

# Gofore Plc's Financial Statements Release 1 January–31 December, 2017

GOFORE PLC

COMPANY ANNOUNCEMENT 15 FEBRUARY 2018 AT 09:00 EET

## Gofore Plc's Financial Statements Release 1 January–31 December, 2017 (unaudited): Continued strong growth, successful listing to the Nasdaq First North Finland marketplace

### January–December 2017 in brief:

- The net sales were EUR 33.95 million, with a growth of EUR 15.33 million or 82.37% (EUR 18.62 million).
- The earnings before interest, taxes, depreciation and amortisation (EBITDA) was EUR 5.82 million (EUR 2.71 million), corresponding to 17.13% (14.55%) of the net sales.
- The earnings before interest, taxes and amortisation (EBITA) was EUR 5.69 million (EUR 2.63 million), corresponding to 16.76% (14.10%) of the net sales.
- The earnings (EBIT) was EUR 5.36 million (EUR 2.63 million), corresponding to 15.78% (14.10%) of the net sales.
- The result of the financial period was EUR 3.31 million (EUR 2.11 million), corresponding to 9.76% (11.32%) of the net sales.
- The result of the financial period was influenced by the listing expenses of approximately EUR 1.12 million.
- The earnings per share was EUR 0.28.
- Trading started on the company's shares in the First North Finland marketplace operated by Nasdaq Helsinki Ltd. on 16 November, 2017. The trading code of the shares is "GOFORE".
- The number of staff increased by 90.8% (178 employees) to a total of 374 employees from the end of 2016.
- On 31 May, 2017, Gofore acquired Leadin Oy, which specialises in user experience design and service design, and its fully-owned subsidiary Leadin UK Ltd. Leadin Oy was absorbed into Gofore Plc on 31 December, 2017.
- During the autumn, Leadin UK Ltd. was renamed Gofore UK Ltd.
- In November, Gofore founded the subsidiaries Gofore Germany GmbH and Gofore Spain SL.
- The Board of Directors proposes a dividend of EUR 0.15 per share.

In 2016, the Gofore Group did not exist in its current form. Therefore, comparable official figures for that period are not available, and the comparison for January–December was performed against the 2016 financial statements of Gofore Plc. The July–December period has not been compared.

### Views for the 2018 financial period

The net sales are expected to continue its growth in 2018. The company's Board of Directors estimates the 2018 net sales as EUR 46–52 million.

### Long-term financial goals

The long-term financial goals 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 earnings before interest, taxes and amortisation (EBITA) of 15%.

## Key figures

### Reported

In [thousands of] euros, unless otherwise mentioned	7-12/2017	7-12/2016 <sup>1</sup>	2017	2016
Net sales	19,583	9,934	33,950	18,616
Net sales growth, %	97.1	65.5	82.4	49.9
EBITDA	3,220	1,479	5,817	2,709
EBITDA margin, %	16.4	14.9	17.1	14.6
Earnings before interest, taxes and amortisation (EBITA)	3,145	1,425	5,691	2,625
Earnings before interest, taxes and amortisation (EBITA) margin, %	16.1	14.3	16.8	14.1
Earnings (EBIT)	2,860	1,425	5,359	2,625
Earnings (EBIT) margin, %	14.6	14.3	15.8	14.1
Profit for the financial period	1,304	1,151	3,312	2,108
Adjusted profit for the financial period <sup>2</sup>	2,659	1,151	4,772	2,108
Earnings per share (EPS), undiluted, euros	0.11	0.11	0.28	0.20
Adjusted earnings per share (adjusted EPS), undiluted, euros	0.23	0.11	0.41	0.20
Number of outstanding shares at the end of the period (issue-adjusted <sup>3</sup> )	12,948,800	10,560,000	12,948,800	10,560,000
Equity ratio, %	60.8	54.1	60.8	54.1
Net gearing, %	-47.3	-97.9	-47.3	-97.9
Return on equity (ROE), % <sup>4</sup>	21.5	69.1	30.2	63.3
Return on investment (ROI), % <sup>4</sup>	34.8	85.2	22.5	53.8
Number of staff at the end of the review period	374	196	374	196

<sup>1</sup> Figures for the periods 7-12/2016 and 2016 are for the parent company. The figures for the Leadin group have been combined with the figures for the Gofore group starting on 1 June, 2017.

