

GOFORE PLC  
Q1 / 2024

# Interim Report

## January – March 2024

Adjusted EBITA for the quarter 13.8%,  
no net sales growth

19 April 2024  
Unaudited



# January-March 2024 Highlights

## Adjusted EBITA for the quarter 13.8%, no net sales growth

- Gofore was not immune to industry over capacity and price competition, but managed to maintain good profitability. Adjusted EBITA 6.8 (8.3) million euros, 13.8%.
- No net sales growth, 0%, net sales were 49.2 (49.1) million euros. Organic growth -2%.
- Beginning of the year saw ending projects and savings measures that put a strain on the utilisation rate.
- Improving demand and sales successes lead to a moderate improvement in utilisation rate towards the end of the quarter.
- There was one less working day than in the comparison period, profitability impact of an estimated 0.7 million euros.
- Customer prices rose +0.9%, average salary +2,2%.
- Number of employees grew to a total of 1,456 (1,354) people.

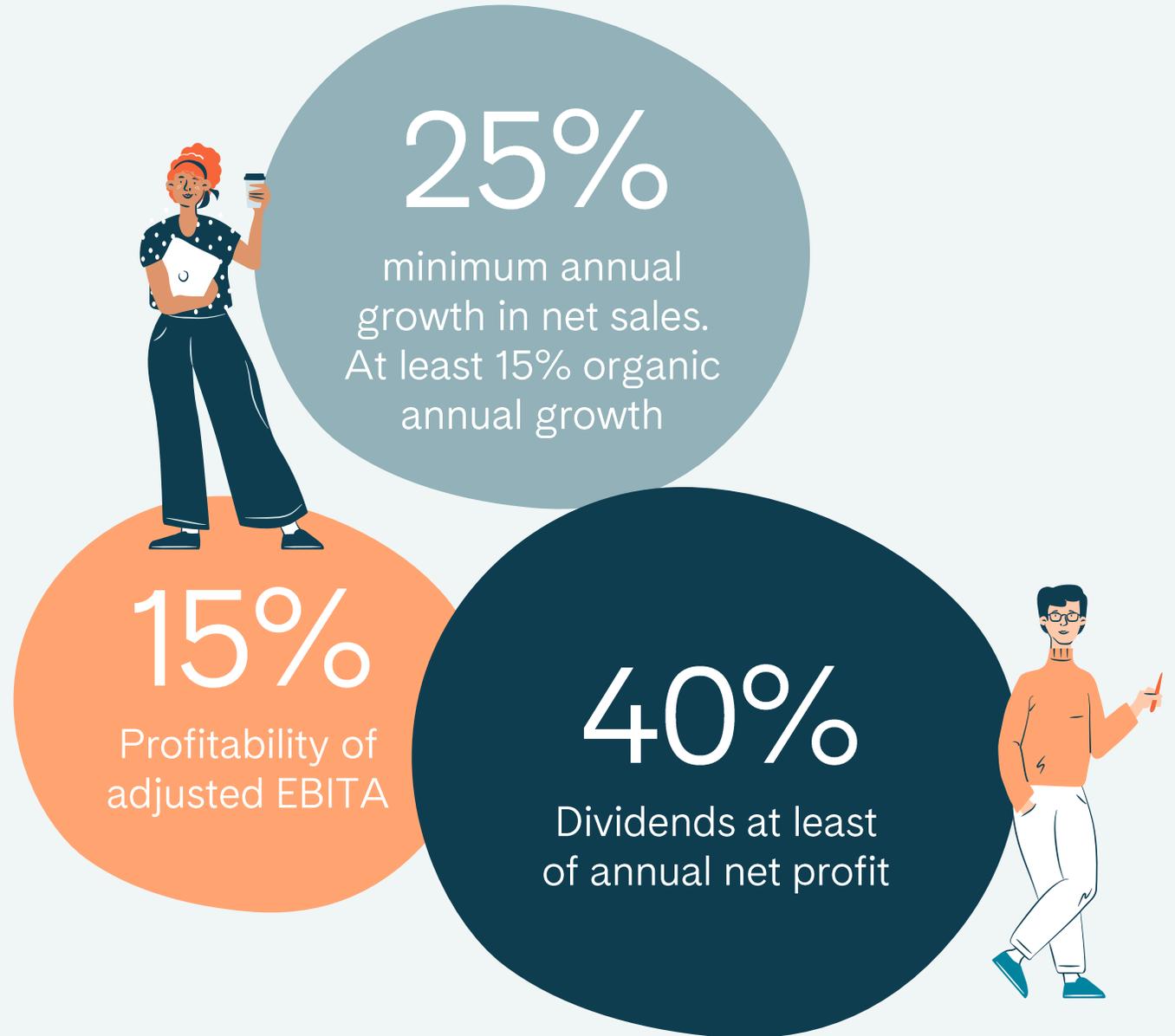
Significant event after the review period was Gofore's Annual General Meeting 2024 on 4 April 2024. AGM decisions and authorisations given to the Board of Directors are listed in the report's section Corporate Governance and Share Information.

Group Key Figures Summary, MEUR	Q1/2024	Q1/2023	2023
Net sales	49.2	49.1	189.2
Organic Growth of Net Sales, %	-1.9%	32.4%	22.0%
Adjusted EBITA	6.8	8.3	26.7
Adjusted EBITA, %	13.8%	16.9%	14.1%
EBITA	6.8	8.1	27.1
Operating Profit (EBIT)	5.8	7.1	23.0
Earnings per share (EPS), undiluted	0.27	0.34	1.15
Earnings per share (EPS), diluted	0.27	0.34	1.15
Number of employees at the end of period	1,456	1,354	1,465
Overall capacity; in-house and subcontracted staff (FTE), at the end of period	1,531	1,461	1,529

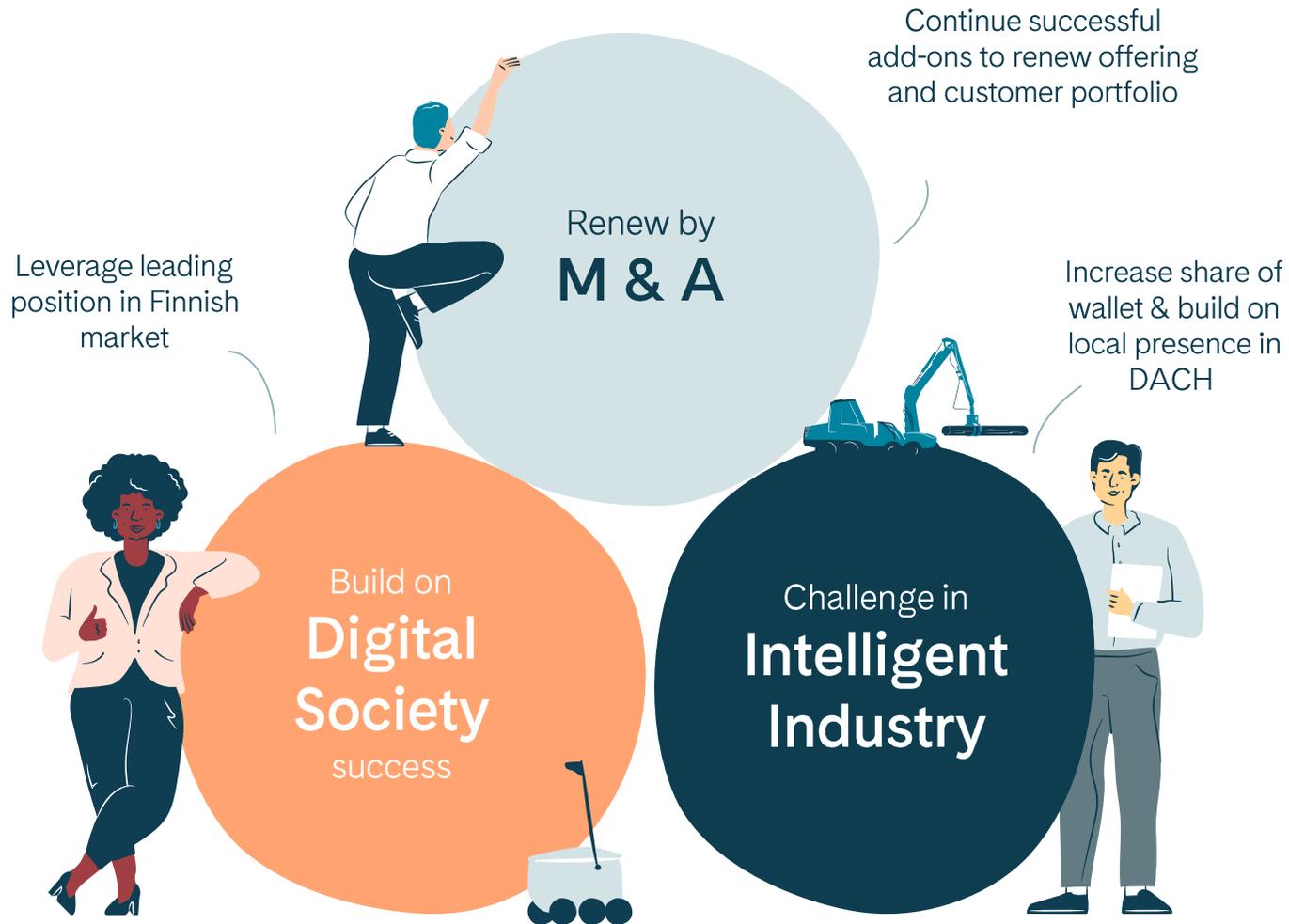
All figures are compared to the corresponding period of the previous year.  
All key figure calculation methods are explained in section "Calculation formulas for key figures"

