

GOFORE PLC  
Q1 / 2023

# Interim Report

## January – March 2023

Gofore's organic growth 32% and  
very strong adjusted EBITA, 16.9%

25 April, 2023  
Unaudited



# January-March 2023 Highlights

Gofore's organic growth 32% and very strong adjusted EBITA, 16.9%

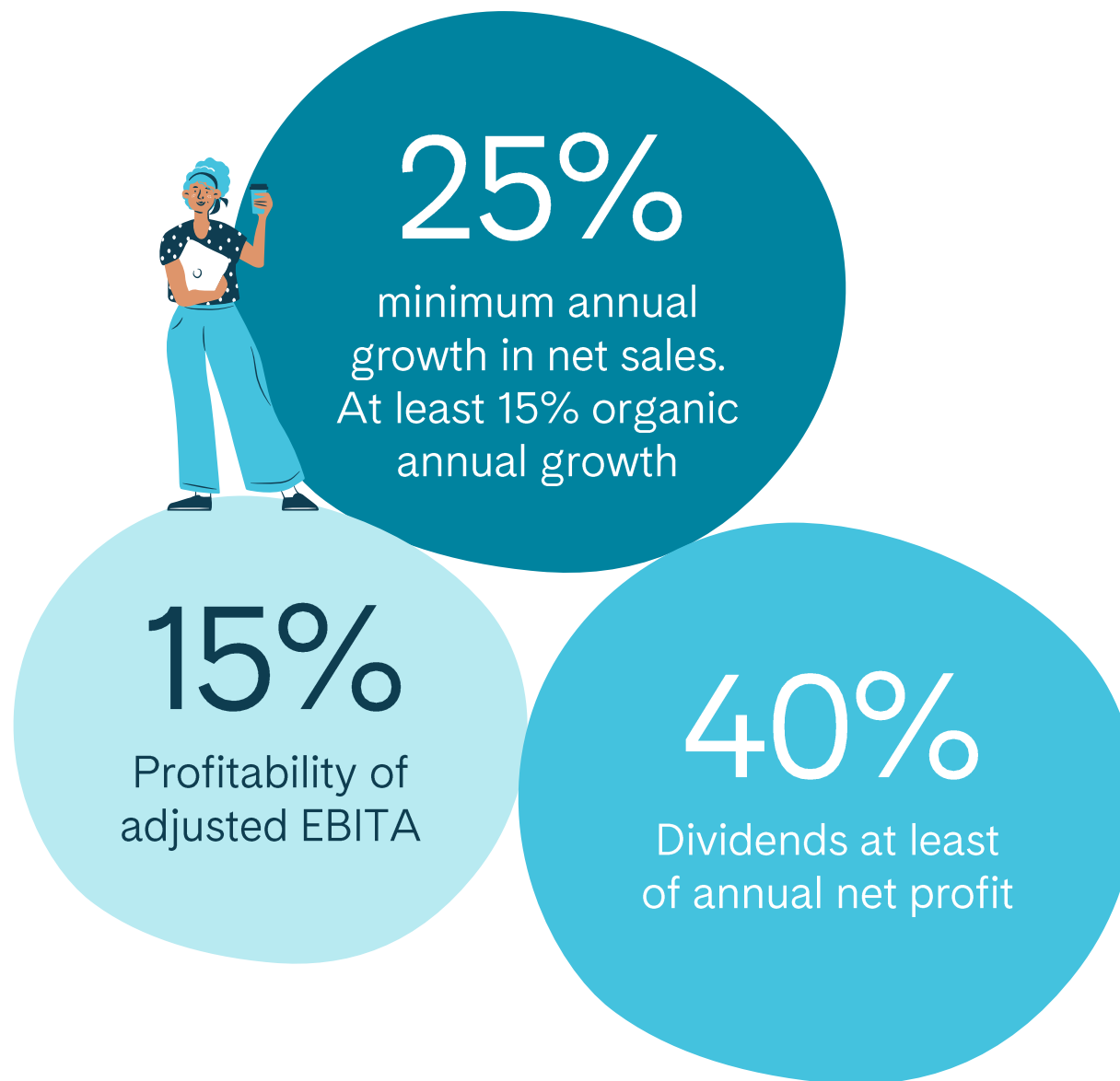
- Previous year's Q4's strong growth and profitability carried over to the first quarter of 2023. Adjusting recruitment to customer demand succeeded well, supporting profitability improvement.
- Net sales grew by 39% and were 49.1 (35.4) million euros. Organic growth of net sales continued strong, +32%.
- Adjusted EBITA 8.3 (5.1) million euros, 16.9%; 62% growth.
- Net sales increase from private sector customers continued its strong growth; +52%. Net sales growth from public sector customers was 30%. Net sales from outside of Finland continued very strong growth, +172%.
- Uncertainty in the macroeconomy had little impact on customer demand, and several significant agreements were made in the period.
- Ratio of customer price and salary development was excellent with prices rising 3.8%, average salary development standing at +2.2%.
- The number of employees grew to a total of 1,354 (1,043) people, overall capacity standing at 1,461 (1,123). Employee experience improved from previous survey and attrition rate was lowered to 11%.
- Devecto acquisition was finalized at the end of March. Additional purchase consideration was 4.9 million euros in total, out of which 0.2 million euros recorded as an expense; considered as an adjustment item (adjusted EBITA).

Group Key Figures Summary, MEUR	Q1/2023	Q1/2022	2022
Net sales	49.1	35.4	149.9
Organic Growth of Net Sales, %	32.4%	22.9%	32.2%
Adjusted EBITA	8.3	5.1	22.0
Adjusted EBITA, %	16.9%	14.4%	14.7%
EBITA	8.1	4.5	20.4
Operating Profit (EBIT)	7.1	3.6	16.6
Earnings per share (EPS), undiluted	0.34	0.16	0.78
Earnings per share (EPS), diluted	0.34	0.16	0.78
Number of employees at the end of period	1,354	1,043	1,297
Overall capacity; in-house and subcontracted staff (FTE), at the end of period	1,461	1,123	1,383

