
Tangible assets	2,998	2,048
Right-of-use assets	13,116	13,455
Other receivables	1,179	685
Deferred tax assets	148	152
Total non-current assets	84,160	87,096
Current assets		
Inventories	634	472
Trade receivables	23,640	36,658
Contract assets	837	516
Other current assets	3,944	3,085
Income tax receivables	885	46
Securities	776	762
Cash and cash equivalents	56,839	38,450
Total current assets	87,555	79,989
Total assets	171,715	167,085

EUR thousand	31.12.2024	31.12.2023
Equity and liabilities		
Equity		
Share capital	80	80
Fund for unrestricted equity	55,842	53,448
Other reserves	98	306
Retained earnings	48,903	39,153
Equity attributable to equity holders of the parent	104,924	92,986
Non-controlling interests	804	510
Total equity	105,728	93,495
Non-current liabilities		
Interest-bearing loans and borrowings	4,979	8,976
Other payables	109	868
Lease liabilities	10,996	10,789
Deferred tax liabilities	3,631	4,452
Total non-current liabilities	19,714	25,086
Current liabilities		
Trade and other payables	19,190	21,718
Contract liabilities	1,377	80
Interest-bearing loans and borrowings	3,943	4,443
Lease liabilities	2,341	2,744
Accrued expenses	18,226	18,658
Income tax payable	1,196	862
Total current liabilities	46,273	48,504
Total liabilities	65,988	73,590
Total equity and liabilities	171,715	167,085

Consolidated Statement of Changes in Equity

2024								
EUR thousand	Attributable to equity holders of the parent					Total	Non-controlling interests	Total equity
	Share capital	Fund for unrestricted equity	Reserve for fair value	Retained earnings				
Equity on 1.1.2024	80	53,448	306	39,153	92,986	510	93,495	
Profit for the period				16,297	16,297	509	16,806	
Other comprehensive income			-207		-207		-207	
Total comprehensive income	0	0	-207	16,297	16,090	509	16,599	
Transactions with shareholders and non-controlling interests:								
Share-based payments		2,376		819	3,195		3,195	
Dividends				-7,349	-7,349	-244	-7,593	
Share issue		23			23	-35	-12	
Purchase of own shares				0	0		0	
Acquisition of a subsidiary paid in shares		0			0		0	
Change in non-controlling interests		-4		-17	-21	64	43	
Equity on 31.12.2024	80	55,842	98	48,903	104,924	804	105,728	
2023								
EUR thousand	Attributable to equity holders of the parent					Total	Non-controlling interests	Total equity
	Share capital	Fund for unrestricted equity	Reserve for fair value	Retained earnings				
Equity on 1.1.2023	80	49,897	542	28,764	79,283	475	79,759	
Profit for the period				17,923	17,923	340	18,263	
Other comprehensive income			-237		-237		-237	
Total comprehensive income	0	0	-237	17,923	17,686	340	18,027	
Transactions with shareholders and non-controlling interests:								
Share-based payments		1,458		707	2,165		2,165	
Dividends				-5,283	-5,283	-195	-5,478	
Share issue		97			97	33	130	
Purchase of own shares				-2,318	-2,318		-2,318	
Acquisition of a subsidiary paid in shares		1,981			1,981		1,981	
Change in non-controlling interests		15		-641	-626	-144	-769	
Equity on 31.12.2023	80	53,448	306	39,153	92,986	510	93,495	

