

GOFORE PLC
1 – 6/2025

Half-Year Report & Q2/2025

Q2 profitability was weak, corrective
measures taken

14 August 2025



GOFORE

Weak Q2 paves way for a more solid H2



Gofore's Q2 profitability was weak from lower net sales and one-off burdens but many actions have been taken for a more profitable near future.

PROFITABILITY

Change negotiations along with layoffs bring 2.4 million euros of saving for H2.

Bench situation has improved and utilisation rate bounced back to healthy.

GROWTH

Talent pool has been renewed to support areas with growing demand.

Huld acquisition a major step in growing the Intelligent Industry business that is showing signs of increasing digital investment.

Q3 SENTIMENT

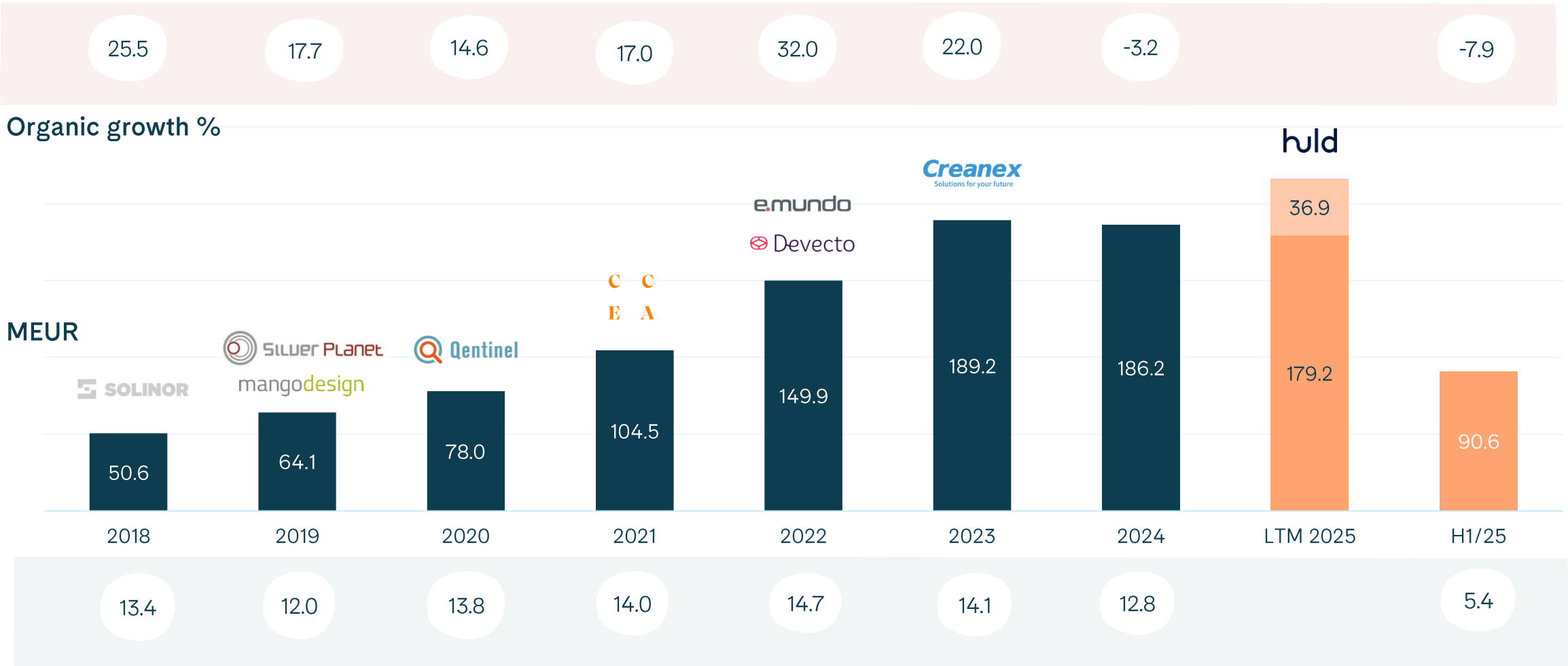
Once closed in September, Huld acquisition is a significant investment in growth.