# 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



## Gofore's strategic focus themes are

- Future of work
- Industry focus
- Sustainability
- International

## Three strategic growth avenues are:

- Digital Society sector
- Intelligent Industry sector
- Mergers & Acquisitions



# Thoughts from our CEO

Mikael Nylund



Net sales of the year's first quarter were 49.2 million euros. Compared to last year's corresponding quarter in what was a better market situation, no growth was generated. Profitability-wise, however, we succeeded well all things considering, resulting in 13.8% adjusted EBITA.

Multiple new projects were started with customers over the quarter. Thanks to this, the amount of free capacity came down and utilisation rate improved along the quarter, supporting profitability. Starting point of the year was, however, weak, so there was still room for improvement at the end of the review period. What's important is that things have gone to the right direction.

The tight competitive situation of the industry, driven by over capacity, continued in the first quarter. Price competition has been very visible in public sector tenders for quite some time.

In the beginning of the year, many private sector customers have also wanted to revise their price level and consolidate their supplier selection.

This development could be seen as weaker than before customer price development. Gofore has, however, managed to hold onto its long-term customer relationships, thanks to offering that answers the customers' wide-ranging needs, and our expertise.

Simultaneously, the consolidation development also offers new opportunities to deepen customer relationships and create new strategic partnerships with customers.

In our eyes, the first quarter seems like the low point of this weaker market situation. Especially the beginning of the year saw ending projects and budget cuts, but also starts to new projects. This was evident in both the public and the private sector. As net development, the positive trend has been comparably slow, and we naturally hope to see more volume especially in private sector investments.

Gofore has every opportunity to answer the improving customer demand when the time comes. We have chosen to hold onto our own skilled people, to secure the long-term success made together with Goforeans.

In times of less growth, we have also been able to renew our operations. In line with our strategy, we have strengthened our offering to select customer groups, with an objective of producing meaningful, comprehensive service that is of value to our customers in the Digital Society and Intelligent Industry sectors. We continue to be competitive and able to answer the needs of new growth with the help of e.g. our proven efficiency in recruiting.

Although risks remain in both geopolitics and macro economy, we believe that the growth lever from the market is strengthening. We especially have faith in the Gofore team's ability to use opportunities that arise and return us to a strong growth curve.

## Quarterly Performance; Net sales and adjusted EBITA

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

The monthly numbers includes a correction to the FTE number for February 2023 that was incorrectly stated as 153 in February's business review. The correct number is 184.

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

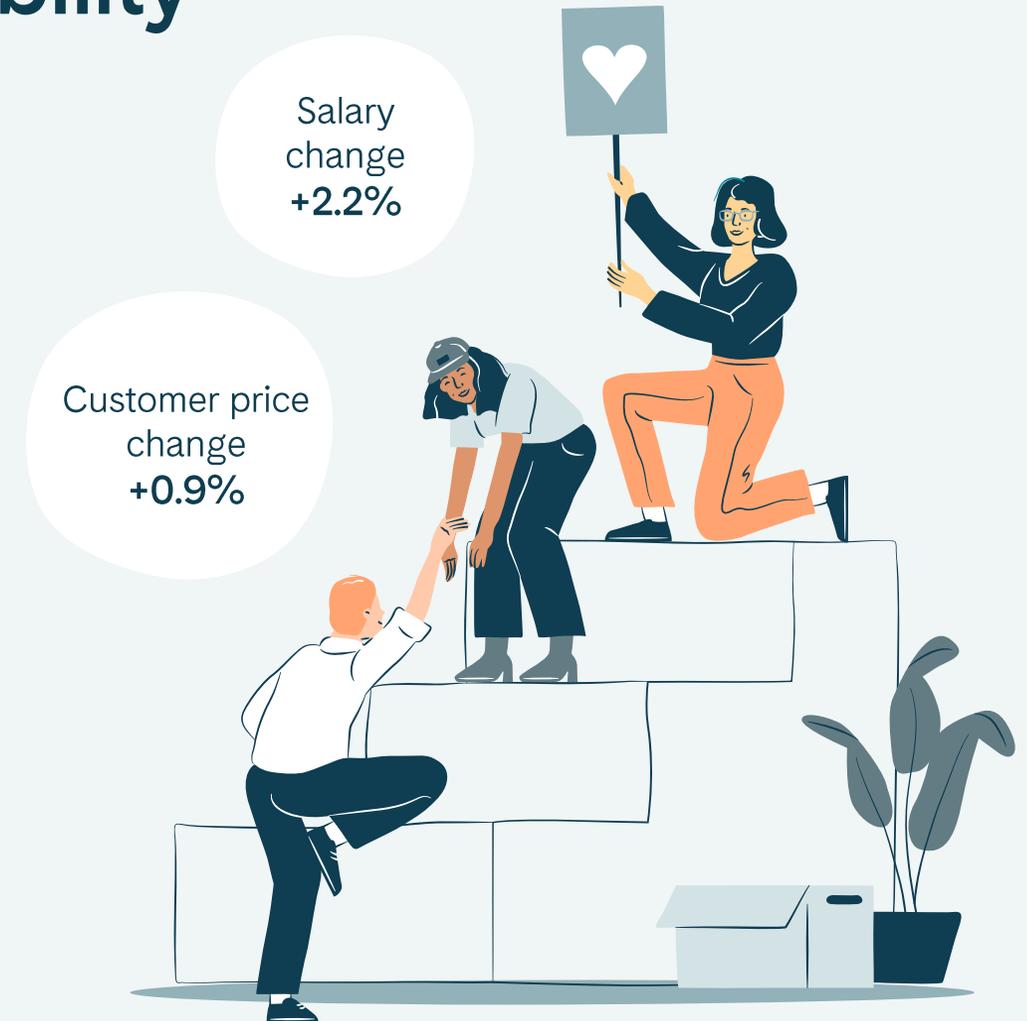
# Key Figures

EUR thousand, unless otherwise specified	Q1/2024	Q1/2023	2023
Net sales	49,237	49,150	189,241
Change in Net sales, %	0.2%	38.8%	26.2%
EBITDA	7,751	8,794	30,428
EBITDA, %	15.7%	17.9%	16.1%
Adjusted EBITA	6,782	8,302	26,704
Adjusted EBITA, %	13.8%	16.9%	14.1%
EBITA	6,784	8,091	27,090
EBITA, %	13.8%	16.5%	14.3%
Operating Profit (EBIT)	5,770	7,134	23,019
Operating Profit (EBIT), %	11.7%	14.5%	12.2%
Profit for the period	4,397	5,442	18,263
Earnings per share (EPS), undiluted	0.27	0.34	1.15
Earnings per share (EPS), diluted	0.27	0.34	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
Return on equity (ROE), %	18.2%	27.1%	21.1%
Return on investment (ROI), %	19.4%	28.6%	21.3%
Equity ratio, %	57.7%	54.7%	56.0%
Net gearing, %	-20.1%	-26.1%	-13.1%
Number of employees at the end of period	1,456	1,354	1,465
Average overall capacity, FTE	1,372	1,251	1,322
Average subcontracting, FTE	152	186	172