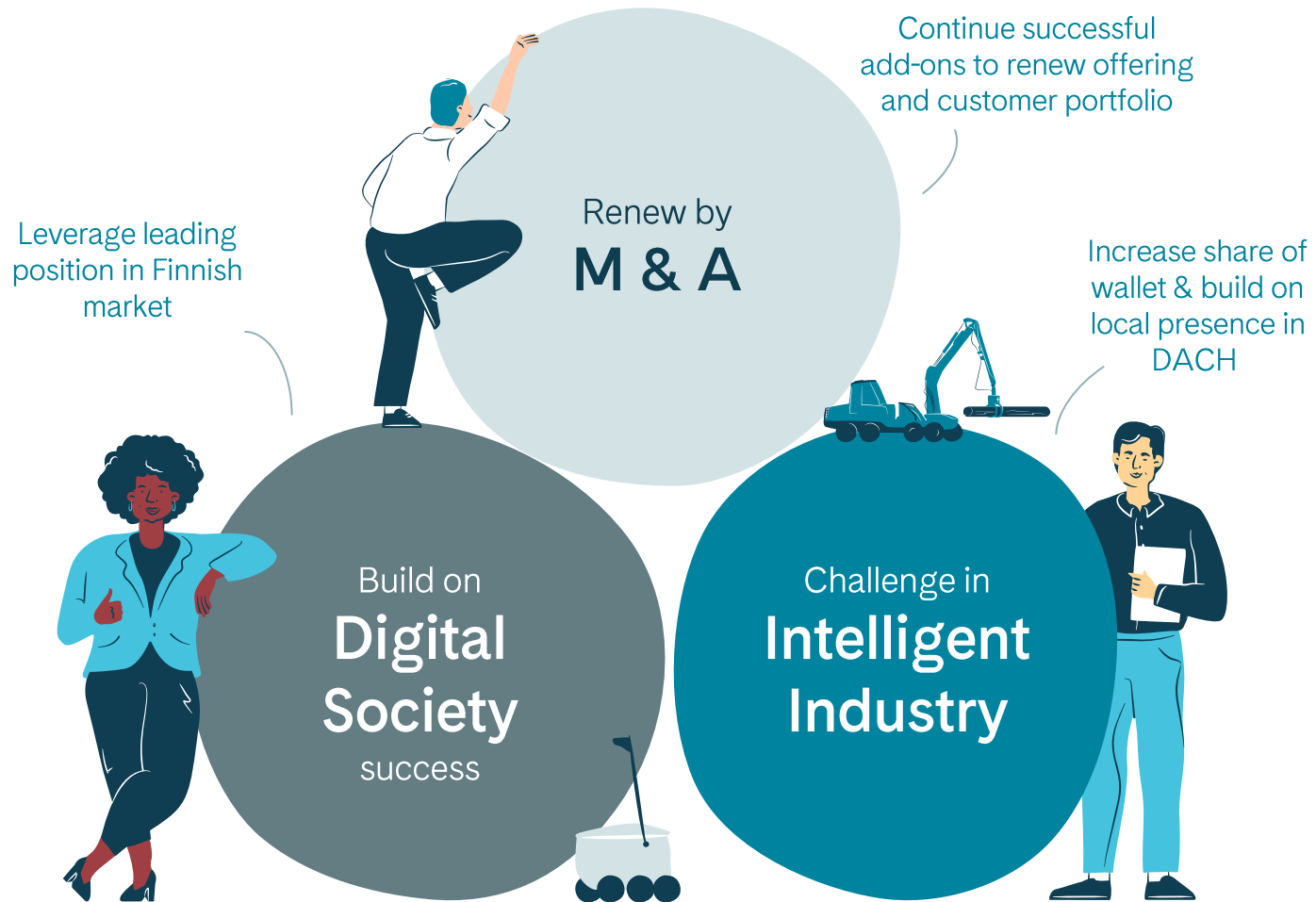
There were no significant events after the reporting period.  
All figures are compared to the corresponding period of the previous year.  
All key figure calculation methods are explained in section "Calculation formulas for key figures"

# Financial targets

Gofore's organic growth has been exceeding both the IT services market overall as well as the company's own targets.



# 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

The first quarter of 2023 was an excellent one. Our growth continued as very strong. As for our organic growth, we kept the same high level. We also continued a positive trend in profitability, with an excellent ratio of price and salary development. This shows not only strong operational performance, but also that we have successfully scaled our operations and benefitted from the higher volumes.

Considering the uncertainty of our operating environment, the Gofore team's performance was even better than expected. For example, the racing inflation, geopolitical tension and the radical change of interest rates have been visible in Finland, Europe and as a wider petering out of economic growth. This reflects on Gofore's customers variably, depending on e.g. the industry they represent and the cyclicity of their business. In our view, the willingness and need to invest in the future has, however, not fundamentally suffered.

We see strong faith and investment in a future that is even more digital than before on the sectors important to Gofore, Digital Society and Intelligent Industry. The most significant collaborations and agreements of January-March can be found on this report.

During the quarter, we communicated having slowed down recruitment in certain expertise areas. In this market situation, talent profile demands vary. For example, needs for experts in project and change management are on their previous levels, whereas customers weigh their decisions more when it comes to software designers. As always, Gofore finds it important to react to changes in demand fast. From this setup, we recruited 99 new Goforeans in January-March.

The changed market situation is also visible in the talent market. Talent availability has improved in certain expertise areas, and the growth bottleneck has shifted from talent availability to customer demand. This setting favors consultancy companies like us, who have invested in strong customer relationships and building partnerships with their clientele.

We don't, however, expect the talent market to be relieved in the long term. We continue investing in developing our employer experience, to be an exemplary employer now and in the future. Our rising employee net promoter score and decreasing attrition rate are signs of the hard work that has already been put into this.

Mikael Nylund



A high ratio of participants in the 6th period of Gofore's share saving plan, 53%, is also a sign of employee commitment.

German-speaking Europe, the DACH area, is a center of our growing attention, as our business there develops and grows. Integrating eMundo, who joined us last November, has shown promise. It has been great to see how excited the Emundis are about our collaboration prospects and how organically similar teams start to mix and learn from each other!

During the spring, Finland joined NATO. The economy is predicted to return to a growth curve at the end of the year in both Finland and Europe. Finland just had its parliamentary elections, and a new government is being formed. We believe our operating environment to continue as favorable, especially in a long-term view.

Gofore continues on its chosen strategic path. We continue to work for growth also across the weaker economic cycle, while making sure we remain profitable.

# Significant new agreements

Customer	Project / Service	Topic	~Value, MEUR	Years
Traficom (Finnish Transport & Communications Agency)	Scrum Master service & Agile Coaching	Technology and information systems development	2.8	5
KEHA Centre	Development & expert services; frame agreement	Nation-wide digital development of employment & integration services	N/A	3
Business Finland	Project office; not specified	Project mgmt services	N/A	2+1+1
CSC IT Center for Science	Strategy, process and development consulting	N/A; new frame agreement	3	2.5+1
LähiTapiola	Acceptance testing	Life insurance service system integration	2.9	3-6
YLE	Frame agreement	N/A	N/A	4



## Reporting frame agreements

Upon being chosen as a supplier in a public tender, it is too early to say when and how much invoicing there will be. When communicated, the tender has only just decided on and Gofore made aware of its placement among suppliers. Actual purchase orders and assignments within a frame agreements follow later, and agreements are usually 3-7 years long with options for extensions.

# Digital Society: YLE

Our great collaboration with the Finnish Broadcasting Company continues.



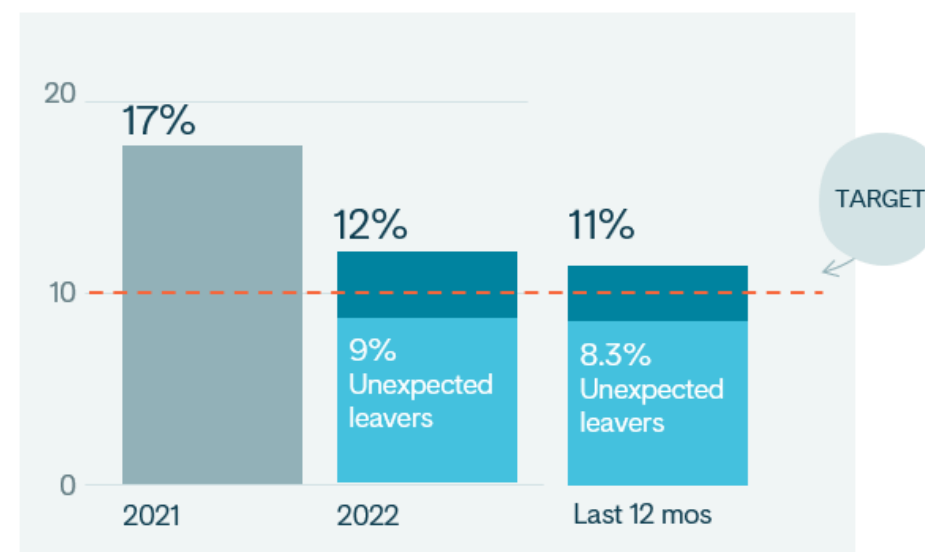
- Gofore participated in a frame agreement process for YLE, the Finnish broadcasting company, decision on which came in February.
- Gofore was given the highest overall points out of the five chosen suppliers in the tender.
- YLE has estimated the total value of this about four-year frame agreement to be six million euros.
- Individual frame agreements with chosen partners will be made after the appeal period according to the procurement law.

