

# **vincit**

**FINANCIAL STATEMENTS AND REPORT  
BY THE BOARD OF DIRECTORS 2024**





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# GREETINGS FROM OUR CEO 🙌



“The last quarter of 2024 was subdued for Vincit, both in terms of revenue and profitability development, similar to the entire fiscal year. Sales cycles have remained long throughout the year as customers carefully consider initiating new projects, even relatively small ones. The market environment, especially for custom software development, was challenging throughout the year.

In the Nordics, demand for our service offering was highest for data and AI solutions, as well as SAP S/4HANA transformation projects. Among customer deliveries in Finland, I would particularly like to highlight the Edilex AI tool, developed by Vincit and Edilex, which is designed for legal information retrieval. The tool is currently being tested by law firms, and the commercial version will be released during 2025. After the review period, we also announced an extensive cooperation agreement with Schetelig Group, a wholesaler catering to garden professionals. We are helping the Group’s companies modernize their core business processes with a cloud-based, comprehensive SAP solution. These projects are examples of our strategic goal to apply our expertise more deeply to our customers’ business-critical challenges.

In the United States, the operating environment has remained challenging for Vincit, and the past quarter was again unprofitable. We continue to work on building a new market position as a digital commerce partner and adjusting the cost base to the cur-

rent size of the US business. We are focused on winning new customers in the retail, media, and manufacturing industries by leveraging our delivery capabilities from Europe.

During the year, we have significantly streamlined our cost structure and increased cost flexibility in our operations. Thanks to cost-cutting measures related to office premises and other operating costs, we achieved annual savings of EUR 2 million. In addition, we concluded change negotiations in November concerning temporary layoffs in Finland. The layoffs apply to employees in billable roles whose customer invoicing has been low for an extended period. We will continue to evaluate the necessary measures and need for temporary layoffs until the end of June 2025. At the end of the year, Vincit had 30 employees on temporary layoff in Finland and the US.

In December, we announced that we had become part of a professional cyberattack. The multi-stage attack originated from stolen VPN credentials from a Vincit employee’s personal computer, which allowed the criminals to penetrate a closed network of a Vincit customer. The stolen credentials did not directly allow access to customer systems or personal data managed by customers, but the criminals were able to exploit vulnerabilities independent of Vincit in the next stage of the attack. We take this series of events extremely seriously and have conducted a

thorough investigation in cooperation with cybersecurity professionals and authorities. We will accelerate the schedule of ongoing cybersecurity projects and further increase investments in cybersecurity development and risk management together with our customers. The costs related to the cybersecurity attack burdened the result of the final quarter.

The year 2024 ended with the clarified strategy and updated financial targets published in December. Vincit aims to be the most trusted digital business partner for its customers, combining leading technology platforms and tailored solutions. The results of a customer satisfaction survey conducted in December (NPS 58) provide a good starting point for our goal. As a result of the strategy work, we started 2025 with a new organizational structure, which strengthens the independence of our business areas. This enables clearer profit responsibility, closer customer collaboration and brings experts closer to the business. Although the operating environment remains challenging at the turn of the year, we are entering the new year committed to earning our customers’ trust every single day.”

**Julius Manni**  
CEO



# SUSTAINABILITY WORK

## Overview of our sustainability work

For Vincit, sustainable business means working towards a better tomorrow. We develop digital services for users from diverse backgrounds and want to promote solutions that advance sustainable business. We also want to be a responsible employer, support the wellbeing of Vincitizens, and promote a culture where everyone feels a sense of belonging.

Vincit was founded to be a great place to work. The most important goal for us is to make sure that our customers and employees are even happier tomorrow than they already are today, and this is embedded in everything we do. We want this founding principle to also be visible along our sustainability journey.

## We renewed the core pillars of our sustainability work

During 2024, we have both continued our active work to promote responsible business and sustainable development and renewed it. The market environment and sustainability requirements are changing significantly, and we saw a need to reassess our sustainability work. Because we have a deep will to respond to new challenges, we began our journey towards the next level.

As part of the reassessment of sustainability needs and measures, we are preparing a double materiality assessment in accordance with the upcoming Corporate Sustainability Reporting Directive (CSRD) to be able to meet reporting requirements starting from the 2025 financial year. We extensively surveyed the needs of Vincit's personnel, customers, investors, and other stakeholders regarding sustainability to better serve them in terms of both our operations and reporting. As reporting-related legislation appears to still be evolving, we wanted to focus our sustainability work assessment on broader themes, with reporting following close behind.

The assessment strengthened and clarified our view on where we should focus in the future to be able to build a sustainable business and communicate matters in a way that satisfies stakeholders.

## People remain at the heart of our sustainability work

Personnel, ethical business principles, and the overall sustainability of services emerged as the most important areas on which we will focus more strongly in the future as part of our sustainability work. We want to strengthen our expertise and management practices so that we understand the economic and societal impacts of these matters even better.

Our personnel are strongly at the heart of our sustainability work. We believe we can be a place where professional, community and company wellbeing can be combined. We want everyone at Vincit to feel welcome as themselves, and we want to ensure that Vincit is a place for people from diverse backgrounds.

We see employee engagement as being of vital importance to us. Skilled, enthusiastic personnel are key in building a sustainable business. We have systematically invested in various practices to promote a positive work culture for everyone. Our remuneration practices have been transparent for some time, and we systematically measure employee satisfaction. Supporting and promoting diversity and equality is part of our culture.

In our customer projects, we strive to understand the sustainability goals integrated into the customer's business. We make digital solutions easy to use and accessible to users from diverse backgrounds. We believe that by considering impact and inclusivity, we can broaden our societal impact together with the customer.

The risk of cyber threats is a concern for our business. Data breaches, ransomware attacks or system failures can lead to financial losses, reputational damage and legal consequences. Therefore, we have prioritized the implementation of cybersecurity certificates, regular employee training and the maintenance of up-to-date software systems to protect against risks. Following the cyberattack against us announced in December 2024, we will accelerate the schedule of ongoing cybersecurity projects and further increase investments in cybersecurity development and risk management together with our customers.

Compliance with ethical business principles in our processes is of paramount importance to us. Customer and other stakeholder needs are also growing in this area, and we want to be able to deliver results here too, which helps in meeting these needs.

## Our sustainability work evolves, develops and strengthens in 2025

The year 2025 is a year of building and renewal, our sustainability journey continues as a journey of promoting sustainable development. We will refine our metrics, targets and reporting practices in identified key areas and strengthen our governance model related to the handling of these matters. We want to ensure that we have the best possible expertise throughout the organization, and we will invest in training in various ways during 2025. We see that the world is changing, also from a sustainability perspective, and we will continue our work in this area to stay at the forefront of change.



# BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2024

## Board of Directors' report

### Key events in the financial year 2024

- Vincit clarified the Leadership Team's business responsibilities in the Nordics and the USA.
- Vincit lowered its 2024 guidance for revenue and profitability.
- Vincit transferred treasury shares as part of the acquisition of the minority stake in Vincit Helsinki Oy.
- Vincit clarified its strategy and updated its financial targets for 2025-2027.
- Vincit became part of a cyberattack in late 2024. The investigation of the situation and corrective measures were initiated immediately.

### Financial review 1 January–31 December 2024

#### Consolidated revenue

Revenue decreased in January–December by 13.7% year-on-year to EUR 84.6 (98.1) million. The negative revenue development was still driven by the general market situation and weak customer demand.

#### Group profitability and earnings development

EBITDA was EUR 0.5 (2.0) million or 0.6% (2.0%) of revenue during the review period. EBITA was EUR 0.3 (1.7) million or 0.3% (1.8%) of revenue. Adjusted EBITA was EUR 0.8 (3.7) million, or 0.9% (3.8%) of revenue. Non-recurring items for the financial year were EUR -0.5 million (-2.0). Non-recurring items are specified in the notes to the financial statements.

The Group's personnel costs amounted to EUR 53.4 (62.5) million, or 63.1% (63.7%) of revenue. The number of personnel at the end of the review period was 640 (720).

Other operating expenses totaled EUR 17.0 (18.4) million, which is 20.0% (18.8%) of revenue. Other operating expenses include EUR 0.4 million of advisory costs related to a discontinued acquisition process. Thanks to savings in office expenses and other cost-cutting measures, we achieved annual savings of EUR 2 million. Other operating expenses also include provisions for potential business-related disputes and legal proceedings, and costs related to handling the cyberattack.

The earnings impact of loan loss provisions for the financial year was EUR -0.1 million (-1.4). Unrealized foreign exchange losses (gains) recognized in financial items in January–December totaled EUR 0.1 (-0.2) million.

EBIT was EUR -3.7 (-2.2) million or -4.4% (-2.2%) of revenue. The weak profitability development was still driven by the general market situation and weakened customer demand.

Profit for January–December 2024 was EUR -3.6 (-2.9) million.

### Parent company financial performance

The parent company's revenue decreased by 12.8% and amounted to EUR 70.2 million (80.5). EBITDA for the financial year was EUR -3.9 (2.8) million, or -5.6% (3.5%) of revenue. The weak profitability development was still due to the general market situation and weakened customer demand.

EBIT was EUR -6.5 million (0.2), or -9.3% (0.2%) of revenue. A significant item affecting EBIT was the merger loss of approximately EUR 4.3 million from Motley Agency Oy.

The net result for the financial year was EUR -6.0 (-0.5) million.

The parent company's balance sheet total at the end of the financial year was EUR 47.5 million (58.2). Equity ratio at the end of the financial year was 63.3% (64.3%). At the end of the financial year, the parent company's liquid assets were EUR 6.0 million (8.7).

### Vincit's business areas

Vincit's business comprises two areas: the Service business in Nordics (Vincit Nordics) and the United States (Vincit USA), and the Product business focusing on the Finnish market. Customers include both enterprises and public sector actors.



### **Service business**

Vincit strives to be the most trusted digital business partner for its customers, combining leading enterprise platforms and tailored solutions. Vincit's competitive advantage is in bringing together design and human-centric thinking, business process knowledge, and agile software development. Focus areas for growth are the SAP and Microsoft Azure cloud ecosystems, as well as the integration of AI capabilities across all services.

Revenue of the Service business in January-December was EUR 81.5 (95.1) million, a decline of 14.3% year-on-year.

During January-December, EBITA of the Service business was EUR 0.6 (2.1) million or 0.7% (2.2%) of revenue. Adjusted EBITA was EUR 1.1 (4.1) million, or 1.3% (4.3%) of revenue. Non-recurring items in January-December amounted to EUR -0.5 (-2.0) million.

### **Vincit Nordics**

Vincit Nordics' full-year revenue decreased year-on-year. The market was challenging throughout the year, and the development measures implemented have not yet yielded the desired results. We have put in a lot of effort to develop our offering as well as our delivery and sales capabilities, which in the final quarter of the year resulted in successful new customer projects in line with our strategy.

Throughout the year, demand was strongest for Data and AI and SAP S/4HANA cloud transformation projects, while demand for custom software development was weak. Customers have in recent years focused their investments primarily on efficiency improvements. Towards the end of the year, however, we saw increased activity in development projects focused on competitive advantage and customer interfaces, which support our Commerce and Digital Solutions businesses.