<sup>2</sup> 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.

<sup>3</sup> Issue-adjusted refers to the redistribution of the stock prior to listing in October 2017.

<sup>4</sup> Annualised.

In order to improve comparability, the figures of the 2016 pro forma profit and loss statement, which were presented to the Nasdaq Helsinki Ltd. operated First North Finland marketplace in the prospectus related to the listing and primary offering, have been included in this financial statements release. No comparable figures exist for the six-month periods of the financial year.

### Pro forma <sup>1</sup>

In [thousands of] euros, unless otherwise mentioned	7-12/2017	7-12/2016	2017	2016
Pro forma net sales	19,583	-	37,322	22,824
Pro forma EBITDA	3,220	-	6,607	3,272
Pro forma EBITDA margin, %	16.4	-	17.7	14.3
Pro forma earnings before interest, taxes and amortisation (EBITA)	3,145	-	6,468	3,154
Pro forma earnings before interest, taxes and amortisation (EBITA) margin, %	16.1	-	17.3	13.8
Pro forma earnings (EBIT)	2,860	-	5,898	2,585
Pro forma earnings (EBIT) margin, %	14.6	-	15.8	11.3
Pro forma profit for the financial period	1,304	-	3,683	1,916
Adjusted pro forma profit for the financial period <sup>2</sup>	2,659	-	5,380	2,486
Adjusted pro forma earnings per share (adjusted EPS), undiluted, euros	0.23	-	0.46	0.24

<sup>1</sup> The table shows unaudited pro forma information for the periods 1 July-31 December, 2017; 1 January-31 December, 2017; and 1 January-31 December, 2016. The pro forma information was created to illustrate what Gofore's result could have been, had the Leadin group 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 the Leadin group have been combined with the figures for the Gofore group starting on 1 June, 2017.

<sup>2</sup> 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 commented on the year 2017 development

2017 was another excellent year for Gofore: our reported net sales increased by over 82% to a total of EUR 33.95 million from the previous financial period. We also improved our profitability, as EBITA added up to EUR 5.69 million, which corresponds to 16.76% of the net sales.

Our growth has been strong and profitable for 13 financial periods in a row. In addition to strong organic growth, we have now also successfully performed our first business acquisition (of Leadin Oy, which specialises in user experience design and service design) and integrated the acquired company as part of Gofore.

Digitalisation expert services are in great demand at the moment. The exponential development of technology, new service innovations, and global competition expose our society and our clients to continuous changes. The public sector is also aiming to renew itself digitally, seeking improved efficiency and customer experience.

We can offer our customers top-quality expertise for facing these changes. Our competence, extensive and up-to-date service range, and unique working culture make us stand out among our competitors.

Our services are divided into four parts: management consultation (Lead), service design (Design), development of information systems and the related design and management services (Build), and maintenance and expert services which utilise cloud infrastructure (Cloud).

Our clientele developed very favourably in all service areas. With the Leadin acquisition, the portfolio of industries, which we serve with our services, was diversified, and we received several major clients in the Industry sector. Of our net sales, 63% (pro forma) was in the public sector, with our largest customers being the Population Register Centre and the Development and Administration Centre for the ELY Centres and TE Offices (KEHA-centre).

In line with our strategy, we have significantly increased our private sector business. New clients, or clients with the most growth in our business with them, were Nokia, Outotec and Alma Media. We signed new contracts worth over EUR 1 million with the Population Register Centre and the City of Espoo.

Our international business developed with the aforementioned acquisition, and we got a UK-based subsidiary in Swansea as well as clients from Germany and Denmark. Our most significant international client is currently the Voith Group. At the end of the year, we established subsidiaries in Germany and Spain. Of our net sales, 14% (pro forma) came from international business.

We were also listed on the Nasdaq First North Finland marketplace in November, aiming to improve the preconditions for our future growth. After being listed, our owner base has expanded and it now includes some 70% of our staff. In the future, we aim to use our shares as one part of the incentives offered to our staff, but also as part of restructurings to support our growth.

Our values guide our everyday operations. First of all, we want to be the best place to work in for all of our employees. Second, we thrive on our customers' successes. These values have made us a modern-day provider of digital services, constantly developing and producing exceptional experiences to our customers and employees.