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

# Focusing on maintaining profitability

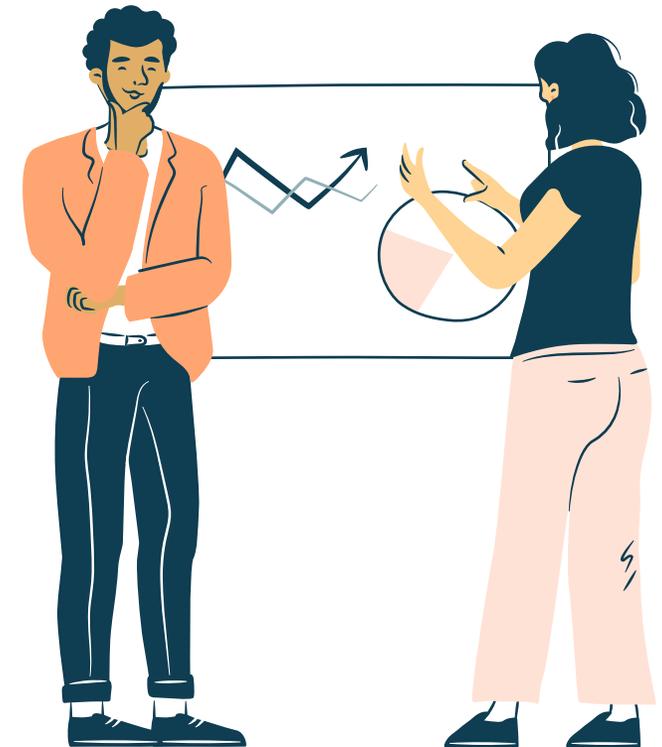
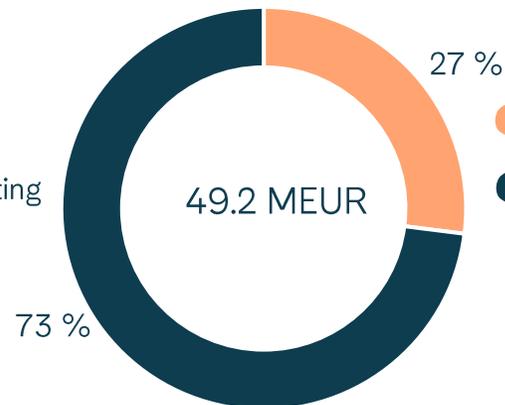
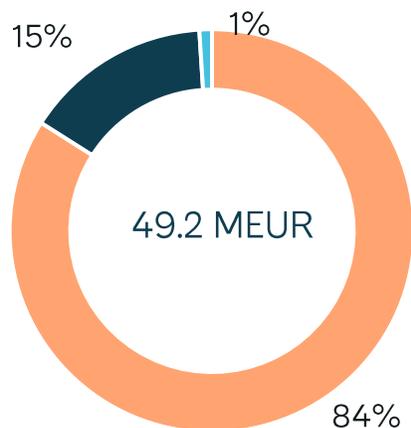
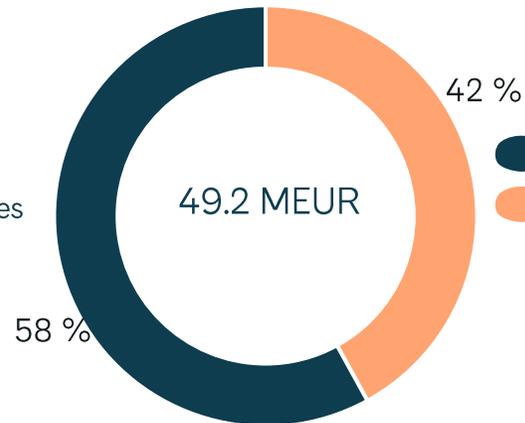
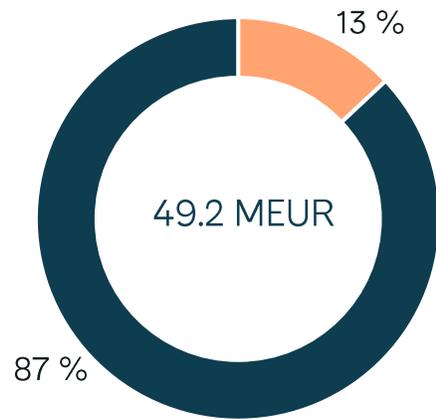
- Over capacity and price competition in the industry were visible also at Gofore, but we managed to maintain good profitability (13.8%).
- Lean structure, cost control and managing flexible salary parts and utilisation rate supported maintaining profitability.
- Recruitment continued to concentrate on direct customer needs, while focus was on profitability and sales.
- Important indicator of operative efficiency, utilisation rate, was weaker than in the comparison period, however rising towards end of quarter.
- Customer price hike slowed down due to price competition, was +0.9%.
- Average salary change on a normal level, +2.2%.
- Personnel expenses' share of net sales rose and was 62.7% (56.4%). Share of subcontracting was lower than in the comparison period, 15% (19%).



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

# Net sales distribution Q1

Share of subcontracting decreased further, 15% of net sales



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# Market Highlights

# New projects with Finnish Transport Infrastructure Agency

In March, Finnish Transport Infrastructure Agency chose Gofore to partner on two handover and continued development projects worth a total of 9 million euros.

- Handover and continued development of the Finnish Transport Infrastructure Agency's image data platform
  - Customer's estimate on the four-year frame agreement's value is 4.4 million euros.
  - Finnish Transport Infrastructure Agency manages a significant road, rail and waterway data asset, of which image and video material is a significant part of.
  - Target is to maintain and develop the service platform to cater to the agency's needs for saving, managing, utilising and further refining the image data.
- Handover and development of the Finnish Transport Infrastructure Agency identity access management
  - Customer's estimate on the 3+3-year frame agreement is 4.5 million euros
  - Project is about a handover of the agency's identity access management and potentially replacing it with a more modern cloud solution.



@Finnish Transport Infrastructure Agency

# New agreements with wellbeing services county of Päijät-Häme and 2M-IT

Gofore was chosen as a supplier in a sizeable ICT frame agreement tender of the Päijät-Häme wellbeing services county. Wellbeing services county development is also done through 2M-IT.

- In March, Gofore was chosen as a supplier for the Päijät-Häme wellbeing services county for the first time in an ICT services frame arrangement.
- Gofore is involved in 14/15 areas of it, e.g. overall architecture, development of information management, digital security, data warehousing, service design, testing and cloud services and application development.
- Some 10-million-euro value of the four-year project is divided between 15 areas of the frame agreement and 10 suppliers.
- We also won a tender of our current customer 2M-IT on developing wellbeing services counties' operations and program and project management services related to ICT services.
- Gofore is the sole subcontractor in these projects for the national wellbeing services county in-house company 2M-IT.
- Agreement value for four years is an estimated 2.9 million euros.



# Examples of customer agreements 2024

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

\* Value is divided between several suppliers and separate frame agreements in 15 areas, of which Gofore is involved in 14.

## 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 come later, and the agreement length is usually 3-7 years including the potential option for additional years.

