GOFORE
15 August
2018

Gofore Plc

HALF-YEAR REPORT

1 January – 30 June
2018

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Gofore Plc's Half-year Report 1 January–30 June, 2018

GOFORE PLC
COMPANY ANNOUNCEMENT 15 AUGUST 2018 AT 09:00 EET

Gofore Plc's Half-year Report 1 January–30 June, 2018 (unaudited): Strong financial performance continued, guidance for 2018 revised

January–June 2018 in brief:

- Net sales increased to EUR 24.69 million, with a growth of EUR 10.32 million or 71.85% (EUR 14.37 million).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) was EUR 3.92 million (EUR 2.60 million), corresponding to 15.86% (18.07%) of net sales.
- Earnings before interest, taxes and amortisation (EBITA) was EUR 3.82 million (EUR 2.55 million), corresponding to 15.46% (17.72%) of net sales.
- The earnings (EBIT) was EUR 3.53 million (EUR 2.50 million), corresponding to 14.31% (17.39%) of net sales.
- The earnings of the review period were EUR 2.75 million (EUR 2.01 million), corresponding to 11.15% (13.97%) of net sales.
- The earnings per share was EUR 0.21.
- The number of staff increased by approximately 28.2% to a total of 423 people (330).

Outlook for 2018

The company's Board of Directors has revised guidance for the 2018 financial period, and the company estimates net sales as EUR 48–52 million (previously EUR 46-52 million).

Long-term financial goals

The long-term financial objectives defined in 2017 remain unchanged. Gofore is pursuing net sales growth exceeding the growth of the target market, estimated to be an annual 15–25% in the next few years, and an EBITA margin of 15%.

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Key figures

Reported

In [thousands of] euros, unless otherwise mentioned	1–6/2018	1–6/2017[1]	2017[1]
Net sales	24,691	14,368	33,950
Growth of net sales, %	71.9		82.4
EBITDA	3,915	2,596	5,817
EBITDA margin, %	15.9	18.1	17.1
Earnings before interest, taxes and amortisation (EBITA)	3,817	2,546	5,691
Earnings before interest, taxes and amortisation (EBITA) margin, %	15.5	17.7	16.8
Earnings (EBIT)	3,532	2,499	5,359
Earnings (EBIT) margin, %	14.3	17.4	15.8
Profit for the financial period	2,752	2,008	3,319
Adjusted profit for the financial period[2]	3,037	2,108	4,778
Earnings per share (EPS), undiluted, euros	0.21	0.19	0.28
Adjusted earnings per share (adjusted EPS), undiluted, euros	0.23	0.20	0.41
Number of outstanding shares at the end of the period (issue-adjusted)[3]	12,948,800	10,560,000	12,948,800
Equity ratio, %	60.2	36.1	60.8
Net gearing, %	-31.1	6.6	-47.3
Return on equity (ROE), %[4]	30.2	75.6	30.2
Return on investment (ROI), %[4]	31.4	58.4	22.5
Average overall capacity, FTE[5]	373	-	-
Average subcontracting, FTE[6]	46	-	-
Number of staff at the end of the review period	423	330	374

Unless mentioned otherwise, the comparisons in this half-year report are presented in relation to the comparable period in 2017. The compared figures include the figures of Leadin Oy, which was acquired in May 2017, from 1 June, 2017 onwards.

[1] The Leadin Oy figures are combined with the Gofore Group figures starting on 1 June 2017.
[2] The adjusted profit for the financial period refers to the profit for the financial period to which amortisation of goodwill and the non-recurring funding expenses from listing have been added.
[3] Issue-adjusted refers to the redistribution of the stock prior to listing in October 2017.
[4] Annualised.
[5] The Overall capacity, FTE (Full Time Equivalent) figure shows the overall capacity of the group's personnel, converted into a value corresponding to the number of full-time employees. The figure includes the entire staff, 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 staff.
[6] The Subcontracting, FTE (Full Time Equivalent) figure shows the overall amount of subcontracting used in invoiceable work, converted into a value corresponding to the number of full-time employees.