# Employee satisfaction continues to soar

## Recruitment pace proactively adjusted in Q1.

- Work in developing employee experience bears fruit: employee net promoter score improved even further from last fall (eNPS 43), now 51.
- With a slight adjustment in recruitment pace, 99 (113) newly recruited experts joined in Q1.
- Number of employees grew by 30% to 1,354 (1,043 in Q1/2022) people.
- Growth was supported by a decreasing employee attrition. Attrition decreased from 2022 (12%) to 11.0%, and 8.3% for unexpected leavers (excl. eMundo).
- 6<sup>th</sup> period of share savings plan (CrewShare) for all employees was started with 53% participation rate, supporting high engagement from employees.
- Average salary change +2.2% from Q1/22.
- eMundo chosen as the most attractive employer out of small and midcap companies in both Munich area and entire Bavaria by Kununu.

53%  
of Goforeans save on  
the company's shares



Decreasing attrition rate

Salary development compares the average salary (including flexible salary parts) of the reporting period with the average salary of same period of the previous year. For the comparison period, Devecto salaries are included from March 2022. eMundo's salaries are excluded in these figures.



# Neuro diversity in the worklife

Gofore wants to be an active participant in designing future worklife and be a thought leader in this field.

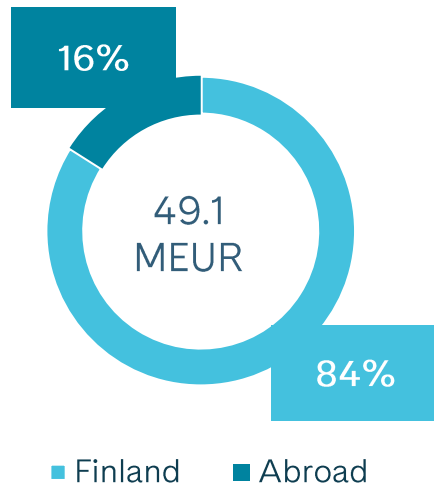
In line with its strategy of offering a more personalized employee experience and individual support for employees, Gofore has taken concrete action to develop its knowhow and be the best possible employer also to neuroatypical experts. These are e.g. :

- Training collaboration with wellbeing partners such as Mehiläinen (healthcare) and Ilmarinen (pension insurance)
- Supporting people leaders in recognising and supporting neuroatypical colleagues and offer more individual solutions and services
- Offering neuroatypical experts tailored career paths
- Better acknowledgment of diversity in recruiting
- Practices that better support neuroatypical experts' worklife, such as flexible time and place independent work, changeable workstations and tools, quiet office spaces and relaxing spaces
- Own internal community for neuroatypical colleagues and anyone interested in the topic

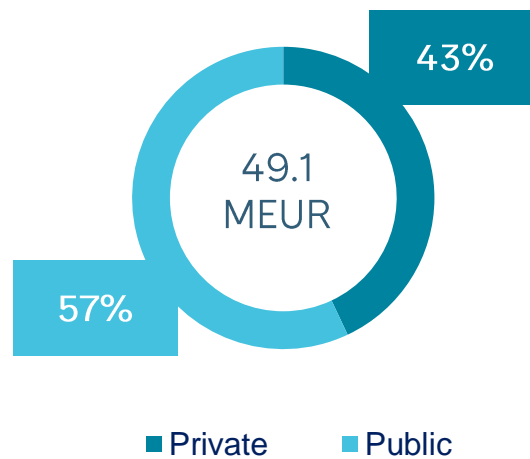


# Net Sales Distribution

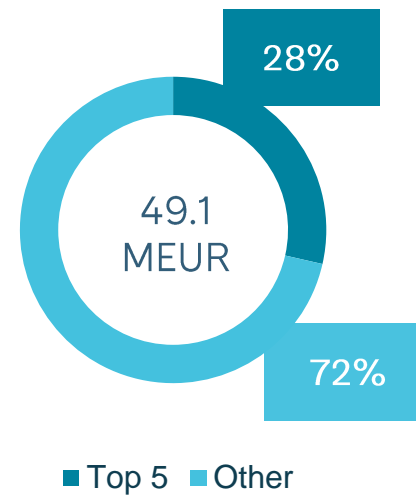
## Geographically



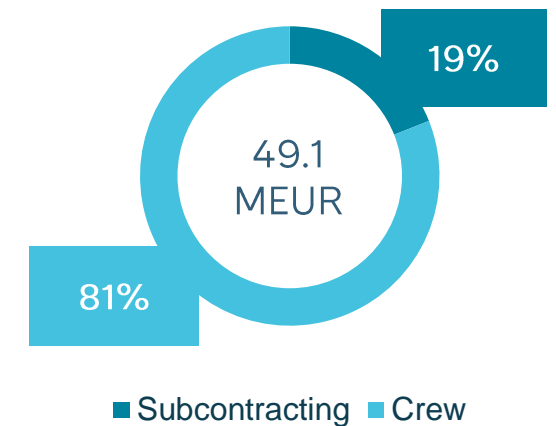
## By Sector



## By Customer Size



## Share of Subcontracting



# Quarterly Performance; Net sales and adjusted EBITA

EUR thousand, unless otherwise specified	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Net sales	49,150	45,686	31,717	37,120	35,398
Change in Net sales, %	39%	46%	47%	40%	40%
Adjusted EBITA	8,302	7,521	3,743	5,613	5,109
Adjusted EBITA, %	16.9%	16.5%	11.8%	15.1%	14.4%
Change in Adjusted EBITA, %	62%	51%	38%	63%	46%
Organic growth of Net sales, %	32%	29%	32%	27%	23%

# Monthly Performance; Net sales and personnel

Month 2023	Net sales, MEUR (Net sales 2022)	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	15,8 (10,8)	160.6	1 318 (993)	21 (20)	1 225 (917)	186 (147)
February	15,3 (11.3)	164.2	1 342 (1 015)	20 (20)	1 256 (942)	184 (153)
March	18,1 (13,3)	168.0	1 354 (1 043)	23 (23)	1 271 (968)	189 (155)

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

# Key Figures

EUR thousand, unless otherwise specified	Q1/2023	Q1/2022	Change	2022
Net sales	49,150	35,398	13,752	149,921
Change in Net sales, %	38.8%	40.3%		43.5%
EBITDA	8,794	5,118	3,677	22,736
EBITDA, %	17.9%	14.5%		15.2%
Adjusted EBITA	8,302	5,109	3,192	21,987
Adjusted EBITA, %	16.9%	14.4%		14.7%
EBITA	8,091	4,548	3,543	20,426
EBITA, %	16.5%	12.8%		13.6%
Operating Profit (EBIT)	7,134	3,602	3,531	16,637
Operating Profit (EBIT), %	14.5%	10.2%		11.1%
Profit for the period	5,442	2,518	2,924	12,223
Earnings per share (EPS), undiluted	0.34	0.16		0.78
Earnings per share (EPS), diluted	0.34	0.16		0.78
Effective dividend yield (DPS/Price), %				1.5%
Price-Earnings ratio, P/E				28.5
Return on equity (ROE), %	27.1%	15.8%		17.3%
Return on investment (ROI), %	28.6%	17.6%		18.8%
Equity ratio, %	54.7%	52.4%		54.0%
Net gearing, %	-26.1%	-23.0%		-29.5%
Number of employees at the end of period	1,354	1,043	311	1,297
Average overall capacity, FTE	1,251	942	308	1,035
Average subcontracting, FTE	186	152	35	159

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

# Market Outlook

Digital transformation's outlook is strong in the mid and long term. Short-term outlook is still largely determined by macro-economic development and somewhat by politics by next Finnish government.