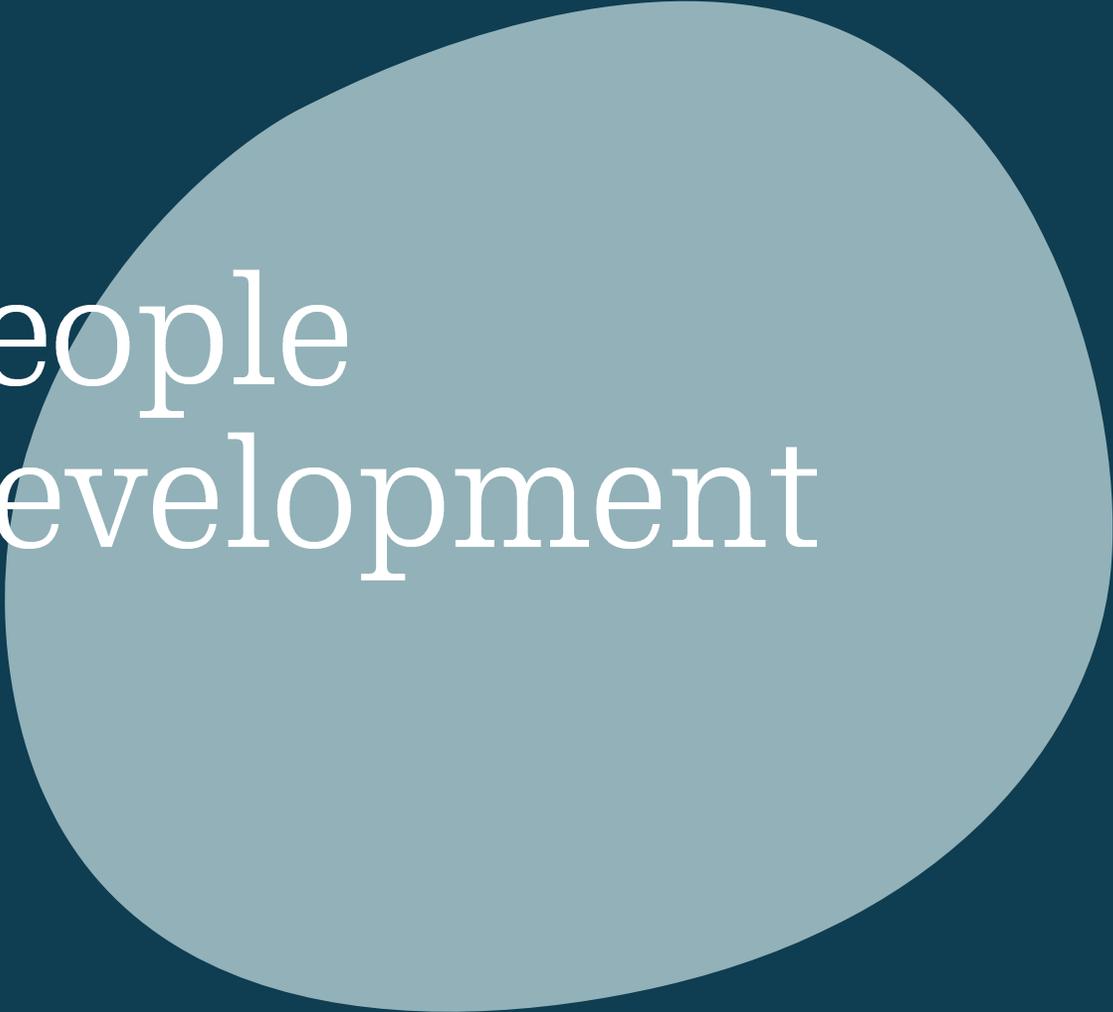
# Retendered customer agreements, next 12 mos

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

## Significant customer agreement outlook 2024

According to Gofore's knowledge, no significant existing public sector agreements will be retendered during 2024.





# People Development

# Steady progress with people

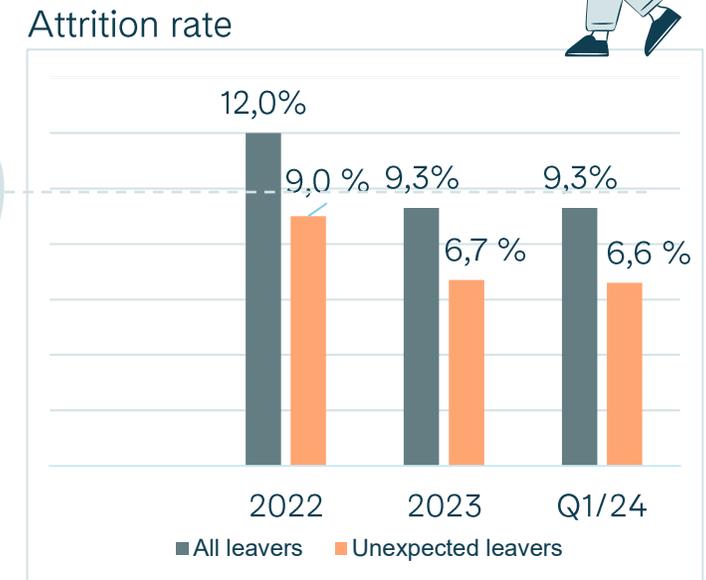
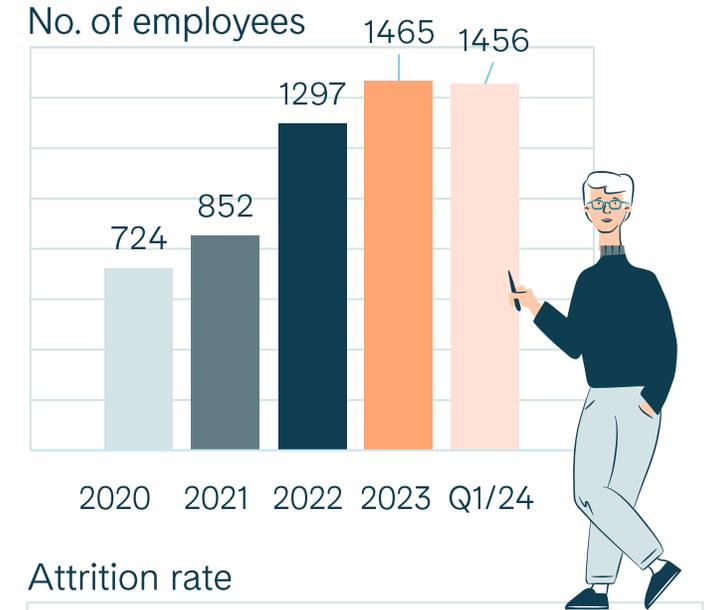
Cautious recruitment continued, employee experience on fall's level.

- Gofore's number of employees grew from corresponding period in 2023 by 8% to a total of 1,456 (1,354) people (down from Q4).
- 33 (99) new experts started work in January-March.
- Recruiting was continued only to match direct customer needs.
- After a challenging year-end 2023, first quarter focus continued on securing the utilisation rate and managing employee expenses.
- Attrition rate of employees on full-year 2023 level; 9.3%.
- Share of unexpected leavers at 6.6%.
- Employee experience on previous fall's level - eNPS 34 also in the spring (51 in the spring of 2023).

Comparison period Q1/2023.

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's outlook is strong in the mid and long term. Many new customer projects were started in Q1, while there was also down scaling and other savings measures. We expect this development to continue and demand to bounce back in the second half of the year.

## Still caution in the market

The overall weak economic situation curbed customer investments significantly in 2023. The economic uncertainty reflects on 2024 budgets in a shorter than before planning horizon. Our interpretation of the situation is that especially private sector instances want to remain agile in their decision making. Once the economy picks up, there is readiness to invest. Higher than last year economic growth forecasts of 2024 also suggest recovery of investments.

The interest rate environment and geopolitical uncertainty are the largest factors slowing down investments. We estimate that a clear turn in interests would speed investments up quite fast.

Technology development continues despite the state of the economy. In particular artificial intelligence, but also other digital technology development demand continuous efforts from customer organisations. Due to this we estimate that there would be positive development in the demand for IT services even with weaker economic development.

## Growth and price competition in the public sector

A new Finnish government started in the summer of 2023. One of the political spearheads of this government,

public economy adjustment measures stretched many public organisations' budget, also impacting IT procurement somewhat. As for 2024, some, mostly individual, tightening of IT and development budgets is expected.

The price competition that heated up in 2023 also continues to 2024. According to our estimate, this is, however, an exceptional phenomenon that is a sign of overcapacity in the industry. With healthier demand in other customer groups, the public sector will see a more balanced supply and demand.

We estimate that public sector digital investments will continue in the new government's term, based on the government programme. We therefore estimate that the public sector continues moderate growth in 2024.

## Private sector waits for lowering interest rates

Caution in investments caused by the uncertain economy is starting to create bottled up needs in the private sector. We estimate that a clear turn in interest rates would quickly revive investments.

