



**VINCIT PLC
FINANCIAL STATEMENT RELEASE
2024**

1 January – 31 December 2024 (unaudited)



VINCIT PLC'S FINANCIAL STATEMENT RELEASE 2024 1 JANUARY – 31 DECEMBER 2024 (UNAUDITED)

Figures in brackets refer to the corresponding period in the previous year, unless otherwise stated. Percentages and figures presented herein may include rounding differences and therefore may not add up precisely to the totals presented.

A year of adversity - strategic customer deliveries as a bright spot

October–December 2024

- Revenue was EUR 21.5 (23.6) million. Revenue declined by EUR 2.1 million, or 8.9%.
- EBITA was EUR -0.4 (-1.8) million, or -1.9% (-7.8%) of revenue.
- Adjusted EBITA was EUR -0.4 (-1.7) million, or -1.9% (-7.4%) of revenue.
- EBIT was EUR -1.4 (-2.8) million, or -6.6% (-12.0%) of revenue.
- Non-recurring items amounted to EUR -0.0 (-0.1) million.
- Earnings per share were EUR -0.06 (-0.16).
- On October 21, 2024, Vincit lowered its guidance for revenue and profitability due to lower-than-expected demand.
- Vincit Plc and the minority owner of Vincit Helsinki Oy signed an agreement dated December 12, 2024, as a result of which Vincit Plc will own the entire share capital of Vincit Helsinki Oy.
- Vincit published its clarified strategy and updated financial targets for 2025–2027 on December 18, 2024.
- Pekka Vähähyppä, Member of the Board of Directors and Chairman of the Audit Committee of Vincit Plc announced his resignation from the Board of Directors on December 19, 2024.
- Vincit announced on December 20, 2024, that it had become part of a cyber-attack on December 12, 2024.

January–December 2024

- Revenue was EUR 84.6 (98.1) million. Revenue decreased by EUR 13.4 million, or 13,7%.
- 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.
- EBIT was EUR -3.7 (-2.2) million, or -4.4% (-2.2%) of revenue.
- Non-recurring items amounted to EUR -0.5 (-2.0) million.
- Earnings per share were EUR -0.22 (-0.17).
- Total capacity (FTE) averaged 667 (786) over the reporting period, of which the share of subcontracting was 61 (75).



- At the end of the review period, the Group employed a total of 640 (720) people.
- The Board of Directors proposes a dividend of EUR 0.11 (0.10) per share.

Outlook for 2025

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

Financial targets for the strategy period 2025–2027

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.



Key figures

Group

EUR 1,000	10-12/2024	10-12/2023	Change %	2024	2023	Change %
Revenue	21,477	23,565	-8.9%	84,647	98,085	-13.7%
EBITDA ¹⁾	-371	-1,780	-79.2%	473	1,968	-76.0%
% of revenue	-1.7%	-7.6%		0.6%	2.0%	
EBITA ¹⁾	-415	-1,844	-77.5%	274	1,721	-84.1%
% of revenue	-1.9%	-7.8%		0.3%	1.8%	
non-recurring items	-16	-100	-83.7%	-520	-1,993	-73.9%
Adjusted EBITA	-399	-1,744	-77.1%	794	3,714	-78.6%
Adjusted EBITA %	-1.9%	-7.4%		0.9%	3.8%	
EBIT	-1,428	-2,838	-49.7%	-3,742	-2,196	70.4%
% of revenue	-6.6%	-12.0%		-4.4%	-2.2%	
Profit/ -loss for the period	-942	-2,668	-64.7%	-3,614	-2,853	26.7%
Equity ratio %	64.9%	63.4%		64.9%	63.4%	
ROE %	-11.8%	-7.0%		-10.7%	-7.5%	
ROI %	-12.6%	-8.5%		-9.4%	-5.1%	
Net Debt %	-29.3%	-33.4%		-29.3%	-33.4%	
Number of personnel at period end				640	720	-11.1%
EPS, EUR	-0.06	-0.16	-64.8%	-0.22	-0.17	27.9%
Dividend/share ²⁾				0.11	0.10	

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

2) Board of Directors proposal for Annual General Meeting 2025.





Vincit CEO Julius Manni

“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 current 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.”