In order to improve comparability, the figures of the 2017 pro forma income statement, which were presented to the Nasdaq Helsinki administered First North Finland market in the prospectus related to the listing and primary offering, have been included in this half-year report. The prospectus was published 3 November, 2017.

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Pro forma[1]

In [thousands of] euros, unless otherwise mentioned	1–6/ 2018	1-6/ 2017	2017
Pro forma net sales	24,691	17,740	37,322
Pro forma EBITDA	3,915	3,386	6,607
Pro forma EBITDA margin, %	15.9	19.1	17.7
Pro forma earnings before interest, taxes and amortisation (EBITA)	3,817	3,322	6,468
Pro forma earnings before interest, taxes and amortisation (EBITA) margin, %	15.5	18.7	17.3
Pro forma earnings (EBIT)	3,532	3,038	5,898
Pro forma earnings (EBIT) margin, %	14.3	17.1	15.8
Pro forma profit for the financial period	2,752	2,379	3,683
Adjusted pro forma profit for the financial period[2]	3,037	2,721	5,380
Adjusted pro forma earnings per share (adjusted EPS), undiluted, euros	0.23	0.26	0.46

[1] *The table shows unaudited pro forma information for the periods 1 January–30 June 2017 and 1 January–31 December 2017. The pro forma information was created to illustrate what Gofore's profit could have been, had the Leadin Oy acquisition taken place on 1 January 2016. The pro forma financial information has been presented in order to illustrate the effects of the acquisition. The figures for Leadin Oy have been combined with the figures for the Gofore Group starting on 1 June 2017.*

[2] *The adjusted pro forma profit for the financial period refers to the pro forma profit for the financial period to which pro forma amortisation of goodwill and the non-recurring funding expenses from listing have been added.*

CEO Timur Kärki comments on the development of January–June 2018:

During the review period, we continued our profitable growth, which has continued for over a decade without exceptions. During the first half of 2018, our net sales increased by 72% compared to the same period the previous year. Compared to the pro forma figures, the growth was 39%, which means that our organic growth was excellent as well.

Our number of staff increased by 28% from the previous year, which must be considered a success, considering the market situation in recruitment. Our strong culture of working together has helped us recruit outstanding experts, as our employees participate in the recruitment and welcoming processes of new employees on a wide scale. Our services cover a wide range of digitalisation expert services, which means that the lack of employees in individual competences has not significantly hindered our growth. Our use of subcontractors also affected our organic growth. During the first half of 2018, the subcontracted expert services accounted for approximately 16% of Group net sales.

The spring has been characterised by intensive internal development. Last year, our company changed in many ways. We carried out our first corporate acquisition (Leadin Oy) and a rather fast-paced merger, which formed our company into an internationally operational and increasingly versatile group. At the same time, our organic growth was strong. Add to this the fact that we got listed the same year, the company has been forced to renew itself and learn new things at a very fast pace both operatively and administratively. During the past spring, the debt caused by our intensive growth period has been paid back while preparing for future growth.

During the review period, our profitability was on a good level, with our EBITA at EUR 3.8 million (15.5% of net sales). Our relative profitability corresponds to the level of the previous years and our long-term goal, but is lower than the first half of 2017. An organisation like Gofore, which has top-level expertise, is self-steering and which avoids wastage, can achieve a profitability which is better than the general market level. We aim to continue the development of the company's internal collective understanding of the factors which affect profitability, and to improve the transparency of situational information. The decrease of profitability is also partially explained by the increased relative share of subcontracting.

Customer demand in both the Finnish public and private sectors continued to be extremely favourable throughout the review period. Investments in digital change seemed to increase in both our current and potential customers.

During the spring, our Executive Team and Board of Directors have carried out strategy work. In a company developing this strongly, strategy work should be a continuous process, taking influences from outside and changing the operations of the company to correspond to the changed situation. During the work, we have clarified our views of what we want to continue to be, regardless of all the changes.

We want to be:

1. **Growing and profitable**
   We aim for organic and acquisition-based growth in a profitable way.