Profitability drivers can be expected to significantly improve from Q2.

Full-year adj. EBITA guidance in place; 8-10% of net sales.



Back to a growth track in H2/2025



Adj. EBITA-%

2013-2018 figures presented as FAS figures, 2019- presented as IFRS figures.
Figures for the financial period in 2017 are not comparable to the financial period in 2016 due to changes in Group structure.

Q2 2025 Highlights

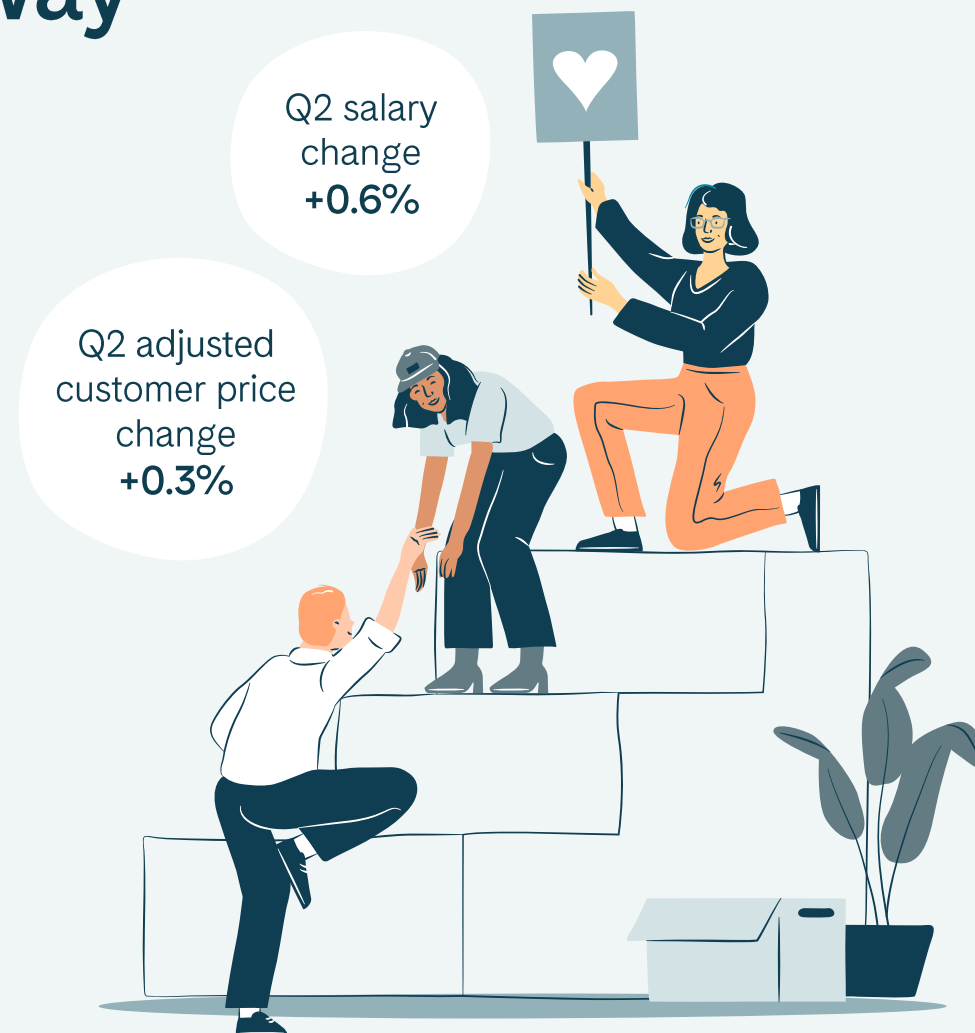
Q2 profitability was weak, corrective measures taken.