## Macro economical uncertainty affects demand

Macro economic factors continue to contribute to the uncertainty in the economy, with halted growth in Europe during Q4/2022. Estimates indicate a return to economic growth in the second half of 2023, but significant uncertainty still exists about the scale and speed of growth. The downturn has, however, not significantly affected the customers' willingness to invest in digital development. We estimate that future investments are dependent on timing and speed of economic growth. The digitalisation megatrend continues to strengthen customer demand in the medium and long-term.

## Public sector digitalisation continues

Finnish public sector digitalisation continues actively. Big structural reforms – especially social and healthcare reform – are continuing. This is reflected on the high level of development activities at the start of 2023. This activity is expected to continue through 2023 and beyond. A possible downturn in economic activity and deepening deficit in public finances will affect public spending. The effect on digital investments is mostly subject to political decision making of the next Finnish government.

The parliamentary elections in April 2023 showed the way for future politics regarding digitalisation of society.

As we write this report, a new Finnish government had not yet been formed. We are still expecting the public sector demand to grow steadily. Difficulties and delays in forming a new government would have negative effects on demand. A potential slowdown of demand from the private sector may increase competition for public sector tenders. Gofore's strong position in bigger development programs is a competitive edge compared to most of the competition.

## Private investments cycle dependent

Digital transformation remains a high priority for private companies. However, their willingness to invest is affected by the economic cycle. Many of Gofore's focus customers have fared well in the beginning the year, thanks to healthy order backlogs. The length and severity of the negative economic cycle will determine the impact on continued investments during 2023.

For Gofore's Intelligent Industry sector, a national plan and legislation to raise R&D funding to 4% of GDP by 2030, is expected to support customer demand.

## International market uncertain

International markets relevant to Gofore are subject to the same macro-economic changes as described above.

The German and the whole DACH market are of special relevance to Gofore. Latest estimates show a slightly more positive view on the recovery of the economy during 2023, but still slow growth going into 2024. For Gofore this is relevant especially through the outlook of globally operating customers companies.

Public investments in digital development are growing in Europe. Market entry into local markets is not easy but is aided by the advanced development in Finland and the Nordic countries.

## Talent market challenging but may ease in the short term

In the medium and long-term, the talent market is expected to remain competitive in all geographies where Gofore operates. Gofore has proven competitiveness as an attractive employer and a good operative ability to recruit. In the short-term, the weaker economic cycle and related lesser demand on talent has favored Gofore's recruiting activities.

Wage inflation in the market is driven by talent shortage and strengthened by inflation in the economy. In the short term, however, we estimate a slightly lesser salary hike pressure. On the other hand, slower churn and recruitment with related lesser leverage on salary structure, might affect average salary development.



# Short-term risks and uncertainties in the operating environment



## Macro-economic situation

Economical uncertainty significantly grew in early 2023, but so far, has had no material impact on Gofore's business. A prolonged negative growth or very slow recovery of the economy would negatively impact Gofore's customers ability to invest in digital development, especially in the private sector. We are still unsure how the latter part of the year will develop.

Adding costs raised by the inflation on customer pricing was carried out successfully in 2022. A slower market with heavier competition might hamper customer price development in 2023.

## Public sector customer market

The public sector is more resilient to macro-economic changes than the private sector. Weakening public economy may affect the public sector's IT investment. Finnish parliamentary elections in April 2023 were expected to temporarily affect market activity but had very little impact on Gofore in Q1. A delay in forming a new government might have a negative effect for the rest of 2023.

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. During 2023, Gofore estimates it has one significant frame agreement that the customer is about to retender. However, Gofore believes its public sector market position continues strong and therefore sees this risk as very low.

## Private sector customer market

Companies are more vulnerable to political situation or country-specific macro-economical risks. Especially Finnish export companies had on average a strong order intake in the start 2023. Gofore currently sees this risk as medium. In the mid and long term, digitalisation is high on private company agendas, and Gofore's offering creates high added value to customers.

## Talent market

Demand for skilled workforce continues high in the industry. Short-term uncertainty of the economy has slightly decreased the demand for talent, as e.g. international technology businesses and SaaS companies have slowed down recruitment and even laid off staff. Gofore continues to mitigate talent supply related risks by further developing its already strong employer brand and flexibility in work.

## M&A market

Gofore intends to continue disciplined acquisitions by acquiring companies that fit its strategy. The M&A market has picked up somewhat with increased activity in companies being offered for sale. We are also seeing a slight decrease in expected valuations. Integration of acquired companies includes uncertainty. In Finland, Gofore is an experienced, valued buyer. In the new market area, German-speaking Europe, it faces a higher risk in M&A.

## Geopolitical situation

Russia's invasion and related sanctions imposed on the country continue to have very little *direct* impact on Gofore. Gofore has no operations in Russia, Ukraine or Belorussia. The conflict has had a negative impact on some customer businesses. Finland's overall geopolitical risk was alleviated, as the country joined NATO early April 2023.

# 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 2023

Unaudited



# Group Structure

## Personnel and offices

At the end of March 2023, the Group employed a total of 1,354 (1,043) employees. The number of personnel increased from the corresponding period in 2022 by 30%. Growth was due to Gofore's strong organic growth, as well as a result of the two acquisitions made in 2022.