Vincit Nordics' relative profitability weakened from the previous fiscal year. Intensified price competition, especially in the public sector, and increased labor costs are challenging profitability both for us and the industry more broadly.

Vincit Nordic's revenue in January-December was EUR 74.0 (84.7) million, a decline of 12.6% year-on-year.

During January-December, Vincit Nordics' EBITA was EUR 1.9 (2.9) million or 2.5% (3.5%) of revenue. Adjusted EBITA was EUR 1.9 (4.1) million, or 2.5% (4.8%) of revenue. Non-recurring items in January-December amounted to EUR 0.0 (-1.1) million.

### **Vincit USA**

Vincit USA's operating environment remained challenging throughout 2024, which led to a year-on-year decline in revenue and profitability. The business challenges were a result of both weak demand and a tightened competitive landscape.

Although customer satisfaction is at a good level, our customers' willingness to invest decreased significantly. Due to competition, hourly rates had to be lowered, which weakened profitability. In accordance with the clarified

strategy, we will focus on medium-sized companies in the retail, media, and manufacturing industries. Increasingly, we have shifted our business model to deliver projects to US clients from Europe.

Vincit USA's revenue in January-December was EUR 7.6 (10.4) million, a decline of 27.2% year-on-year.

During January-December, Vincit USA's EBITA was EUR -1.3 (-0.9) million or -17.2% (-8.4%) of revenue. Adjusted EBITA was EUR -0.8 (0.0) million, or -10.5% (0.1%) of revenue. Non-recurring items in January-December amounted to EUR -0.5 (-0.9) million.

### **Product business**

Despite the challenging market situation, the product business grew moderately in 2024. The year started strongly, supported by new customers and delivery projects. After the first quarter, however, customers' decreased willingness to invest and lengthened sales cycles negatively impacted revenue development until the end of September. During the last quarter, investments in sales combined with a slight market recovery brought us new customers. Server capacity optimization and reduction of product development subcontractor agreements carried out during the first quarter brought the planned savings.

Revenue of the Product business in January-December was EUR 3.1 (3.0) million, an increase of 5.2% year-on-year.

During January-December, EBITA of the Product business was EUR -0.3 (-0.3) million or -9.2% (-11.7%) of revenue. Adjusted EBITA was EUR -0.3 (-0.3) million or -9.2% (-11.7%) of revenue.

### **Group balance sheet, financing and cash flow**

The balance sheet total at the end of the financial year was EUR 47.8 million (57.0).

The equity ratio at the end of the financial year was 64.9% (63.4%) and gearing was -29.3% (-33.4%).

Cash flow from operating activities after paid interest and direct taxes was EUR -0.5 (5.3) million. Cash flow from operating activities was positively impacted by increased depreciation and amortization and negatively impacted by growth in working capital.

At the end of the review period, the Group's liquid assets were EUR 9.2 million (12.2). Interest-bearing debt amounted to EUR 0.1 (0.1) million. At the end of the review period, the Group had unused unsecured overdraft limits totalling EUR 2.0 million.



## Key figures, Group

EUR 1,000	2024	2023	2022
Revenue	84,647	98,085	84,789
Personnel expenses	-45,323	-52,162	-46,228
EBITDA <sup>1</sup>	473	1 968	3 619
% revenue	0.6 %	2.0 %	4.3 %
EBITA <sup>1</sup>	274	1,721	3,390
% revenue	0.3 %	1.8 %	4.0 %
non-recurring items	-520	-1,993	-2,061
adjusted EBITA	794	3,714	5,451
adjusted EBITA %	0.9 %	3.8 %	6.4 %
EBIT	-3,742	-2,196	235
% revenue	-4.4 %	-2.2 %	0.3 %
Profit/-loss for the period	-3,614	-2,853	-227
Equity ratio, %	64.9 %	63.4 %	67.1 %
ROE %	-10.7 %	-7.5 %	-0.4 %
ROI %	-9.4 %	-5.1 %	1.3 %
Net debt, %	-29.3 %	-33.4 %	-24.8 %
Number of personnel at period end	640	720	803
EPS, EUR	-0.22	-0.17	-0.02
Dividend /share, eur <sup>2</sup>	0.11	0.10	0.15

<sup>1</sup> The company presents alternative performance measures EBITDA and EBITA to better describe the financial development of its business.

<sup>2</sup> Board of Directors proposal for Annual General Meeting 2025.

## Parent company key figures

EUR	2024	2023	2022
<b>Financial key figures</b>			
Revenue	70,193,981.61	80,508,696.09	65,857,589.62
EBIT	-6,501,864.85	155,716.40	-1,350,453.31
% of revenue	-9.3 %	0.2 %	-2.1 %
Return on equity (ROE), %	-17.4 %	0.4 %	3.1 %
Equity ratio %	63.3 %	64.3 %	66.2 %
<b>Non-financial key figures</b>			
Average number of personnel	446	495	515
Wages and salaries	-30,883,462.59	-33,364,561.17	-27,861,835.24



## Research and development

The product business continued its product development investments in renewing the EAM solution. The service business unit developed a data-driven management model in the Data Driven Vincit project. Total investment amounted to EUR 0.3 million.

## Acquisitions and changes in Group structure

The parent company of the Group is Vincit Plc that has subsidiaries in Finland, the United States, Sweden, Poland and Portugal. Vincit Plc and the minority owner of Vincit Helsinki Oy signed an agreement on December 12, 2024, as a result of which Vincit Plc owns the entire share capital of Vincit Helsinki Oy.

The purchase price for the shares in Vincit Helsinki Oy was EUR 646,000, which was paid half in cash and half in treasury shares of Vincit Plc. Vincit Plc transferred to the minority shareholder of Vincit Helsinki Oy 119,896 treasury shares held by Vincit Plc as part of the purchase price.

The value of the transferred shares, EUR 2.694 per share, corresponds to the volume weighted average price of Vincit Plc's share for the period from June 3, 2024, to June 28, 2024 on the Nasdaq First North Growth Market Finland.

The transfer of Vincit Plc shares is based on the authorization granted to the Board of Directors by the Annual General Meeting of March 20, 2024. After the transfer of shares, Vincit Plc holds 259,243 treasury shares. The number of shares in Vincit Plc remains unchanged at 16,952,539 shares.

Vincit Jyväskylä Oy and Motley Agency Oy were merged to parent company Vincit Plc on December 31, 2024.

At the end of the review period, the Vincit Group comprised the parent company Vincit Plc and its subsidiaries Vincit Helsinki Oy (parent company's holding 100%), Vincit Solutions Oy (89%), Vincit California Inc (96,7%), Vincit Arizona Inc (96,7%), Vincit Sweden AB (100%), Vincit Poland Sp. z.o.o. (100%) and Vincit Portugal -Digital Services, Unipessoal Lda (100%).

## Personnel, management and offices

At the end of the review period, the Group employed a total of 640 (720) people, of whom 585 (641) work in Finland, 28 (43) as posted workers and locally employed in the United States, 8 (12) in Sweden and 19 (24) in Poland.

At the end of the review period Vincit's offices in Finland were located in Helsinki, Tampere, Espoo, Turku, Jyväskylä, Oulu and Kuopio. In the United States, the offices were located in Irvine, California, and in Phoenix, Arizona. The office in Sweden was in Stockholm and in Poland the office was located in Poznań. In Portugal the office was located in Lisbon.

At the end of the financial year, Vincit Group's Leadership Team comprised: Julius Manni, CEO, Jens Krogell, Deputy CEO and Director, Vincit Nordics, Mari Kuha, Chief People Officer, Kimmo Kärkkäinen, CFO, Anssi Kuutti, Director, Vincit USA and Petra Sievinen, Chief Marketing and Communications Officer.

Vincit Solutions Oy operates as an independent product unit and its CEO Juuso Jankama reports directly to the chairperson of Vincit's Board of Directors, Mikko Kuitunen.

## Changes in Vincit's leadership team

Vincit announced on March 20, 2024, that it has appointed Petra Sievinen as Vincit Plc's Chief Marketing and Communications Officer (CMCO) and a member of the Leadership Team, effective May 1, 2024. She will be responsible for Vincit's marketing, branding and communications, reporting to Julius Manni, CEO of Vincit.

Vincit announced on April 3, 2024, that it is clarifying the business responsibilities of the Leadership Team in different geographical areas to match the customer markets in line with its strategy. The changes aim to strengthen the customer focus of Vincit's operations and build new growth in the Nordic countries and the USA. Anssi Kuutti (M.Sc.) was appointed to lead Vincit's business in the United States (Vincit USA). Jens Krogell (MBA) was appointed to lead Vincit's business in the Nordic countries (Vincit Nordics).

## Related parties

Vincit Plc has granted interest-bearing loans to related parties totaling 0.0 euros (41,720.00) during the financial year. At the end of the financial year, loans granted to related parties totaled 520,000 euros.

## Incentive plans

Vincit Plc's Board of Directors decided on November 24, 2023, to establish a new long-term incentive plan for the Group's key personnel. The purpose of the plan is to align the objectives of the company's shareholders and key personnel to increase the company's value over the long term, as well as to commit key personnel to the company and offer them a competitive reward system based on the acquisition, earning and accumulation of company shares. The plan is a continuation of the concluded long-term incentive plan 2021-2023.

Participation in and receipt of the reward requires that the participant acquires company shares or allocates owned shares to the plan within the limits specified by the company.

The system has three earning periods, the financial years 2024, 2025 and 2026. The rewards will be paid partly in company shares and partly in cash after each earning period. The cash portion is intended to cover taxes and social security expenses arising from the reward to the participant. As a general rule, no reward will be paid if the participant's employment ends before the reward is paid.

The performance criterion for the scheme in the earning period 2024 was earnings per share (EPS). The participant's share of the maximum reward is determined based on the achievement of the performance criteria targets relative to the key person's own investment.

The incentive scheme's target group in the earnings period 2024 included 12 key employees, including the CEO and Leadership Team members. The rewards paid based on the 2024 earning period will correspond in total to a maximum of the value of 160,360 Vincit Plc shares (0.9% of total shares), including the portion paid in cash.





The company's CEO and members of the Leadership Team must hold half of the net shares they potentially receive under the plan, until the value of their shareholding in the company corresponds to half of their annual salary. This number of shares must be held for as long as the position as CEO or membership of the Leadership Team continues.

### Annual General Meeting 2024

The Annual General Meeting (AGM) of Vincit Plc was held in Helsinki on Wednesday, March 20, 2024. The General Meeting adopted the financial statements for the financial year 2023 and discharged the members of the Board of Directors and the CEO from liability for the financial year 2023. The Annual General Meeting decided to pay a dividend of EUR 0.10 per share.

The number of members of the Board of Directors was confirmed to be five (5). Current Board members Mervi Airaksinen, Mikko Kuitunen, Pekka Vähähyyppä, Frank Korsstrom and Arto Martonen were re-elected to the Board of Directors.

