

GOFORE

Gofore – Pure-play digital transformation consultancy

Investor presentation – March 2021



Disclaimer

This presentation includes forward looking statements which involve risks and uncertainty factors. These statements are not based on historical facts but relate to the company's future activities and performance. They include statements about future strategies and anticipated benefits of these strategies. These statements are subject to risks and uncertainties. Actual results may differ substantially from those stated in any forward looking statement. Gofore assumes no obligation to update or revise any information included in this presentation, except to the extent legally required.

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Presenting today



Mikael Nylund, CEO



Teppo Talvinko, CFO

Gofore is a growing and profitable
digital transformation consultancy

The world is turning digital at an increasing pace

IT-market predictions

>50%
of Global GDP

By 2023, digitally transformed enterprises will account for more than half of global GDP

>50%
of all IT spend

By 2024, over 50% of global IT spend will be for digital transformation and innovation (31% in 2018)

500M
Industry-specific solutions

By 2023, over 500 million digital solutions will be developed, most targeted at industry-specific digital transformation use cases

30%
transformed to future workplace

By 2022, 30% of Nordic enterprises will adopt tools to drive necessary changes in the workplace and culture

We deliver digital solutions with positive societal impact

Selected examples

Digitalizing national service architecture



Creating a single point of contact platform for public services, provided to citizens, organizations and the government

Revolutionizing services for the labor market



Building AI assisted service to elevate matching jobs and job seekers to the next era

Building a smarter education sector



Building a best-in-class digital services which facilitate information sharing and dialogue between families, education sector and service providers

Accelerating the switch to electric cars



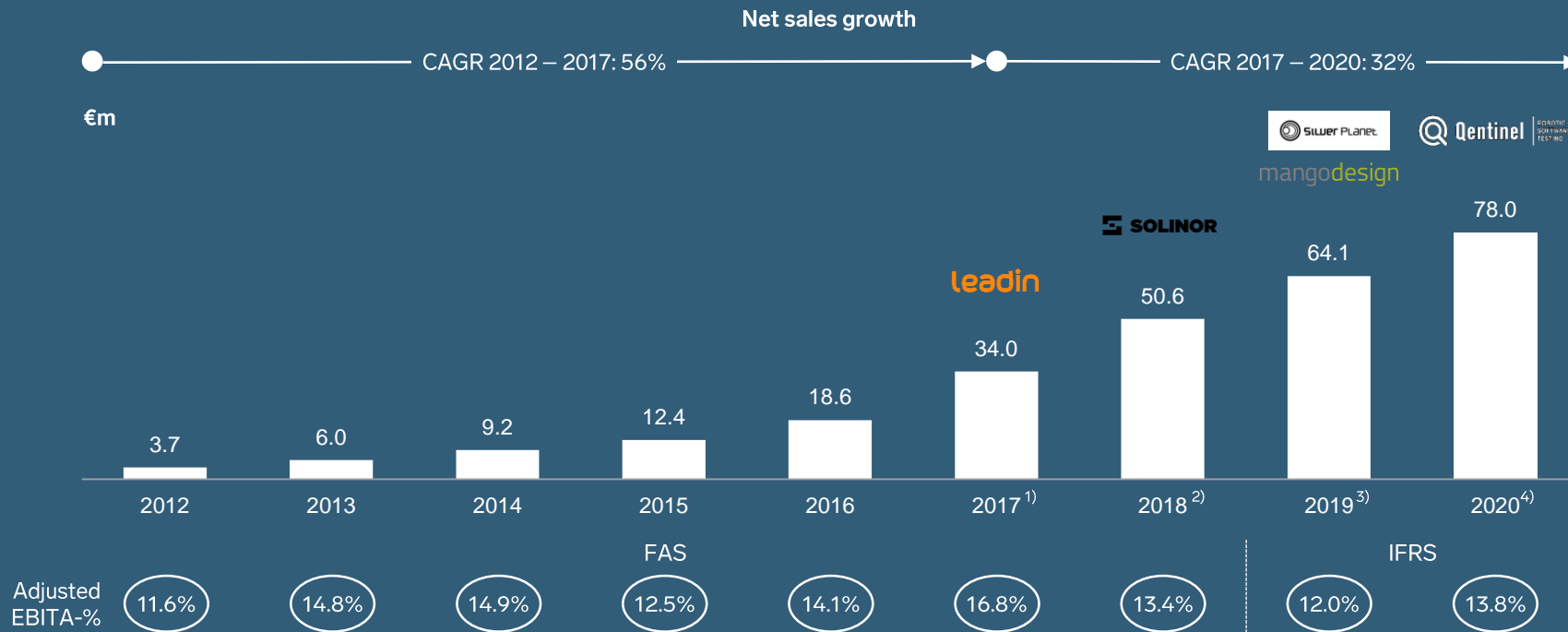
Improving the user experience of electric vehicle charging solutions through increased usability and service design support

Protecting the Archipelago Sea



Reducing the phosphorus load in the Archipelago Sea with the help of an online service

Growing and profitable



Note: 2012-2018 figures presented as FAS figures, 2019-2020 presented as IFRS figures. 1) Figures for the financial period in 2017 are not comparable to the financial period in 2016 due to changes in group structure; 2) The compared 2017 figures include the figures of Leadin Oy from 1 June 2017 onwards and the figures for Solinor Oy have been combined with the Gofore Group figures from 1 September 2018; 3) Silver Planet Oy figures are combined with the Gofore Group figures starting on 15 February 2019 and the figures for mangodesign Finke-Anlauff & Anlauff GbR starting on 1 July 2019. For the 2019 financial year, resale of cloud capacity has been marked as net figures in net sales, and as gross in the comparative period 2018 (approximately EUR 1 million); 4) Qentinel Finland Oy figures are combined with the Gofore Group figures starting on 1 September 2020.

Our aim is always to be



Growing and
profitable



Constantly renewing



Impactful and
responsible



International



Offering exceptional
customer and employee
experience

Key recent highlights

- Strong operative and financial performance continued with net sales growth of 21.7% and adjusted EBITA margin reaching 13.8% despite the COVID-19 situation.
- Active M&A track has continued with the acquisition of Qentinel Finland in September 2020 and CCEA in March 2021.
- Updated strategy and long-term financial targets released in December 2020.
- New Group Executive Team in place since 1st January 2021.
- Preparations for transferring to Nasdaq Helsinki Main Market progressing well. Transfer scheduled during the 1st quarter of 2021.

Gofore key investment highlights

GOFORE

1

Gofore ideally positioned as a digi-native in the accelerating digital transformation

2

Pure-play next-gen offering with strong customer satisfaction

3

Tech-native culture supports scalability and efficiency

4

Resilient client base and strong revenue visibility

5

Outstanding historical growth, margins and cash flow

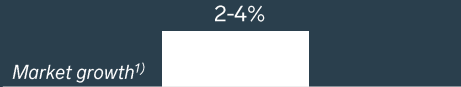
6

Strategy geared for continued growth and value creation

1

Gofore ideally positioned as a digi-native in the accelerating digital transformation