- Net sales decreased by 7.9%, adjusted EBITA at 2.6% (12.7%).
- Profitability affected by the decline in net sales as well as projects that exceeded the workload estimate, and a write-down of one fixed-price project, which had a one-off impact of 1.0 million euros on profitability.
- Change negotiation and transactional costs were one-off items impacting the EBIT result and do not weaken the adjusted EBITA.
- Change in customer prices from April to June was +0.3% without projects exceeding the work estimates, and -4.5% considering them. The +0.3% change is in balance with the moderate average salary change, +0.6% (+0.1%).
- The number of employees decreased to a total of 1,390 (1,453) people.
- After the reporting period, Gofore signed an agreement to acquire the entire share capital of the Finnish technology and design company Huld.



Several one-offs now out of our way

- Utilisation rate improved in June indicating the impact of adjustments from change negotiations.
- Write-down made on one fixed-price project.
- No write-down risk seen as for other fixed and ceiling price projects that only represented ~ 1% of the Q2 net sales.
- Restructuring expenses EUR 1.2 million strained the operating result but does not affect adjusted EBITA.
- Other operating costs and the operating result were strained by the Huld acquisition cost that does not affect adjusted EBITA.
- There was one less working day in the review period than in the corresponding one.



Financial impacts of change negotiations

The savings from the change negotiations that ended in May are estimated to be 2.4 million euros for 2025 as of August.

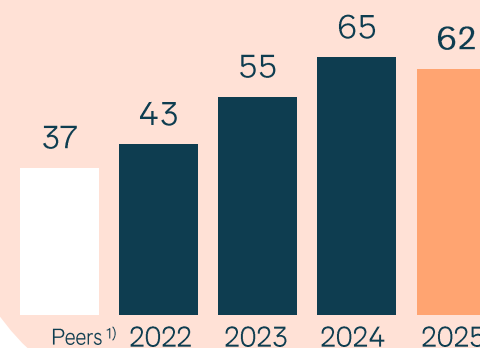
- We report the number of employees in June, 1,390, and the capacity, 1,313 FTE, as it actually was after the implementation of change negotiations.
- All 80 individuals subject to adjustments have been fully deducted from the number of employees and capacity, even though not all employment relationships had ended by the end of June.
- The realised savings from negotiations amount to 6.1 million euros p.a. For this year, we estimate savings of 2.4 million euros starting from August.
- The costs related to the implementation for Q2, fully recorded in Q2, including salary costs during the notice period ~1.2 million euros.
- Costs classified as restructuring costs and are adjusted from the operating result (adjusted EBITA).



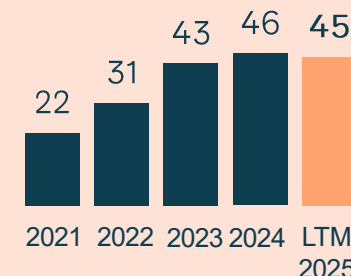
New strategy works on customers

- Excellent wins on the public sector in significant tenders of existing and new customers (e.g. SYKE, STUK and HSY*).
- Sector focus starting to positively affect sales.
- Demand has picked up on the private sector, especially in manufacturing industries, e.g. embedded software.
- Demand also grown for project managers.
- Offering development has enabled to grow large accounts.

Net Promoter Score



Number of customers bringing 1+ MEUR of net sales p.a., rolling 12 mos



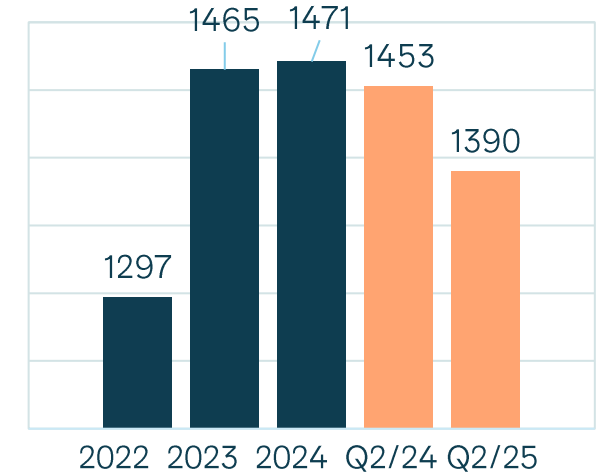
* SYKE: Finnish Environment Institute
STUK: Radiation and Nuclear Safety Authority
HSY: Helsinki Region Environmental Services Authority