KPMG Oy Ab, member of the Finnish Institute of Authorized Public Accountants, was appointed as auditor of the company, with Miika Karkulahti, APA, as chief auditor. The auditor shall be remunerated according to an invoice approved by the Company.

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of shares, option rights and other special rights entitling to shares as referred to in Chapter 10 Section 1 of the Finnish Limited Liability Companies Act in one or several tranches as follows:

A maximum of 2,500,000 shares (including shares issued based on special rights) may be issued based on the authorization, which corresponds to approximately 15% of the company's current share capital.

The Board of Directors will decide on the issuance of shares, option rights and other special rights entitling to shares. The authorization includes the right to resolve to issue new shares or to transfer own shares held by the company. Shares, option rights and other special rights entitling to shares can be issued deviating from the shareholders' pre-emptive subscription right (directed issue).

The authorization is valid until June 30, 2025, and it revokes all previous unused authorizations to resolve on the issuance of shares, option rights and other special rights entitling to shares.

The Annual General Meeting authorized the Board of Directors to decide on repurchasing and/or accepting the company's own shares as pledge under the following conditions:

A maximum of 1,000,000 shares may be repurchased and/or pledged. The shares will be purchased in public trading organized by Nasdaq Helsinki Ltd on the Nasdaq First North Growth Market Finland marketplace at the market price at the time of purchase. Own shares may be repurchased deviating from the pro rata holdings of shareholders. The

repurchase of shares reduces the company's distributable unrestricted equity. The Board of Directors decides how the shares will be repurchased and/or accepted as a pledge.

The authorization is valid until June 30, 2025, and it revokes all previous unused authorizations to repurchase own shares.

### Shares and shareholders

Vincit has one share series, all shares of which have equal rights.

The number of Vincit Plc shares at the end of the review period was 16,952,539 (16,952,539). At the end of the review period, the company held 259,243 (395,080) treasury shares. The average number of shares during January-December was 16,952,539 (16,907,752) and 16,952,539 (16,908,117) during July-December 2024.

At the end of the review period, the company had 8,585 shareholders (10,118). Nominee-registered holdings accounted for 2.57% of the share capital (1.08%).

## Summary of trading on Nasdaq Helsinki, Jan. 1-Dec. 31, 2024

January-December 2024	Traded shares volume	Total value EUR	Highest EUR	Lowest EUR	Weighted average price EUR	Latest EUR
VINCIT	2,674,006	6,509,954	3.50	1.60	2.43	1.72

	Dec. 31, 2024	Dec. 31, 2023
Market cap, EUR	29,158,367	54,756,701
Shareholders	8,585	10,118

### Financial targets for the strategy period 2023–2025

The Board of Directors of Vincit Plc has approved the company's updated financial targets for 2025-2027:

- Adjusted EBITA margin of 10 percent of revenue by 2027
- In 2025, the goal is to stabilize the business, and in 2026-2027 the target is 10 percent organic revenue growth
- Strengthen the chosen business areas through acquisitions
- Equity ratio above 50 percent and net debt-to-EBITDA ratio below two

Vincit's dividend policy remains unchanged and the company aims to distribute at least 30 percent of the annual net profit as dividends.



### **Board of Directors' proposal for the distribution of profit**

According to the company's dividend policy, Vincit's objective is to distribute at least 30% of the profit for the financial period as dividends.

On December 31, 2024, distributable funds of Vincit Plc were EUR 29,075,882.20, of which the loss for the financial year was EUR -6,030,852.19. The Board of Directors proposes that a dividend of EUR 0.11 (0.10) per share be paid from the reserve for invested unrestricted equity.

No material changes have occurred in the company's financial position since the end of the financial year.

### **Risks and uncertainties**

Vincit faces several risks and uncertainties that can impact our financial performance and ability to reach long-term targets. We address these challenges proactively to ensure business stability, profitability and continuity.

#### **Macroeconomic conditions and demand volatility:**

Fluctuations in demand, economic conditions, and customer preferences can significantly impact our revenue and profit potential. Economic indicators such as GDP growth, inflation rates, interest rates, and exchange rates can influence the demand for software services. Adverse macroeconomic conditions and regional instability impact us through reduced client spending, delayed projects, or increased price sensitivity. Despite the general uncertainty of the global economy, demand for Vincit's services is expected to remain positive in the long term.

#### **Talent Retention and Recruitment:**

Attracting and retaining talented employees is crucial to maintaining a competitive edge. The loss of key personnel may result in a loss of expertise, delays in project deliveries, and increased recruitment costs. Vincit continues to invest in developing the current corporate culture and a very good employer image.

#### **Cybersecurity Threats:**

The risk of cyber threats is a concern for our business. Data breaches, ransomware attacks, or system failures can lead to financial losses, reputational damage, and legal consequences. Consequently, we have prioritized the implementation of cybersecurity certificates, regular employee training, and the maintenance of up-to-date software systems to protect against such risks.

#### **Regulatory Compliance:**

Our business must comply with various regulatory requirements, such as data protection, privacy laws, and licensing agreements. Non-compliance can result in legal consequences, reputation damage, and financial penalties. Consequently, we have strengthened our efforts in compliance measures and regularly update our policies to manage regulatory risks effectively.

### **M&A and integration**

M&A activities offer opportunities for strategic growth and value creation. Assessing the strategic fit, potential synergies, and financial impact are essential. Thorough due diligence, effective integration management, and consideration of regulatory and legal factors are vital to minimize risks and maximize benefits. Transparent communication to clients, employees and investors to maintain confidence is equally important.

### **Estimate of probable future development**

Revenue in 2025 is expected to be lower than in 2024, but relative profitability is expected to improve year-on-year.

### **Significant events after the reporting period**

#### **Shareholders' Nomination Board's proposal for the composition and remuneration of the Board of Directors**

The Shareholders' Nomination Board proposes that 5 (4) members be elected to the Board of Directors.

The Nomination Committee proposes that the current members Mikko Kuitunen and Arto Martonen be re-elected to the Board of Directors for a term ending at the close of the Annual General Meeting in 2026.

Of the current Board members, Mervi Airaksinen and Frank Korsström have announced that they are not available for re-election.

The Nomination Committee proposes that the following be elected as new members of the Board of Directors:

- Enel Sintonen, MBA
- Matti Copeland, MBA
- Veera Siivonen, M.Sc. (Tech)

All nominees have given their consent to stand for election. All proposed Board members, with the exception of Mikko Kuitunen, are considered to be independent of the Company and its significant shareholders. Kuitunen is the Company's largest shareholder and served as the company's CEO until 2021.



The Nomination Committee proposes that the remuneration of the Board of Directors be paid as follows:

- EUR 48,000 per year for the Chair of the Board of Directors
- EUR 36,000 per year for a possible Vice Chair of the Board of Directors
- EUR 24,000 per year for each of the other members of the Board of Directors.

In addition, the Nomination Committee proposes that a meeting fee of EUR 800 per meeting be paid to the Chair for meetings of the Board committees. The committee members' meeting fee is proposed at EUR 500 per meeting.

The Nomination Committee proposes that the members of the Board of Directors be paid reasonable travel and other expenses for meetings.

In addition, the Nomination Committee proposes that the compensation of the Chair of the Board of Directors be paid monthly in cash. It is proposed that the remuneration of the possible Vice Chair and other members of the Board of Directors be paid once a year, with 50% of the annual remuneration being paid in Vincit Plc shares held by the Company or, if not possible, in Vincit Plc shares acquired on the market, and 50% being paid in cash. The shares will be transferred to the members of the Board of Directors and, if necessary, acquired on the market directly on behalf of the members of the Board of Directors by the end of the financial year.

It is proposed that the committee members' meeting fees be paid in cash.

#### **Mika Immo appointed Chief Revenue Officer (CRO) and member of Vincit Leadership Team**

Vincit announced on February 10, 2025, that Mika Immo has been appointed as Vincit Plc's Chief Revenue Officer (CRO) and a member of the Leadership Team. He will begin his new role on March 3, 2025, and will be responsible for leading Vincit's sales operations and managing customer relationships in the Nordics, reporting to the company's CEO, Julius Manni. Jens Krogell, who was previously responsible for the role, will continue as director of Vincit Nordics, responsible for customer deliveries and offering development.

#### **Vincit initiated change negotiations to strengthen competitiveness in strategic focus areas**

Vincit announced on February 25, 2025 that the company will initiate negotiations concerning personnel in Vincit's service business areas and IT unit in Finland. The aim of the negotiations is to adjust Vincit's operations to the changed operating environment and to improve the company's competitiveness and profitability. With the change negotiations, the company aims for savings of approximately EUR 2m in 2025.

The change negotiations concern a total of approximately 500 employees. The number of redundancies is estimated to be no more than 50. Additionally, structural organizational and role changes may be made as a result of the change negotiations.

The change negotiations will not affect the guidance Vincit provided in its financial statements regarding revenue and relative profitability for 2025.

#### **Annual General Meeting 2025**

Vincit Plc's Annual General Meeting (AMG) is planned to be held on March 26, 2025.

#### **Financial calendar 2025**

In 2025, Vincit will publish financial information as follows:

- Financial Statements and Board of Directors' Report 2025 on week 10
- Business Review for January-March on Thursday, April 24, 2025
- Half-year Report for January-June on Thursday, July 17, 2025
- Business Review for January-September on Thursday, October 23, 2025

The reports will be available on the company's website [investors.vincit.com](https://investors.vincit.com) immediately after publication.

In Helsinki, 4 March, 2025

Vincit Plc

**Board of Directors**



# CONSOLIDATED FINANCIAL STATEMENTS

1 Jan - 31 Dec 2024

## Consolidated income statement (FAS)

EUR	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
<b>Net sales</b>	1	<b>84,647,359.58</b>	<b>98,085,256.52</b>
<b>Other operating income</b>	2	<b>24,018.89</b>	<b>146,880.34</b>
Materials and services			
Purchases during the reporting period		-2,565,563.31	-1,939,243.77
External services		-11,234,101.60	-13,457,636.57
<b>Total materials and services</b>		<b>-13,799,664.91</b>	<b>-15,396,880.34</b>
Employee benefit expenses			
Wages and salaries		-45,322,873.76	-52,161,973.05
Social security expenses			
Pension expenses		-7,199,977.31	-8,449,710.96
Other social security expenses		-912,762.80	-1,848,407.04
<b>Total employee benefit expenses</b>	3	<b>-53,435,613.88</b>	<b>-62,460,091.05</b>
Depreciation, amortisation and impairments			
Depreciation and amortisation		-622,574.34	-585,015.88
Amortisation on goodwill		-3,592,496.05	-3,578,948.54
<b>Total depreciation, amortisation and impairments</b>		<b>-4,215,070.39</b>	<b>-4,163,964.42</b>
<b>Other operating expenses</b>	4	<b>-16,963,016.38</b>	<b>-18,407,559.19</b>
<b>Operating profit</b>		<b>-3,741,987.09</b>	<b>-2,196,358.14</b>