Gofore was chosen as the best workplace in Finland and the second best workplace in Europe in the Great Place to Work® survey in 2017. However, the best thing about the Gofore culture is not the awards we receive, but working together every day. Our strong and profitable growth while the top management focuses on the preparations for being listed speaks of shared responsibility and enthusiasm.

We will work for our continued development in 2018 as well. We estimate the net sales for 2018 to be EUR 46–52 million.

The year 2018 started according to expectations, as the January net sales were EUR 4.1 million. The combined net sales of Gofore Oy and the Leadin group in January 2017 were EUR 2.7 million.



Timur Kärki  
CEO

# FINANCIAL REVIEW 1 January–31 December, 2017

## Net sales

In the period from January to December, the net sales of the Gofore group increased by 82.37% to EUR 33.95 million. This increase was affected by strong organic growth but also by the Leadin acquisition in June 2017.

## Profitability and the development of the result

In January–December 2017, the Gofore EBITDA was EUR 5.82 million, corresponding to 17.13% of the net sales.

The EBITA in January–December was EUR 5.69 million, or 16.76% of the net sales.

The EBIT in January–December was EUR 5.36 million, or 15.78% of the net sales.

The expenses for being listed on the First North Finland marketplace operated by Nasdaq Helsinki Ltd. added up to approximately EUR 1.12 million, which is entered under funding costs.

The arrangements which led to the Gofore 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).

Figures for the comparative year are not comparable in that they do not include goodwill amortization as in 2017.

The personnel expenses in January–December were EUR 18.87 million, or 55.57% of the net sales.

This figure increased as the number of personnel increased. The light hierarchy of the Gofore 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 5.42 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 Gofore group balance sheet total on 31 December, 2017, was EUR 29.29 million (EUR 7.66 million).

The growth 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 31 December, 2017, the equity ratio of the group was 60.82% (54.12%), with a net gearing of -47.29% (-97.87%). The amount of goodwill on the balance sheet was EUR 5.36 million.

The operating cash flow after interests and direct taxes in January–December was EUR 0.6 million.

At the end of the financial period, the group's liquid cash assets were EUR 12.7 million. The company estimates that in addition to this sum, EUR 0.5 million of invested funds which has been listed as investments on the financial statements can be considered liquid assets because it can, if necessary, be liquidated. The interest-bearing debts added up to EUR 4.79 million, consisting of bank loans. Of this amount, EUR 3.68 million was in long-term and EUR 1.11 million in short-term interest-bearing debts. In its financing agreement, the company has a EUR 1 million revolving credit facility agreed upon, which is not currently in use.

## 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 cloud service utilisation consulting and the offering of cloud capacity.

The parent company of the group, Gofore Plc, is the full owner of the following subsidiaries:

- Erofog Oy (no operations)
- Leadin Oy (absorbed into Gofore Plc on 31 December, 2017)
- Gofore UK Ltd.
- Gofore Germany GmbH
- Gofore Spain SL

## Personnel and offices

At the end of the review period, the group employed a total of 374 people, of whom 355 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).

Compared to the end of 2016, the number of personnel increased by 178 people, which is an increase of 90.8%. The average number of employees during the review period was approximately 290.

In February 2017, Gofore was chosen as the best workplace in Finland in the Great Place to Work survey, in the medium-sized workplaces group. The company was also chosen as the second best workplace in Europe. The high level of employee satisfaction and the good working atmosphere remain among the main objectives of the group, together with high customer satisfaction.

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

Starting on 31 March, 2017, the Gofore group Board of Directors consists of Ali U. Saadetdin (chairman of the Board), Sami Somero, Anne-Mari Silvast, and Petteri Venola.

## Changes to the group structure

During the review period, two subsidiaries were founded: Gofore Germany GmbH on 28 November, 2017, and Gofore Spain SL on 14 November, 2017. The subsidiaries are fully owned by the parent company.

Leadin Oy was absorbed into Gofore Plc on 31 December, 2017.

## Annual general meeting

The annual general meeting of Gofore Plc was organised in Tampere on 31 March, 2017. The general meeting confirmed the financial statements for 2016 and discharged the members of the Board of Directors and the CEO from liability for the accounts regarding 2016. According to the proposal by the Board, the annual general meeting decided to issue a total of EUR 528,000 in dividends, and EUR 312,399 in work contribution dividends to holders of B shares. The annual general meeting authorised the Board of Directors to decide on additional dividends. In its meeting on 25 April, 2017, the Board decided to issue a total of EUR 212,200 in additional dividends.