1) B2B peers who publicly report on their NPS.
Source: Innolink

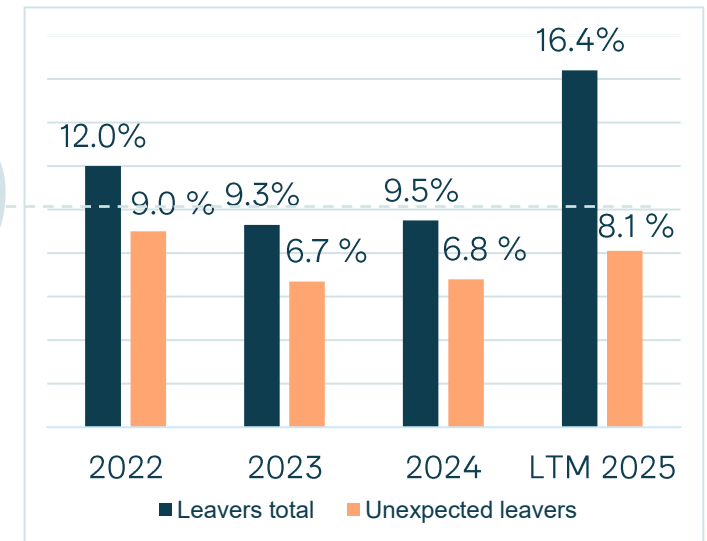
Controlled renewal in the organisation

- New recruitments and personnel costs successfully adjusted to the market situation.
- Strong investment in the development of culture and leadership in accordance with the updated strategy.
- New skills were recruited; 82 (57) new starters from January to June.
- Attrition up due to change negotiations, while level of unexpected leavers was below target.
- Average salary change controlled; +0.4% (+0.8%) January-June.
- Favorable development in mental health-related absences; significantly fewer absence days due to mental health issues.

Number of employees



Attrition



Comparison period 1-6 / 2024.

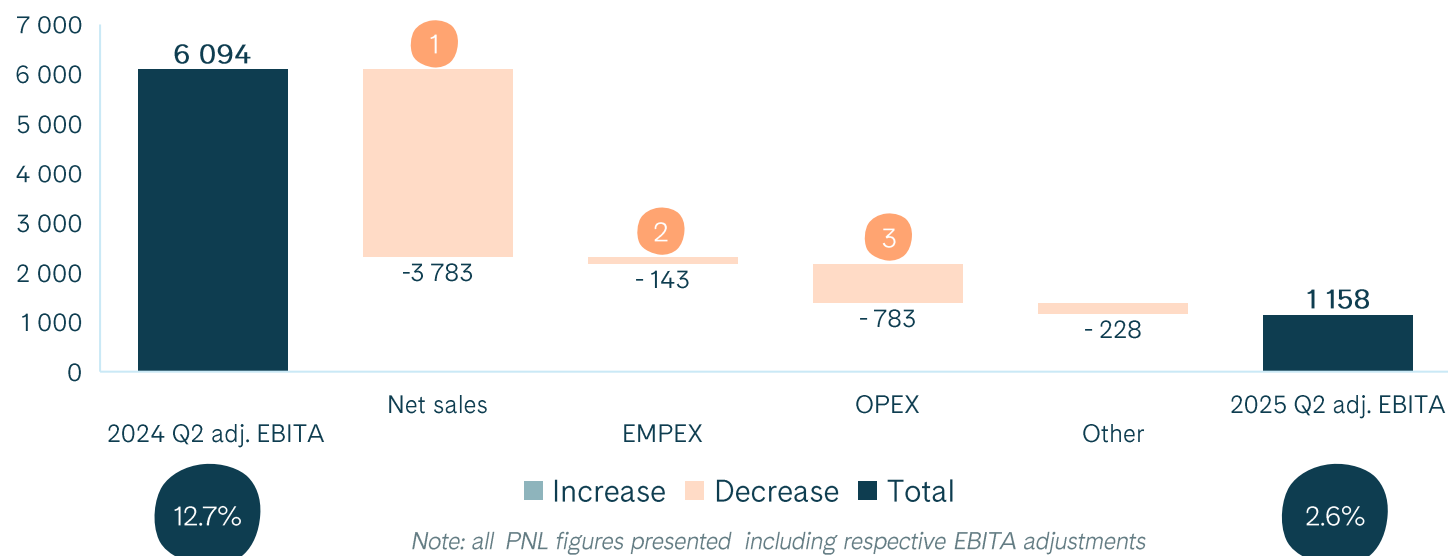
Employee count at the end of the period. Those laid off in change negotiations have been taken into account in the end of June situation even though not all employment relationships had yet ended.