EUR	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Financial income and expenses			
Other interest and financial income		556,613.01	213,319.68
Interest expenses and other financial expenses		-227,829.07	-480,224.51
<b>Total financial income and expenses</b>	5	<b>328,783.94</b>	<b>-266,904.83</b>
<b>Profit (loss) before appropriations and taxes</b>		<b>-3,413,203.15</b>	<b>-2,463,262.97</b>
Income taxes	6	-191,789.97	-441,490.03
Minority interest		-9,045.53	51,357.90
<b>Profit (loss) for the period</b>		<b>-3,614,038.66</b>	<b>-2,853,395.10</b>



## Consolidated balance sheet

EUR	Note	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>	7		
Intangible assets			
Development costs		1,555,828.83	1,225,022.88
Goodwill		17,780,375.73	20,709,497.92
Other capitalised long-term expenditure		248,119.31	350,007.05
<b>Total intangible assets</b>		<b>19,584,323.87</b>	<b>22,284,527.85</b>
Tangible assets			
Machinery and equipment		416,594.58	556,508.20
Other tangible assets		3,792.00	3,792.00
<b>Total tangible assets</b>		<b>420,386.58</b>	<b>560,300.20</b>
Investments			
Other shares and holdings		35,250.00	20,250.00
Other long-term loan receivables		314,005.74	295,376.03
<b>Total investments</b>		<b>349,255.74</b>	<b>315,626.03</b>
<b>Total non-current assets</b>		<b>20,353,966.19</b>	<b>23,160,454.08</b>
<b>Current assets</b>			
Receivables			
Long-term			
Loan receivables	8	1,313,175.89	1,387,794.79
<b>Total long-term</b>		<b>1,313,175.89</b>	<b>1,387,794.79</b>
Short-term			
Accounts receivables		14,817,141.09	16,926,810.78
Loan receivables		1,981.81	2,275.79
Other receivables		437,270.58	1,414,927.15
Prepayments and accrued income	9	1,721,503.93	1,907,714.43
<b>Total short-term</b>		<b>16,977,897.41</b>	<b>20,251,728.15</b>
Cash in hand and in banks		9,163,782.81	12,158,437.53
<b>Total current assets</b>		<b>27,454,856.10</b>	<b>33,797,960.47</b>
<b>Total assets</b>		<b>47,808,822.29</b>	<b>56,958,414.55</b>

EUR		31 Dec 2024	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	10		
Share capital		545,000.00	545,000.00
Other reserves		33,597,034.78	33,274,034.79
Retained earnings		497,110.63	5,127,451.24
Profit (loss) for the period		-3,614,038.66	-2,853,395.10
<b>Total equity</b>		<b>31,025,106.75</b>	<b>36,093,090.93</b>
<b>Minority interest</b>		<b>0.00</b>	<b>22,723.72</b>
<b>Provisions</b>	11	<b>600,000.00</b>	<b>0.00</b>
<b>Liabilities</b>			
Long-term			
Loans from financial institutions		66,108.17	79,162.94
Deferred tax liability		16,505.42	0.00
<b>Total long-term</b>		<b>82,613.59</b>	<b>79,162.94</b>
Short-term			
Loans from financial institutions		0.00	26,956.92
Accounts payables		2,698,213.86	5,528,021.14
Other liabilities		3,347,419.10	3,504,478.23
Accruals and deferred income	12	10,055,468.99	11,703,980.67
<b>Total short-term</b>		<b>16,101,101.95</b>	<b>20,763,436.96</b>
<b>Total liabilities</b>		<b>16,783,715.54</b>	<b>20,842,599.90</b>
<b>Total equity and liabilities</b>		<b>47,808,822.29</b>	<b>56,958,414.55</b>



## Consolidated cash flow statement (FAS)

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
<b>Cash flows from operating activities</b>		
Profit(loss) before appropriations and taxes	-3,413,203.15	-2,463,262.97
Adjustments to operating profit for:		
Depreciation according to plan	4,215,069.40	4,163,964.42
Unrealised foreign exchange gains and losses	-247,854.40	-93,055.44
Other non-cash income and expenses	661,298.84	1,383,072.20
Financial income and expenses	-328,783.94	266,904.83
Other adjustments	-71,336.35	-89,499.40
<b>Cash flows before change in net working capital</b>	<b>815,190.40</b>	<b>3,168,123.64</b>
<b>Change in net working capital:</b>		
Change in trade and other receivables (increase (-) / decrease (+))	3,215,783.93	1,538,440.23
Change in trade and other payables	-4,670,547.00	545,166.19
<b>Cash flows before finance items and taxes</b>	<b>-639,572.68</b>	<b>5,251,730.06</b>
Interest and other financial expenses paid	-39,663.47	-147,512.80
Interest received	191,773.28	67,578.80
Direct taxes paid	22,344.41	84,589.00
<b>Net cash from operating activities (A)</b>	<b>-465,118.46</b>	<b>5,256,385.06</b>

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
<b>Cash flow from investing activities</b>		
Purchase of tangible and intangible items	-673,102.61	-1,007,360.71
Proceeds from sale of tangible and intangible assets	35,848.97	50,054.86
Loans granted	-84,227.53	-311,663.00
Purchase of other investments	-15,000.00	-5,000.00
Proceeds from repayment of loans	127,371.82	465,043.29
Proceeds from sale of investments	0	89,499.40
Interest received on investments	38,306.62	18,276.45
Dividends received on investments	0.00	537.59
Investments of subsidiary shares	-333,610.01	-267,533.65
Cash flow from the sale of subsidiary shares	0.00	65,000.00
<b>Net cash used in investing activities (B)</b>	<b>-904,412.74</b>	<b>-903,145.76</b>
<b>Cash flow from financing activities</b>		
Paid equity increase	0.00	134,571.00
Interest and other financing expenses paid	-3,987.76	-6,541.68
Repayment of long-term loans	-45,051.86	-42,498.37
Dividends and other distribution of profit paid	-1,663,669.00	-2,584,366.55
<b>Net cash from financing activities (C)</b>	<b>-1,712,708.62</b>	<b>-2,498,835.60</b>
<b>Net increase (decrease) in cash and cash equivalents A + B + C</b>	<b>-3,082,239.82</b>	<b>1,854,403.70</b>
Cash and cash equivalents, at the beginning of the period	12,158,437.53	10,319,965.81
Bank account exchange rate difference	87,585.10	-15,931.98
<b>Cash and cash equivalents, at the end of the period</b>	<b>9,163,782.80</b>	<b>12,158,437.53</b>
<b>Change in cash and cash equivalents</b>	<b>-3,082,239.82</b>	<b>1,854,403.70</b>



# NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes on the preparation of the consolidated financial statements

Parent company: Vincit Plc  
Domicile: Tampere

### Scope of the consolidated financial statements

All group and associated companies are included in the consolidated financial statements.  
At the end of the reporting period, the group has no associated companies (see "Changes in group structure")

## Basis of preparation of consolidated financial statements

### Changes in the group structure

The acquisition of Vincit Helsinki Oy shares increased group ownership to 100,0% (92,5%). On Decemebr 31, 2024, Vincit Jyväskylä Oy and Motley Agency Oy merged with Vincit Oyj.

The purchase price for the shares in Vincit Helsinki Oy was EUR 646,000, which was paid half in cash and half in treasury shares of Vincit Plc. Vincit Plc transferred to the minority shareholder of Vincit Helsinki Oy 119,896 treasury shares held by Vincit Plc as part of the purchase price.

The value of the transferred shares, EUR 2.694 per share, corresponds to the volume weighted average price of Vincit Plc's share for the period from June 3, 2024 to June 28, 2024 on the Nasdaq First North Growth Market Finland.

The transfer of Vincit Plc shares is based on the authorization granted to the Board of Directors by the Annual General Meeting of March 20, 2024. After the transfer of shares, Vincit Plc holds 259,243 treasury shares. The number of shares in Vincit Plc remains unchanged at 16,952,539 shares.

### Comparability of financial periods

Non-recurring items included in the income statement are personnel expenses 0.00 euros (2023: 670,450.90 euros) and other operating expenses 520,257.97 euros (2023: 1,322,862.00 euros). Items included in operating expenses for the reporting period consist of a one-off cost of EUR 0.5 million related to organizational restructuring in the United States. Year 2023 items included in operating expenses mainly consisted of bad debts accrual.

### Internal share ownership

The consolidated financial statements have been prepared using the acquisition cost method. The difference between the acquisition cost of the subsidiaries and the equity corresponding to the acquired share is presented as group goodwill.

### Internal transactions and margins

The group's internal operative transactions, unrealized margins of internal deliveries, internal receivables and liabilities as well as internal profit sharing have been eliminated.

### Minority interests

Minority shares have been separated from the group's equity and the result of the financial year and presented as a separate item.

### Associated companies

Associated companies have been combined using the equity method. The group's share of the financial year's result of the associated companies is presented as a separate line in the financing items.

### Translation differences

The profit and loss statements of foreign group companies have been converted into Finnish money at the average exchange rate of the financial period, and the balance sheets at the exchange rate of the balance sheet date. The exchange rate differences arising from the conversion, as well as the exchange differences arising from the conversion of foreign subsidiaries' own capital, are presented in the item "Retained earnings".



## Measurement and recognition principles and methods

### Measurement of non-current assets

Depreciation according to the plan has been deducted from the acquisition cost of intangible and tangible assets entered in the balance sheet. Variable costs incurred from acquisition and manufacturing have been included in the acquisition cost. Grants received have been recorded as a reduction of the acquisition cost. Depreciation according to the plan has been calculated as straight-line depreciation based on the economic life of intangible and tangible assets. Depreciation has started from the month the asset is put into use.

#### Depreciation periods are:

Development costs	straight-line depreciation 3-5 years
Goodwill	straight-line depreciation 10 years
Consolidated goodwill	straight-line depreciation 8-10 years
Other capitalised long-term expenditure	straight-line depreciation 5 years
Machinery and equipment	residual expenditure depreciation 25%
Other tangible assets	straight-line depreciation 0-3 years

Acquisition costs of non-current assets, which have a probable economic useful lifetime of less than three years, as well as small purchases (less than 1,200 euros) have been booked in full as an expenses of the acquisition accounting period.

### Measurement of current assets

Cash assets include cash and bank accounts. Loans from financial institutions are included in short-term liabilities on the balance sheet. Interest expenses are recorded as expenses in the period in which they are incurred.

Accounts, loan and other receivables posted as financial assets are valued at their nominal value or their lower fair value. Bad debt provision is posted related to accounts receivables based on a case-by-case risk assessment when there is sufficient evidence that the receivable cannot be collected under the original conditions. The provision is posted as an expense in the income statement.

### Recognition of revenue

Revenue from sales is recognized over contract period on accrual basis. Accrued and deferred income is recognized in period result and presented as current receivables and liabilities in the balance sheet.

### Recognition of deferred tax

Deferred tax liabilities and receivables have been calculated for the differences between taxation and financial statements at the time of financial statements by following the tax rate of the following years. At the end of the reporting period the consolidated balance sheet does not include deferred tax assets relating to tax losses.