Financial review October–December 2024

Consolidated revenue

Revenue in October–December decreased by 8.9% year-on-year to EUR 21.5 (23.6) 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 -0.4 (-1.8) million or -1.7% (-7.6%) of revenue during the review period. EBITA was EUR -0.4 (-1.8) million or -1.9% (-7.8%) of revenue. Adjusted EBITA was EUR -0.4 (-1.7) million, or -1.9% (-7.4%) of revenue.

The October–December result is burdened by provisions for potential litigation and legal proceedings related to the business, as well as recovery costs related to the cyber attack.

EBIT was EUR -1.4 (-2.8) million or -6.6% (-12.0%) of revenue.

Profit for the period under review was EUR -0.9 (-2.7) million.

Financial review January–December 2024

Consolidated revenue

Revenue decreased in January–December by 13.7% year-on-year to EUR 84.6 (98.1) million.

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.

The Group's personnel costs amounted to EUR 53.4 (62.5) million, or 63.1% (63.7%) of revenue.

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.

EBIT was EUR -3.7 (-2.2) million or -4.4% (-2.2%) of revenue.

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

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.

In Portugal, Vincit operates in Lisbon. The Portuguese operations primarily support the Vincit USA business, and therefore, from the third quarter of 2024, the



Portuguese operations will be reported as part of Vincit USA. Previously, the Portuguese business was reported as part of Vincit Nordics.

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.

Financial development Service business

EUR million	10-12/2024	10-12/2023	Change %	2024	2023	Change %
Revenue	20.7	22.8	-9.2%	81.5	95.1	-14.3%
EBITA	-0.3	-1.5	-80.2%	0.6	2.1	-72.8%
EBITA %	-1.4	-6.7		0.7	2.2	
non-recurring items	0.0	-1.8	-99.1%	-0.5	-2.0	-73.9%
adjusted EBITA	-0.3	0.3	-199.2%	1.1	4.1	-73.3%
adjusted EBITA %	-1.4	1.3		1.3	4.3	

Revenue of the Service business in October-December was EUR 20.7 (22.8) million, a decline of 9.2% year-on-year.

During October-December, EBITA of the Service business was EUR -0.3 (-1.5) million or -1.4% (-6.7%) of revenue. Adjusted EBITA was EUR -0.3 (0.3) million, or -1.4% (1.3%) of revenue. Non-recurring items in October-December amounted to EUR 0.0 (-1.8) million.

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.

Financial development Vincit Nordics

EUR million	10-12/2024	10-12/2023	Change %	2024	2023	Change %
Revenue	19.0	20.6	-7.9%	74.0	84.7	-12.6 %
EBITA	0.0	-0.4	-102.7%	1.9	2.9	-36.7 %
EBITA %	0.1	-1.8		2.5	3.5	
non-recurring items	0.0	-0.9	-100.0%	0.0	-1.1	-98.4 %
adjusted EBITA	0.0	0.6	-98.2%	1.9	4.1	-53.6 %
adjusted EBITA %	0.1	2.7		2.5	4.8	

Vincit Nordics' revenue in October-December was EUR 19.0 (20.6) million, a decline of 7.9% year-on-year.

During October-December, Vincit Nordics' EBITA was EUR 0.0 (-0.4) million or 0.1% (-1.8%) of revenue. Adjusted EBITA was EUR 0.0 (0.6) million, or 0.1% (2.7%) of revenue. Non-recurring items in October-December amounted to EUR 0.0 (-0.9) million.

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.



Financial development Vincit USA

EUR million	10-12/2024	10-12/2023	Change %	2024	2023	Change %
Revenue	1.8	2.2	-19.8%	7.6	10.4	-27.2%
EBITA	-0.3	-1.1	-73.0%	-1.3	-0.9	48.7%
EBITA %	-17.6	-52.3		-17.2	-8.4	
non-recurring items	0.0	-0.9	-98.2%	-0.5	-0.9	-43.0%
adjusted EBITA	-0.3	-0.3	10.2%	-0.8	0.0	< -100.0%
adjusted EBITA %	-16.7	-12.1		-10.5	0.1	

Vincit USA's revenue in October-December was EUR 1.8 (2.2) million, down 19.8% year-on-year.

During October-December, Vincit USA's EBITA was EUR -0.3 (-1.1) million or -17.6% (-52.3%) of revenue. Adjusted EBITA was EUR -0.3 (-0.3) million or -16.7 (-12.1%) of revenue. Non-recurring items in October-December amounted to EUR 0.0 (-0.9) million.

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

VincitEAM is an easy-to-use solution for the management of materials, maintenance and services.

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.