2. **Developing and able to reform**
   We want to continuously develop as a company, a community, and as individuals. We want to enable the continuous reformation of the company and the development of individuals in the best possible way.

3. **Effective**
   We want our services and competence to have an effect on our customers, society, and the development of the selected fields. We want to pilot new kinds of working cultures and promote the spreading of best industry practices as part of the organisational change process.

4. **International**
   We want to be a genuinely international and internationally significant company.

During the autumn, our strategy work with success factors and development projects related to these themes will continue.

FINANCIAL REVIEW 1 January–30 June, 2018

Net sales

The net sales of the Gofore Group increased by 71.85% in January–June 2018 to a total of EUR 24.69 million, affected by intensive organic growth and the acquisition of Leadin Oy during the compared period of the previous year.

Net sales development during the review period:

Month (2018)	Net sales, MEUR (Net sales 2017)[1]	Number of employees	Number of working days in Finland	Overall capacity, FTE[2]	Subcontracting, FTE[3]
June	4.1 (3.2)	423	20	405	50
May	4.4 (3.3)	413	21 (+ Ascension day)	389	47
April	4.0 (2.6)	397	20	377	41
March	4.2 (3.3)	392	21	366	49
February	3.8 (2.7)	386	20	354	45
January	4.1 (2.7)	377	22	346	42

[1] Net sales, MEUR (net sales in 2017), reports net sales (unaudited) for that month. In parentheses, comparing to the previous year, the combined net sales of Gofore Oy and the Leadin Group is presented for January-May.
[2] The Overall capacity, FTE (Full Time Equivalent) figure shows the overall capacity of the group's personnel, converted into a value corresponding to the number of full-time employees. The figure includes the entire staff, 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 staff.
[3] The Subcontracting, FTE (Full Time Equivalent) figure shows the overall amount of subcontracting used in invoiceable work, converted into a value corresponding to the number of full-time employees.

Profitability and the development of earnings

In January–June 2018, the Group EBITDA was EUR 3.92 million, corresponding to 15.86% of net sales.

The EBITA in January–June 2018 was EUR 3.82 million, or 15.46% of net sales.

The EBIT in January–June 2018 was EUR 3.53 million, or 14.31% of net sales.

The arrangements which led to the group being formed created approximately EUR 5.69 million in goodwill on the balance sheet, which is to be amortised in ten years, in accordance with the Finnish Accounting Standards (FAS).

The expenses caused by the group being formed of the entire year 2017 and the amortisation of the group goodwill are not included in the expenses of the comparison period.

The personnel expenses in January–June were EUR 13.31 million, or 53.90% of net sales. This figure increased as the number of personnel increased. The light hierarchy of the group and the operating methods which are based on a self-steering working culture play a significant role in the management of personnel expenses.

The other operating expenses increased from the same period the previous year to a total of EUR 3.86 million. The largest expense items were the other personnel expenses, facility expenses, and expenses for machinery and equipment.

Balance sheet, funding, and cash flow

The group balance sheet total on 30 June 2018 was EUR 30.97 million (EUR 18.04 million).

The increase of the balance sheet is mainly caused by general growth and funds collected in the initial public offering, as well as the restructurings performed.

On 30 June 2018, the equity ratio of the group was 60.19% (36.01%), with a net gearing of -31.10% (6.59%). The amount of goodwill on the balance sheet was EUR 5.08 million.

The operating cash flow after interest and direct taxes in January–December was EUR -0.59 million. The negative operating cash flow is mainly caused by the strong increase of accounts receivable (an increase of 2.66 million during the review period).

At the end of the financial period, the group's liquid cash assets were EUR 9.96 million. The interest-bearing debts added up to EUR 4.22 million, consisting of bank loans. Of this amount, EUR 3.15 million was in long-term and EUR 1.07 million in short-term interest-bearing debts. The company has a current account limit of EUR 1.0 million, which is currently not in use. In April 2018, the company has paid an advance payment of earnings-related pension payments for the entire year, based on the estimated sum of wages according to its size at the time, in order to receive credit benefit.