### Recognition of development costs

Product development costs that accumulate income for three or more years are capitalized in the balance sheet as development costs and are written off over 3-5 years. Capitalized product development costs are related to the design of additional features of existing products and productization of new commercial solutions. Other research and development expenses are booked as annual expenses in the year they are incurred.

### Events after balance sheet date

Vincit's shareholders' Nomination Board released on 15 January 2025 its proposal for the composition of the Board of Directors for the Annual General Meeting. Shareholders' Nomination Board proposes that the number of members of the Board of Directors will be five (5) and that current Board members Mikko Kuitunen and Frank Korsström will be re-elected to the Board of Directors. The Nomination Committee proposes that the following be elected as new members of the Board of Directors Enel Sintonen, Matti Copeland and Veera Siivonen.

Mika Immo appointed Chief Revenue Officer (CRO) and member of Vincit Leadership Team Vincit announced on February 10, 2025, that Mika Immo has been appointed as Vincit Plc's Chief Revenue Officer (CRO) and a member of the Leadership Team. He will begin his new role on March 3, 2025, and will be responsible for leading Vincit's sales operations and managing customer relationships in the Nordics, reporting to the company's CEO, Julius Manni. Jens Krogell, who was previously responsible for the role, will continue as director of Vincit Nordics, responsible for customer deliveries and offering development.

Vincit initiates change negotiations to strengthen competitiveness in strategic focus areas. Vincit is initiating change negotiations concerning personnel in Vincit's service business areas and IT unit in Finland. The aim of the negotiations is to adjust Vincit's operations to the changed operating environment and to improve the company's competitiveness and profitability. With the change negotiations, the company aims for savings of approximately EUR 2m in 2025. The change negotiations concern a total of approximately 500 employees. The number of redundancies is estimated to be no more than 50. Additionally, structural organizational and role changes may be made as a result of the change negotiations. The change negotiations will not affect the guidance Vincit provided in its financial statements regarding revenue and relative profitability for 2025.





# Notes on the consolidated income statement

## 1. Net sales by nature of business

EUR	2024	2023
Service business		
Finland	75,015,878.10	86,075,456.71
USA	7,582,344.32	10,451,602.13
Eliminations	-1,066,689.29	-1,420,554.50
<b>Total service business</b>	<b>81,531,533.12</b>	<b>95,106,504.34</b>
Product business		
Eliminations	-19,154.00	-17,773.24
<b>Total product business</b>	<b>3,115,826.46</b>	<b>2,978,752.18</b>
<b>Total net sales</b>	<b>84,647,359.58</b>	<b>98,085,256.52</b>

## 2. Other operating income

EUR	2024	2023
Received public grants and subsidies	0.00	8,528.00
Gain on sale of shares in associated companies	0.00	89,499.40
Other	24,018.89	48,852.94
<b>Total</b>	<b>24,018.89</b>	<b>146,880.34</b>

## 3. Notes on personnel

The average number of personnel during the period	2024	2023
The average number during the period	644	754

Employee benefit expenses	2024	2023
Salaries	45,322,873.76	52,161,973.05
Pension expenses	7,199,977.31	8,449,710.96
Other social security expenses	912,762.80	1,848,407.04
<b>Total</b>	<b>53,435,613.88</b>	<b>62,460,091.05</b>

Management salaries and fees	2024	2023
CEO, board members and management team	1,024,279.01	1,089,118.60
<b>Total</b>	<b>1,024,279.01</b>	<b>1,089,118.60</b>

## 4. Other operating expenses

EUR	2024	2023
Non-statutory employee benefits	2,677,177.09	3,344,707.28
Cost of premises	3,596,989.10	4,244,077.35
Sales and marketing expenses	1,286,326.81	1,590,909.11
Computer equipment and software costs	3,434,262.75	3,402,779.39
Administrative expenses	3,507,653.57	2,207,584.91
Other operating expenses *	2,460,607.07	3,617,501.15
<b>Total</b>	<b>16,963,016.38</b>	<b>18,407,559.19</b>

\* Items included in operating expenses for the reporting period consist of a one-off cost of 520,257.97 euros related to organizational restructuring in the United States. A non-recurring bad debts provision amounting to 1,212,633.00 euros is included in 2023 other operating expenses.

Auditor's fees	2024	2023
<b>KPMG Oy Ab</b>		
Audit of financial statements	91,600.00	87,000.00
Engagements referred to in the Auditing Act, 1.1.2§	3,280.00	7,982.50
Tax advisory	18,717.98	0.00
Other services	68,257.00	0.00
<b>Total</b>	<b>181,854.98</b>	<b>94,982.50</b>



## 5. Financial income and expenses

EUR	2024	2023
Income from group undertakings		
Dividends	0.00	537.59
Other interest and financial income		
Interest income	53,434.25	47,150.12
Other financial income	154,598.59	26,216.35
Foreign exchange gains	348,580.16	139,415.61
Impairment of non-current assets		
Impairment of non-current receivables	0.00	-41,475.24
Other interest and financial expense		
Interest expense	-4,927.06	-5,926.06
Other financial expense	-46,360.21	-38,110.93
Foreign exchange losses	-176,541.79	-394,712.27
<b>Total</b>	<b>328,783.94</b>	<b>-266,904.83</b>

## 6. Items included in income taxes

EUR	2024	2023
Income taxes from the operating activities	167,461.23	297,427.57
Income taxes related to prior years	7,789.30	1,972.62
Change in deferred taxes	16,539.45	142,089.84
<b>Total</b>	<b>191,789.97</b>	<b>441,490.03</b>

## Notes on the assets of consolidated balance sheet

### 7. Specification of non-current assets

Intangible assets	2024	2023
<b>Development costs</b>		
Acquisition cost at the beginning of the period	3,534,446.11	2,721,078.01
Additions	605,240.17	813,368.10
<b>Acquisition cost at the end of the period</b>	<b>4,139,686.28</b>	<b>3,534,446.11</b>
Accumulated amortisation at the beginning of the period	-2,309,423.23	-2,137,645.22
Amortisation	-274,434.22	-171,778.01
<b>Accumulated amortisation at the end of the period</b>	<b>-2,583,857.45</b>	<b>-2,309,423.23</b>
<b>Carrying amount at the end of the period</b>	<b>1,555,828.83</b>	<b>1,225,022.88</b>
<b>Carrying amount at the beginning of the period</b>	<b>1,225,022.88</b>	<b>583,432.79</b>

Goodwill (EUR)	2024	2023
Acquisition cost at the beginning of the period	33,968,693.19	33,937,904.39
Additions	588,303.00	119,132.30
Exchange differences	105,317.58	-88,343.50
<b>Acquisition cost at the end of the period</b>	<b>34,662,313.77</b>	<b>33,968,693.19</b>
Accumulated amortisation at the beginning of the period	-13,259,195.27	-9,695,529.22
Amortisation	-3,592,496.05	-3,578,948.54
Exchange differences	-30,246.72	15,282.49
<b>Accumulated amortisation at the end of the period</b>	<b>-16,881,938.04</b>	<b>-13,259,195.27</b>
<b>Carrying amount at the end of the period</b>	<b>17,780,375.73</b>	<b>20,709,497.92</b>
<b>Carrying amount at the beginning of the period</b>	<b>20,709,497.92</b>	<b>24,242,375.17</b>

<b>Other capitalised long-term expenditure (EUR)</b>	<b>2024</b>	<b>2023</b>
Acquisition cost at the beginning of the period	4,221,969.49	4,222,502.65
Additions	44,983.22	0.00
Exchange differences	1,779.91	-533.16
<b>Acquisition cost at the end of the period</b>	<b>4,268,732.62</b>	<b>4,221,969.49</b>
Accumulated amortisation at the beginning of the period	-3,871,962.44	-3,705,127.22
Amortisation	-148,627.93	-166,790.87
Exchange differences	-22.94	-44.35
<b>Accumulated amortisation at the end of the period</b>	<b>-4,020,613.31</b>	<b>-3,871,962.44</b>
<b>Carrying amount at the end of the period</b>	<b>248,119.31</b>	<b>350,007.05</b>
<b>Carrying amount at the beginning of the period</b>	<b>350,007.05</b>	<b>517,375.43</b>

#### Tangible assets

<b>Machinery and equipment</b>	<b>2024</b>	<b>2023</b>
Acquisition cost at the beginning of the period	2,383,684.54	2,237,944.79
Additions	91,186.46	193,992.61
Deductions (sold/scrapped)	-57,131.56	-36,529.32
Exchange differences	26,120.65	-11,723.54
<b>Acquisition cost at the end of the period</b>	<b>2,443,860.08</b>	<b>2,383,684.54</b>
Accumulated depreciation at the beginning of the period	-1,827,176.34	-1,584,564.80
Depreciation of deductions	14,272.26	0.00
Depreciation	-199,510.17	-246,447.00
Exchange differences	-14,851.25	3,835.46
<b>Accumulated depreciation at the end of the period</b>	<b>-2,027,265.50</b>	<b>-1,827,176.34</b>
<b>Carrying amount at the end of the period</b>	<b>416,594.58</b>	<b>556,508.20</b>
<b>Carrying amount at the beginning of the period</b>	<b>556,508.20</b>	<b>653,379.99</b>

<b>Other tangible assets (EUR)</b>	<b>2024</b>	<b>2023</b>
Additions	3,792.00	3,792.00
<b>Acquisition cost at the end of the period</b>	<b>3,792.00</b>	<b>3,792.00</b>
<b>Carrying amount at the end of the period</b>	<b>3,792.00</b>	<b>3,792.00</b>
<b>Carrying amount at the beginning of the period</b>	<b>3,792.00</b>	<b>3,792.00</b>

<b>Investments (EUR)</b>	<b>2024</b>	<b>2023</b>
Other shares and participations	35,250.00	20,250.00
Other long-term loan receivables	314,005.74	295,376.03
<b>Total</b>	<b>349,255.74</b>	<b>315,626.03</b>

#### Group companies

<b>Name</b>	<b>Domicile</b>	<b>Group's ownership interest</b>
Vincit Solutions Oy	Helsinki, Finland	89,0%
Vincit Helsinki Oy	Helsinki, Finland	100,0%
Vincit California Inc.	Palo Alto, USA	96,7%
Vincit Arizona	Phoenix, USA	96,7%
Vincit Poland Sp. z o.o	Poznan, Poland	100,0%
Vincit Sweden AB	Stockholm, Sweden	100,0%
Vincit Portugal -Digital Services, Unipessoal Lda	Lisbon, Portugal	100,0%

All group companies are combined in the parent company's consolidated financial statements.