In the industrial sector that is of relevance to Gofore, customers are in varying situations. Some customer businesses grow, some have faced more direct impacts of the economic slowdown and geopolitical change. This can be seen in the customers' ability and willingness to invest.

## Active market in the DACH area

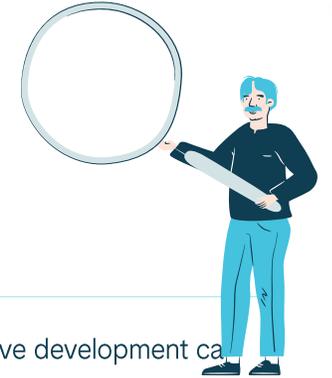
Macro economy in the DACH area matches that of Finland's. Despite the weaker economic cycle, we see a lot of activity in market. We estimate this will be seen as positive development in the region during this year.

## 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 continued in early 2024 and affects the entire IT industry in the beginning of the year. Our outlook for the whole year is based on economic forecasts, according to which the Finnish and the German economies would grow faster than the previous year during this year. 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 were above the mark in 2023.

Order intake development is industry and company-specific, and positive development can be seen in leading companies.

Should the 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. We estimate the situation to remain like this in 2024. There are risks involved in the integration of made acquisitions, mitigated with pre-designed integrating models.

# Q2/2024 Performance drivers

Despite the low-spirited market situation, we expect free capacity to continue its decrease in Q2/2024. Large-scale recruitment needs are not expected to materialise yet in Q2/2024.

## Growth Drivers

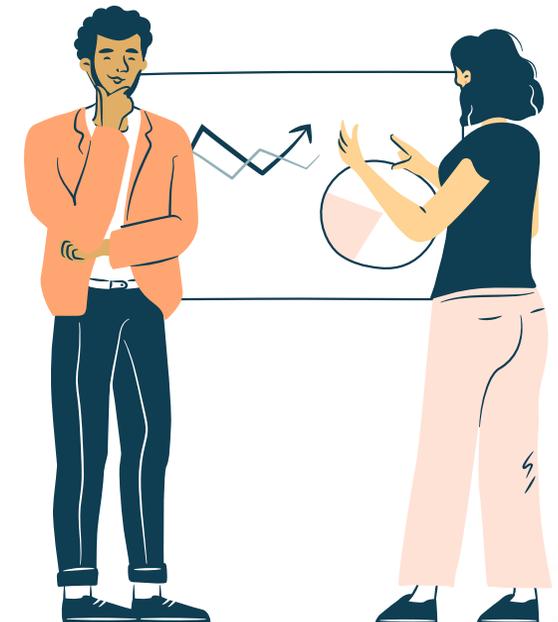
- In the beginning of Q2, amount of free capacity was smaller than in the first quarter. We expect an improving trend and the utilisation rate to set on the comparison period's level. New customer projects are expected to kick off, but also customer budget cuts to continue.
- Subcontracting capacity expected to slightly start growing.
- Excess capacity lies especially in software development services and industrial customer work.
- Recruitment estimated to remain low and be directly related to customer needs.

## Profitability Drivers

- Utilisation rate expected to continue to lag behind targeted, due to excess capacity.
- Tightened price competition has slowed down price development. We expect narrowed average margins in the short term.
- Cost control (since Q3/2023) continues to positively impact OPEX development.

## Other Factors

- One more working day in Q2 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 - March 2024

Unaudited

# Group Structure

## Personnel and offices

At the end of the reporting period, the Group employed a total of 1,456 (1,354) employees. The number of personnel increased from the corresponding period in 2023 by 8%. Growth was due to organic growth, as well as a result of the Creanex acquisition.

The number of employees in Finland amounted to 1,290 (1,194), and in the other countries of operation to a total of 166 (160) 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
			31.03.2024
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

Organic growth in Q1 was -2%.

## January-March 2024

During the period of January–March, Gofore’s net sales stagnant at 0 % compared to the corresponding period in 2023, amounting EUR 49.2 (49.1) million.

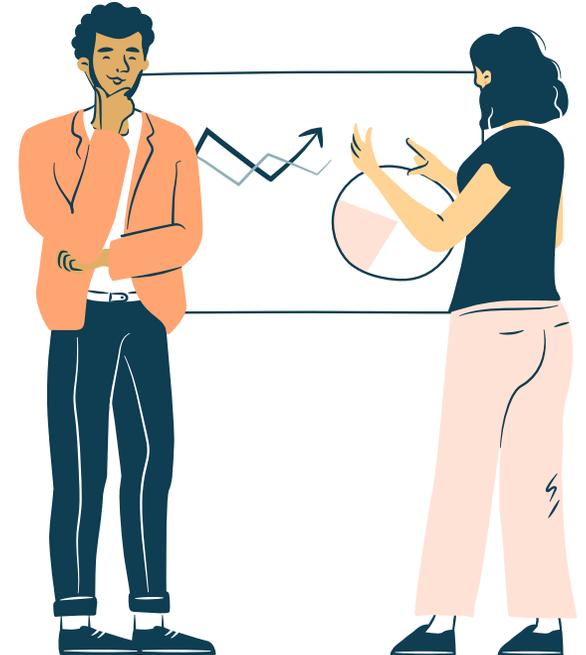
Organic growth of -2 %. The average hourly price of services sold increased by 0.9 % from the comparison period.

Net sales generated from public sector sales increased to EUR 28.5 (28.2) million. Net sales generated from the private sector declined by -1 % to EUR 20.8 (20.9) million.

The public sector’s share of total net sales was 58 % (57 %) and private sector 42 % (43 %).

Net sales coming from Finland was EUR 42.8 (41.1) million, representing 87 % (84 %) share of the Group’s net sales. Other countries’ share of the Group net sales was 13 % (16 %); EUR 6.5 (8.0) million.

Subcontracted work represented 15 % (19 %) share of the Group’s net sales; EUR 7.6 (9.2) million.



# Profitability

January-March's adjusted EBITA was 13.8%.

## January-March 2024

During the reporting period, Gofore's adjusted EBITA decreased by -18.3% compared to the corresponding period in 2023 and amounted to EUR 6.8 (8.3) million and accounted to 13.8% (16.9%) of net sales. There was one working day less in the reporting period 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 6.8 (8.1) million; 13.8% (16.5%) of the 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.

The proportion of personnel expenses of net sales increased to the level of the comparison period, accounting for 62.7% (56.4%). Personnel expenses for the period amounted to EUR 30.9 (27.7) million. The increase is attributable to growth in the number of personnel.

Other operating expenses amounted to a total of EUR 4.2 (5.0) million and accounted for 8.5% (10.3%) 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 (0.7) million, accounting for 2.0% (1.4%) of net sales. Depreciations and amortizations were 2.0 (1.7) million euros; 4.0% (3.4%) of net sales.

Operating profit (EBIT) was EUR 5.8 (7.1) million and accounted for 11.7% (14.5%) of net sales. Finance costs and income were EUR -0.1 (-0.2) million.

Profit for the financial period amounted to EUR 4.4 (5.4) million.

# Balance sheet, cashflow, financing and R&D

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

Equity ratio amounted to 57.7% (54.7%) with net gearing of -20.1% (-26.1% ).

At the end of reporting period, the balance sheet total of the Gofore Group amounted to EUR 173.2 (147.6) million, of which total equity accounted for EUR 99.6 (80.6) million. At the end of the review period, interest-bearing net debt amounted to EUR -18.6 (-21.1 ) million.

Cash flow from operations increased over the period of January – March to EUR 8.3 ( 3.2 ) million. Cash flow from investments amounted to EUR -0.4 (-5.2 ) million.

Investments in subsidiary shares during the review period amounted to EUR 0 (-5.0) 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 during the period amounted to EUR -1.7 (-1.4) million, including repayments of lease agreement liabilities for EUR -0.7 million, loan amortizations for EUR -0.3 million, cash flows from financial instruments EUR 0 million and dividends paid, 0 million. Granted loans to executive team members EUR 0.7 million.

At the end of the period, cash assets amounted to EUR 44.7 (40.8) million.