The company's business areas and organisational structure

Gofore is a digitalisation specialist, providing expert and capacity services for corporate customers and public sector operators in Finland and Europe. The company's services are divided into the management of digital change, service design and software development, as well as consultation in the utilisation of cloud services and the offering of cloud capacity.

The parent company of the group, Gofore Plc, is the full owner of the subsidiaries Gofore UK Ltd., Gofore Germany GmbH, Gofore Spain SL, and Erofog Oy (no business operations).

Personnel and offices

At the end of the review period, the group employed a total of 423 people, of whom 395 work in Finland, where the company has offices in Helsinki, Jyväskylä, and Tampere. Other offices are located in Swansea (UK), Munich (Germany), and Madrid (Spain).

The number of personnel increased by 93, which is an increase of 28.2% from the end of the comparison period the previous year (330). The average number of employees during the review period was approximately 399.

The Gofore executive team consists of CEO Timur Kärki, CFO Petteri Venola, COO Topi Koskinen, Sales Director Juha Virtanen, Director of Culture and competencies Erkki Salminen, Business Director, management consulting and M&A Mikael Nylund, Director of International Operations Ville Tuominen, Director of Marketing and Communications Riikka Nurminen, and Business Director, Cloud Services Kristiina Härkönen.

Starting on 27 March 2018, the group's Board of Directors consists of Ali U. Saadetdin (chair), Sami Somero, Anne-Mari Silvast, Kristiina Michelsson, and Mika Varjus.

Changes to the group structure

There were no changes to the group structure during the review period.

Resolutions of the Annual General Meeting in 2018

The annual general meeting of Gofore Plc was organised in Tampere on 27 March, 2018. The annual general meeting confirmed the financial statements for the financial year 2017 and discharged the members of the Board of Directors and the CEO from liability for the accounts. According to the proposal of the Board of Directors, it was decided that EUR 0.15 per share be paid in dividends for 2017, which adds up to a total of EUR 1,942,320. The record date for the dividends payment was 29 March 2018 and the payment date was 10 April 2018.

The annual general meeting selected five members for the company's Board of Directors for a term of office which will end at the end of the next annual general meeting. Ali U. Saadetdin, Sami Somero, and Anne-Mari Silvast were reselected, and Kristiina Michelsson and Mika Varjus were selected as new members of the Board. The Board of Directors selected Ali U. Saadetdin as its chair. The annual general meeting decided that the chair receives a remuneration of EUR 2,500 per month, while the Board members receive EUR 1,500 per month. In addition, all members of the Board will receive compensation of travel expenses for receipt, according to the company's travel regulations.

The KPMG Oy Ab auditing community was selected as the auditor for the operating period which will continue until the end of the next annual general meeting, with CPA Teemu Suoniemi as appointed auditor.

The annual general meeting decided to authorise the Board of Directors to decide on share buyback. The maximum number of shares to be acquired with this authorisation is 1,294,880, in one or more batches, using the company's non-restricted equity. The maximum number of shares to be acquired corresponds to 10% of the company's total shares according to the situation on the date of the meeting invitation. However, combined with its subsidiaries, the company may not at any time own more than 10% of its total shares.

The authorisation overrides the authorisation to decide on share buyback granted by the extraordinary general meeting on 16 October 2017, and is valid until the end of the next annual general meeting, but no later than 30 June 2019.

In addition, the annual general meeting decided to authorise the Board of Directors to decide on share issue and the granting of options and other special rights to shares, as referred to in Section 10, chapter 1 of the Limited Liability Companies Act (624/2006), in one or several batches, for a fee or without charge.

The maximum number of shares to be issued, including those issued based on options or other special rights, can be 1,294,880 shares, which corresponds to 10% of the company's total shares according to the situation on the date of the meeting invitation. The Board can decide to issue new shares or surrender shares controlled by the company. The authorisation entitles the Board of Directors to decide on the share issue terms as well as the terms on which the options to shares or other special rights are issued, including the right to deviate from the pre-emptive subscription rights of shareholders. The authorisation was intended to be used as compensation in corporate acquisitions, as part of the company's incentive system, or for other purposes decided on by the Board.