Financial development Product business

EUR million	10-12/2024	10-12/2023	Change %	2024	2023	Change %
Revenue	0.8	0.8	2.7%	3.1	3.0	5.2%
EBITA	-0.1	-0.3	-64.9%	-0.3	-0.3	-17.0%
EBITA %	-14.2	-41.7		-9.2	-11.7	
non-recurring items	0.0	0.0	0.0%	0.0	0.0	0.0%
adjusted EBITA	-0.1	-0.3	-64.9%	-0.3	-0.3	-17.0%
adjusted EBITA %	-14.2	-41.7		-9.2	-11.7	



Revenue of the Product business in October–December was EUR 0.8 (0.8) million, an increase of 2.7% year-on-year.

During October–December, EBITA of the Product business was EUR -0.1 (-0.3) million or -14.2% (-41.7%) of revenue. Adjusted EBITA was EUR -0.1 (-0.3) million or -14.2% (-41.7%) of revenue.

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 totaling EUR 2.0 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 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.

Annual General Meeting 2024 and authorizations of Board of Directors

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 Vähähyppä, 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 decide on repurchasing and/or accepting the company's own shares as pledge under the following conditions:

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

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	Closing, 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

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.

Significant events during the reporting period

Petra Sievinen appointed as Vincit's Chief Marketing and Communications Officer and Member of Leadership Team

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

Vincit clarified the Leadership Team's business responsibilities in the Nordic countries and the USA

Vincit announced on April 3, 2024, that it clarifies the business responsibilities of the Executive 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 the service business in Vincit USA. Kuutti has worked at Vincit since 2010. Jens Krogell (M.Sc.) was appointed to lead the service business in Vincit Nordics. Krogell has worked at the company since 2022.

Vincit lowered its revenue and profit guidance for 2024

Vincit announced on October 21, 2024, that it lowers its 2024 guidance for revenue and profitability due to lower-than-expected customer demand.

Transfer of own shares as part of acquisition of minority interest in Vincit Helsinki Oy

Vincit Plc and the minority owner of Vincit Helsinki Oy signed an agreement dated December 12, 2024, as a result of which Vincit Plc will own the entire share capital of Vincit Helsinki Oy. Prior to the transaction, the minority shareholder held 7.5% of the shares in Vincit Helsinki Oy. The transaction became effective on the date the agreement was signed.

Vincit clarified its strategy and updated financial targets for 2025-2027

Vincit announced on December 18, 2024, the Board of Directors of Vincit Plc has approved the company's clarified strategy and updated financial targets for 2025-2027.



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.

Vincit continues to report on its service business through two geographic regions: Vincit Nordics and Vincit USA.

In the Nordics, Vincit focuses on being the leading business transformation partner for companies investing in growth and providing expertise to large enterprises and the public sector. In the Nordics, Vincit operates through four business areas:

- Data & AI: Harnessing data to enable smarter decision-making and foster AI adoption across business
- SAP Solutions & Core Processes: Creating competitiveness by streamlining core business processes with SAP solutions and integrated applications
- Composable Commerce: Driving growth and customer experience by developing modular sales channels and sustainable commercial concepts
- Digital Products & Services: Delivering tailored digital products and dedicated development teams to fit diverse business needs

In the USA, Vincit targets mid-market companies in retail, media, and manufacturing industries by leveraging its delivery capabilities from Europe.

Vincit sites in Poland and Portugal support client engagements both in the Nordics and the United States.

VincitEAM continues as an independent product business subsidiary, whose CEO Juuso Jankama reports directly to Vincit's Chairman of the Board, Mikko Kuitunen.

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.

Vincit as target of cyber-attack

Vincit announced on December 20, 2024, that it had become part of a cyber-attack on December 12, 2024. Investigations and corrective actions were started immediately.



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.

Mika Immo joins Vincit from Digia Plc, where he has held sales management positions since 2013. Prior to this, he worked in sales roles at, among others, Solita.

The composition of Vincit Leadership Team effective as of March 3, 2025:

- Julius Manni, CEO
- Kimmo Kärkkäinen, Chief Financial Officer
- Jens Krogell, Deputy CEO and Director, Vincit Nordics
- Mari Kuha, Chief People Officer
- Anssi Kuutti, Director, Vincit USA
- Petra Sievinen, Chief Marketing and Communications Officer
- Mika Immo, Chief Revenue Officer

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.