## 8. Long-term receivables

Loan receivables	2024	2023
Shareholder loan receivables	1,128,948.36	1,285,194.79
Other loan receivables	184,227.53	102,600.00
<b>Total</b>	<b>1,313,175.89</b>	<b>1,387,794.79</b>

## 9. Short-term receivables

Material amounts shown under prepayments and accrued income	2024	2023
Income tax accrual	270,049.42	719,768.80
Prepaid expenses	1,239,593.72	910,632.32
Accrued income	211,860.79	277,313.31
<b>Total</b>	<b>1,721,503.93</b>	<b>1,907,714.43</b>

# Notes on the equity and liabilities of consolidated balance sheet

## 10. Changes in equity

Restricted equity	2024	2023
<b>Share capital (EUR)</b>		
In the beginning of the period	545,000.00	545,000.00
In the end of the period	545,000.00	545,000.00
<b>Restricted equity at the end of the period</b>	<b>545,000.00</b>	<b>545,000.00</b>

Unrestricted equity	2024	2023
<b>Reserve for invested unrestricted equity (EUR)</b>		
In the beginning of the period	33,274,034.79	33,139,463.95
Share issue	322,999.99	134,570.84
<b>Reserve for invested unrestricted equity in the end of the period</b>	<b>33,597,034.78</b>	<b>33,274,034.79</b>

Translation differences (EUR)	2024	2023
In the beginning of the period	213,011.56	189,839.43
Change of accounting period	-73,709.72	23,172.13
Transfers between equity classes	0.00	0.00
<b>Translation differences in the end of the period</b>	<b>139,301.84</b>	<b>213,011.56</b>
<b>Retained earnings (EUR)</b>		
In the beginning of the period	2,061,044.58	7,389,928.23
Dividend distribution	-1,663,668.92	-2,475,488.55
Other changes	-39,566.87	0.00
<b>Retained earnings in the end of the period</b>	<b>357,808.79</b>	<b>4,914,439.68</b>
<b>Profit for the financial year</b>	<b>-3,614,038.66</b>	<b>-2,853,395.10</b>
<b>Total unrestricted equity</b>	<b>30,480,106.75</b>	<b>35,548,090.93</b>
<b>Total equity</b>	<b>31,025,106.75</b>	<b>36,093,090.93</b>

## 11. Provisions

EUR	2024	2023
Other provisions	600,000.00	0.00
<b>Total</b>	<b>600,000.00</b>	<b>0.00</b>

Provisions include costs that may arise from potential business-related disputes and legal processes.

## 12. Material items included in accruals and deferred income

EUR	2024	2023
Accrued employee expenses	1,972,886.24	2,195,735.43
Holiday pay including social costs	6,680,682.99	7,355,565.87
Income tax accrual	74,198.72	39,030.20
Deferred income	1,089,318.10	1,614,890.66
Accrued expenses	238,382.93	498,758.51
<b>Total</b>	<b>10,055,468.99</b>	<b>11,703,980.67</b>



## Group's guarantees and contingent liabilities

### Liabilities for which the company has given mortgages on company assets as a guarantee

EUR	2024	2023
Overdraft limit (available)	2,000,000.00	2,000,000.00
Mortgages given	6,300,000.00	6,300,000.00

### The nominal amounts of rents according to lease agreements, broken down for those payable in the financial periods that have started and the following ones, as well as the essential terms of termination and redemption of these agreements

EUR	2024	2023
Payable during the following financial year	819,797.38	826,369.31
Payable in later years	551,444.02	627,943.26
<b>Total</b>	<b>1,371,241.40</b>	<b>1,454,312.57</b>

The company's leasing contracts are standard car leasing contracts and contracts for office furniture and equipment.

### Other financial liabilities that are not included in the balance sheet

Finance company liabilities (EUR)	2024	2023
Credit cards held by the employees	33,486.17	58,164.41
<b>Total</b>	<b>33,486.17</b>	<b>58,164.41</b>

Rental liabilities (EUR)	2024	2023
Payable during the following financial year	2,421,199.31	2,330,025.04
Payable in later years	4,319,858.94	3,759,320.84
<b>Total</b>	<b>6,741,058.26</b>	<b>6,089,345.88</b>

EUR	2024	2023
Rental securities	412,658.40	106,500.00
<b>Total</b>	<b>412,658.40</b>	<b>106,500.00</b>

## Notes on related party transactions

### Loans to management and employees for purchase of company shares

EUR	2024	2023
Loans at the beginning of the period	1,285,194.79	1,468,862.96
Loans granted	6,631.93	129,064.98
Additions from business arrangements	0.00	0.00
Repayments	-162,878.36	-271,257.91
Impairment	0.00	-41,475.24
<b>Loans at the end of the period</b>	<b>1,128,948.36</b>	<b>1,285,194.79</b>

Interest terms: 12-month Euribor/equivalent interest plus 0.5-1.0 percent

Other terms: Deducted annually from dividends received



## Accounting principles for key figures

Key figure	Definition
EBITDA	Operating profit + Depreciation, amortisation, and impairments
EBITA (operating profit before goodwill amortisation)	Operating profit + Goodwill amortization and impairment
Comparable EBITA before non-recurring items	Operating profit + Goodwill amortisation + Non-recurring
Operating profit (EBIT)	Net sales + Operating income - Materials and services - Employee benefit expenses - Other operating expenses - Depreciation, amortisation and impairments
Return on investment (ROI), %	$\frac{\text{Profit (loss) after financial items + Interest- and other financial expenses}}{\text{Balance sheet total - interest-free liabilities (average during the period)}} \times 100$
Return on equity (ROE), %	$\frac{\text{Profit (loss) after financial items - Income taxes}}{\text{Equity + Minority interest (average during the period)}} \times 100$
Net gearing, %	$\frac{\text{Interest-bearing liabilities - Cash in hand and in banks}}{\text{Equity + Minority interest}} \times 100$
Equity ratio, %	$\frac{\text{Equity + minority interest}}{\text{Balance sheet total - advances received}} \times 100$
Earnings per share (EPS)	$\frac{\text{Profit (loss) for the period - Minority interest}}{\text{Share issue-adjusted number of shares on average without own shares}}$



# PARENT COMPANY'S FINANCIAL STATEMENTS

1 Jan - 31 Dec 2024

## Parent company's income statement (FAS)

EUR	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
<b>Net sales</b>		<b>70,193,981.61</b>	<b>80,508,696.09</b>
Other operating income	1	1,357,571.06	2,062,304.91
Materials and services			
Purchases during the reporting period		-2,178,820.75	-1,562,020.81
External services		-19,714,717.60	-25,274,361.45
<b>Total materials and services</b>		<b>-21,893,538.35</b>	<b>-26,836,382.26</b>
Employee benefit expenses			
Wages and salaries		-30,883,462.59	-33,364,561.17
Social security expenses			
Pension expenses		-5,493,131.70	-6,281,917.21
Other social security expenses		-572,699.38	-1,039,620.31
<b>Total employee benefit expenses</b>	2	<b>-36,949,293.67</b>	<b>-40,686,098.69</b>
Depreciation, amortisation and impairments			
Depreciation and amortisation		-154,979.19	-196,907.65
Amortisation on goodwill		-2,443,122.96	-2,443,122.96
<b>Total depreciation, amortisation and impairments</b>		<b>-2,598,102.15</b>	<b>-2,640,030.61</b>
<b>Other operating expenses</b>	3	<b>-16,612,483.35</b>	<b>-12,252,773.04</b>
<b>Operating result</b>		<b>-6,501,864.85</b>	<b>155,716.40</b>

EUR	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Financial income and expenses			
Income from group undertakings		96,718.98	962,554.30
Income from other investments held as non-current assets		0.00	537.59
Other interest and financial income		632,031.88	296,428.35
Impairment of non-current assets		0.00	-769,475.24
Interest expenses and other financial expenses		-91,015.52	-304,501.46
<b>Total financial income and expenses</b>	4	<b>637,735.34</b>	<b>185,543.54</b>
<b>Profit (loss) before appropriations and taxes</b>		<b>-5,864,129.51</b>	<b>341,259.94</b>
Appropriations			
Group contribution		-140,951.29	-760,626.17
Income taxes		-25,771.39	-107,343.58
<b>Total income taxes</b>	5	<b>-25,771.39</b>	<b>-107,343.58</b>
<b>Profit (loss) for the period</b>		<b>-6,030,852.19</b>	<b>-526,709.81</b>



## Parent company's balance sheet (FAS)

EUR	Note	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>6</b>		
Intangible assets			
Development expenses		473,600.00	197,515.00
Goodwill		13,677,623.52	13,319,865.48
Other intangible assets		169,391.44	278,777.46
Total intangible assets		14,320,614.96	13,796,157.94
Tangible assets			
Machinery and equipment		159,718.25	137,891.90
Other tangible assets		3,792.00	3,792.00
Total tangible assets		163,510.25	141,683.90
Investments			
Subsidiary shares		3,217,346.13	10,084,826.61
Receivables from group companies		1,550,000.00	900,000.00
Shares in associated undertaking		0.00	0.00
Other shares and participations		128,179.52	113,179.52
Other long-term loan receivables		255,479.66	240,352.03
Total investments		5,151,005.31	11,338,358.16
<b>Total non-current assets</b>		<b>19,635,130.52</b>	<b>25,276,200.00</b>
<b>Current assets</b>	<b>7</b>		
Receivables			
Long-term			
Receivables from group companies		2,353,901.52	2,405,370.92
Receivables from associated companies		0.00	0.00
Loan receivables		1,342,050.50	1,169,830.60
Total long-term		3,695,952.02	3,575,201.52
Short-term			
Accounts receivables		13,055,367.99	13,735,584.68
Receivables from group companies		3,511,461.76	4,670,488.63
Receivables from associated companies		0.00	0.00
Loan receivables		61.93	795.11
Other receivables		326,460.34	1,052,533.60
Prepayments and accrued income		1,284,973.54	1,200,573.77
Total short-term		18,178,325.56	20,659,975.79
Cash in hand and in banks		6,029,449.62	8,715,837.31
<b>Total current asset</b>		<b>27,903,727.20</b>	<b>32,951,014.62</b>
<b>Total assets</b>		<b>47,538,857.72</b>	<b>58,227,214.62</b>

EUR		31 Dec 2024	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>8</b>		
Share capital		545,000.00	545,000.00
Other reserves			
Reserve for invested unrestricted equity		33,597,034.79	33,274,034.79
Retained earnings		1,983,299.60	4,165,755.31
Profit (loss) for the period		-6,030,852.19	-526,709.81
<b>Total equity</b>		<b>30,094,482.20</b>	<b>37,458,080.29</b>
<b>Provisions</b>	<b>9</b>	<b>600,000.00</b>	<b>0.00</b>
<b>Liabilities</b>	<b>10</b>		
Long-term			
Liabilities to Group companies		1,801,361.31	2,392,616.70
Total long-term		1,801,361.31	2,392,616.70
Short-term			
Loans from financial institutions		0.00	26,956.00
Accounts payables		2,247,767.03	4,179,718.47
Liabilities to Group companies		1,894,826.39	3,050,518.90
Liabilities to associated companies		0.00	0.00
Other liabilities		2,744,518.46	3,019,234.57
Accruals and deferred income		8,155,902.33	8,100,089.69
Total short-term		15,043,014.21	18,376,517.63
<b>Total liabilities</b>		<b>16,844,375.52</b>	<b>20,769,134.33</b>
<b>Total equity and liabilities</b>		<b>47,538,857.72</b>	<b>58,227,214.62</b>