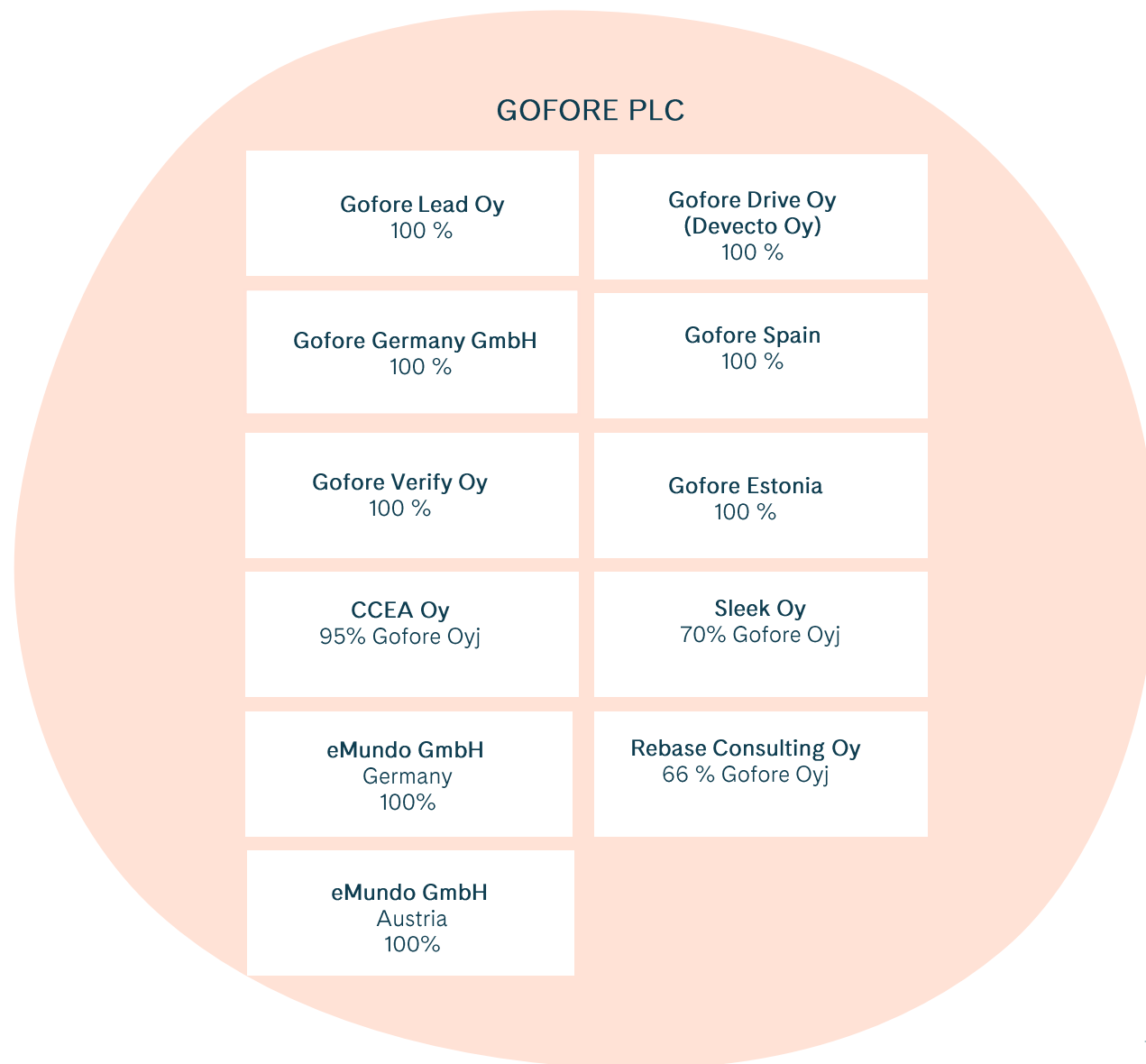
The number of employees in Finland amounted to 1,194 (1,000), and in the other countries of operation to a total of 160 (43) employees.

Gofore's has 19 offices in Finland, Estonia, Germany, Austria, Italy and Spain.

## Corporate acquisitions

There were no acquisitions in the reporting period.

The purchase price allocation of the eMundo acquisition made in November 2022 is considered as preliminary.



# Net sales

Organic growth in January-March 2023 was 32%. Strong growth in net sales from outside Finland and the private sector.

## January – March 2023

During the period of January – March 2023, Gofore's net sales increased by 39% compared to the corresponding period in 2022, amounting to EUR 49.1 (35.4) million.

Growth was attributable to the eMundo acquisition and strong organic growth of 32%. The average hourly price of services sold also increased by 3.8% from the comparison period.

Net sales generated from public sector sales increased to EUR 28.2 (21.7) million. Net sales generated from the private sector grew by as much as 52% to EUR 20.9 (13.7) million. The eMundo and the Devecto acquisition both have contributed to the private sector sales growth.

The public sector's share of total net sales was 57 (61)% and private sector 43 (39)%.

Net sales coming from Finland was EUR 41.1 (32.4) million, representing a 84 (92)% share of the Group's net sales. Other countries' share of Group net sales was 16 (8)%; EUR 8.0 (3.0) million.

Subcontracted work represented 19 (19)% share of the Group's net sales; EUR 9.2 (6.9) million.

# Profitability

Adjusted EBITA growth in January-March 2023 was 62%.

## January – March 2023

During the period of January – March 2023, Gofore's adjusted EBITA increased by 62% compared to the corresponding period in 2022 and amounted to EUR 8.3 (5.1) million and accounted to 16.9 (14.4)% of net sales.

Adjusted EBITA for the period was improved by an adjustment of business acquisition contingent consideration cost of EUR 0.2 million. Adjusted EBITA in the comparison period was affected by a EUR 0.6 million adjustment of acquisition transaction costs. The calculation method of the adjusted EBITA is presented separately in the section "Calculation formulas for key figures".

EBITA for January – March 2023 amounted to EUR 8.1 (4.5) million and accounted for 16.5 (12.8)% of net sales.

The proportion of personnel expenses of net sales decreased slightly the level of the comparison period, accounting for 56.4 (57.1)%. Personnel expenses for January – March 2023 amounted to EUR 27.7 (20.2) million. The increase is attributable to growth in the number of personnel.

Other operating expenses amounted to a total of EUR 5.0 (4.3) million and accounted for 10.3 (12.2)% of net sales. Excluding the contingent consideration and transaction costs related to acquisitions, expenses accounted for 9.8 (10.6)%. The largest expense items included other personnel expenses, ICT expenses and external services.

Depreciations excluding amortizations of intangible assets related to acquisitions were EUR 0.7 (0.6) million, accounting for 1.4 (1.6)% of net sales. Depreciations and amortizations were 1.7 (1.5) million euros; 3.4 (4.3)% of net sales.

Operating profit (EBIT) in January – March 2023 amounted to EUR 7.1 (3.6) million and accounted for 14.5 (10.2)% of net sales. Finance costs and income were EUR -0.2 (-0.2) million.

Profit for the financial period amounted to EUR 5.4 (2.5) million, showing 116% growth.

# Balance sheet, cashflow, financing and R&D

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

Gofore's equity ratio amounted to 54.7 (52.4)%, with net gearing of -26.1 (-23.0)%.

At the end of March 2023, the balance sheet total of the Gofore Group amounted to EUR 147.6 (128.5) million, of which total equity accounted for EUR 80.6 (66.4) million. At the end of the review period, interest-bearing net debt amounted to EUR -21.1 (-15.3) million.

Cash flow from operations decreased over the period of January – March 2023 to EUR 3.2 (8.0) million. Cash flow from investments during the review period amounted to EUR -5.2 (-13.3) million.

Investments in subsidiary shares during the review period amounted to EUR -5.0 (-13.0) million. Investment related to the payment of the Devecto acquisitions' additional purchase price.

Cash flow from financing activities during the period amounted to EUR -1.4 (2.2) million, including repayments of lease agreement liabilities for EUR -0.6 million, loan amortisations for EUR -1.3 million and cash flows from financial instruments EUR 0.5 million.

At the end of the review period, cash assets amounted to EUR 40.8 (36.0) million.

At the end of the review period, Gofore Plc's unsecured loans from credit institutions amounted to EUR 16.8 (17.1) 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, related party transactions & commitments.

The loans are associated with the customary covenants tied to the equity ratio and interest-bearing net debt. The covenant conditions were met on 31 March 2023. 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.

## 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 2023

# 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 2023

- Gofore Plc's registered share capital amounted to EUR 80,000.00 (EUR 80,000.00), corresponding to a total of 15 537 915 (15 370 322) of the company shares.
- Gofore or its subsidiaries were not in possession of any treasury shares in the reporting or the corresponding period.
- Trading volume in January –March 2023 amounted to 0.6 (0.5) million shares, corresponding to approximately 4.0% (3.5%) of average number of outstanding shares, trading value EUR 15.8 (12.3) million
- At the end of the reporting period, Gofore's market value was EUR 393.9 (339.7) million.
- Closing price of the share on 31 March 2023 was EUR 25.35 (22.10).
- Trading volume-weighted average price of the share during the review period was EUR 25.83 (23.27).
- Highest trading price was EUR 27.80 (26.00) and lowest EUR 22.20 (18.25).