The authorisation is valid until the end of the next annual general meeting, but no later than 30 June 2019. The authorisation overrides any previous, unused authorisations regarding share issue and the issuing of options and other special rights to shares.

Shares, shareholders, and share-based incentive programmes

At the end of June 2018, Gofore Plc's registered share capital was EUR 80,000.00, which corresponded to a total of 12,948,800 company shares. During the review period, the company did not hold its own shares.

At the end of June 2018, the company had 2,456 registered shareholders. At the end of the review period, 44,865 shares were held outside Finland. There were 24,065 nominee-registered shares, which corresponds to approximately 0.2% of the total shares.

In January–June 2018, Gofore Plc's shares were quoted in the First North Finland market administered by Nasdaq Helsinki using the stock symbol GOFORE.

At the end of June 2018, the company's market value was EUR 112,266,096. From the end of the previous financial period to the end of the review period, the share quotation increased by approximately 23.7%, and the quotation on the last day of June was EUR 8.67 The average price of the company's shares, as weighted by the trading volume, was EUR 8.27. The top share price was EUR 9.69, and the lowest EUR 7.00.

In the Employee Offering in autumn 2017, the Matching Share additional share programme was opened for the personnel. The programme offers employees one additional share for each three shares subscribed in the Employee Offering, if they remain employed by the group three years after the start of the share subscription, and if they have owned the subscribed shares continuously throughout this time.

On 30 June 2018, the company employed 249 people who participated in the Employee Offering and accepted the terms of the additional share programme. According to the programme, these employees are entitled to a total of 114,191 additional shares. Approximately half of this sum is surrendered as shares, and half is paid in money to be used for advance income tax. The company may acquire the shares to be surrendered from the market or organise a private placement of shares. Calculated with the share price valid on 30 June 2018, the value of the additional shares would have been EUR 990,035.97.

The additional share programme did not exist on 30 June, 2017. At the end of the financial period on 31 December 2017, the corresponding numbers were 253 employees entitled to a total of 115,436 additional shares.

In spring 2018, the Board of Directors decided on a new share-based employment contract signing bonus. Every new employee will be offered EUR 1,500 worth of shares as an employment contract signing bonus. The bonus shares were offered for a total of 49 employment contracts valid until further notice and signed between 15 February 2018 and 30 June 2018. All of the shares will be issued simultaneously in autumn 2018.

Based on the average price in the above-mentioned period, the Board of Directors has confirmed a total of 8,526 shares and 174 shares per person as the amount of signature bonuses. Approximately half of this sum is surrendered as shares, and half is paid in money to be used for advance income tax. The company may acquire the shares to be surrendered from the market or organise a private placement of shares. Calculated with the share price valid on 30 June 2018, the value of the bonus shares would have been EUR 73,920.42.

In June 2018, the Board of Directors announced plans for introducing a share saving programme for the entire staff. The programme offers employees an opportunity to save a part of their regular wages for the acquisition of the company's shares. The Board of Directors aims for the share saving programme to be launched during 2018.

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Summary of the trading in Nasdaq Helsinki 1 January–30 June 2018

January–June 2018

	Traded shares	Total value	Highest, EUR	Lowest, EUR	Average price (volume weighted), EUR	Latest, EUR
Gofore	186,117	1,539,523	9.69	7.00	8.27	8.67

	30 June, 2018	31 December, 2017	30 June, 2017*
Market value, EUR	112,266,096	90,771,088	N/A
Shareholders (according to the shareholder list maintained by Euroclear Finland Oy)	2,456	2,555	N/A

** Trading on the company's shares started on 16 November 2017, figures for the comparison period are not available.*

Research and development operations

In February 2017, the company launched the Tekes-funded project 'Kasvu, Kansainvälistyminen ja Digitaalinen Uudistuminen Palveluyrityksessä ("KAKADU")', which aims to develop the company's operations. The project builds on a vision of Gofore being as digital as possible.