Traditional IT services *Business support*



Long implementation cycles

IT to support operations

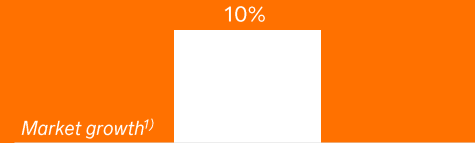
Cost savings

Offshoring

IT system maintenance

IT generalists

New digital services *Business development*



Agile development

Technology as competitive advantage

Resilience and new business

Value creation by networked talent

Transformation capabilities

GOFORE

2

Pure-play next-gen offering for agile digital transformation

100% legacy-free consulting and development services

Lead



ADVISORY

Digitally native
advisory

Create



SERVICE
DESIGN



AGILE
DEVELOPMENT



CLOUD,
DATA &
ANALYTICS

Design and technology development services
for digital transformation

Assure



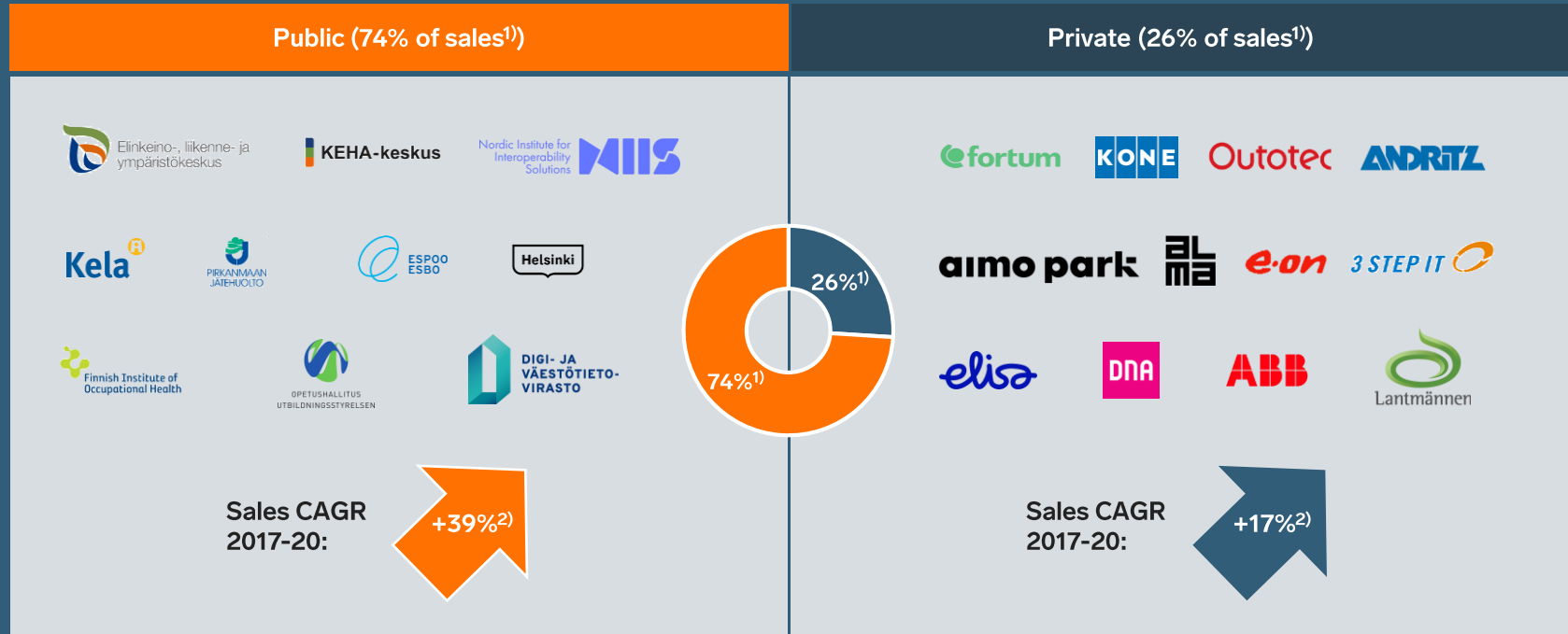
QUALITY
ASSURANCE

Automated
testing for
connected IT

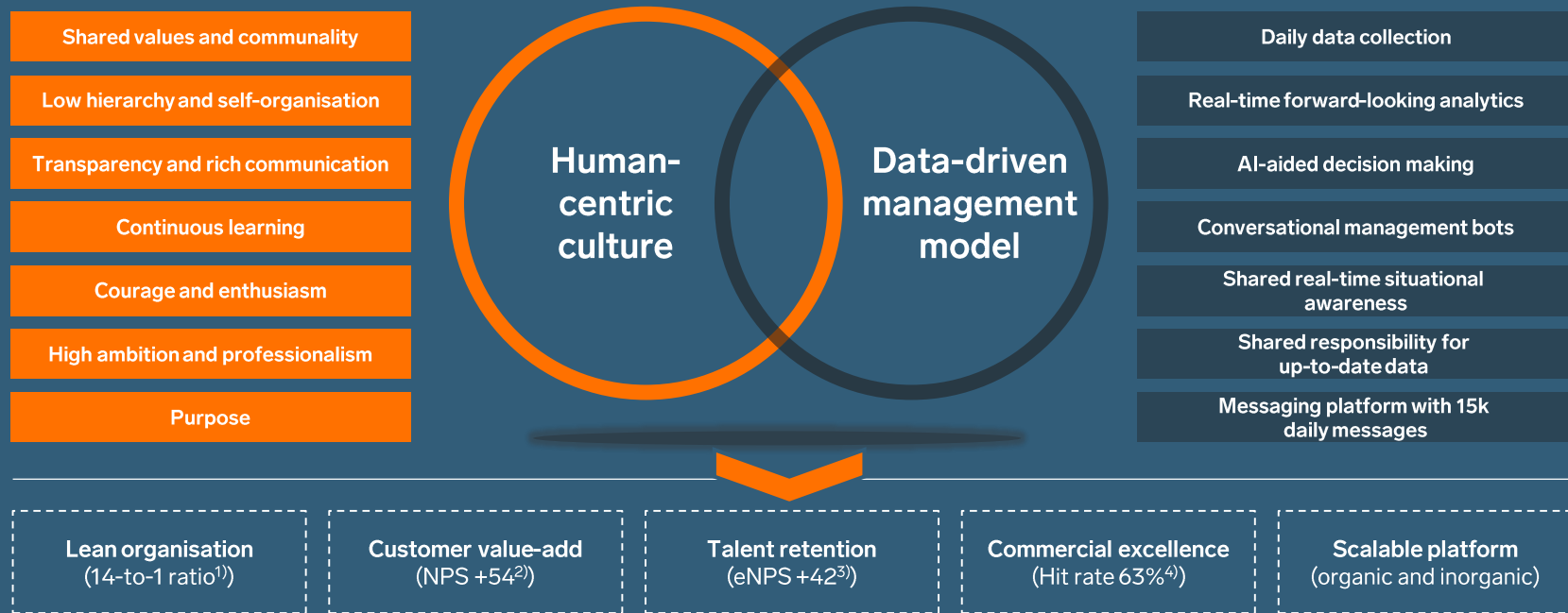
Continuously developing offering for transformation projects of all sizes

2

Long-term relationships with a diverse and growing client base



3 Tech-native platform underpinning scalability and efficiency



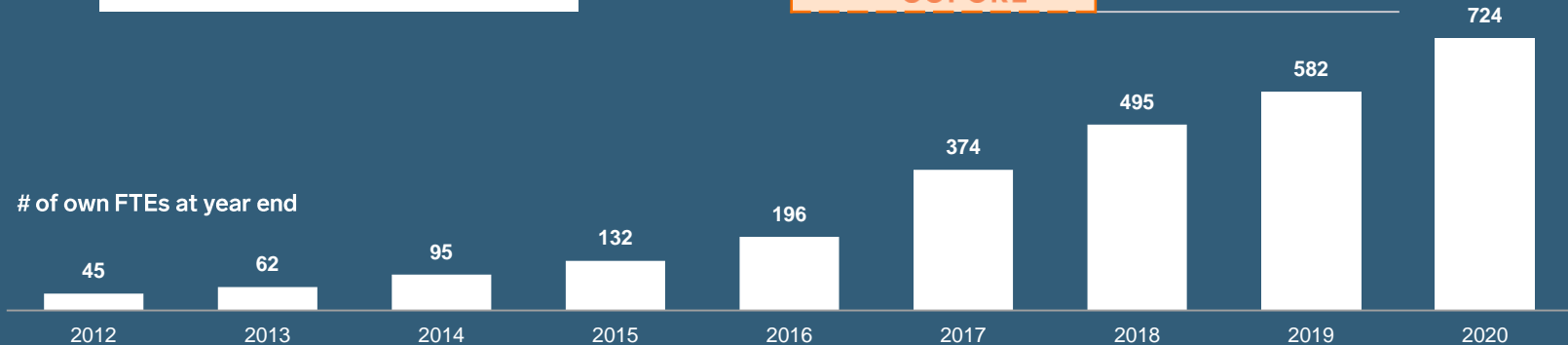
1) Customer-facing vs. non-customer-facing employee ratio Feb-2021; 2) Q2 2020; 3) eNPS = Employee Net Promoter Score, Q4 2019; 4) Average public and private sector hit rate by value 2018-2020