Financial calendar and Annual General Meeting 2025

In 2025, Vincit will publish financial information as follows:

- Financial Statements and Board of Directors' Report 2024 on week 11
- 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 immediately after publication.

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



Press and analyst conference

A conference for analysts and the media will be arranged on February 20, 2024, starting at 10 am EET. The conference will be streamed live and can be watched at <https://vincit.events.inderes.com/q4-2024/register>. A recording of the conference can be viewed at the same address later the same day.

During the event, Vincit's CEO Julius Manni will review the 2024 results and the main events of the review period. The event is held in Finnish.

It will also be possible to ask the management questions in writing during the event. Questions will be answered after the presentation.

Accounting principles for the financial statement release

The financial statement release has been prepared in accordance with good accounting practice and Finnish legislation. The information is presented to the extent required by paragraph 4.4 of the Nasdaq First North Growth Market rules. The figures presented are rounded from the exact figures, which may result in the sum of individual figures differing from the amount shown.

The figures of this report are unaudited.



Table section

Consolidated Income Statement (FAS)

EUR 1,000	10-12/2024	10-12/2023	2024	2023
Revenue	21,477	23,565	84,647	98,085
Other operating income	9	11	24	147
Materials and services				
Purchases during the period	-628	-580	-2,566	-1,939
External services	-2,620	-3,406	-11,234	-13,458
Personnel expenses				
Salaries and fees	-11,660	-13,211	-45,323	-52,162
Pensions	-1,858	-2,276	-7,200	-8,450
Other indirect employee expenses	-236	-349	-913	-1,848
Depreciation, amortization and impairment				
Depreciation according to plan	-157	-159	-623	-585
Goodwill amortization	-900	-899	-3,592	-3,579
Other operating expenses	-4,855	-5,534	-16,963	-18,408
EBIT	-1,428	-2,838	-3,742	-2,196
Financial income and expenses				
Interest income and other financial income	422	51	557	213
Interest expenses and other financial expenses	46	-263	-228	-480
Profit / Loss after financial items	-960	-3,050	-3,413	-2,463
Income taxes	15	340	-192	-441
Non-controlling interest	3	42	-9	51
Profit/ Loss for the period	-942	-2,668	-3,614	-2,853



Consolidated balance sheet (FAS)

EUR 1,000	31.12.2024	31.12.2023
ASSETS		
Non-current assets		
Intangible assets		
Development expenditure	1,556	1,225
Goodwill	17,780	20,709
Other capitalized long-term expenditure	248	350
Tangible assets		
Machinery and equipment	417	557
Other tangible assets	4	4
Investments		
Other shares and holdings	30	20
Other non-current loan receivables	314	295
Total non-current assets	20,349	23,160
Current assets		
Non-current receivables		
Loan receivables	1,313	1,388
Total non-current receivables	1,313	1,388
Current receivables		
Trade receivables	14,817	16,927
Loan receivables	2	2
Other receivables	437	1,415
Prepayments and accrued income	1,722	1,908
Total current receivables	16,978	20,252
Short-term investments	5	
Cash in hand and in banks	9,164	12,158
Total current assets	27,460	33,798
TOTAL ASSETS	47,809	56,958



EUR 1,000	12/2024	12/2023
LIABILITIES		
Equity		
Share capital	545	545
Reserve for invested unrestricted equity	33,597	33,274
Retained earnings	497	5,127
Profit for the period	-3,614	-2,853
Total equity	31,025	36,093
Non-controlling interest	0	23
Provisions	600	
Liabilities		
Non-current liabilities		
Loans from financial institutions	66	79
Deferred tax liability	17	
Total non-current liabilities	83	79
Current liabilities		
Trade payables	2,698	5,528
Loans from financial institutions	0	27
Other liabilities	3,347	3,504
Accrued expenses and deferred income	10,055	11,704
Total current liabilities	16,101	20,763
Total liabilities	16,784	20,843
TOTAL LIABILITIES	47,809	56,958



Consolidated cash flow statement (FAS)