The Hohto++ system, which is being developed for the monitoring of the operations, is the core of the project. The system monitors factors significant for business operations, such as customer and employee satisfaction, sales, and resourcing, and it may be possible to launch it as a SaaS service open to everyone at a later time.

The estimated total costs from the KAKADU project are EUR 778,000. Tekes has agreed to fund the project to a maximum of 50% of the estimated total costs. The KAKADU project will end on 31 October 2018.

During 2018, the company has not had any other significant research and development operations, and therefore no activations have been made on the group balance sheet.

Short-term risks and uncertainty factors

Risks and uncertainty factors related to the company's operating environment, business operations, finances, and funding have been discussed extensively in the prospectus published by the company on 3 November 2017. No significant changes to these have taken place after the publication of the prospectus.

Events after the turn of the review period

The company's net sales 1 July–31 July, 2018 was EUR 2.2 million (2017: EUR 1,3 million). The number of employees at the end of the period was 419. There were 22 working days during the period in Finland. The Overall capacity, FTE was 400, and the subcontracting FTE was 24.

Month (2018)	Net sales, MEUR (net sales 2017)[1]	Number of employees	Number of working days in Finland	Overall capacity, FTE[2]	Subcontracting FTE[3]
July	2,2 (1,3)	419	22	400	24

[1] Net sales, MEUR (net sales in 2017), reports net sales (unaudited) for that month. In parentheses, comparing to the previous year, the combined net sales of Gofore Oy and the Leadin Group is presented for January-May.
[2] The Overall capacity, FTE (Full Time Equivalent) figure shows the overall capacity of the group's personnel, converted into a value corresponding to the number of full-time employees. The figure includes the entire staff, 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 staff.
[3] The Subcontracting, FTE (Full Time Equivalent) figure shows the overall amount of subcontracting used in invoiceable work, converted into a value corresponding to the number of full-time employees.

As a part of the company's growth strategy, the company's Board of Directors have decided upon a new office to be established in Turku, Finland.

Publication times of financial reviews in 2019

The financial information publication schedule for 2019 will be published at the end of 2018.

TABLES

The half-year report has been composed in accordance with good accounting practices and Finnish legislation. The information is presented to the extent required by section 4.4 (e) of the First North regulations. The figures have been rounded from the accurate figures. The figures in the half-year report are unaudited.

Due to the changes to the group structure, the figures in the profit and loss account and cash flow calculation are not comparable.

Group income statement (FAS)

EUR 1,000	1 Jan–30 Jun 2018	1 Jan–30 Jun 2017	1 Jan–31 Dec 2017
Net sales	**24,691**	**14,368**	**33,950**
Other operating revenue	223	92	306
Materials and services	-3,827	-1,571	-4,152
Personnel expenses	-13,307	-8,076	-18,867
Amortisations and depreciations	-383	-98	-458
Other operating expenses	-3,864	-2,216	-5,421
Earnings	**3,532**	**2,499**	**5,359**
Financial income and expenses, net	15	-65	-1,172
Profit after financial items	**3,547**	**2,434**	**4,187**
Year-end allocations	-	-	-2
Income taxes	-795	-426	-866
Profit/loss for the financial period	**2,752**	**2,008**	**3,319**

EBITDA

EUR 1,000	1–6/2018	1-6/2017	2017
Earnings (EBIT)	3,532	2,499	5,359
Amortisation of goodwill	285	47	332
Other planned amortisations	98	50	126
Depreciations	-	-	-
EBITDA	**3,915**	**2,596**	**5,817**

The new instructions on alternative key performance indicators by the European Securities and Markets Authority (ESMA) took effect for the financial period 2016. The company presents the alternative key performance indicators of EBITDA, ROI, and ROE in order to better describe the financial development of its business operations. These indicators are widely used in Finland and familiar to investors, and presented along the earnings, they complete the picture of the development of the company's profitability.