## Parent company's cash flow statement (FAS)

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
<b>Cash flows from operating activities</b>		
Profit(loss) before appropriations and taxes	-5,864,129.51	341,259.94
Adjustments to operating profit for:		
Depreciation according to plan	2,598,102.15	2,640,030.61
Unrealised foreign exchange gains and losses	192,906.50	-74,058.61
Other non-cash income and expenses	4,938,444.06	294,430.71
Financial income and expenses	-637,735.34	-185,543.54
Other adjustments	0.00	-47,593.73
<b>Cash flows before change in net working capital</b>	<b>1,227,587.86</b>	<b>2,968,525.38</b>
<b>Change in net working capital:</b>		
Change in trade and other receivables (increase (-) / decrease (+))	3,640,315.74	931,511.70
Change in trade and other payables	-4,825,914.86	-219,798.77
<b>Total change in net working capital</b>	<b>-1,185,599.12</b>	<b>711,712.93</b>
<b>Cash flows before finance items and taxes</b>	<b>41,988.74</b>	<b>3,680,238.31</b>
Interest and other financial expenses paid	-31,573.30	-33,067.65
Interest recieved	10,790.51	11,618.66
Direct taxes paid	-94,943.18	657,255.00
<b>Net cash from operating activities (A)</b>	<b>-73,737.23</b>	<b>4,316,044.32</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible and intangible items	-320,565.70	-197,515.00
Loans granted	-2,294,227.53	-419,063.00
Purchase of other investments	-15,000.00	-5,000.00
Proceeds from repayment of loans	323,915.57	-161,532.17
Interest received on investments	262,611.57	91,484.58
Dividends received on investments	96,718.98	963,091.89
Investments in subsidiary shares	-333,610.01	0.00
<b>Cash flow from investment activities (B)</b>	<b>-2,280,157.12</b>	<b>360,965.70</b>

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
<b>Cash flow from financing activities</b>		
Paid equity increase	0.00	134,570.84
Repayment of short-term loans	-591,255.39	-362,424.08
Repayment of long-term loans	-26,956.00	-26,959.00
Interest and other financing expenses paid	-286.04	-539.15
Dividends and other distribution of profit paid	-1,655,745.90	-2,475,488.55
<b>Net cash from financing activities (C)</b>	<b>-2,274,243.33</b>	<b>-2,730,839.94</b>
<b>Net increase (decrease) in cash and cash equivalents A + B + C</b>	<b>-4,628,137.68</b>	<b>1,946,170.08</b>
Cash and cash equivalents, at the beginning of the period	8,715,837.31	6,769,667.23
Cash transferred in business arrangements	1,941,749.99	0.00
<b>Cash and cash equivalents, at the end of the period</b>	<b>6,029,449.62</b>	<b>8,715,837.31</b>
<b>Change in cash and cash equivalents</b>	<b>-4,628,137.68</b>	<b>1,946,170.08</b>



# NOTES ON THE PARENT COMPANY'S FINANCIAL STATEMENTS

## Notes on the preparation of the financial statements

### Comparability of financial periods

On December 31, 2024, Vincit Jyväskylä Oy and Motley Agency Oy merged with Vincit Oyj.

Income statement for the year 2024 includes merger loss 4,309,962.71 euros resulting from Motley Agency Oy merger. Non-recurring items included in the income statement are personnel expenses 0.00 euros (2023: 319,919.10 euros) and other operating expenses 17,531.25 euros (2023: 404,659.71 euros). Year 2023 items included in operating expenses mainly consisted of bad debts accrual.

### Measurement and recognition principles and methods

#### Measurement of non-current assets

The balance sheet value of intangible and tangible assets is their original acquisition cost, from which the planned depreciation explained below has been deducted.

Investments are valued at original acquisition cost and reduction for impairment.

#### Measurement of current assets

Accounts, loan and other receivables posted as financial assets are valued at their nominal value or their lower probable value.

### Recognition principles and methods

The acquisition cost of intangible and tangible assets belonging to the company's non-current assets is depreciated according to a plan prepared in advance.

Acquisition costs of assets, which have a probable economic useful lifetime of less than three years, as well as small purchases have been booked in full as an expenses of the acquisition accounting period.

There have been no changes in the depreciation principles.

### Depreciation periods are:

#### Intangible assets

Development costs	straight-line depreciation 3-5 years
Goodwill	straight-line depreciation 10 years
Software costs	straight-line depreciation 5 years
Other capitalised long-term expenditure	straight-line depreciation 5 years

#### Tangible assets

Machinery and equipment	residual expenditure depreciation 25%
Other tangible assets	straight-line depreciation 0-3 years

### Conversion criteria for items denominated in foreign currency

Foreign receivables have been converted into euros using the exchange rate on the balance sheet date.

### Recognition of revenue

Revenue from sales is recognized over contract period on accrual basis. Accrued and deferred income is recognized in period result and presented as current receivables and liabilities in the balance sheet.

### Recognition of deferred tax

Deferred tax liabilities and receivables have been calculated for the differences between taxation and financial statements at the time of financial statements by following the tax rate of the following years. At the end of the reporting period the balance sheet does not include deferred tax assets relating to tax losses.

### Recognition of development costs

Product development costs that accumulate income for three or more years are capitalized in the balance sheet as development costs and are written off over 3-5 years. Capitalized product development costs are related to the design of additional features of existing products. Otherwise, research and development expenses are booked as annual expenses in the year they are incurred.



# Notes on the income statement

## 1. Other operating income

EUR	2024	2023
Received public grants and subsidies	0.00	8,528.00
Service income from group companies	1,347,861.96	2,003,717.55
Sales commissions	9,709.10	2,465.63
Gains from sale of shares in associated undertaking	0.00	47,593.73
<b>Total</b>	<b>1,357,571.06</b>	<b>2,062,304.91</b>

## 2. Notes relating to personnel

	2024	2023
The average number of personnel during the period	446	495

Employee benefit expenses (EUR)	2024	2023
Salaries	30,883,462.59	33,364,561.17
Pension expenses	5,493,131.70	6,281,917.21
Other social security expenses	572,699.38	1,039,620.31
<b>Total</b>	<b>36,949,293.67</b>	<b>40,686,098.69</b>

Management salaries and fees	2024	2023
CEO, board members and management team	1,024,279.01	1,089,118.60
<b>Total</b>	<b>1,024,279.01</b>	<b>1,089,118.60</b>

## 3. Other operating expenses

EUR	2024	2023
Non-statutory employee benefits	2,115,407.82	2,559,903.60
Cost of premises	2,531,779.88	2,433,892.83
Sales and marketing expenses	811,995.24	936,832.23
Computer equipment and software costs	2,747,693.47	3,048,031.98
Administrative expenses	2,944,508.62	1,631,175.01
Other operating expenses *	5,461,098.32	1,642,937.39
<b>Total</b>	<b>16,612,483.35</b>	<b>12,252,773.04</b>

\*Other operating expenses for the year 2024 includes merger loss 4,309,962,71 euros resulting from Motley Agency Oy merger. Other operating expenses include non-recurring items 17,531,25 euros (2023: 404,659.71 euros). Year 2023 items included in operating expenses mainly consisted of bad debts accrual.

### Auditor's fees

KPMG Oy Ab	2024	2023
Audit of financial statements	91,600.00	87,000.00
Engagements referred to in the Auditing Act, 1.1,2§	3,280.00	3,892.50
Tax advisory	18,717.98	0.00
Other services	68,257.00	0.00
<b>Total</b>	<b>181,854.98</b>	<b>90,892.50</b>

Audit fees for all group companies is invoiced from the parent company and re-charged from its subsidiaries.



#### 4. Financial income and expenses

EUR	2024	2023
Income from group undertakings		
Dividends	96,718.98	962,554.30
Income from other investments held as non-current assets		
Dividends	0.00	537.59
Other interest and financial income		
Group companies	179,237.23	107,804.47
Others	452,794.65	188,623.88
Impairment of non-current assets		
Impairment of non-current investments *	0.00	-728,000.00
Impairment of non-current receivables	0.00	-41,475.24
Other interest and financial expense		
Others	-91,015.52	-304,501.46
<b>Total</b>	<b>637,735.34</b>	<b>185,543.54</b>

\* An impairment in value of 728,000.00 euros has been recognized for Motley Agency Oy shares in 2023.

#### 5. Income taxes

EUR	2024	2023
Income taxes	33,560.69	110,343.68
Income taxes related to prior years	-7,789.30	-3,000.10
<b>Total</b>	<b>25,771.39</b>	<b>107,343.58</b>

## Notes on the assets of balance sheet

#### 6. Specification of non-current assets

##### Intangible assets

Development expenses (EUR)	2024	2023
Acquisition cost at the beginning of the period	197,515.00	0.00
Additions	276,085.00	197,515.00
<b>Acquisition cost at the end of the period</b>	<b>473,600.00</b>	<b>197,515.00</b>
<b>Carrying amount at the end of the period</b>	<b>473,600.00</b>	<b>197,515.00</b>
<b>Carrying amount at the beginning of the period</b>	<b>197,515.00</b>	<b>0.00</b>

##### Goodwill

	2024	2023
Acquisition cost at the beginning of the period	22,627,104.83	22,627,104.83
Additions from business arrangements	2,800,881.00	0.00
<b>Acquisition cost at the end of the period</b>	<b>25,427,985.83</b>	<b>22,627,104.83</b>
Accumulated amortisation at the beginning of the period	-9,307,239.35	-6,864,116.39
Amortisation	-2,443,122.96	-2,443,122.96
<b>Accumulated amortisation at the end of the period</b>	<b>-11,750,362.31</b>	<b>-9,307,239.35</b>
<b>Carrying amount at the end of the period</b>	<b>13,677,623.52</b>	<b>13,319,865.48</b>
<b>Carrying amount at the beginning of the period</b>	<b>13,319,865.48</b>	<b>15,762,988.44</b>



<b>Software</b>	<b>2024</b>	<b>2023</b>
Acquisition cost at the beginning of the period	6,658.03	6,658.03
<b>Acquisition cost at the end of the period</b>	<b>6,658.03</b>	<b>6,658.03</b>
Accumulated amortisation at the beginning of the period	-6,658.03	-5,659.46
Amortisation	0.00	-998.57
<b>Accumulated amortisation at the end of the period</b>	<b>-6,658.03</b>	<b>-6,658.03</b>
<b>Carrying amount at the end of the period</b>	<b>0.00</b>	<b>0.00</b>
<b>Carrying amount at the beginning of the period</b>	<b>0.00</b>	<b>998.57</b>

<b>Other capitalised long-term expenditure</b>	<b>2024</b>	<b>2023</b>
Acquisition cost at the beginning of the period	866,148.39	866,148.39
<b>Acquisition cost at the end of the period</b>	<b>866,148.39</b>	<b>866,148.39</b>
Accumulated amortisation at the beginning of the period	-587,370.93	-467,737.13
Amortisation	-109,386.02	-119,633.80
<b>Accumulated amortisation at the end of the period</b>	<b>-696,756.95</b>	<b>-587,370.93</b>
<b>Carrying amount at the end of the period</b>	<b>169,391.44</b>	<b>278,777.46</b>
<b>Carrying amount at the beginning of the period</b>	<b>278,777.46</b>	<b>398,411.26</b>