Consolidated Statement of Cash Flows

EUR thousand	Q4/2024	Q4/2023	2024	2023
Operating activities				
Profit before tax	5,866	8,184	21,333	22,909
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and impairment	1,899	2,132	7,684	7,409
Finance income and expenses	-136	-181	-557	110
Other adjustments	252	-554	2,511	1,504
Change in working capital				
Change in inventory	-26	13	-162	-89
Change in current receivables	4,654	2,082	11,666	-11,327
Change in current non-interest-bearing liabilities	3,112	4,532	-78	4,422
Interest received	449	261	1,334	512
Interest paid	-200	-234	-828	-495
Other financial items	-6	-1	-32	-31
Income tax paid	-1,597	-1,498	-5,780	-5,755
Net cash flow from operating activities	14,268	14,735	37,092	19,168
Net cashflow from investing activities				
Proceeds from sale of tangible assets	0	3	4	80
Purchase of intangible assets	0	0	0	-254
Purchase of tangible assets	-631	-954	-1,438	-1,602
Acquisition of a subsidiary, net of cash acquired	-1,500	-789	-1,500	-9,114
Net cash flow from investing activities	-2,131	-1,740	-2,934	-10,889
Net cash flow from financing activities				
Treasury shares acquired	0	-2,318	0	-2,318
Repayment of lease liabilities	-750	-856	-3,033	-2,706
Granted loans	0	0	-685	0
Repayment of borrowings	-1,151	-1,901	-4,498	-4,637
Financial instruments	0	151	10	1,026
Share issue	0	66	0	97
Dividends paid to equity holders of the parent	0	0	-7,349	-5,283
Dividends paid to non-controlling interest	0	0	-244	-195
Changes in non-controlling interest	0	30	31	53
Net cash flow from financing activities	-1,901	-4,829	-15,768	-13,964
Net increase in cash and cash equivalents	10,236	8,166	18,390	-5,685
Cash and cash equivalents at beginning of period	46,604	30,283	38,450	44,135
Cash and cash equivalents at end of period	56,839	38,450	56,839	38,450

Notes to the Accounts

1 January – 31 December 2024

Basis of preparation

The unaudited financial statements release 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 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 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	Q4/2024	Q4/2023	2024	2023
Net sales by customer sector				
Private sector sales	18,297	21,559	74,296	80,531
Public sector sales	31,532	30,151	111,870	108,710
Net sales by origin of customer				
Finland	44,670	44,958	164,104	159,714
Other countries	5,159	6,752	22,061	29,528
Net sales by class				
Net sales, Crew	41,082	42,001	154,406	154,229
Net sales, subcontracting	8,109	8,525	29,453	33,412
Net sales, products	638	1,184	2,307	1,600
Timing of revenue recognition				
Services transferred at a point in time	644	1,207	2,363	1,683
Services transferred over time	49,185	50,503	183,802	187,558
Net sales by agreement types				
Time and material based projects	46,552	46,996	173,921	176,433
Fixed price projects	1,632	2,596	6,355	7,919
Maintenance services	997	911	3,517	3,206
Third party commissions	6	23	57	83
Products	638	1,184	2,307	1,600
Net sales, Group total	49,829	51,710	186,166	189,241

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
Cost										
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
Disposals	0	0	0	0	0	0	-15	-15	0	-15
Business combinations	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0
31.12.2024	1,322	23,597	5,586	1,516	200	101	1,965	34,287	49,055	83,342
Amortisation and impairment										
1.1.2024	-1,018	-7,834	-2,799	-110	-189	-62	-591	-12,602	0	-12,602
Amortisations	-181	-2,260	-1,042	-158	-11	-13	-356	-4,022	0	-4,022
31.12.2024	-1,199	-10,093	-3,841	-268	-200	-75	-947	-16,624	0	-16,624
Net book value										
1.1.2024	305	15,763	2,787	1,406	11	39	1,389	21,700	49,055	70,755
31.12.2024	123	13,504	1,745	1,247	0	26	1,018	17,664	49,055	66,719

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
Cost										
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	254	254	0	254
Business combinations	94	1,528	298	1,449	0	0	0	3,370	1,361	4,730
Reclassifications	0	0	0	0	0	0	0	0	0	0
31.12.2023	1,322	23,597	5,586	1,516	200	101	1,980	34,302	49,055	83,357
Amortisation and impairment										
1.1.2023	-788	-5,137	-1,806	-24	-122	-49	-286	-8,214	0	-8,214
Amortisations	-229	-2,696	-993	-86	-67	-13	-305	-4,388	0	-4,388
31.12.2023	-1,018	-7,834	-2,799	-110	-189	-62	-591	-12,602	0	-12,602
Net book value										
1.1.2023	440	16,932	3,482	42	78	52	1,440	22,465	47,694	70,159
31.12.2023	305	15,763	2,787	1,406	11	39	1,389	21,700	49,055	70,755