The KPMG Oy Ab auditing community was selected as the auditor, with CPA Teemu Suoniemi as appointed auditor.

The unanimous decision of the Gofore Plc shareholders was delivered on 31 May, 2017, in Tampere, to privately place a total of 7,788 new company shares for compensation. The new shares were used to strengthen the commitment of key persons in the acquisition of the Leadin group through share exchange.

## Shares, shareholders, and share-based incentive programmes

After the distribution of the stock, the company's total number of shares was 11,338,800, with 1,610,000 new shares offered for subscription in the initial public offering (IPO). All shares were subscribed in the IPO.

On 31 December, 2017, the total number of Gofore Plc shares was 12,948,800. During the review period, the company did not hold its own shares.

Trading started on Gofore's shares in the Nasdaq Helsinki Ltd. operated First North Finland marketplace on 16 November, 2017, using the trading code "GOFORE". The subscription price was EUR 6.35 per share for the Public Offering and Institutional Offering and EUR 5.72 per share for the Employee Offering.

The company's B shares were redeemed and the series of B shares discontinued as part of the listing arrangements in autumn 2017.

In the Employee Offering, the Matching Share incentive 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.

A total of 253 employees and Board members who participated in the Employee Offering have accepted the Matching Share programme terms. At the time of writing this Financial Statements Release, the total number of shares to be donated to these employees is 115,436. The company may acquire the shares from the market or from a share issue.

## Research and development operations

During 2017, the company has not carried out any significant research and development operations, and such work has not resulted in any activations in the group balance sheet.

On 1 February, 2017, the company launched the Tekes-funded project 'Kasvu, Kansainvälistyminen ja Digitaalinen Uudistuminen Palveluyrityksessä ("KAKADU")', which aims to develop the company's own operations. The project consists of three tightly connected parts: 1. Development of management capabilities, 2. The internationalisation of Gofore's business activities in its current service range, and 3. Development of the Hohto++ service to meet Gofore's needs, and possibly launching the service in SaaS format (Software as a Service) internationally. The KAKADU project builds on a vision of Gofore being as digital as possible.

Hohto++ is a management tool being designed for the measurement and management of factors essential for business operations, such as customer and employee satisfaction, sales, and resourcing. The intention is to enable low-hierarchy management of even larger companies through the collection and real-time analysis of information. If the development of the Hohto++ system is successful and the system is mature enough, it may be launched in SaaS format for use by everyone. The estimated total costs from the KAKADU project is EUR 778,000. Tekes has approved of the budget. Tekes has agreed to fund the project by 50% of the estimated total costs. The KAKADU project funding has been granted until 30 June, 2018.

In addition, the company has in 2017 participated in the EU-funded Multi Platform Application Toolkit (MPAT) development project, which has been developing a multi-channel publication system for the future.

## Summary of the trading in Nasdaq Helsinki

January–December 2017 (16 Nov–31 Dec 2017)	Traded shares	Market value total (at the end of the period), EUR		Average price (volu- me weighted), EUR			Latest, EUR
		Highest, EUR	Lowest, EUR				
Gofore	2,194,096	90,771,088	7.20	6.40	6.86	7.01	
		<b>31 Dec 2017</b>		<b>31 Dec 2016*</b>			
Market value, EUR		90,771,088		N/A			
Shareholders (according to the shareholder list maintained by Euroclear Finland Oy)		2,555		N/A			

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

## Proposal for dividends

On 31 December, 2017, the distributable funds of the parent company added up to EUR 17,095,549.12, of which EUR 2,679,895.94 was profit for the financial period.

The Board of Directors proposes to the annual general meeting that EUR 0.15 per share be paid in dividends for 2017, which adds up to a total of EUR 1,942,320.00. The dividends will increase by 163% from the previous year, and the total sum corresponds to approximately 59% of the result for the financial period.

No significant changes have taken place in Gofore's financial status since the ending of the previous financial period. The company's liquidity is good, and the Board does not consider the proposed profit distribution to endanger the company's liquidity.

## Short-term risks and uncertainty factors

The prospectus published by the company on 3 November, 2017, discusses the company's short-term risks and uncertainty factors extensively. There have been no significant changes to these since the prospectus was published.

The availability of competent employees and the success of recruitment remain the major uncertainty factors related to continued growth.