3

Strong employer brand further supports talent acquisition and retention



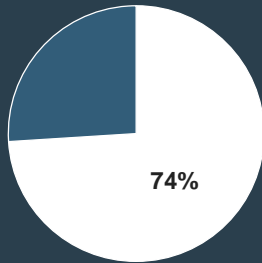
YPAI 2020 Young Professional Attraction Index 2020			
1	Supercell	6	Reaktor
2	Futurice	7	Microsoft
3	Google	8	Fazer
4	KONE	9	Vincit
5	GOFORE	10	Konecranes



4

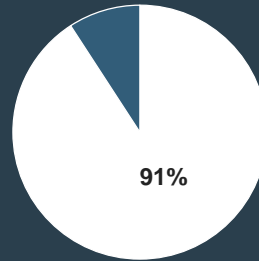
Resilient client base and strong revenue visibility

74% public share with
~3-5 year average contract length¹⁾:
Resilient client base



■ Public □ Private

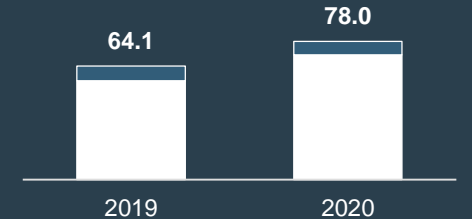
91% of revenue is time-and-material²⁾:
Limited execution risk



■ Time-and-material □ Fixed price/Other

~90% of revenue from returning
customers³⁾:
Predictable revenue

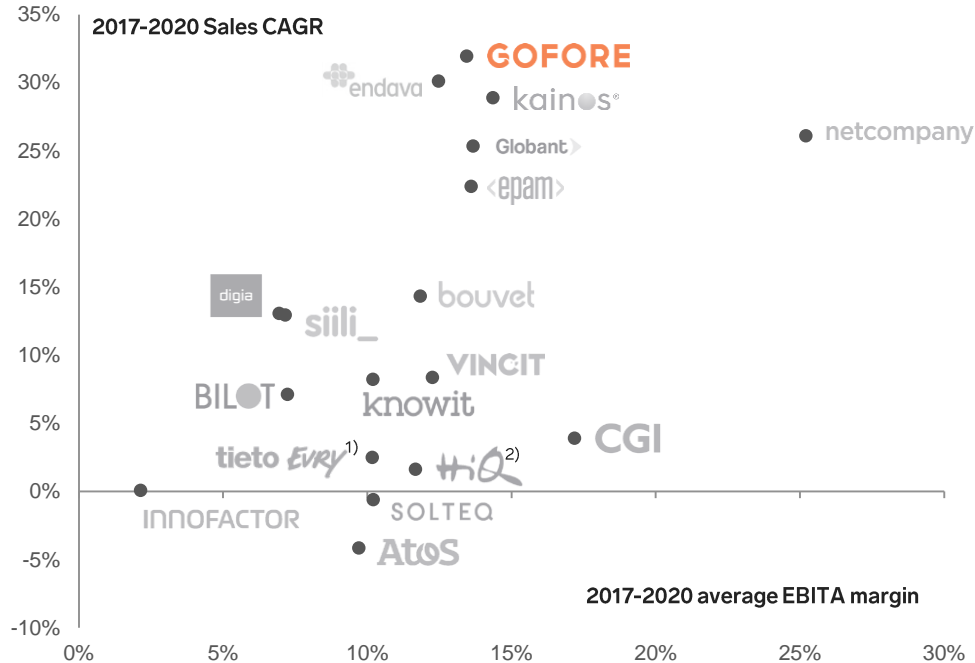
Net sales (€m)



■ Returning customers □ New customers

5

Strong track record in delivering strong profitable growth



GOFORE

Net sales CAGR
2017-2020
32%

EBITA-%
2020
13.8%

Cash conversion³⁾
2020
94%

Note: 1) Adjusted for EVRY merger; 2) 2017-2019 average; 3) Calculated as (EBITDA – Capex excl. M&A) / EBITDA
Source: FactSet, Company materials

6

Long-term target to continue rapid and profitable growth

Gofore financial targets and dividend policy

Growth

>20% annual net sales growth,
of which organic growth
accounts for
approximately half

Profitability

15% EBITA margin

Dividend

At least 40% of annual
net profit

6 Avenues to reach the growth targets

Growth in Finland

1. *Become #1 in digital transformation business for the public sector*
2. *Become tier 1 service provider for several Top 100 private firms*

International growth

1. *Grow with international clients served from Finland*
2. *Expand physical presence and operations in Germany*

Disciplined M&A

1. *Keep up M&A growth at least at the historical pace*
2. *Acquire targets that fit to Gofore strategy*

20% total annual growth

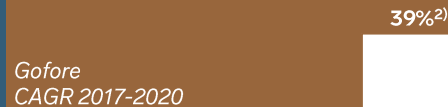
~10% annual organic growth

Growing portfolio of large customers in and outside Finland

Increasing presence outside Finland, reaching >10% in 2025

6 The Finnish market remains a sizeable opportunity for Gofore

Public sector clients



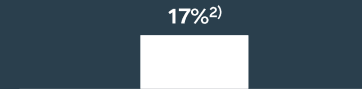
Need for higher efficiency and improved service provision

Large partnerships and comprehensive services scopes

The most modern public organisations very advanced digitally

Mainly domestic competition

Private sector clients



Digitalisation at the top of the strategic agenda

Procurement of expertise and individual tasks

IT development still partly in-housed

Competition against domestic and international providers



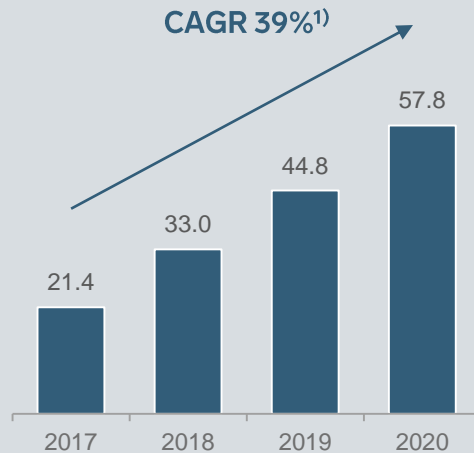
1) Management estimate based on government spending from tutkihankintoja.fi and municipal spending from Tietotekniikkakartoitus2018; 2) 2017 public vs. private sales split percentages based on pro-forma net sales and applied to reported net sales; 3) Management estimate based on IDC total Finnish IT services market value of EUR ~4.3bn. Sources: IDC, tutkihankintoja.fi, Kuntien Tietotekniikkakartoitus 2018

6

Gofore is one of the leading players among public sector clients

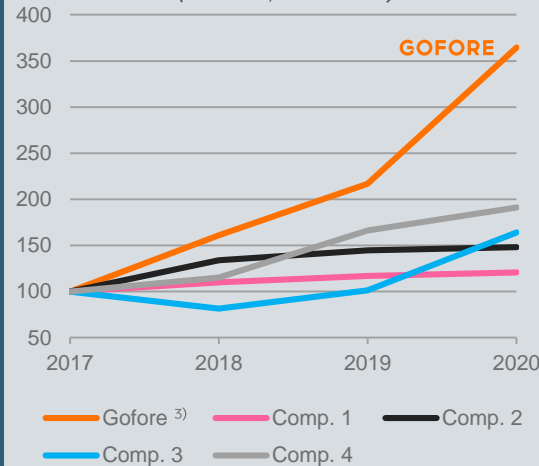
Rapid public sector sales growth...