Departure attrition, so-called LTM figure, is the rolling value for the last 12 months at the end of the period.

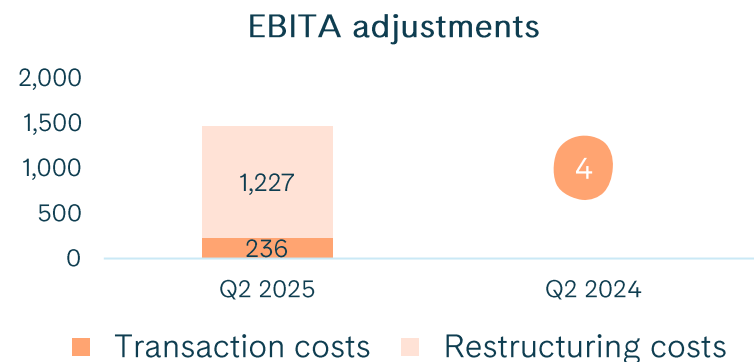
Financial Performance

CFO Teppo Talvinko

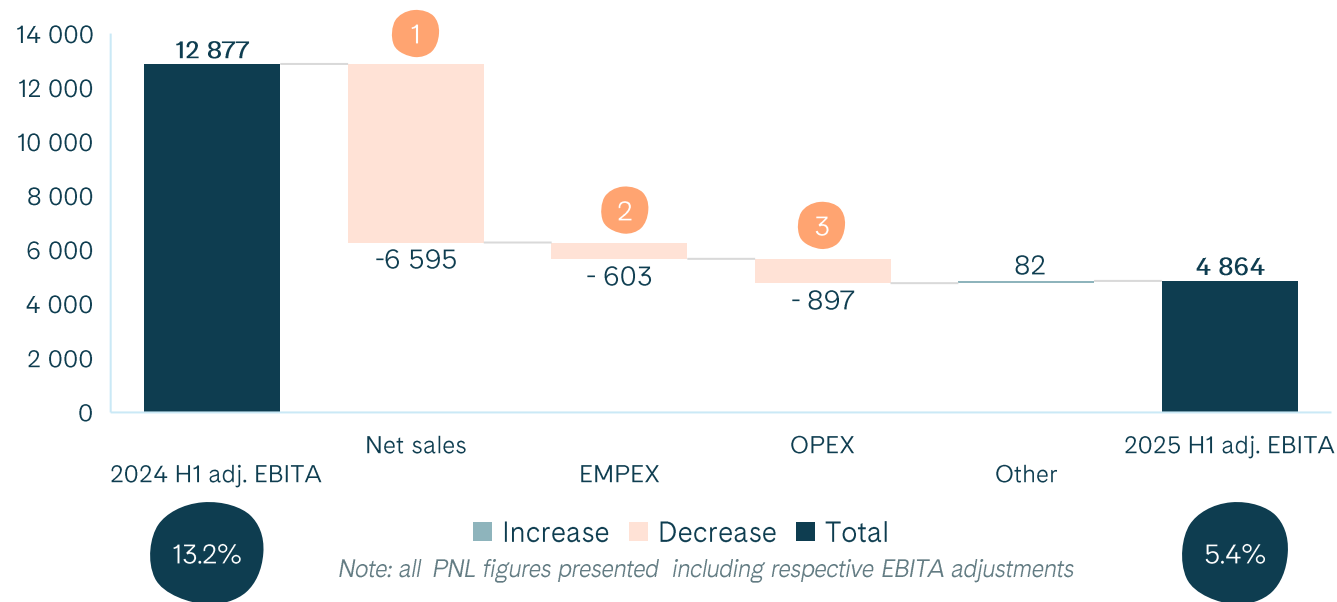
Q2/25 vs. Q2/24 adjusted EBITA comparison