At the end of the review period, Gofore Plc's unsecured loans from credit institutions amounted to EUR 13.1 (16.8) 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 March 2024. In addition, Gofore has in its disposal an EUR 5 million binding, unsecured credit limit for the Group's short-term, general financing needs such as corporate acquisitions. The limit was not used during the review period. At the end of reporting period, right-of-use assets were EUR 12.9 ( 3.5 ) million and lease liabilities EUR 13.0 ( 3.5 ) 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.

# Corporate Governance and Share Information

January-March 2024

# Shares and Trading

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

At the end of the reporting period on 31 March 2024

- Gofore Plc's registered share capital amounted to EUR 80,000.00 (EUR 80,000.00), corresponding to a total of 15,660,139 (15,537,915) of the company shares.
- Gofore holds 23,640 pcs of its own shares at the end of the reporting period. The company had no own shares at the comparison period. The share of own shares of all votes and shares amounted to 0.2%.
- Trading volume in January –March 2024 amounted to 1.1 (0.6) million shares, corresponding to approximately 7.2% (4.0 %) of average number of outstanding shares, trading value EUR 24.7 (15.8) million.
- At the end of the reporting period, Gofore's market value was EUR 334.6 (393.9) million.
- Closing price of the share was EUR 21.40 (25.35).
- Trading volume-weighted average price of the share during the review period was EUR 21.94 (25.83).
- Highest trading price was EUR 23.80 (27.80) and lowest EUR 20.30 (22.20).

# 334.6

Market value at the end of period, MEUR

# -4.5%

Share value change since beginning of the year

# 21.40

Closing price, EUR

# Share Ownership

Share of ownership	31.03.2024	31.03.2023
Sector's share of ownership		
Private companies	5.7 %	5.2 %
Financial and insurance institutions	26.3 %	28.7 %
Public corporations	10.8 %	9.7 %
Households	55.3 %	53.4 %
Non-profit organisations	0.8 %	0.8 %
Foreign ownership	1.1 %	2.2 %
Direct foreign ownership	0.8 %	0.7 %
Holder of nominee registered shares	18.5 %	22.0 %
Foreign ownership total	19.2 %	22.7 %
Nominee registered shares	2,894,529	3,411,732
Issued shares total	15,660,139	15,537,915
Number of registered shareholders	9,379	6,193

## 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.

# 9,379

Shareholders at the end of period

# 19.2%

Foreign ownership in total

# 26.3%

Financial and insurance institutions ownership

# Share-based loyalty and remuneration schemes

51%  
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/>

# Resolutions of the Annual General Meeting 4 April 2024

## Adoption of the financial statements

The Annual General Meeting adopted the company's financial statements for the financial period of 1 January–31 December 2023.

## Dividend of EUR 0.47 per share

The Annual General Meeting confirmed a dividend of EUR 0.47 per share to be paid for the financial period of 1 January–31 December 2023. 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.

## Resolution on discharge from liability

The Annual General Meeting resolved to discharge the members of the Board of Directors and the CEO from liability for the financial period of 1 January–31 December 2023.

## Remuneration report

It was resolved by an advisory decision to adopt the 2023 Remuneration Report for the Governing Bodies.

## Discussion of the remuneration policy of the governing bodies

The Annual General Meeting confirmed the company's remuneration policy of the governing bodies by an advisory decision.

Material amendments made to the Remuneration Policy effective until the 2028 Annual General Meeting especially concern the CEO's remuneration, which has, among other things, been made more specific with respect to the adjustable salary components and added with a recommendation concerning share ownership. The description of the remuneration of the Board of Directors has likewise been supplemented, and the requirements for temporary deviation have been made more specific. The amendments are intended to highlight the connection between the remuneration principles and the Company's business strategy.

## Remuneration of the members of the Board of Directors

It was resolved that the remuneration for the Chair of the Board is EUR 6,000 per month and for the members of the Board EUR 3,000 per month. In addition, it was approved that the Shareholders' Nomination Board proposes that each Board Member be paid a fee for each committee meeting as follows: The Chair of the Committee should be paid EUR 800 and other committee members EUR 400 for each meeting. All members of the Board will be compensated for travel expenses against receipt in accordance with the company's travel policy. The proposed remuneration is unchanged from last year.

## The number of members of the Board of Directors

It was resolved that the Board of Directors consists of six members.

## Composition of the Board of Directors

As per the Shareholders' Nomination Board's proposal, the following persons were elected as the Board of Directors: **Mammu Kaario, Piia-Noora Kauppi, Antti Koskelin, Timur Kärki, Matti Saastamoinen and Sami Somero.**

## Remuneration of the auditor

It was resolved that the auditor's remuneration is paid against invoices approved by the company.

## Election of the auditor

Ernst & Young Oy was elected the company's auditor based on the competitive tendering, for a term that will continue until the end of the next Annual General Meeting. Ernst & Young Oy has announced that Authorised Public Accountant **Antti Suominen** is the Auditor with principal responsibility.

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/>

# New Board composition

Gofore's Annual General Meeting on 4 April 2024 chose Antti Koskelin and Matti Saastamoinen as new members. Chairman Timur Kärki as well as Mammu Kaario, Piia-Noora Kauppi and Sami Somero were re-elected.



**Timur Kärki**  
MSc, Tech,  
b. 1971



**Mammu Kaario**  
Master of Law, MBA,  
b. 1963



**Piia-Noora Kauppi**  
LLM, b. 1975



**Sami Somero**  
MSc, b. 1975



**Antti Koskelin**  
Eng., b. 1970



**Matti Saastamoinen**  
Msc, b. 1978

Board committee compositions can be seen on our IR website at:  
<https://gofore.com/en/invest/governance/board-of-directors/>

# Authorisations by the AGM to the Board of Directors

## 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.

Shares will be acquired otherwise than in proportion to the holdings of the shareholders via public trading arranged by Nasdaq Helsinki Ltd at the market price that applies on the date of the acquisition or otherwise at a price formed on the market. Shares can be acquired and/or accepted as a pledge e.g. in order to execute a transaction or implement share-based incentive schemes or for other purposes as decided by the Board of Directors or otherwise for the purposes of further assignment, retention or cancellation. The Board of Directors is authorised to decide on all other terms and conditions that will apply to the acquisition and/or acceptance as a pledge of the company's own shares.

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 number of shares to be issued, including the shares received on the basis of the option rights and other special rights, may not exceed 2,325,920 shares, which amounts to approximately 15% of all shares in the company as of the date of this summons. The Board of Directors may decide to either issue new shares or to assign company shares that are held by the company.

The authorisation entitles the Board of Directors to decide on all terms and conditions that will apply to the share issue and to the issuance of option rights or other special rights entitling to shares, including the right to derogate from the shareholders' pre-emptive right. The shares can be used as consideration in transactions, as part of the company's incentive schemes or for other purposes as decided by the Board of Directors.

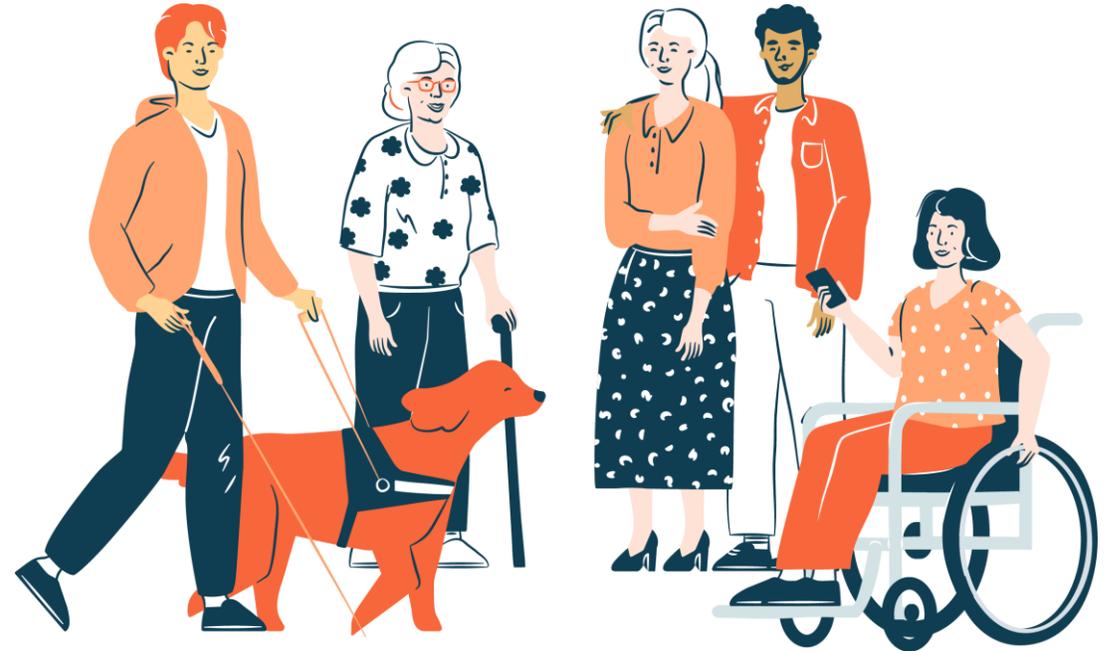
The authorisation remains in force until the end of the next annual general meeting, however not for longer than until 30 June 2025. This authorisation will revoke any existing, unused authorisations to decide on a share issue and the issuance of option rights or other special rights entitling to shares.