Gofore's public sector sales growth (€m)



...outplaying competition...

Finnish public sector sales development of top private service providers²⁾
(Indexed, 2017=100)



...to become top-5 IT service provider

Top-5 IT service providers for the Finnish government 2020²⁾ (€m)

#	Company	Sales index
1	IT generalist	100
2	IT generalist	48
3	IT product supplier	34
4	GOFORE	27
5	IT generalist	19



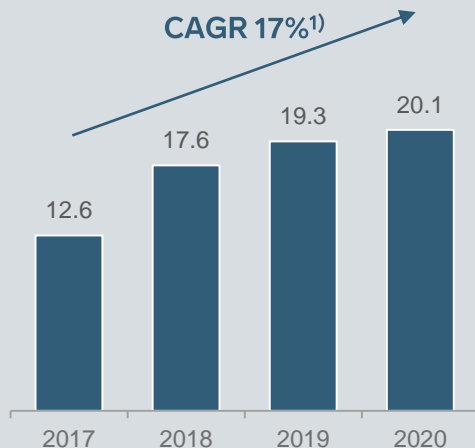
1) 2017 public vs. private sales split percentages based on pro-forma net sales and applied to reported net sales; 2) IT service procurement of the Finnish government from private service providers according to Gofore service group accounts as of Nov-2020, excluding classified, confidential and anonymized procurements; 3) Qentinel Finland included 9-12/2020, Silver Planet included 2-12/2019; Source: tutkihankintoja.fi as of 1-Mar-2021

6

Gofore is a fast growing challenger within private sector clients

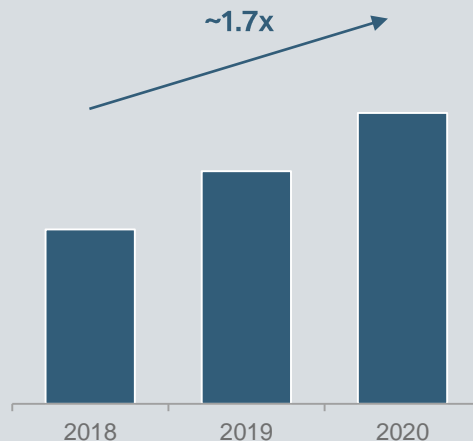
Rapid net sales growth...

Gofore's private sector sales growth (€m)



...driven by increasing number of significant customers...

of private sector customers with >€0.5m annual revenue



...and a large market opportunity



~€3.3bn Finnish private sector IT services market²⁾



Digitalization a top strategic priority for the private sector



Agile new world IT service providers well positioned to support in the digital transformation



Experience from extensive public sector digital transformations to be leveraged in the private sector



1) 2017 public vs. private sales split percentages based on pro-forma net sales and applied to reported net sales; 2) Management estimate based on IDC total Finnish IT services market value of EUR ~4.3bn

6 Gofore international growth strategy

Grow with international clients

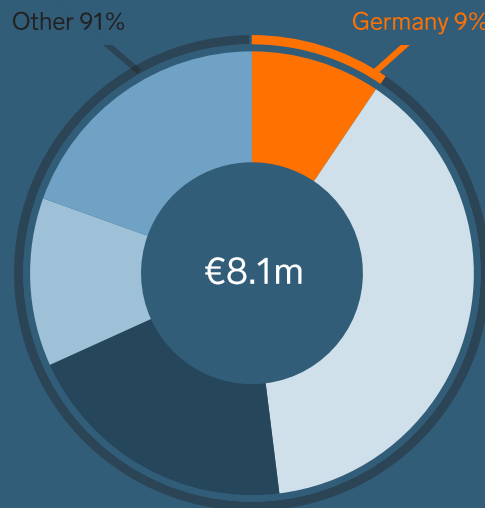
- Gofore **existing platform enables growth** with international clients without setting up new physical locations
- Actively look for and **rapidly react to international opportunities** – build and develop needed capabilities
- Deliver promises and show capabilities to **grow and expand scope within customers**
- Focus on both private and public sector clients



Sumitomo



Gofore net sales outside Finland
2020 (€m)



Expand presence in Germany

- **Utilise Finnish operating model** – labelled by world-class digital know-how and agility
- Limited amount of existing pure-play digital consultancies – **incumbents more focused on traditional IT services**
- Building trust through **close customer relationships** as a key enabler of long lasting client relationships
- Focus on manufacturing industry: agriculture, Industry 4.0, new mobility

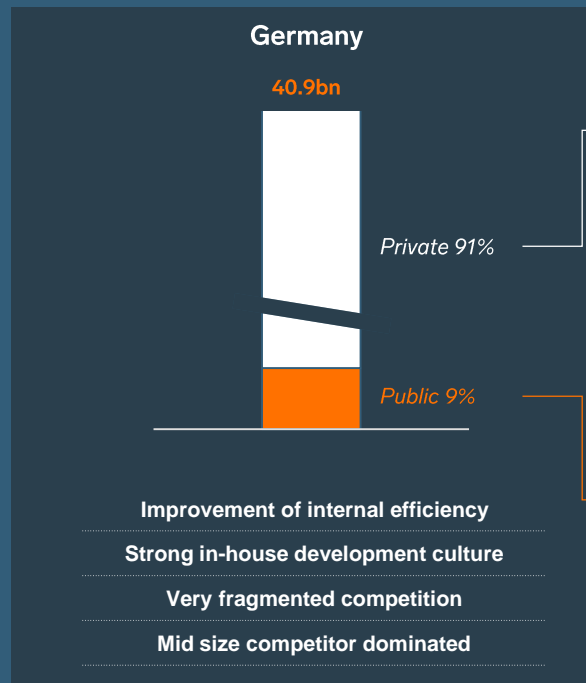
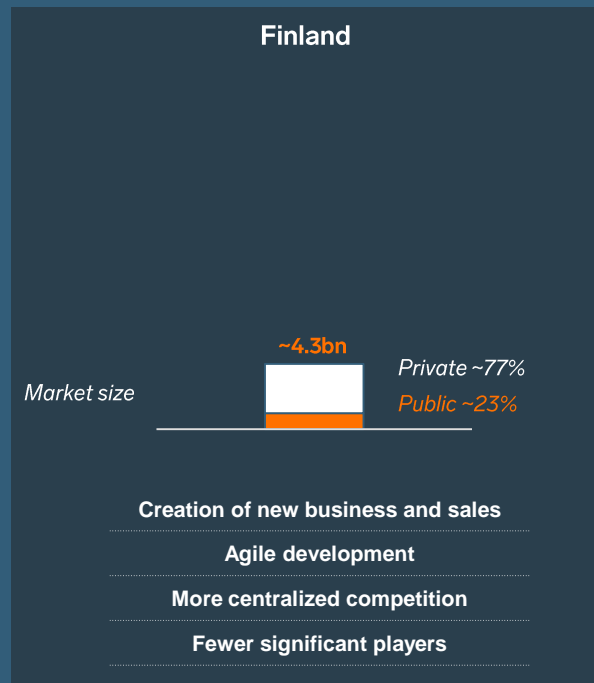


VOITH



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Germany represents a huge opportunity with room to grow for agile digitalization experts