394

Market value at the end of period, MEUR

+14.2%

Share value change since beginning of the year

27.80

Highest price, EUR

# Share Ownership

At the end of the reporting period on 31 March 2023

- The company had a total of 6,193 (5,614) registered shareholders.
- Direct foreign ownership accounted for a total of 2.2% (1.8%) of the shares.
- Holders of nominee registered shares owned a total of 22.0% (18.8%) of shares, total number of such shares amounted to 3,411,732 (2,884,376).
- Private companies owned 5.2% (5.4%) of the shares, financial and insurance institutions 28.7% (26.1%), public corporations 9.7% (9.2%), households 53.4% (56.9%) and non-profit organisations 0.8% (0.7%).

## Changes in major shareholders' ownership

- On 28 March 2023, Gofore 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 exceeded five (5) percent on 27 March 2023. According to the notification, reason for the notification was the acquisition of shares and voting rights. According to the flagging notification, Alcur Fonder AB's total share of votes and shares is 7.22%; 1,121,593 shares.

## Directed share issues

- On 10 March 2023: A directed share issue (31,783) shares as par of the CrewShare employee share savings plan; new shares were trade registered on 21 March 2023.

6,193

Shareholders at the end of period

53.4 %

Household ownership

28.7%

Financial and insurance institutions ownership

# Share-based loyalty and remuneration schemes

Gofore has had a share savings plan called CrewShare open to its entire staff since 2018. In February 2023, the Board of Directors resolved on a new plan period for 2023–2024, as well as on a new Performance Share Plan for key people.

## 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 commenced on 1 March 2023 and ends on 29 February 2024. Employees will be offered an opportunity to save a proportion of their regular salaries (EUR 50–400 per month). The accrued savings will be used for the acquisition of the Gofore shares biannually following the publications of the Half-year Report in September 2023 and financial statements release for the year 2023 in March 2024.

A total of 815 Gofore Group employees are participating in active CrewShare programs at the end of the reporting period.

Read more:

<https://gofore.com/en/news/gofore-initiates-a-new-period-of-employee-share-savings-plan/>

## Performance Share Plan

In March 2023, the Board of Directors of Gofore Plc also decided to establish a new share-based incentive plan for the group's key personnel as a continuation to the 2022 plan. The target is to align the objectives of the shareholders and key personnel for increasing the value of the company in the long-term, to commit the key employees to work for the company and to offer them a competitive incentive scheme that is based on earning and accumulating shares.

The Performance Share Plan 2023–2025 consists of a three-year performance period, covering the financial years in question. The Board may decide annually on new performance periods.

26 persons, including the CEO and other management team members, were part of this plan at the end of March.

Read more:

<https://gofore.com/en/news/gofore-decides-to-start-a-new-performance-share-plan-for-key-personnel/>

53%  
of Goforeans save on  
company shares



# Resolutions of the Annual General Meeting

## Adoption of the financial statements

The Annual General Meeting adopted the company's financial statements for the financial period from 1 January–31 December 2022.

## Dividend of EUR 0.34 per share

The Annual General Meeting confirmed a dividend of EUR 0.34 per share to be paid for the financial period 1 January– 31 December 2022. The total amount of dividend is EUR 5,282,891.10, calculated on the basis of the outstanding shares as per the day of the Annual General Meeting. The record date for the dividend distribution will be 28 March 2023 and the dividend payment date will be 4 April 2023.

## Resolution on discharge from liability

It was resolved to discharge the members of the Board of Directors and the CEO from liability for the financial period of 1 January–31 December 2022.

## Remuneration report

It was resolved to adopt the Remuneration Report for the Governing Bodies. 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 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

The following persons were re-elected as the Board of Directors: Eveliina Huurre, Mammu Kaario, Piia-Noora Kauppi, Timur Kärki, Tapani Liimatta and Sami Somero.

## Remuneration of the auditor

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

## Election of the auditor

KPMG Oy Ab was re-elected as the company's auditor for a term that will continue until the end of the next Annual General Meeting. KPMG Oy Ab has announced that Lotta Nurminen APA, would be the Auditor with principal responsibility.

## Amendment of the Articles of Association

It was resolved that the Company's Articles of Association are amended to enable arranging a General Meeting as a hybrid meeting. In addition, it proposed that the General Meeting can be arranged without a meeting venue as an alternative for a physical meeting.

The amendment also enables holding General Meetings of Shareholders virtually in situations like pandemics or other unforeseen or exceptional circumstances, however not limited to these situations. The Finnish Companies Act requires that shareholders can exercise their full rights in virtual meetings, with equal rights to those in customary in-person General Meetings.

All resolutions and minutes of the AGM can be seen at <https://gofore.com/en/invest/governance/agm2022/>

# 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 assignation, 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 25 March 2022 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 2024.

## 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 2024. 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 the donation to Gofore Impact foundation

The Annual General Meeting decided to authorise the Board of Directors to decide on one or several donations to the company's planned 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 2023

Tables Section

Unaudited

# Consolidated Statement of Profit and Loss and Other Comprehensive Income

EUR thousand	Q1/2023	Q1/2022	2022
<b>Net sales</b>	<b>49,150</b>	<b>35,398</b>	<b>149,921</b>
Production for own use	88	34	305
Other operating income	44	25	126
Materials and services	-7,705	-5,822	-25,073
Employee benefit expenses	-27,738	-20,196	-85,150
Depreciations, amortisations and impairment	-1,661	-1,515	-6,099
Other operating expenses	-5,043	-4,322	-17,394
<b>Operating profit (EBIT)</b>	<b>7,134</b>	<b>3,602</b>	<b>16,637</b>
Finance costs	-262	-217	-824
Finance income	89	2	60
<b>Profit before tax</b>	<b>6,960</b>	<b>3,387</b>	<b>15,873</b>
Income tax	-1,518	-869	-3,650
<b>Profit for the financial period</b>	<b>5,442</b>	<b>2,518</b>	<b>12,223</b>
<b>Other Comprehensive Income</b>			
<b>Net other comprehensive profit or loss to be reclassified to profit or loss in subsequent periods</b>			
Exchange differences on translation of foreign operations	0	0	0
Cash flow hedges	-68	165	542
<b>Other comprehensive income, net of tax</b>	<b>-68</b>	<b>165</b>	<b>542</b>
<b>Total comprehensive income for the financial period</b>	<b>5,374</b>	<b>2,684</b>	<b>12,765</b>
<b>Profit/loss for the financial period attributable to:</b>			
Equity holders of the parent	5,344	2,464	11,954
Non-controlling interests	98	54	269
	<b>5,442</b>	<b>2,518</b>	<b>12,223</b>
<b>Total comprehensive income for the financial period attributable to:</b>			
Equity holders of the parent	5,277	2,629	12,496
Non-controlling interests	98	54	269
	<b>5,374</b>	<b>2,684</b>	<b>12,765</b>
Earnings per share (EPS), undiluted	0.34	0.16	0.78
Earnings per share (EPS), diluted	0.34	0.16	0.78