Group balance sheet (FAS)

EUR 1,000	30 June 2018	30 June 2017	31 December 2017
ASSETS			
Fixed assets			
Immaterial goods			
Development expenses	24	52	38
Goodwill	5,078	5,647	5,362
Other long-term expenses	85	46	93
Material goods			
Machinery and equipment	367	237	348
Other material goods	41	16	41
Investments	51	551	551
Fixed assets total	**5,645**	**6,550**	**6,433**
Current assets			
Long-term receivables			
Loan receivables	2	24	15
Short-term receivables			
Accounts receivable	11,449	5,748	8,786
Loan receivables	26	34	26
Other receivables	471	327	489
Accrued income	3,418	789	880
Receivables total	15,366	6,922	10,197
Liquid asset securities			
Other securities	5,000	-	-
Cash and cash equivalents	4,962	4,572	12,657
Current assets total	**25,328**	**11,494**	**22,854**
ASSETS TOTAL	**30,974**	**18,043**	**29,287**

EUR 1,000	30 June 2018	30 June 2017	31 December 2017
LIABILITIES			
Equity			
Share capital	80	8	80
Invested non-restricted equity fund	11,459	1,455	11,459
Profit from the previous financial periods	4,341	3,026	2,953
Profit for the review period	2,752	2,008	3,319
Equity total	**18,632**	**6,498**	**17,810**
External capital			
Long-term liabilities			
Loans from financial institutions	3,149	4,737	3,683
Short-term liabilities			
Loans from financial institutions	1,069	813	1,105
Advances received	19	-	15
Accounts payable	1,969	1,083	1,589
Other debts	1,887	1,521	1,672
Accrued expenses	4,249	3,390	3,412
Short-term liabilities total	9,193	6,808	7,794
External capital total	12,341	11,546	11,477
LIABILITIES TOTAL	30,974	18,043	29,287

Group funding statement (FAS)

EUR 1,000	1 Jan–30 Jun 2018	1 Jan–30 Jun 2017	1 Jan–31 Dec 2017
Operating cash flow			
Profit/loss before extraordinary items	3,547	2,434	4,187
Correction items:			
Planned amortisations	383	98	458
Financial income and expenses	-15	65	1,172
Other correction items (+/–)	-	-	-
Cash flow before change in working capital	3,915	2,596	5,817
Change in working capital:	-		
Increase/decrease in short-term non-interest-bearing receivables	-5,159	-1,426	-4,720
Increase/decrease in short-term non-interest-bearing debts	1,230	759	1,318
Operating cash flow before financial items and taxes	-14	1,930	2,416
Interests and expenses paid from other operating funding costs	-31	-61	-1,168
Other operating funding income	46	0	0
Direct taxes paid	-587	-342	-627
Operating cash flow (A)	**-586**	**1,527**	**621**
Investment cash flow:			
Investments in material and immaterial goods	-95	-96	-419

Investments in subsidiary shares	-	-4,685	-4,685
Other investments	-	-50	-50
Transfer earnings from other investments	500	-	-
Investment cash flow (B)	**405**	**-4,830**	**-5,153**
Funding cash flow:			
Equity increase subject to a charge	-	152	10,156
Long-term loan withdrawals	-	5,216	5,273
Long-term loan repayments	-571	-46	-793
Issued dividends and other profit distribution	-1,942	-1,052	-1,052
Funding cash flow (C)	**-2,513**	**4,270**	**13,584**
Change in funds (A + B + C) increase (+) / decrease (–)	**-2,695**	**967**	**9,052**
Funds at the beginning of the financial period (1 Jan)	**12,657**	**3,605**	**3,605**
Funds at the end of the period	**9,962**	**4,572**	**12,657**

Change in group equity (FAS)