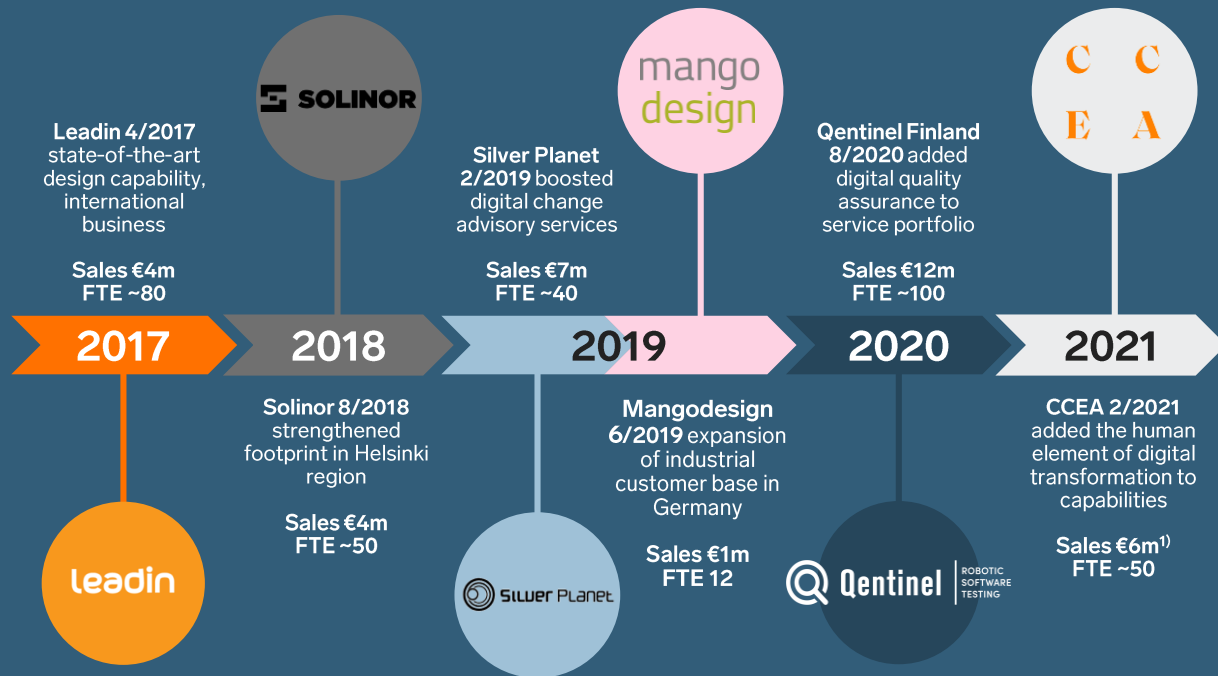


- Industrial sector the largest sector with 35% of the total market, followed by Financial services 24%
- Focus shifting from internal efficiency to increasing sales and monetisation through digital services

- Public sector in Germany behind in digital adoption
- Strong demand and intention to increase availability of digital public services
- Federal Online Access Act estimated to increase spend on digitalisation of the Administration from ~100m in 2019 to ~1.5 bn in 2022

6

Gofore has followed a disciplined M&A strategy over the past years



2017-2021 YTD total



6 acquired companies



EUR 34 million in acquired net sales¹⁾



EUR 37 million of acquisition considerations paid

6

Acquisition of CCEA¹⁾ strengthens Gofore's digital transformation advisory services

CCEA is Finland's largest change management company

- ~50 employees located in Espoo (HQ) and Singapore
- Strong position as adviser and main service provider in large digital transformation projects
- Services include change execution, change portfolio leadership, change capability development and measurement
- Customer base includes many of Finland's largest internationally operating companies, such as Outokumpu, Neste and KONE

C C
E A

CCEA key financials (2020)²⁾ and deal parameters

EURm	CCEA Ltd	Celkee Ltd
Net sales	5.2	0.4
EBITDA	1.1	0.1
<i>EBITDA-%</i>	<i>21%</i>	<i>18%</i>
EBIT	1.1	0.0
<i>EBIT-%</i>	<i>20%</i>	<i>-2%</i>

- Equity purchase price EUR 6.4 million (debt-free value of EUR 6.2 million)
- Purchase price paid in cash, completed on 1 March 2021
- Estimated net sales impact in Gofore's 2021 results is approximately EUR 6 million

1) Gofore acquired 95% of the share capital of CCEA Ltd. The acquisition also includes Celkee Ltd., a fully-owned subsidiary of CCEA Ltd. specializing in measuring change, which had revenue of EUR 0.4 million and EBITDA of EUR 0.1 million in 2020; 2) No official financial statements have been prepared for the CCEA Group for 2020, which includes CCEA Ltd and Celkee Ltd.