Tangible Assets

EUR thousand	Machinery & Equipment	Other tangible assets	Total
Cost			
1.1.2024	1,759	1,821	3,580
Additions	448	991	1,438
Business combinations	0	0	0
Disposals	-1	0	-1
Reclassifications	399	-399	0
31.12.2024	2,604	2,413	5,017
Depreciation and impairment			
1.1.2024	-1,169	-364	-1,533
Depreciations charge for the year	-328	-159	-487
Disposals	0	0	0
31.12.2024	-1,496	-523	-2,019
Net book value			
1.1.2024	591	1,457	2,048
31.12.2024	1,108	1,890	2,998

EUR thousand	Machinery & Equipment	Other tangible assets	Total
EUR thousand			
1.1.2023	1,328	680	2,007
Additions	461	1,141	1,602
Business combinations	10	0	10
Disposals	-39	0	-39
31.12.2023	1,759	1,821	3,580
Depreciation and impairment			
1.1.2023	-974	-283	-1,256
Depreciations charge for the year	-196	-81	-278
Disposals	1	0	1
31.12.2023	-1,169	-364	-1,533
Net book value			
1.1.2023	354	397	751
31.12.2023	591	1,457	2,048

Right-of-use Assets

EUR thousand	Right-of-use assets, buildings	Right-of-use assets, vehicles	Total
1.1.2024	13,070	385	13,455
Additions	2,783	72	2,855
Disposals	-18	0	-18
Business combinations	0	0	0
Depreciations for the financial year	-2,964	-213	-3,176
31.12.2024	12,872	244	13,116
1.1.2023	3,365	198	3,564
Additions	12,008	438	12,447
Disposals	0	-37	-37
Business combinations	224	0	224
Depreciations for the financial year	-2,528	-215	-2,742
31.12.2023	13,070	385	13,455

Financing

Gofore Plc had unsecured loans of EUR 8.9 (13.4) 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 31 December 2024.

The company has made interest rate cap and swap agreements of EUR 7.4 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 8.9 million of which 83% 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 31.12.2024	Notional	Hedging type	Maturity	Fair value pos	Fair value neg	Fair value net
Swap	3,500	Cash flow	1.11.2027	0	20	-20
Cap 1	3,000	Cash flow	2.3.2026	14	4	10
Cap 2	8,000	Cash flow	29.12.2028	218	85	133
Total				232	109	123

Instrument 31.12.2023	Notional	Hedging type	Maturity	Fair value pos	Fair value neg	Fair value net
Swap	3,500	Cash flow	1.11.2027	0	12	-12
Cap 1	3,000	Cash flow	2.3.2026	53	6	47
Cap 2	8,000	Cash flow	29.12.2028	453	106	347
Total				506	124	382

Related party transactions, commitments and litigations

Related party transactions

Gofore has related party transactions with its subsidiaries. There were no sales, purchases or payables with other 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 25 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 989 thousand is in use at 31.12.2024. 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 a defendant 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	Q4/2024	Q4/2023	2024	2023
EBITA, Adjusted EBITA and EBITDA				
EBIT	5,731	8,003	20,776	23,019
Amortisation of intangible assets identified in PPA	876	1,078	3,653	4,071
EBITA	6,607	9,081	24,429	27,090
Transaction costs from business combinations	0	13	0	268
PNL Impact of Contingent Consideration	0	-815	-744	-611
Restructuring costs	67	0	235	0
Gains or losses from sales of fixed assets	0	-2	-3	-43
Adjusted EBITA	6,674	8,276	23,916	26,704
EBIT	5,731	8,003	20,776	23,019
Depreciations	1,022	1,054	4,032	3,338
Amortisation of intangible assets identified in PPA	876	1,078	3,653	4,071
EBITDA	7,630	10,135	28,461	30,428

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
Own capacity, FTE	Own 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.
Overall capacity, FTE	Own capacity (FTE) + subcontracting (FTE)
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.
- More information can be found at <https://gofore.com/en/news/gofores-financial-communications-dates-and-annual-general-meeting-2025/>
- The 2025 Q1 interim report will be released on 29 April,2025.

Stay in touch!

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