# Authorisations by the AGM to the Board of Directors

## 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.



# Consolidated Interim Report

1 January – 31 March 2024

Tables Section

Unaudited

# Consolidated Statement of Profit and Loss and Other Comprehensive Income

EUR thousand	Q1/2024	Q1/2023	2023
<b>Net sales</b>	<b>49,237</b>	<b>49,150</b>	<b>189,241</b>
Production for own use	0	88	254
Other operating income	69	44	1,255
Materials and services	-6,473	-7,705	-28,736
Employee benefit expenses	-30,877	-27,738	-112,688
Depreciations, amortisations and impairment	-1,981	-1,661	-7,409
Other operating expenses	-4,205	-5,043	-18,900
<b>Operating profit (EBIT)</b>	<b>5,770</b>	<b>7,134</b>	<b>23,019</b>
Finance costs	-268	-262	-725
Finance income	203	89	615
<b>Profit before tax</b>	<b>5,705</b>	<b>6,960</b>	<b>22,909</b>
Income tax	-1,308	-1,518	-4,646
<b>Profit for the financial period</b>	<b>4,397</b>	<b>5,442</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	7	-68	-237
<b>Other comprehensive income, net of tax</b>	<b>7</b>	<b>-68</b>	<b>-237</b>
<b>Total comprehensive income for the financial period</b>	<b>4,403</b>	<b>5,374</b>	<b>18,027</b>
<b>Profit/loss for the financial period attributable to:</b>			
Equity holders of the parent	4,253	5,344	17,923
Non-controlling interests	144	98	340
<b>Total</b>	<b>4,397</b>	<b>5,442</b>	<b>18,263</b>
<b>Total comprehensive income for the financial period attributable to:</b>			
Equity holders of the parent	4,259	5,277	17,686
Non-controlling interests	144	98	340
<b>Total</b>	<b>4,403</b>	<b>5,374</b>	<b>18,027</b>
Earnings per share (EPS), undiluted	0.27	0.34	1.15
Earnings per share (EPS), diluted	0.27	0.34	1.15

# Consolidated Statement of Financial Position

EUR thousand	31.03.2024	31.03.2023	31.12.2023
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	49,055	47,694	49,055
Other intangible assets	20,594	21,535	21,700
Tangible assets	2,361	834	2,048
Right-of-use assets	12,895	3,495	13,455
Other receivables	1,361	826	685
Deferred tax assets	154	158	152
<b>Total non-current assets</b>	<b>86,421</b>	<b>74,542</b>	<b>87,096</b>
<b>Current assets</b>			
Inventories	524	0	472
Trade receivables	35,549	28,548	36,658
Contract assets	1,412	1,124	516
Other current assets	3,417	1,888	3,085
Income tax receivables	438	140	46
Securities	754	592	762
Cash and cash equivalents	44,654	40,797	38,450
<b>Total current assets</b>	<b>86,749</b>	<b>73,089</b>	<b>79,989</b>
<b>Total assets</b>	<b>173,170</b>	<b>147,631</b>	<b>167,085</b>

EUR thousand	31.03.2024	31.03.2023	31.12.2023
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	80	80	80
Fund for unrestricted equity	54,969	50,535	53,448
Other reserves	312	474	306
Retained earnings	43,552	28,949	39,153
<b>Equity attributable to equity holders of the parent</b>	<b>98,913</b>	<b>80,039</b>	<b>92,986</b>
Non-controlling interests	670	573	510
<b>Total equity</b>	<b>99,583</b>	<b>80,612</b>	<b>93,495</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	8,646	12,347	8,976
Other payables	851	3,190	868
Lease liabilities	10,340	1,421	10,789
Deferred tax liabilities	4,239	4,446	4,452
<b>Total non-current liabilities</b>	<b>24,076</b>	<b>21,403</b>	<b>25,086</b>
<b>Current liabilities</b>			
Trade and other payables	20,664	20,281	21,718
Contract liabilities	622	257	80
Interest-bearing loans and borrowings	4,443	4,443	4,443
Lease liabilities	2,684	2,121	2,744
Accrued expenses	20,078	17,546	18,658
Income tax payable	1,020	968	862
<b>Total current liabilities</b>	<b>49,510</b>	<b>45,616</b>	<b>48,504</b>
<b>Total liabilities</b>	<b>73,587</b>	<b>67,019</b>	<b>73,590</b>
<b>Total equity and liabilities</b>	<b>173,170</b>	<b>147,631</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				4,253	4,253	144	4,397	
Other comprehensive income			7				0	
<b>Total comprehensive income</b>	0	0	7	4,253	4,253	144	4,397	
<b>Transactions with shareholders and non-controlling interests:</b>								
Share-based payments		1,525		162	1,687		162	
Dividends				0	0	0	0	
Share issue		0			0	-35	-35	
Purchase of own shares				0	0		0	
Acquisition of a subsidiary paid in shares		0			0		0	
Change in non-controlling interests		-4		-15	-19	51	32	
Other changes							0	
<b>Equity on 31.03.2024</b>	80	54,969	312	43,552	98,913	670	99,583	
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				5,344	5,344	98	5,442	
Other comprehensive income			-68		-68		-68	
<b>Total comprehensive income</b>	0	0	-68	5,344	5,277	98	5,374	
<b>Transactions with shareholders and non-controlling interests:</b>								
Share-based payments		638		124	762		762	
Dividends				-5,283	-5,283	0	-5,283	
Share issue		0			0		0	
Purchase of own shares					0		0	
Acquisition of a subsidiary paid in shares		0			0		0	
Change in non-controlling interests		0		0	0	0	0	
Other changes							0	
<b>Equity on 31.03.2023</b>	80	50,535	474	28,949	80,039	573	80,612	

# Consolidated Statement of Cash Flows

EUR thousand	Q1/2024	Q1/2023	2023
<b>Operating activities</b>			
<b>Profit before tax</b>	<b>5,705</b>	<b>6,960</b>	<b>22,909</b>
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment	1,981	1,661	7,409
Finance income and expenses	65	173	110
Other adjustments	1,716	934	1,504
Change in working capital	584	-4,486	-6,994
Interest received and paid	48	-38	17
Other financial items	-8	-15	-31
Income tax paid	-1,742	-1,992	-5,755
<b>Net cash flow from operating activities</b>	<b>8,348</b>	<b>3,198</b>	<b>19,168</b>
<b>Net cashflow from investing activities</b>			
Proceeds from sale of tangible assets	2	0	80
Purchase of intangible assets	0	-88	-254
Purchase of tangible assets	-427	-138	-1,602
Acquisition of a subsidiary, net of cash acquired	0	-4,954	-9,114
<b>Net cash flow from investing activities</b>	<b>-425</b>	<b>-5,179</b>	<b>-10,889</b>
<b>Net cash flow from financing activities</b>			
Treasury shares acquired	0	0	-2,318
Repayment of lease liabilities	-710	-583	-2,706
Granted loans	-685	0	0
Repayment of borrowings	-330	-1,267	-4,637
Financial instruments	10	492	1,026
Share issue	0	0	97
Dividends paid to equity holders of the parent	0	0	-5,283
Dividends paid to non-controlling interest	0	0	-195
Changes in non-controlling interest	-3	0	53
<b>Net cash flow from financing activities</b>	<b>-1,718</b>	<b>-1,357</b>	<b>-13,964</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,205</b>	<b>-3,339</b>	<b>-5,685</b>
Cash and cash equivalents at beginning of period	38,450	44,135	44,135
<b>Cash and cash equivalents at end of period</b>	<b>44,654</b>	<b>40,797</b>	<b>38,450</b>