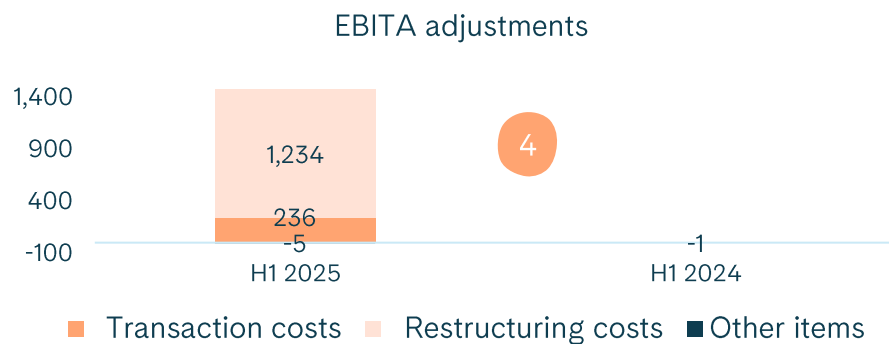
- 1 **Net sales**
 - EUR 0.9 million one-off cost writing down one project.
 - Utilization rate was weak in April – May, upturn happened in June.
 - One working day less than in Q2 24.
 - Negative price impact of a handful of fixed price projects. Excluding fixed-price issues, average prices rose 0.3%
 - 2 **EMPEX (Personnel expenses)**
 - The salary development was modest +0.6% and in balance with the adjusted customer prices.
 - EUR 0.1 million accrual related to one-off write-down
 - 3 **OPEX**
 - EUR 0.5 million on prudent investment to the employees compared to the Q2 24, when we had a savings program.
 - 4 **Restructuring costs**
 - EUR 1.2 million one-off costs recognized in Q2.
- Transaction costs (Huld acquisition)**
- EUR 0.2 million external costs related to Huld acquisition.



H1/25 vs. H1/24 adj. EBITA comparison



- 1 **Net sales**
 - Utilization rate was weak in January - May
 - Two working days less than in H1 24.
 - EUR 0.9 million project write-down – a one-off cost.
 - Net sales negatively impacted by approx. EUR 1.0million from Q1 project delivery challenges.
 - 2 **Employee expenses**
 - Salary development very modest standing at +0.4%
 - EUR 0.1 million accrual related to one-off write-down
 - 3 **OPEX**
 - Careful investments on the people increased the voluntary personnel expenses under OPEX.
 - Increase on external advisor expenses.
 - Pressure from vendor and partner inflation.
 - 4 **Restructuring costs**
 - EUR 1.2 million one-off costs recognized in Q2.
- Transaction costs (Huld acquisition)**
- EUR 0.2 million external costs related to Huld acquisition.