# Consolidated Statement of Financial Position

EUR thousand	Q1/2023	Q1/2022	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	47,694	41,045	47,694
Other intangible assets	21,535	21,635	22,465
Tangible assets	834	471	751
Right-of-use assets	3,495	4,148	3,564
Other receivables	826	364	917
Deferred tax assets	158	48	147
<b>Total non-current assets</b>	<b>74,542</b>	<b>67,711</b>	<b>75,537</b>
<b>Current assets</b>			
Trade receivables	28,548	20,749	24,248
Contract assets	1,124	1,049	465
Other current assets	1,888	2,409	2,826
Income tax receivables	140	16	140
Securities	592	549	1,077
Cash and cash equivalents	40,797	36,019	44,135
<b>Total current assets</b>	<b>73,089</b>	<b>60,791</b>	<b>72,890</b>
<b>Total assets</b>	<b>147,631</b>	<b>128,502</b>	<b>148,427</b>

EUR thousand	Q1/2023	Q1/2022	2022
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	80	80	80
Fund for unrestricted equity	50,535	46,843	49,897
Other reserves	474	165	542
Retained earnings	28,949	18,917	28,764
<b>Equity attributable to equity holders of the parent</b>	<b>80,039</b>	<b>66,005</b>	<b>79,283</b>
Non-controlling interests	573	372	475
<b>Total equity</b>	<b>80,612</b>	<b>66,377</b>	<b>79,759</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	12,347	13,371	13,464
Other payables	3,190	149	3,196
Lease liabilities	1,421	2,302	1,464
Deferred tax liabilities	4,446	4,222	4,664
<b>Total non-current liabilities</b>	<b>21,403</b>	<b>20,045</b>	<b>22,788</b>
<b>Current liabilities</b>			
Trade and other payables	20,281	21,381	21,480
Contract liabilities	257	1,876	688
Interest-bearing loans and borrowings	4,443	3,743	4,593
Lease liabilities	2,121	1,888	2,141
Accrued expenses	17,546	12,780	15,750
Income tax payable	968	414	1,229
<b>Total current liabilities</b>	<b>45,616</b>	<b>42,081</b>	<b>45,881</b>
<b>Total liabilities</b>	<b>67,019</b>	<b>62,126</b>	<b>68,668</b>
<b>Total equity and liabilities</b>	<b>147,631</b>	<b>128,502</b>	<b>148,427</b>



# Consolidated Statement of Changes in Equity

2023								
Attributable to equity holders of the parent								
EUR thousand	Share capital	Fund for unrestricted equity	Reserve for fair value	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 1 of January 2023	80	49,897	542	0	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>	<b>0</b>	<b>0</b>	<b>-68</b>	<b>0</b>	<b>5,344</b>	<b>5,277</b>	<b>98</b>	<b>5,374</b>
<b>Transactions with shareholders and non-controlling interests:</b>								
Share-based payments		638			124	762		762
Dividends					-5,283	-5,283		-5,283
Share issue						0		0
Purchase of own shares						0		0
Acquisition of a subsidiary paid in shares						0		0
Change in non-controlling interests						0		0
Other changes						0		0
<b>Equity on 31 of March 2023</b>	<b>80</b>	<b>50,535</b>	<b>474</b>	<b>0</b>	<b>28,949</b>	<b>80,039</b>	<b>573</b>	<b>80,612</b>
2022								
Attributable to equity holders of the parent								
EUR thousand	Share capital	Fund for unrestricted equity	Reserve for fair value	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 1 of January 2022	80	40,103	0	0	20,822	61,005	304	61,309
Profit for the period					2,464	2,464	54	2,518
Other comprehensive income			165			165		165
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>165</b>	<b>0</b>	<b>2,464</b>	<b>2,629</b>	<b>54</b>	<b>2,684</b>
<b>Transactions with shareholders and non-controlling interests:</b>								
Share-based payments		425			-65	360		360
Dividends					-4,304	-4,304		-4,304
Share issue						0		0
Purchase of own shares					-1	-1		-1
Acquisition of a subsidiary paid in shares		6,315				6,315		6,315
Change in non-controlling interests		0			0	0	15	15
Other changes						0		0
<b>Equity on 31 of March 2022</b>	<b>80</b>	<b>46,843</b>	<b>165</b>	<b>0</b>	<b>18,917</b>	<b>66,005</b>	<b>372</b>	<b>66,377</b>

# Consolidated Statement of Cash Flows

EUR thousand	Q1/2023	Q1/2022	2022
<b>Operating activities</b>			
<b>Profit before tax</b>	<b>6,960</b>	<b>3,387</b>	<b>15,873</b>
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment	1,661	1,515	6,099
Finance income and expenses	173	215	764
Other adjustments	934	367	1,406
Change in working capital	-4,486	-523	1,799
Interest received and paid	-38	-52	-210
Other financial items	-15	-48	-79
Income tax paid	-1,992	-1,180	-3,911
<b>Net cash flow from operating activities</b>	<b>3,198</b>	<b>7,985</b>	<b>21,740</b>
<b>Net cashflow from investing activities</b>			
Proceeds from sale of tangible assets	0	53	65
Purchase of intangible assets	-88	-34	-312
Purchase of tangible assets	-138	-71	-355
Acquisition of a subsidiary, net of cash acquired	-4,954	-13,270	-17,486
<b>Net cash flow from investing activities</b>	<b>-5,179</b>	<b>-13,322</b>	<b>-18,089</b>
<b>Net cash flow from financing activities</b>			
Repayment of lease liabilities	-583	-478	-1,949
Proceeds from borrowings	0	8,000	11,500
Repayment of borrowings	-1,267	-989	-3,802
Financial instruments	492	0	-10
Dividends paid to equity holders of the parent	0	0	-4,304
Dividends paid to non-controlling interest	0	0	-131
Changes in non-controlling interest	0	13	65
<b>Net cash flow from financing activities</b>	<b>-1,357</b>	<b>2,242</b>	<b>1,370</b>
<b>Net increase in cash and cash equivalents</b>	<b>-3,339</b>	<b>-3,095</b>	<b>5,021</b>
Cash and cash equivalents at beginning of period	44,135	39,114	39,114
<b>Cash and cash equivalents at end of period</b>	<b>40,797</b>	<b>36,019</b>	<b>44,135</b>



# Notes to the Accounts

1 January – 31 March 2023

# Basis of preparation

The unaudited interim report of Gofore Plc for January-March 2023 has been prepared in accordance with IAS 34, Interim Financial Reporting, and it should be read in conjunction with the consolidated financial statements for 2022. Information concerning the full year 2022 is based on the audited financial statements for 2022.

The same accounting policies, methods of computation and applications of judgment are followed in this interim report as was followed in the consolidated financial statements for 2022. Amendments to the standards taking effect in 2023 did not affect 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 interim report. Disclosures concerning share-based payments are presented in section Corporate Governance and Share Information.