# Notes to the Accounts

1 January – 31 March 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	Q1/2024	Q1/2023	2023
<b>Net sales by customer sector</b>			
Private sector sales	20,770	20,925	80,531
Public sector sales	28,467	28,225	108,710
<b>Net sales by origin of customer</b>			
Finland	42,774	41,135	159,714
Other countries	6,463	8,015	29,528
<b>Net sales by class</b>			
Net sales, Crew	41,173	39,992	154,229
Net sales, subcontracting	7,558	9,157	33,412
Net sales, products	506		1,600
<b>Timing of revenue recognition</b>			
Services transferred at a point in time	527	14	1,683
Services transferred over time	48,710	49,136	187,558
<b>Net sales by agreement types</b>			
Time and material based projects	45,678	46,250	176,433
Fixed price projects	2,174	2,111	7,919
Maintenance services	857	775	3,206
Third party commissions	21	14	83
Products	506		1,600
<b>Net sales, Group total</b>	<b>49,237</b>	<b>49,150</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>31.03.2024</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	-56	-647	-261	-40	-11	-3	-89	-1,106	0	-1,106
<b>31.03.2024</b>	<b>-1,074</b>	<b>-8,480</b>	<b>-3,060</b>	<b>-150</b>	<b>-200</b>	<b>-65</b>	<b>-680</b>	<b>-13,708</b>	<b>0</b>	<b>-13,708</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>31.03.2024</b>	<b>249</b>	<b>15,117</b>	<b>2,527</b>	<b>1,366</b>	<b>0</b>	<b>35</b>	<b>1,300</b>	<b>20,594</b>	<b>49,055</b>	<b>69,649</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	88	88	0	88
Business combinations	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0
<b>31.03.2023</b>	<b>1,228</b>	<b>22,069</b>	<b>5,288</b>	<b>66</b>	<b>200</b>	<b>101</b>	<b>1,814</b>	<b>30,766</b>	<b>47,694</b>	<b>78,461</b>
<b>Amortisation and impairment</b>										
1.1.2023	-788	-5,137	-1,806	-24	-122	-49	-286	-8,214	0	-8,214
Amortisations	-51	-650	-236	-3	-17	-3	-57	-1,018	0	-1,018
<b>31.03.2023</b>	<b>-840</b>	<b>-5,788</b>	<b>-2,042</b>	<b>-28</b>	<b>-139</b>	<b>-52</b>	<b>-343</b>	<b>-9,232</b>	<b>0</b>	<b>-9,232</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>31.03.2023</b>	<b>388</b>	<b>16,281</b>	<b>3,246</b>	<b>39</b>	<b>61</b>	<b>48</b>	<b>1,471</b>	<b>21,535</b>	<b>47,694</b>	<b>69,229</b>

## Tangible Assets

EUR thousand	Machinery & Equipment	Other tangible assets	Total
<b>Cost</b>			
1.1.2024	1,759	1,821	3,580
Additions	325	102	427
Business combinations	0	0	0
Disposals	0	0	0
Reclassifications	399	-399	0
<b>31.03.2024</b>	<b>2,483</b>	<b>1,524</b>	<b>4,007</b>
<b>Depreciation and impairment</b>			
1.1.2024	-1,169	-364	-1,533
Depreciations charge for the year	-78	-36	-113
Disposals	0	0	0
<b>31.03.2024</b>	<b>-1,246</b>	<b>-400</b>	<b>-1,646</b>
<b>Net book value</b>			
1.1.2024	591	1,457	2,048
<b>31.03.2024</b>	<b>1,237</b>	<b>1,125</b>	<b>2,361</b>

EUR thousand	Machinery & Equipment	Other tangible assets	Total
<b>Cost</b>			
1.1.2023	1,328	680	2,007
Additions	49	88	138
Business combinations	0	0	0
Disposals	0	0	0
<b>31.03.2023</b>	<b>1,377</b>	<b>768</b>	<b>2,145</b>
<b>Depreciation and impairment</b>			
1.1.2023	-974	-283	-1,256
Depreciations charge for the year	-44	-11	-55
Disposals	0	0	0
<b>31.03.2023</b>	<b>-1,018</b>	<b>-293</b>	<b>-1,311</b>
<b>Net book value</b>			
1.1.2023	354	397	751
<b>31.03.2023</b>	<b>359</b>	<b>475</b>	<b>834</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	170	32	202
Disposals	0	0	0
Business combinations	0	0	0
Depreciations for the financial year	-708	-53	-761
<b>31.03.2024</b>	<b>12,532</b>	<b>363</b>	<b>12,895</b>
<b>1.1.2023</b>	<b>3,365</b>	<b>198</b>	<b>3,564</b>
Additions	440	79	519
Disposals	0	0	0
Business combinations	0	0	0
Depreciations for the financial year	-548	-40	-588
<b>31.03.2023</b>	<b>3,258</b>	<b>237</b>	<b>3,495</b>

# Financing

Gofore Plc had unsecured loans of EUR 13.1 (16.8) 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 March 2024.

Gofore Plc has also a binding, unsecured revolving credit facility of EUR 5 million for the short-term general financing needs of the Group, such as corporate acquisitions. The credit facility remained undrawn throughout the review period.

The company has made interest rate cap and swap agreements of EUR 9.5 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 13.0 million of which 73% 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 31.3.2024	Notional	Hedging type	Maturity	Fair value pos	Fair value neg	Fair value net
Swap	3,500	Cash flow	1.11.2027	5	0	5
Cap 1	3,000	Cash flow	2.3.2026	46	6	40
Cap 2	8,000	Cash flow	29.12.2028	446	101	345
<b>Total</b>				<b>497</b>	<b>106</b>	<b>390</b>

Instrument 31.3.2023	Notional	Hedging type	Maturity	Fair value pos	Fair value neg	Fair value net
Swap	3,500	Cash flow	1.11.2027	15	0	15
Cap 1	3,000	Cash flow	2.3.2026	94	8	86
Cap 2	8,000	Cash flow	29.12.2028	608	117	492
<b>Total</b>				<b>718</b>	<b>125</b>	<b>593</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 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 750 thousand is in use at 31.3.2024. 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	Q1/2024	Q1/2023	2023
<b>EBITA, Adjusted EBITA and EBITDA</b>			
<b>EBIT</b>	<b>5,770</b>	<b>7,134</b>	<b>23,019</b>
Amortisation of intangible assets identified in PPA	1,014	957	4,071
<b>EBITA</b>	<b>6,784</b>	<b>8,091</b>	<b>27,090</b>
Transaction costs from business combinations	0	6	268
PNL Impact of Contingent Consideration	0	204	-611
Restructuring costs	0	0	0
Gains or losses from sales of fixed assets	-2	0	-43
<b>Adjusted EBITA</b>	<b>6,782</b>	<b>8,302</b>	<b>26,704</b>
<b>EBIT</b>	<b>5,770</b>	<b>7,134</b>	<b>23,019</b>
Depreciations	967	704	3,338
Amortisation of intangible assets identified in PPA	1,014	957	4,071
<b>EBITDA</b>	<b>7,751</b>	<b>8,794</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 gearing, %	Non-current interest-bearing liabilities + Non-current lease liabilities + Current interest-bearing liabilities + Current lease liabilities – Cash and cash equivalents – Other rights of ownership under Current and Non-current investments, 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.
- More information can be found at <https://gofore.com/en/news/gofores-financial-communications-calendar-and-annual-general-meeting-in-2024/>
- Half year report on 15 August 2024.
- Q3 interim report on 24 October 24 2024.

Stay in touch!

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