EUR 1,000	1 Jan–30 Jun 2018	1 Jan–30 Jun 2017	1 Jan–31 Dec 2017
Restricted equity	80	8	8
Increases in share capital related to restructurings	-	-	72
Share capital at the end of the financial period	80	8	80
Restricted equity total	80	8	80
Non-restricted equity			
Invested non-restricted equity fund at the beginning of the financial period	11,459	34	34
Primary offering	-	152	10,156
Correction items related to restructuring	-	1,269	1,269
Invested non-restricted equity fund at the end of the financial period	11,459	1,455	11,459
Profit from previous financial periods at the beginning of the period	6,272	4,076	4,076
Correction items related to restructuring	-6	2	-72
Dividend distribution	-1,942	-1,052	-1,052
Translation differences	18	-	-
Profit from previous financial periods at the end of the period	4,341	3,026	2,953
Profit for the financial period	2,752	2,008	3,319
Non-restricted equity total	18,552	6,489	17,731
Equity total	**18,632**	**6,498**	**17,811**

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Group responsibilities

EUR 1,000	30 June 2018	30 June 2017	31 December 2017
Rental liabilities for office facilities			
Due during the next year	1,835	1,144	1,640
Due later	2,981	2,154	3,413
Total	4,816	3,298	5,053
Vehicle leasing liabilities (includes VAT)			
Due during the next year	53	58	47
Due later	36	55	27
Total	88	113	73
Leasing liabilities			
Due during the next year	657	472	540
Due later	808	654	681
Total	1,465	1,127	1,221
Other liabilities			
Corporate cards	-	-	-
Other collateral securities			
Corporate mortgages	7,840	7,840	7,840
Securities			
Collateral securities issued for others			
Security deposits			
Total	7,840	7,840	7,840
Loans from financial institutions	4,217	5,551	4,788

Calculation

Growth of net sales = (Net sales for the reporting period / Net sales for the comparison period −1) x 100

EBITDA = Earnings + amortisations and depreciations

EBITDA margin, % = Earnings + amortisations and depreciations / Net sales x 100

Earnings before interest, taxes and amortisation (EBITA) = Earnings + amortisation of goodwill

Earnings before interest, taxes and amortisation (EBITA) margin, % = Earnings + amortisation of goodwill / Net sales x 100

Net debt (net cash)	=	Long-term loans from financial institutions + short-term loans from financial institutions – cash and cash equivalents – other shares and parts of fixed assets	
Adjusted profit for the financial period	=	Profit for the financial period + amortisation of goodwill + non-recurring funding expenses	
Equity ratio, %	=	$\frac{\text{Equity}}{\text{Balance sheet total – advances received}}$	x 100
Net gearing, %	=	$\frac{\text{Long-term loans from financial institutions + short-term loans from financial institutions – cash and cash equivalents – other shares and parts of fixed assets}}{\text{Equity}}$	x 100
Return on equity (ROE), %	=	$\frac{\text{Profit for the financial period (annualised)}}{\text{Average equity}}$	x 100
Return on investment (ROI), %	=	$\frac{\text{Profit before taxes (annualised) + financial income and expenses (annualised)}}{\text{Average equity + average interest-bearing debts}}$	x 100
Earnings per share (EPS), undiluted, euros	=	$\frac{\text{Profit for the financial period}}{\text{Average issue-adjusted number of outstanding shares during the period}}$	x 100
Adjusted earnings per share (adjusted EPS), undiluted, euros	=	$\frac{\text{Adjusted profit for the financial period}}{\text{Average issue-adjusted number of outstanding shares during the period}}$	

Tampere, 15 August 2018

Gofore Plc
Board Of Directors

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Gofore is a company specialising in digitalisation established in 2002. We offer modern services that help operators in the private and public sectors to move with the times. Our mission is to change the world for the better through digitalisation and by renewing the ways of working. Our services cover the entire value chain – from management consultation to service design and implementation as well as cloud services. Staying on top and ahead of the development requires us to be fast-paced, regenerative and competitive. We have proven expertise of this from over 16 years. Our operations are characterised by top expertise, alacrity and genuine interaction. We believe that we are the best partner to our clients on the path to digital change. Gofore currently employs over 410 people in Helsinki, Jyväskylä, Tampere, Swansea, Munich and Madrid. Gofore was chosen as the best workplace in Finland and the second best workplace in Europe in the Great Place to Work® 2017 survey. More information: www.gofore.com.