<b>Tangible assets</b>	<b>2024</b>	<b>2023</b>
<b>Machinery and equipment</b>		
Acquisition cost at the beginning of the period	575,045.25	575,045.25
Additions	44,480.70	0.00
Additions from business arrangements	22,938.82	0.00
<b>Acquisition cost at the end of the period</b>	<b>642,464.77</b>	<b>575,045.25</b>
Accumulated amortisation at the beginning of the period	-437,153.35	-360,878.07
Depreciation	-45,593.17	-76,275.28
<b>Accumulated depreciation at the end of the period</b>	<b>-482,746.52</b>	<b>-437,153.35</b>
<b>Carrying amount at the end of the period</b>	<b>159,718.25</b>	<b>137,891.90</b>
<b>Carrying amount at the beginning of the period</b>	<b>137,891.90</b>	<b>214,167.18</b>

<b>Other tangible assets</b>	<b>2024</b>	<b>2023</b>
Acquisition cost at the beginning of the period	3,792.00	3,792.00
<b>Acquisition cost at the end of the period</b>	<b>3,792.00</b>	<b>3,792.00</b>
<b>Carrying amount at the end of the period</b>	<b>3,792.00</b>	<b>3,792.00</b>
<b>Carrying amount at the beginning of the period</b>	<b>3,792.00</b>	<b>3,792.00</b>

<b>Investments</b>	<b>2024</b>	<b>2023</b>
<b>Subsidiary shares</b>		
Acquisition cost at the beginning of the period	10,084,826.61	10,812,826.61
Additions	717,944.14	0.00
Fiscal year mergers	-7,585,424.62	0.00
Impairment	0.00	-728,000.00
<b>Acquisition cost at the end of the period</b>	<b>3,217,346.13</b>	<b>10,084,826.61</b>
<b>Carrying amount at the end of the period</b>	<b>3,217,346.13</b>	<b>10,084,826.61</b>
<b>Carrying amount at the beginning of the period</b>	<b>10,084,826.61</b>	<b>10,812,826.61</b>



Receivables from group companies	2024	2023
Capital loan receivables (Finnish Companies Act)	900,000.00	600,000.00
Additions	650,000.00	300,000.00
<b>Carrying amount at the end of the period</b>	<b>1,550,000.00</b>	<b>900,000.00</b>
<b>Carrying amount at the end of the period</b>	<b>1,550,000.00</b>	<b>900,000.00</b>
<b>Carrying amount at the beginning of the period</b>	<b>900,000.00</b>	<b>600,000.00</b>

Shares in associated undertaking	2024	2023
Acquisition cost at the beginning of the period	0.00	135,085.19
Disposals	0.00	-41,905.67
Transfers	0.00	-93,179.52
<b>Acquisition cost at the end of the period</b>	<b>0.00</b>	<b>0.00</b>
<b>Carrying amount at the end of the period</b>	<b>0.00</b>	<b>0.00</b>
<b>Carrying amount at the beginning of the period</b>	<b>0.00</b>	<b>135,085.19</b>

Other shares	2024	2023
Acquisition cost at the beginning of the period	113,179.52	15,000.00
Additions	15,000.00	5,000.00
Transfers	0.00	93,179.52
<b>Acquisition cost at the end of the period</b>	<b>128,179.52</b>	<b>113,179.52</b>
<b>Carrying amount at the end of the period</b>	<b>128,179.52</b>	<b>113,179.52</b>
<b>Carrying amount at the beginning of the period</b>	<b>113,179.52</b>	<b>15,000.00</b>

#### Shares in the group companies

Name	Domicile	Ownership interest
Vincit Solutions Oy	Helsinki, Finland	89,0%
Vincit Helsinki Oy	Tampere, Finland	100,0%
Vincit California Inc	Palo Alto, USA	96,7%
Vincit Poland Sp. z o.o	Poznan, Poland	100,0%
Vincit Sweden AB	Stockholm, Sweden	100,0%
Vincit Portugal -Digital Services, Unipessoal Lda	Lisbon, Portugal	100,0%

## 7. Current assets

Loan receivables (EUR)	2024	2023
Shareholder loan receivables	1,157,822.97	1,069,830.60
Other loan receivables	184,227.53	100,000.00
<b>Total</b>	<b>1,342,050.50</b>	<b>1,169,830.60</b>

Material amounts shown under prepayments and accrued income	2024	2023
Accrued income	206,477.09	262,061.32
Prepaid expenses	937,409.37	667,759.05
Income taxes	137,919.79	270,753.40
Other	3,167.29	0.00
<b>Total</b>	<b>1,284,973.54</b>	<b>1,200,573.77</b>

#### Receivables from Group companies

Long-term	2024	2023
Loan receivable	177,765.92	777,765.92
Other receivables	1,054,166.40	760,314.24
Group cash pool receivables	1,121,969.20	867,290.76
<b>Total</b>	<b>2,353,901.52</b>	<b>2,405,370.92</b>

Short-term	2024	2023
Accounts receivables	3,502,589.75	4,514,210.88
Accrued income	8,872.01	156,277.75
<b>Total</b>	<b>3,511,461.76</b>	<b>4,670,488.63</b>



## Notes on the equity and liabilities of balance sheet

### 8. Changes in equity

Restricted equity	2024	2023
<b>Share capital (EUR)</b>		
In the beginning of the period	545,000.00	545,000.00
In the end of the period	545,000.00	545,000.00
<b>Restricted equity at the end of the period</b>	<b>545,000.00</b>	<b>545,000.00</b>
<b>Unrestricted equity</b>		
<b>Reserve for invested unrestricted equity (EUR)</b>		
In the beginning of the period	33,274,034.79	33,139,463.95
Share issue	323,000.00	134,570.84
<b>Reserve for invested unrestricted equity in the end of the period</b>	<b>33,597,034.79</b>	<b>33,274,034.79</b>
<b>Retained earnings</b>		
In the beginning of the period	3,639,045.50	6,641,243.86
Dividend distribution	-1,655,745.90	-2,475,488.55
<b>Retained earnings in the end of the period</b>	<b>1,983,299.60</b>	<b>4,165,755.31</b>
<b>Result for the financial year</b>	<b>-6,030,852.19</b>	<b>-526,709.81</b>
<b>Total unrestricted equity</b>	<b>29,549,482.20</b>	<b>36,913,080.29</b>
<b>Total equity</b>	<b>30,094,482.20</b>	<b>37,458,080.29</b>
<b>Calculation regarding distributable unrestricted equity</b>	<b>2024</b>	<b>2023</b>
Reserve for invested unrestricted equity	33,597,034.79	33,274,034.79
Retained earnings	1,983,299.60	4,165,755.31
Result for the financial year	-6,030,852.19	-526,709.81
Capitalised development expenditure	-473,600.00	-197,515.00
<b>Total distributable unrestricted equity</b>	<b>29,075,882.20</b>	<b>36,715,565.29</b>

### 9. Provisions

	2024	2023
Other provisions	600,000.00	0.00
<b>Total</b>	<b>600,000.00</b>	<b>0,00</b>

Provisions include costs that may arise from potential business-related disputes and legal processes.

### 10. Liabilities

Material items included in accruals and deferred income	2024	2023
Accrued wages and salaries	655,574.67	948,162.61
Accrued social security contributions	845,733.77	306,320.11
Deferred income	1,067,740.60	1,434,350.82
Accrued holiday pay including social costs	5,482,752.45	5,115,166.69
Accrued expenses	104,000.84	296,089.46
Other	100.00	0.00
<b>Total</b>	<b>8,155,902.33</b>	<b>8,100,089.69</b>

#### Liabilities from Group companies

Long-term	2024	2023
Group cash pool liabilities	1,801,361.31	2,392,616.70
<b>Total</b>	<b>1,801,361.31</b>	<b>2,392,616.70</b>

Short-term	2024	2023
Accounts payables	1,894,826.39	2,289,892.73
Other liabilities	0.00	760,626.17
<b>Total</b>	<b>1,894,826.39</b>	<b>3,050,518.90</b>



## Guarantees and contingent liabilities

### Liabilities for which the company has given mortgages on company assets as a guarantee

EUR	2024	2023
Overdraft limit (available)	2,000,000.00	2,000,000.00
Loans from financial institutions	6,300,000.00	6,300,000.00

### The nominal amounts (VAT 0%) of rents according to the leasing lease agreements, broken down for those payable in the financial periods that have started and the following ones

Finance lease liabilities	2024	2023
Payble during the following financial year	693,174.83	711,763.85
Payable in later years	457,466.42	543,981.66
<b>Total</b>	<b>1,150,641.25</b>	<b>1,255,745.51</b>

The company's leasing contracts are standard car leasing contracts and contracts for office furniture and equipment.

### Other financial liabilities that are not included in the balance sheet

Finance company liabilities	2024	2023
Credit cards held by the employees	17,762.80	54,675.54
<b>Total</b>	<b>17,762.80</b>	<b>54,675.54</b>

Rental liabilities	2024	2023
Payble during the following financial year	1,763,978.82	1,881,959.04
Payable in later years	3,340,466.25	3,759,320.84
<b>Total</b>	<b>5,104,445.07</b>	<b>5,641,279.88</b>

Securites	2024	2023
Rental securities	412,658.40	106,500.00
<b>Total</b>	<b>412,658.40</b>	<b>106,500.00</b>

Investment commitments	2024	2023
Capital loan commitments to group companies	0.00	1,100,000.00
<b>Total</b>	<b>0.00</b>	<b>1,100,000.00</b>

## Notes on related party transactions

### Granted loans, guarantees, commitments and contingent liabilities

Loans to management and employees for purchase of company shares	2024	2023
Loans at the beginning of the period	1,069,830.60	1,256,506.46
Additions	0.00	119,063.00
Additions from business arrangements	186,828.03	0.00
Prepayments	-98,835.66	-264,263.62
<b>Loans at the end of the period</b>	<b>1,157,822.97</b>	<b>1,069,830.60</b>

Interest terms: 12-month Euribor/equivalent interest plus 0.5-1.0 percent

Other terms: Deducted annually from dividends received





# SIGNATURES AND FINANCIAL STATEMENT ENTRY

## Signatures to the financial statements

Helsinki, on 4 March, 2025  
The Board of Vincit Plc

**Mikko Kuitunen**  
Chairman of the Board

**Mervi Airaksinen**  
Board Member

**Arto Martonen**  
Board Member

**Frank Korsström**  
Board Member

**Julius Manni**  
Chief Executive Officer of Vincit Plc

## Auditor's note

An auditor's report based on the audit performed has been issued today.  
Helsinki, on 4 March, 2025

**KPMG Oy Ab**  
Authorised Public Accountants  
Miika Karkulahti, KHT



# AUDITOR'S REPORT

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of Vincit Oyj

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Vincit Plc (business identity code 2113034-9) for the year ended 31 December, 2024. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's



- report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
  - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Other Reporting Requirements

### Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 4 March 2025

**KPMG OY AB**  
Authorised Public Accountant, KHT