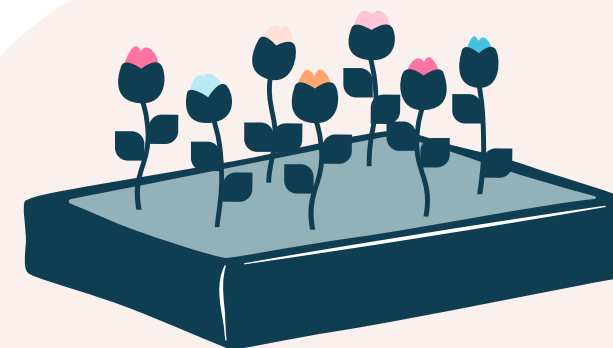


Excellent financial KPIs

EUR million, unless stated otherwise	30 June 2025	31 Dec 2024
Cash and cash equivalents	49.6	56.8
Interest-bearing net debt	-28.4	-36.0
Equity ratio	59.9%	62.1%
Net gearing	-28.5%	-34.1%

KPIs enable us to:

- Excellent balance and strong cash flow after Q2 actions will let us invest into organic and inorganic growth.
- Continue digital product lifecycle and other offering development.
- Target acquisitions beyond Huld deal.
- Huld acquisition (enterprise value 54.5 MEUR) will be financed by loan, cash and share consideration.





M&A

Gofore acquires technology company Huld

Highlights of the arrangement

- On 4 July, Gofore made a purchase agreement for the entire share capital of Huld Group (RDV Holding Oy). The acquisition is expected to be completed by 1 September 2025, once it has been approved by the competition authority.
- The debt-free enterprise value is 54.5 million euros.
- The purchase price is estimated to be approximately 41 million euros, depending on the balance sheet at the time of closing of the acquisition.
- 10% of the purchase price will be paid in shares through a directed issue to the sellers, and 90% in cash.
- Huld's revenue was 38.2 million euros in 2024, its EBITDA 5.7 million euros, and operating profit 3.0 million euros, which is 7.7% of the revenue. Huld employs 404 people in Finland and the Czech Republic.
- Huld's customers include ABB, AGCO-Valtra, Airbus, ESA (European Space Agency), KONE, Metso, Valmet, and Wärtsilä.



Clear strategic rationale

Supplementary expertise

- Significantly expands Gofore's Intelligent Industry and Security business; Gofore rises among the largest players in Finland's industrial digitalisation.
- Doubles the workforce in Intelligent Industry and expand customer portfolio, as well as complements offering.
- Huld's expertise is among the best in Finland for industrial cybersecurity.

Strategic new expertise

- Huld's expertise in the defense and space sectors significantly enhances Gofore's strategically important overall security expertise.
- Huld has capabilities that meet the requirements of these fields, incl. high-security facilities and processes that comply with the security and quality requirements of the Finnish Defense Forces and other authorities.
- Huld's exceptional expertise in the space industry relates to demanding, real-time software and cybersecurity for satellites.



Gofore's strategic growth areas

Digital Society



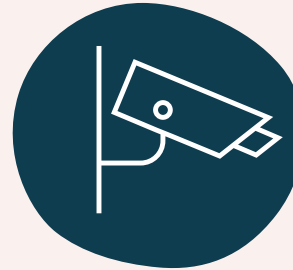
Digital
Government



Wellbeing



Retail & Services



Security

Intelligent Industry



Machines &
Production

Add Huld



Defence &
Security



Space



Machines

Digital Society



Digital
Government



Wellbeing



Retail & Services



Security

Intelligent Industry



Machines &
Production

ABB

AIRBUS

•esa

KONE

Metso

Valmet ➤

VALTRA


WÄRTSILÄ

Equals perfect strategic fit enabling future growth



Supplementary and new expertise



Digital Services & Software

- Service Design
- UX/UI Design
- Web/Mobile/Cloud/Desktop Software
- AI & Data
- Quality Assurance
- ICT Consultancy