The company has noted that its globally operating public sector customer base is inclined towards a certain slowness in achieving legal acquisition decisions and assignment documents. However, the business representatives in this customer group often hope for the assignment to be launched quickly, which may lead to situations where the company's project group launches a customer project at its own risk some weeks before a legal order has been signed.

## Events after the turn of the financial period

The company has expanded its facilities in Helsinki and Tampere. In January, 2018 net sales were EUR 4.1 million. The number of employees at the end of January was 377.

## Composition principles of the financial statements

The financial statements release has been composed in accordance with good accounting practices and Finnish legislation. The financial statements release is based on the unaudited financial statements. The information is presented to the extent required by section 4.6 (e) of the First North regulations. The figures have been rounded from the accurate figures.

Interim financial reports were not created for 2016, as the Gofore group in its current form did not exist at that time. Therefore, the company does not have access to official comparable figures for the comparison period. The result and balance sheet for Gofore Plc are presented as the figures for the comparison period.

## Financial disclosure in 2018

On 15 August, 2018, the company will publish a mid-year report for January–June 2018. The annual general meeting is planned for 27 March, 2018.

The invitation for the annual general meeting is estimated to be published during week 9.

## TABLES

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

### Group profit and loss account (FAS)

<b>EUR 1,000</b>	<b>1 Jan–31 Dec 2017</b>	<b>1 Jan–31 Dec 2016</b>
Net sales	<b>33,950</b>	<b>18,616</b>
Other operating net sales	306	79
Materials and services	-4,152	-1,842
Personnel expenses	-18,867	-11,063
Amortisations and depreciations	-458	-83
Other operating expenses	-5,421	-3,082
Earnings	<b>5,359</b>	<b>2,625</b>
Financial income and expenses, net	-1,172	11
Profit after financial items	<b>4,187</b>	<b>2,636</b>
Year-end allocations	-8	-
Income taxes	-866	-528
Profit/loss for the financial period	<b>3,312</b>	<b>2,108</b>

### EBITDA

<b>EUR 1,000</b>	<b>7–12/2017</b>	<b>7–12/2016</b>	<b>2017</b>	<b>2016</b>
Earnings	2,860	1,425	5,359	2,625
Amortisation of goodwill	285	-	332	-
Other planned amortisations	75	54	126	83
Depreciations	-	-	-	-
<b>EBITDA</b>	<b>3,220</b>	<b>1,479</b>	<b>5,817</b>	<b>2,709</b>

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	31 Dec 2017	31 Dec 2016
<b>ASSETS</b>		
Fixed assets		
Immaterial goods		
Development expenses	38	
Goodwill	5,362	
Other long-term expenses	93	48
Material goods		
Machinery and equipment	348	163
Other material goods	41	16
Investments	551	511
<b>Fixed assets total</b>	<b>6,433</b>	<b>738</b>
Current assets		
Long-term receivables		
Loan receivables	15	42
Short-term receivables		
Accounts receivable	8,786	2,878
Loan receivables	26	26
Other receivables	489	291
Accrued income	880	85
<b>Receivables total</b>	<b>10,197</b>	<b>3,322</b>
Cash and cash equivalents	12,657	3,595
<b>Current assets total</b>	<b>22,854</b>	<b>6,917</b>
<b>ASSETS TOTAL</b>	<b>29,287</b>	<b>7,656</b>
<b>LIABILITIES</b>		
Equity		
Share capital	80	8
Invested non-restricted equity fund	11,459	34
Profit/loss from the previous financial periods	2,953	1,972
Profit for the review period	3,312	2,108
<b>Equity total</b>	<b>17,804</b>	<b>4,122</b>
Depreciation difference	8	-
External capital		
Long-term liabilities		
Loans from financial institutions	3,683	-
Short-term liabilities		
Loans from financial institutions	1,105	62
Advances received	15	39
Accounts payable	1,589	685
Other debts	1,672	969
Accrued expenses	3,410	1,779
<b>Short-term liabilities total</b>	<b>7,792</b>	<b>3,533</b>
<b>External capital total</b>	<b>11,475</b>	<b>3,533</b>
<b>LIABILITIES TOTAL</b>	<b>29,287</b>	<b>7,656</b>