6 Human-centric digital transformation



Human-centric
digital technology



People-driven
change

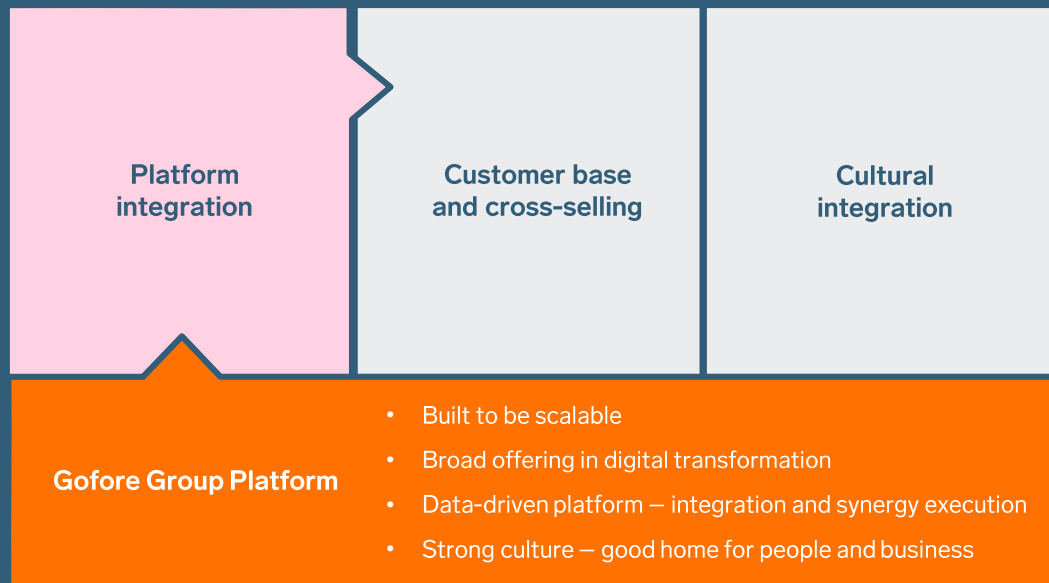


Leading human-centric
digital transformation
offering for all
organisations

6

Scalable M&A platform and a systematic integration approach

Gofore integration model



Digital transformation services



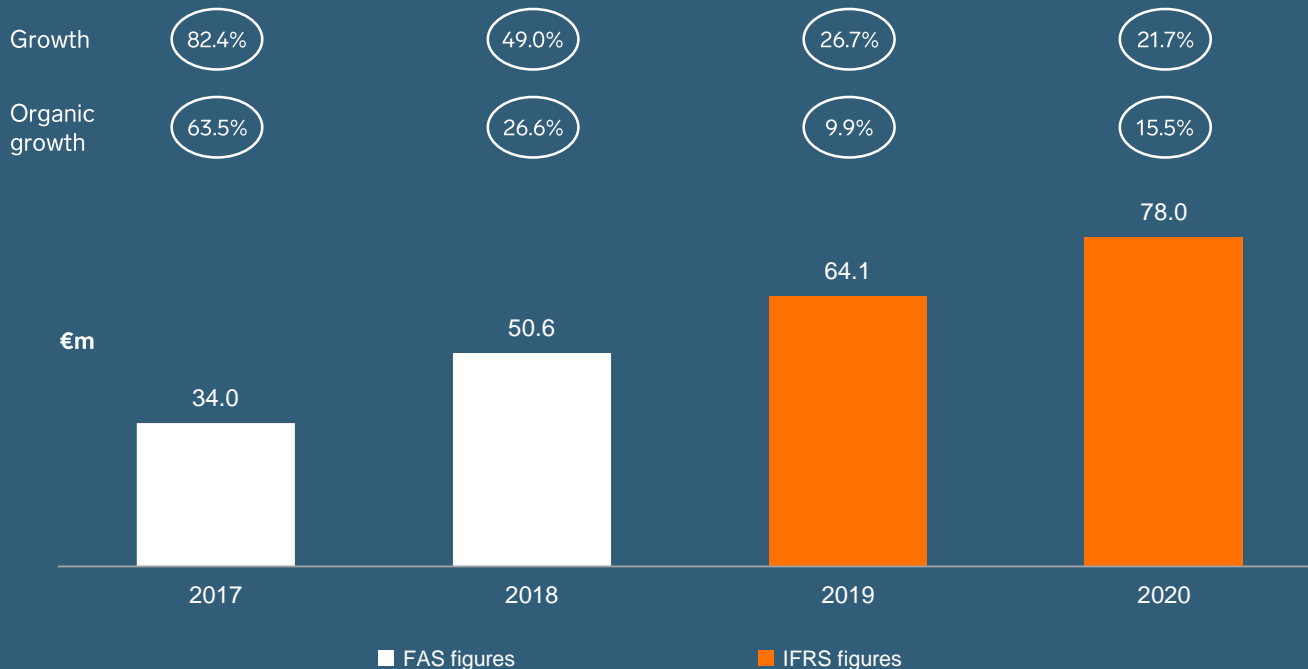
Financial profile supporting Gofore's targets



Keep up historical M&A growth pace at a minimum

Financial highlights

Strong organic growth supported by selected acquisitions



Sales CAGR 2017-2020

Total	32%
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Finland	34%
---------	-----

International	19%
---------------	-----

Public sector	39%
---------------	-----

Private sector	17%
----------------	-----



Note: 2019 and 2020 net sales figures are the same in FAS and IFRS

Profitability improved in 2020

Adjusted
EBITA-%

16.8%

13.4%

12.5%

13.8%

12.0%

Adjusted
EBITA (€m)

5.7

6.8

8.0

10.8

7.7

2017

2018

2019

2020

■ FAS figures

■ IFRS figures

- Profitability has increased, driven by strong growth in net sales
- Qentinel Finland acquisition supported growing profits
- Pandemic impacted profitability:
 - Costs were affected slightly positively
 - Billing rate was negatively affected especially at the beginning of the pandemic

Solid financial position at year-end 2020

EURm (unless stated otherwise)	Q4 2019	Q4 2020
Cash and cash equivalents	21.4	21.4
Net debt	-12.7	-3.8
Equity ratio	58.1%	47.0%
Net gearing	-31.9%	-15.4%

- Board of Directors proposes a dividend of EUR 0.24 per share for 2020 (EUR 0.20 per share paid for 2019), or approximately EUR 3.4m in total
- 90% of CCEA purchase price of EUR 6.4m was paid on 1 March 2021
- Qentinel Finland earn-out considerations approximately EUR 3.4m to be paid during Q1 2021

Financial guidance 2021

Gofore estimates that, for the full year 2021, net sales will increase compared to 2020, and Adjusted EBITA will increase compared to 2020.

Gofore will continue to report and comment on its net sales development on a monthly basis.



Appendix

We are more than just another IT consultant

Key differentiators

Developing customers' capabilities

- In our customers' operational environment pace of change is increasing and predictability is decreasing
- Traditional "3-year plan" thinking does not work – constant change is needed
- Together we build right capabilities for our customers to succeed

Holistic end-to-end approach

- We provide a combination of business consulting, software development and quality assurance – unlike our competitors
- Large client partnerships – we are digital allies!
- Efficient sales – cost/sold €, creating demand, everybody sells approach

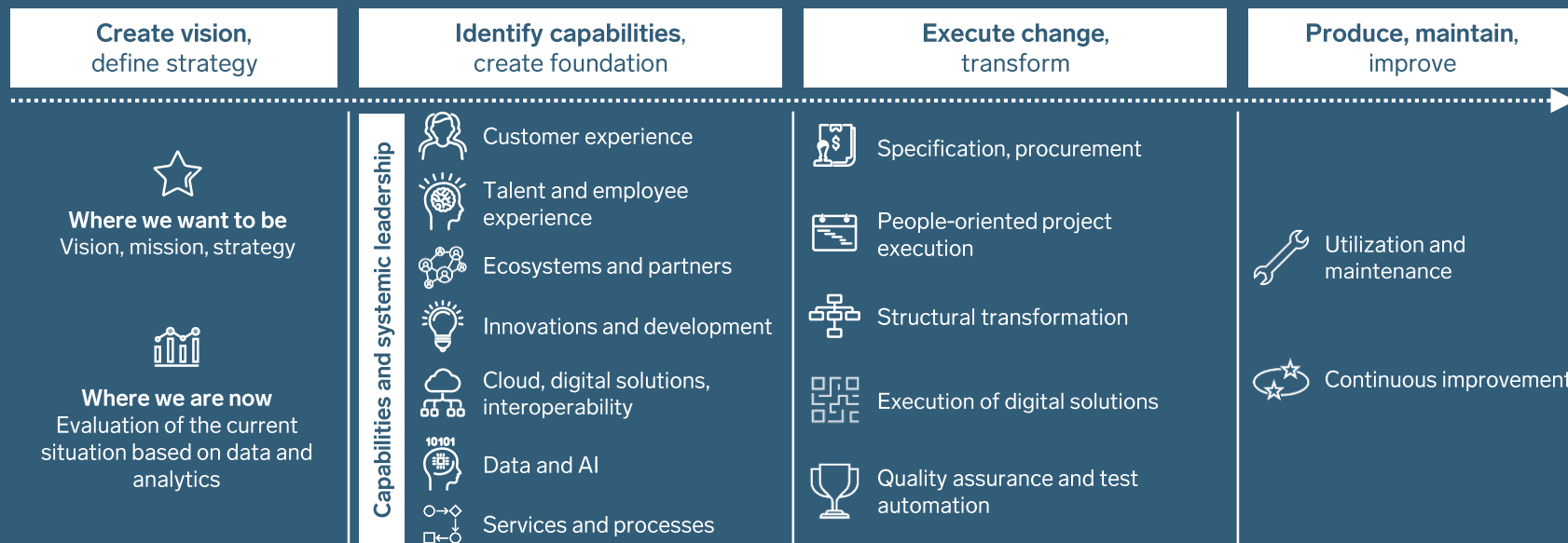
Agile way of working

- In the market there are global consultancies with "one for all" approach and consultancies with "tailor made" approach
- Gofore combines self developed tools & methods (efficiency) and customization (perfect fit) based on understanding of customer needs
- We have the best, agile self directive consultants to make this happen in real life and achieve high quality concrete results to our customers with high value for money