Product Design & Development

- Mechanical Design
- Industrial Design
- Electricity & Hydraulics
- Analysis and Simulations
- Technical Documentation
- Packaging Design

Embedded Solutions

- Embedded Software Design
- Electronics Design
- Embedded Security
- Connectivity and Wireless Technologies
- Test Automation

Safety & Security

- Digital Security
- CyberSafety
- Functional Safety

Supplementary and new expertise



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- Technical Documentation
- Packaging Design

Embedded Solutions

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- Electronics Design
- Embedded Security
- Connectivity and Wireless Technologies
- Test Automation

Safety & Security

- Digital Security
- CyberSafety
- Functional Safety

Targets & Outlook

Updated long-term financial targets

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

500 MEUR

of net sales by 2030

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



15%

Profitability of
adjusted EBITA

40%

Dividends minimum
of annual net profit

No clear turnaround for the better yet – We see individual positive signals

Leverage from economic recovery is expected gradually, mid and long term outlook of digital transformation are strong.



Moderate growth in the public sector

We estimate that public sector digital investments will continue, emphasis on security expected. We expect the sector to continue moderate growth in 2025.



Positive signals from the private sector

While uncertainty remains in macro economy, we see some positive signals from the export manufacturing industry.

DACH recovering slower than Finland

New German government is more digital positive than previous one, however we see our DACH business recovering slower than the Finnish one this year.



Talent market continues positive

Talent availability likely to remain very good in 2025. Winning companies in talent competition are the ones who have had the ability to take care of their employees also in a more difficult market.

Q3/2025 Performance drivers

Positive impacts expected from the change negotiations on Q3 utilisation rate. Once closed, Huld acquisition increases capacity in September. Profitability drivers can be expected to significantly improve from Q2.

Growth Drivers

- We expect moderate growth in demand in Finland.
- Once closed, Huld acquisition raises capacity by some 400 new employees as of September.
- Due to seasonality, managing free capacity and kicking off projects are of essence to operative efficiency upon returning from the holiday season. Our estimate is that we will succeed in this better than last year.

Profitability Drivers

- Our guidance for full-year adjusted EBITA level is 8-10%, and we expect Q3 profitability drivers to significantly improve from Q2.
- We expect utilisation rate to significantly improve from Q2 thanks to change negotiations and see stimulating demand.
- We don't see a write-down risk in remaining fixed and ceiling priced projects.
- Price competition is estimated to remain tough. Price development can improve upon increasing demand.
- No material improvement in profitability drivers for the DACH business compared to Q2.

Other Factors

- Equal number of working days in the period as in the comparison period. Holiday season impact always to be considered on Q3..

Confidently looking to the future – our priorities

With major renewal behind us and a new acquisition underway, we are in good shape for getting back on a growth path, market conditions allowing.

1. Ensure post-restructuring performance

- Healthy utilisation rate after restructuring measures
- Better market fit of available expertise, stronger pricing position
- Continue to turn around DACH business results

2. Find synergies with Huld via smart integration path

- Double Intelligent Industry expertise, broader customer portfolio
- Support longer-term growth ambition in Security, incl. Defence and Space

3. Continue investing into new growth

- Look for further M&A targets supporting chosen strategy
- Bold recruiting strategy tightly following customer demand



H2

Guidance for 2025

Gofore guides that the adjusted EBITA for the entire year of 2025 will be set at 8-10 percent of net sales. This guidance applies to the Gofore Group excluding the Huld acquisition.

Due to the significantly deviating Q2 adjusted EBITA compared to the corresponding period and other quarters of the current year, the company provided on 8 August 2025 guidance for the year 2025, contrary to its usual disclosure method. Gofore has not previously provided guidance for the ongoing year.



Q&A



Mikael Nylund



Teppo Talvinko

Pioneering an ethical digital world.



Upcoming financial reporting

- Q3 Interim Report on
23 October 2025

Stay in touch!

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