# Distribution of revenue

EUR thousand, unless otherwise specified	Q1/2023	Q1/2022	Change, %	2022
Net sales by customer sector				
Private sector sales	20,925	13,744	52%	59,840
Public sector sales	28,225	21,654	30%	90,081
Net sales by origin of customer				
Finland	41,135	32,446	27%	133,955
Other countries	8,015	2,952	172%	15,966
Net sales by Crew / subcontracting				
Net sales, Crew	39,992	28,544	40%	120,291
Net sales, subcontracting	9,157	6,854	34%	29,630
Net sales by agreement types				
Time and material based projects	46,250	32,732	41%	139,261
Fixed price projects	2,111	1,962	8%	8,004
Maintenance services	775	669	16%	2,546
Third party commissions	14	35	-60%	110
Net sales, Group total	49,150	35,398	39%	149,921

# 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 January 2023	1,228	22,069	5,288	66	200	101	1,743	30,696	47,694	78,390
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 March 2023</b>	<b>1,228</b>	<b>22,069</b>	<b>5,288</b>	<b>66</b>	<b>200</b>	<b>101</b>	<b>1,831</b>	<b>30,784</b>	<b>47,694</b>	<b>78,478</b>
<b>Amortisation and impairment</b>										
1 January 2023	-788	-5,137	-1,806	-24	-122	-49	-304	-8,231	0	-8,231
Amortisations	-51	-650	-236	-3	-17	-3	-57	-1,018	0	-1,018
<b>31 March 2023</b>	<b>-840</b>	<b>-5,788</b>	<b>-2,042</b>	<b>-28</b>	<b>-139</b>	<b>-52</b>	<b>-361</b>	<b>-9,249</b>	<b>0</b>	<b>-9,249</b>
<b>Net book value</b>										
1 January 2023	440	16,932	3,482	42	78	52	1,440	22,465	47,694	70,159
<b>31 March 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>

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 January 2022	672	10,031	3,438	66	200	101	1,035	15,543	26,897	42,440
Additions	0	0	0	0	0	0	34	34	0	34
Business combinations	197	9,833	1,298	0	0	0	0	11,329	14,148	25,477
Reclassifications	0	0	0	0	0	0	0	0	0	0
<b>31 March 2022</b>	<b>869</b>	<b>19,865</b>	<b>4,736</b>	<b>66</b>	<b>200</b>	<b>101</b>	<b>1,069</b>	<b>26,906</b>	<b>41,045</b>	<b>67,951</b>
<b>Amortisation and impairment</b>										
1 January 2022	-348	-2,720	-955	-11	-56	-36	-160	-4,286	0	-4,286
Amortisations	-122	-595	-208	-3	-17	-3	-36	-985	0	-985
<b>31 March 2022</b>	<b>-470</b>	<b>-3,315</b>	<b>-1,163</b>	<b>-14</b>	<b>-72</b>	<b>-39</b>	<b>-196</b>	<b>-5,270</b>	<b>0</b>	<b>-5,270</b>
<b>Net book value</b>										
1 January 2022	324	7,311	2,483	55	144	64	875	11,257	26,897	38,154
<b>31 March 2022</b>	<b>399</b>	<b>16,550</b>	<b>3,573</b>	<b>52</b>	<b>128</b>	<b>61</b>	<b>873</b>	<b>21,635</b>	<b>41,045</b>	<b>62,680</b>

## Tangible Assets

EUR thousand	Machinery & Equipment	Other tangible assets	Total
<b>Cost</b>			
1 January 2023	1,328	680	2,007
Additions	49	88	138
Business combinations	0	0	0
Disposals	0	0	0
<b>31 March 2023</b>	<b>1,377</b>	<b>768</b>	<b>2,145</b>
<b>Depreciation and impairment</b>			
1 January 2023	-974	-283	-1,256
Depreciations charge for the year	-44	-11	-55
Disposals	0	0	0
<b>31 March 2023</b>	<b>-1,018</b>	<b>-293</b>	<b>-1,311</b>
<b>Net book value</b>			
1 January 2023	354	397	751
<b>31 March 2023</b>	<b>359</b>	<b>475</b>	<b>834</b>

EUR thousand	Machinery & Equipment	Other tangible assets	Total
<b>Cost</b>			
1 January 2022	997	480	1,477
Additions	40	31	71
Business combinations	64	0	64
Disposals	-39	0	-39
<b>31 March 2022</b>	<b>1,062</b>	<b>511</b>	<b>1,573</b>
<b>Depreciation and impairment</b>			
1 January 2022	-815	-235	-1,049
Depreciations charge for the year	-40	-12	-53
Disposals	0	0	0
<b>31 March 2022</b>	<b>-855</b>	<b>-247</b>	<b>-1,102</b>
<b>Net book value</b>			
1 January 2022	182	245	427
<b>31 March 2022</b>	<b>207</b>	<b>264</b>	<b>471</b>

## Right-of-use Assets

EUR thousand	Right-of-use assets, buildings	Right-of-use assets, buildings	Total
<b>1 January 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 March 2023</b>	<b>3,258</b>	<b>237</b>	<b>3,495</b>
<b>1 January 2022</b>	<b>4,323</b>	<b>86</b>	<b>4,409</b>
Additions	37	91	128
Disposals	0	0	0
Business combinations	0	89	89
Depreciations for the financial year	-447	-31	-478
<b>31 March 2022</b>	<b>3,914</b>	<b>234</b>	<b>4,148</b>
<b>1 January 2022</b>	<b>4,323</b>	<b>86</b>	<b>4,409</b>
Additions	750	152	902
Disposals	-235	0	-235
Business combinations	342	92	434
Depreciations for the financial year	-1,815	-132	-1,947
<b>31 December 2022</b>	<b>3,365</b>	<b>198</b>	<b>3,564</b>

# Financing, related party transactions, commitments and litigations

## Financing

Gofore Plc had unsecured loans of EUR 16.8 (17.1) 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. The covenant conditions were met on 31 March 2023.

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 11.7 million nominal value to hedge its floating rate loans. Cash flow hedge accounting is applied to those agreements. On 31 March 2023 70% of the variable interest loans were hedged. The effective portion of fair value changes is recognized into OCI and presented in fair value reserves in equity. Interest rate cap agreements are valid until 2 March 2026 and 29 December 2028. Interest rate swap is valid until 1 November 2027, respectively. The fair value of the agreements were EUR 593 (206) thousand at the end of the reporting period.

## Related party transactions

There were no sales, purchases, receivables or payables with related parties during the review period. The remuneration of the Board of Directors, Group CEO and members of the Group executive management team is published in the annual financial statements.

## Commitments

Gofore Plc holds an unsecured operative guarantee limit of EUR 1 million of which EUR 488 thousand is in use at 31.3.2023. The company has made a 10-year rental commitment to new business premises at the end of 2020. Estimated time for the new premises is at the end of 2023.

Gofore has given a negative pledge on its financial loans.

## Litigations and proceedings

Gofore is not involved in any ongoing litigations nor proceedings relating to its business operations.

# Alternative performance measures (APM)

Gofore applies ESMA (European Securities and Markets Authority) guidelines on alternative performance measures.

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

- operating profit before amortization of PPA (EBITA), EBITDA, ROI, ROE, equity ratio and net gearing. PPA amortizations arise from assets recognized 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	Q1/2023	Q1/2022	2022
EBITA, Adjusted EBITA and EBITDA			
EBIT	7,134	3,602	16,637
Amortisation of intangible assets identified in PPA	957	946	3,789
EBITA	8,091	4,548	20,426
Transaction costs from business combinations	6	576	1,587
PNL Impact of Contingent Consideration	204	0	0
Restructuring costs	0	0	0
Gains or losses from sales of fixed assets	0	-14	-26
Adjusted EBITA	8,302	5,109	21,987
EBIT	7,134	3,602	16,637
Depreciations	704	570	2,310
Amortisation of intangible assets identified in PPA	957	946	3,789
EBITDA	8,794	5,118	22,736



# 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, multiplied by a hundred.
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, multiplied by a hundred.

# Calculation Formulas for Key Figures

Figure	Definition
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, multiplied by a hundred
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.

# Pioneering an Ethical Digital World.



## Upcoming financial reporting

- Monthly Business Reviews in the beginning of the next month
- Half-year Report 2023 on 17 July 2023

Stay in touch!

[investorrelations@gofore.com](mailto:investorrelations@gofore.com)

**GOFORE**