EUR 1,000	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Profit(loss) before appropriations and taxes	-960	-3,050	-3,413	-2,463
Adjustments to operating profit (loss) for:				
Depreciation according to plan	1,057	1,057	4,215	4,164
Unrealised foreign exchange gains and losses	-335	-41	-248	-93
Other non-cash income and expenses	617	1,383	661	1,383
Financial income and expenses	-468	213	-329	267
Other adjustments	-71	0	-71	-89
Cash flow from operating activities before change in working capital	-160	-439	815	3,168
Change in working capital:				
Increase/decrease of trade receivables and other receivables	-1,154	939	3,216	1,538
Increase/decrease of trade payables and other non-interest-bearing liabilities	1,647	3,010	-4,671	545
Operating cash flow before financing items and taxes	332	3,510	-640	5,252
Interest and other financial expenses paid relating to operating activities	-11	-81	-40	-148
Interest received relating to operating activities	212	21	192	68
Income taxes paid	95	482	22	85
Cash flow from operating activities (A)	629	3,932	-465	5,256
Cash flow from investment activities				
Investments in tangible and intangible assets	-83	-404	-673	-1,007
Proceeds from sale of tangible and intangible assets	0	50	36	50
Loans granted	-84	-69	-84	-312
Other investments	-5	0	-15	-5
Repayments of loan receivables	51	34	127	465
Gains on the sale of investments	0	0	0	89
Interest received on investments	21	-8	38	18
Dividends received on investments	0	0	0	1
Shares purchased in subsidiaries	-334	-55	-334	-268
Disposals of subsidiary shares	0	0	0	65
Cash flow from investment activities (B)	-434	-451	-904	-903
Cash flow from financing activities				
Proceeds from issuance of equity	0	135	0	135
Repayment of current loans	-6	0	-45	-42
Repayment of non-current loans	0	-4	0	0



Interest and other financing expenses paid	-1	14	-4	-7
Dividends paid	0	0	-1,664	-2,584
Cash flow from financing activities (C)	-6	145	-1,713	-2,499
<hr/>				
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	188	3,626	-3,082	1,854
<hr/>				
Liquid assets at beginning of fiscal period	8,877	8,540	12,158	10,320
Exchange rate differences	99	-8	88	-16
Group's total cash and cash equivalents at the end of the financial year	9,164	12,158	9,164	12,158



Group's changes in equity (FAS)

EUR 1,000	2024	2023
Restricted equity		
Share capital at the start of the period	545	545
Share capital at the end of the period	545	545
Total restricted equity	545	545
Unrestricted equity		
Reserve for invested unrestricted equity at the start of the period	33,274	33,139
Share issue	323	135
Reserve for invested unrestricted equity at the end of the period	33,597	33,274
Translation difference at end of period	139	213
Retained earnings at the start of the period	2,061	7,390
Dividends paid	-1,664	-2,476
Other adjustments	-40	
Retained earnings at the end of the period	497	5,127
Profit for the period	-3,614	-2,853
Total unrestricted equity	30,480	35,548
Total equity	31,025	36,093



Group liabilities

EUR 1,000

Rental liabilities	2024	2023
Payable during the following financial year	2,421	2,330
Payable in later years	4,320	3,759
Total	6,741	6,089
Leasing liabilities	2024	2023
Payable during the following financial year	820	826
Payable in later years	551	627
Total	1,371	1,454
Other financial liabilities	2024	2023
Credit cards	33.5	58
Mortgages given	6,300	6,300
Rental securities	412.7	106.5
Security deposit		
Total	6,746	6,465



Formulas for key indicator calculation

EBITDA	=	Operating profit + depreciation, amortization and impairment
EBITA	=	Operating profit + amortization and impairment
Adjusted EBITA	=	Operating profit + amortization and impairment before non-recurring items
EBIT	=	Revenue + Other operating income - Materials and services - Personnel expenses - Other operating expenses - Depreciation, amortization and impairment
		Profit after financial items + Interest and other financial expenses
Return on investment (ROI), %	=	----- Balance sheet total - Non-interest-bearing liabilities (average over one year) Profit after financial items - Income taxes
Return on equity (ROE), %	=	----- Equity + minority interest (average over the year) interest-bearing liabilities - Cash in hand and in banks
Gearing ratio, %	=	----- Equity + Minority interest Equity + Minority interest
Equity ratio, %	=	----- Balance sheet total - advances received Profit or loss for the financial year excluding minority interest
Earnings per share (EPS)	=	----- Average number of shares adjusted for share issues excluding own shares



Helsinki, February 22, 2024

VINCIT PLC

Board of Directors

More information:

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Vincit Plc in brief

Vincit turns digital into business results by combining leading enterprise platforms and tailored solutions Vincit Plc's shares are listed on the Nasdaq First North Growth Market Finland marketplace. www.vincit.com