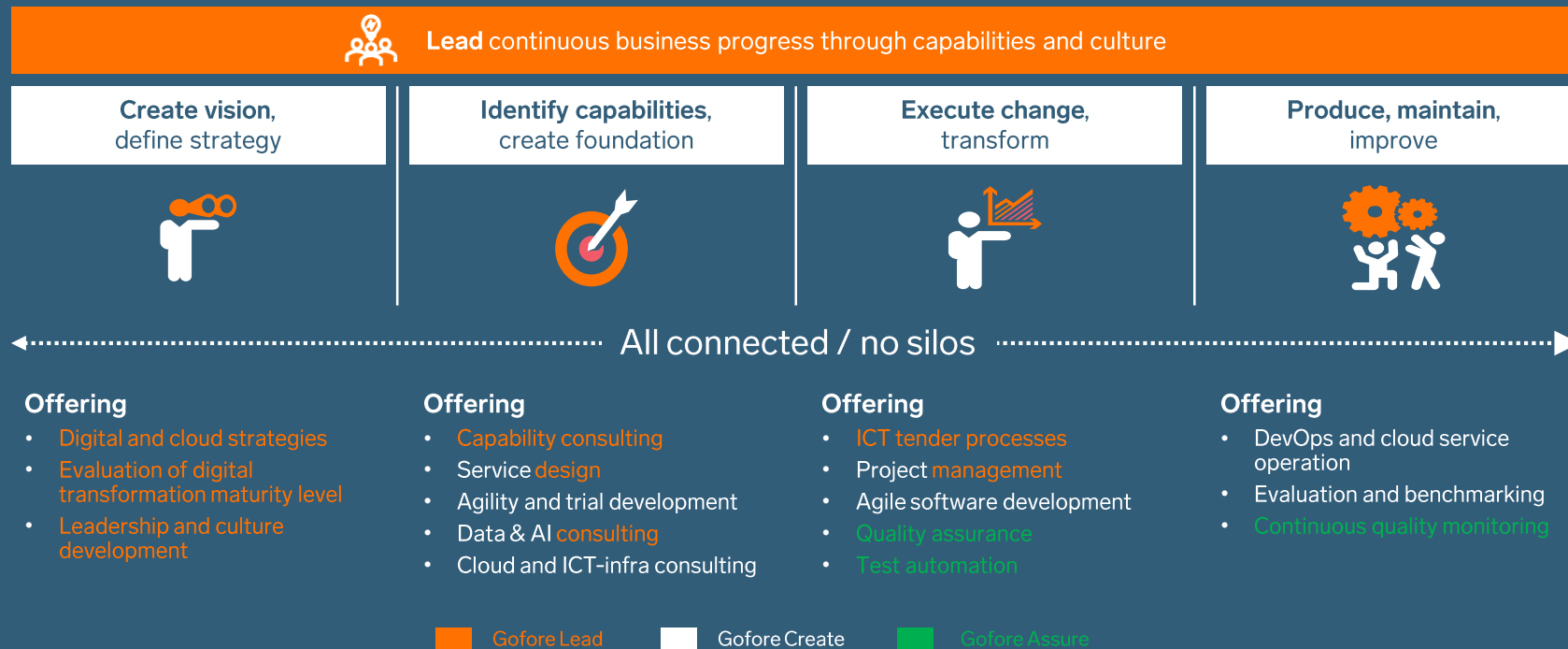
Gofore Spark – our end-to-end framework / what customers need for successful digitalisation



Lead continuous business progress through capabilities and culture



Supporting customers in their digital transformation / what we actually deliver

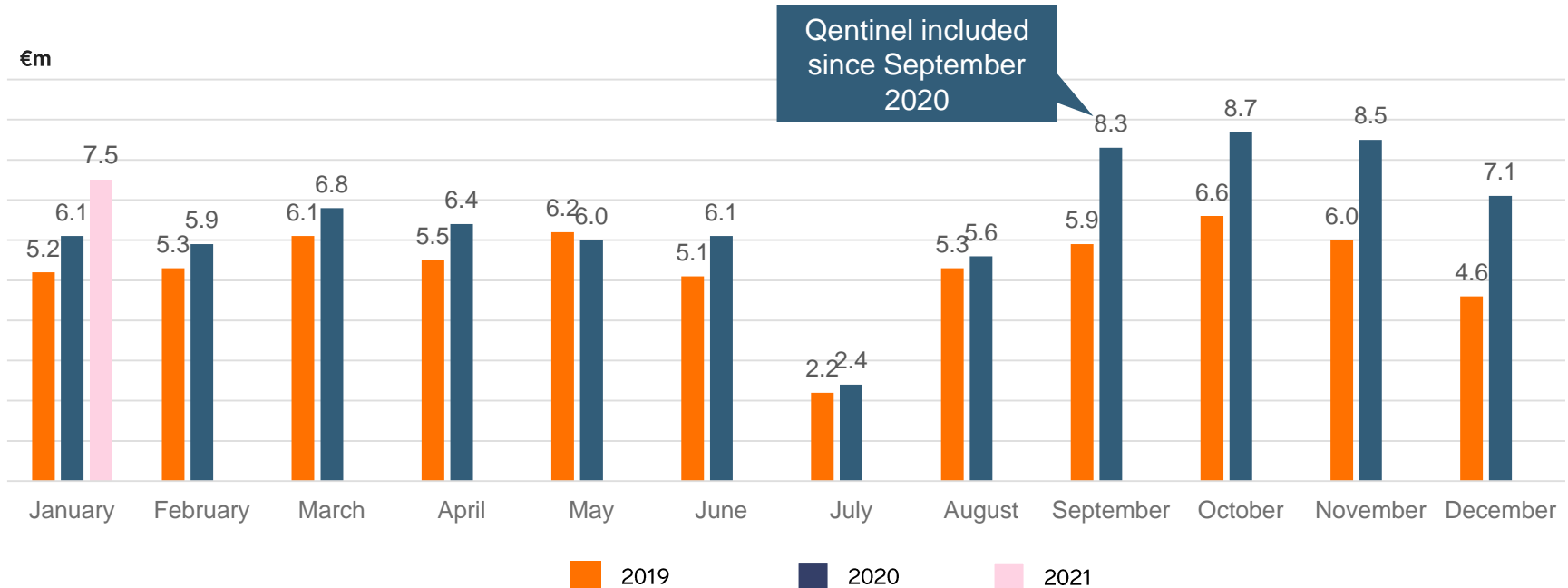


Solid performance through the COVID-19 pandemic



- The COVID-19 pandemic has caused uncertainties in the operating environment
- In the longer term, the pandemic is expected to accelerate digitalization bearing in mind that public and private sector customers' ability to invest in digital transformation depends on the development of the economy
- The pandemic did not adversely affect the company's business during 2020. Customer demand was affected negatively quickly at the beginning of the pandemic and returned to expected level towards the end the year
- Costs were affected slightly positively, however billing rate was negatively affected especially at the beginning of the pandemic
- There is continuing uncertainty about the pandemic and its market impact

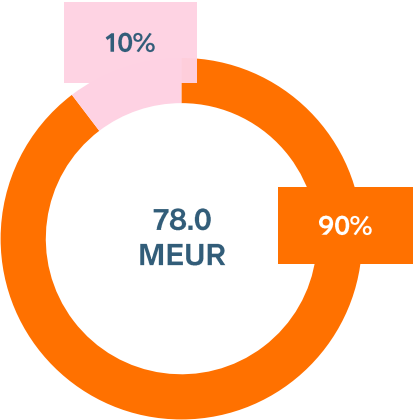
Strong net sales growth in recent months vs. comparison period



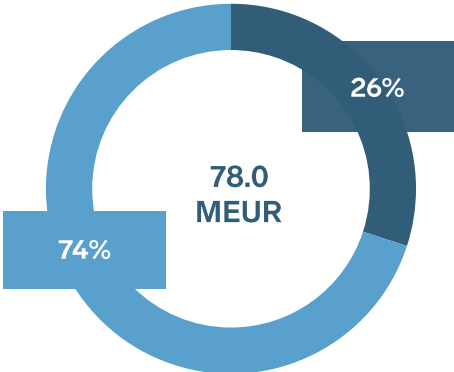
Significant share of sales to public sector, which has been a focus area for us