## Group funding statement (FAS)

EUR 1,000	1 Jan-31 Dec 2017
Operating cash flow	
Profit/loss before extraordinary items	4,187
Correction items:	
Planned amortisations	458
Financial income and expenses	1,172
Cash flow before change in working capital	5,817
Change in working capital:	
Increase/decrease in short-term non-interest-bearing receivables	-4,694
Increase/decrease in short-term non-interest-bearing debts	1,147
Operating cash flow before financial items and taxes	2,270
Interests and expenses paid from other operating funding costs	-1,168
Other operating funding income	0
Direct taxes paid	-479
Operating cash flow (A)	<b>623</b>
Investment cash flow:	
Investments in material and immaterial goods	-419
Investments in subsidiary shares	-4,685
Other investments	-50
Investment cash flow (B)	<b>-5,153</b>
Funding cash flow:	
Equity increase subject to a charge	10,156
Long-term loan withdrawals	5,519
Long-term loan repayments	-793
Issued dividends and other profit distribution	-1,291
Funding cash flow (C)	<b>13,592</b>
Change in funds (A + B + C) increase (+) / decrease (-)	<b>9,061</b>
Funds at the beginning of the financial period (1 Jan)	<b>3,595</b>
Funds at the end of the financial period (31 Dec)	<b>12,657</b>

## Change in group equity (FAS)

EUR 1,000	2017	2016
Restricted equity	8	8
Increases in share capital related to restructurings	72	-
Share capital at the end of the financial period	80	-
Restricted equity total	80	8
Non-restricted equity		
Invested non-restricted equity fund at the beginning of the financial period	34	34
Primary offering	10,156	-
Correction items related to restructuring	1,269	-
Invested non-restricted equity fund at the end of the financial period	11,459	34
Profit from previous financial periods at the beginning of the period	4,076	2,500
Correction items related to restructuring	-72	-
Dividend distribution	-1,052	-528
Profit from previous financial periods at the end of the period	2,953	1,972
Profit for the financial period	3,312	2,108
Non-restricted equity total	17,724	4,114
Equity total	<b>17,804</b>	<b>4,122</b>

## Group responsibilities

EUR 1,000	31 Dec 2017	31 Dec 2016
Rental liabilities for office facilities		
Due during the next year	1,640	977
Due later	3,413	2,558
Total	5,053	3,535
Leasing liabilities		
Due during the next year	565	295
Due later	699	422
Total	1,264	717
Other liabilities		
Corporate cards		-
Other collateral securities		-
Corporate mortgages	7,840	250
Securities		-
Collateral securities issued for others		-
Security deposits		-
Total	7,840	250
Loans from financial institutions	4,788	62

## Formulas

Growth of net sales	=	$\left( \frac{\text{Net sales for the reporting period}}{\text{Net sales for the comparison period}} - 1 \right) \times 100$
EBITDA	=	Earnings + amortisations and depreciations
EBITDA margin, %	=	$\frac{\text{Earnings + amortisations and depreciations}}{\text{Net sales}} \times 100$
Earnings before interest, taxes and amortisation (EBITA)	=	Earnings + amortisation of goodwill
Earnings before interest, taxes and amortisation (EBITA) margin, %	=	$\frac{\text{Earnings + amortisation of goodwill}}{\text{Net sales}} \times 100$
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, %	=	$\frac{\text{Equity}}{\text{Balance sheet total – advances received}} \times 100$
Net gearing, %	=	$\frac{\text{Long-term loans from financial institutions + short-term loans from financial institutions – cash and cash equivalents – other shares and parts of fixed assets}}{\text{Equity}} \times 100$
Return on equity (ROE), %	=	$\frac{\text{Profit for the financial period (annualised)}}{\text{Average equity}} \times 100$
Return on investment (ROI), %	=	$\frac{\text{Profit before taxes (annualised) + financial income and expenses (annualised)}}{\text{Average equity + average interest-bearing debts}} \times 100$
Earnings per share (EPS), undiluted, euros	=	$\frac{\text{Profit for the financial period}}{\text{Average issue-adjusted number of outstanding shares during the period}}$
Adjusted earnings per share (adjusted EPS), undiluted, euros	=	$\frac{\text{Adjusted profit for the financial period}}{\text{Average issue-adjusted number of outstanding shares during the period}}$

Gofore Plc Board of Directors

**Further enquiries:**

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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 some 380 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](http://www.gofore.com).