Net sales distribution 2020

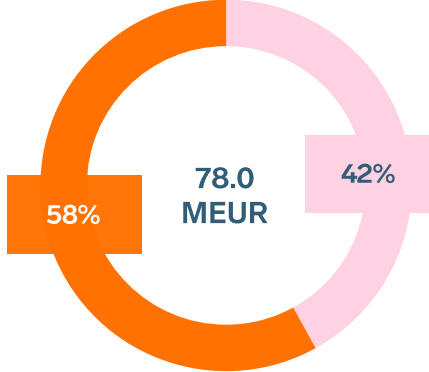
By location



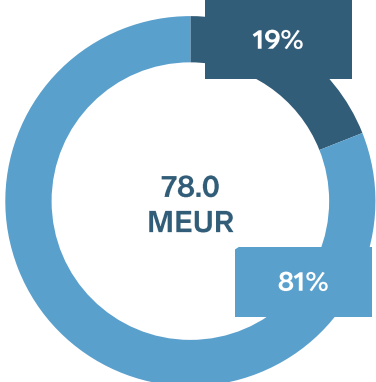
By sector



By clientele



Subcontracting



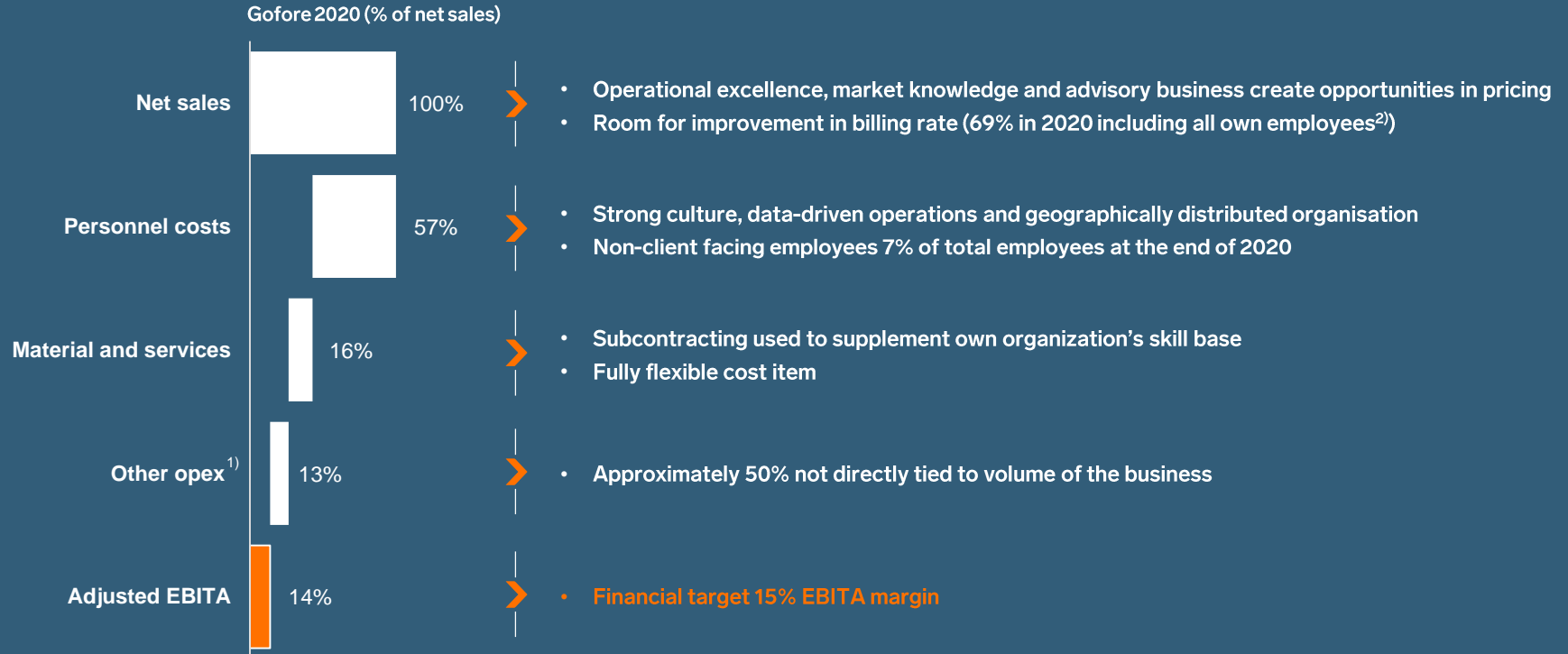
Finland Outside Finland

Private Public

Top 5 Others

Subcontractors Personnel

Profitability building blocks



1) Adjusted for non-recurring items; 2) Excluding Qentinel

Quarterly development

Group (consolidated)	Q1/2020	Q2/2020	Q3/2020 ¹	Q4/2020 ¹
Net sales, MEUR	18.8	18.6	16.3	24.3
EBITA, MEUR, adjusted	3.2	2.5	1.9	3.3
EBITA-%, adjusted	16.8%	13.3%	11.5%	13.5%
Group (consolidated)	Q1/2019	Q2/2019	Q3/2019	Q4/2019
Net sales, MEUR	16.7	16.8	13.3	17.3
EBITA, MEUR, adjusted	2.8	2.0	1.1	1.7
EBITA-%, adjusted	16.9%	12.0%	8.5%	10.1%
Growth-%	Q1/2020	Q2/2020	Q3/2020 ¹	Q4/2020 ¹
Net sales, growth-%	12.8%	10.6%	22.1%	40.6%
EBITA, adjusted, growth-%	12.1%	22.5%	66.0%	87.5%

¹ Qentinel Finland Oy figures have been combined with the Gofore Group figures from 1 September 2020.

Key figures

In thousands of EUR, unless otherwise stated	2020 ¹	2019 ²
Net sales	77,953	64,066
Growth of net sales, %	21.7	26.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	12,329	9,223
Earnings before interest, taxes, depreciation and amortisation (EBITDA) margin, %	15.8	14.4
Operating profit before amortisation of goodwill (EBITA), adjusted ³	10,778	7,710
Operating profit before amortisation of goodwill (EBITA)	9,908	7,296
Operating profit before amortisation of goodwill (EBITA), margin, %	12.7	11.4
Operating profit (EBIT)	8,750	6,620
Operating profit (EBIT) margin, %	11.2	10.3
Profit for the period	6,903	5,096

¹ Gentinel Finland Oy figures have been combined with the Gofore Group figures from 1 September 2020.

² Silver Planet Oy figures have been combined with the Gofore Group figures from 15 February 2019 and the figures for mangodesign Finke-Anlauff & Anlauff GbR:n from 1 July 2019.

³ EBITA is operating profit before amortisation of intangible assets identified in PPA. Adjusted EBITA refers to operating profit before amortisation of intangible assets identified in PPA (EBITA) excluding adjusted items.

Key figures

In thousands of EUR, unless otherwise stated	2020 ¹	2019 ²
Earnings per share (EPS), diluted*, euros	0.49	0.37
Number of outstanding shares at the end of the period	14,036,927	14,012,628
Equity ratio, %	47.0	58.1
Net gearing, %	-15.4	-31.9
Return on equity (ROE), %	20.2	18.7
Return on investment (ROI), %	17.6	17.2
Average overall capacity, FTE	597	517
Average subcontracting, FTE	83	54
Number of employees at the end of the review period	724	582

¹ Qentinel Finland Oy figures have been combined with the Gofore Group figures from 1 September 2020.

² Silver Planet Oy figures have been combined with the Gofore Group figures from 15 February 2019 and the figures for mangodesign Finke-Anlauff & Anlauff GbR:n from 1 July 2019.

* EPS diluted equals to EPS undiluted