VINCIT PLC
HALF-YEAR REPORT 2025

1 January–30 June 2025 (unaudited)

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VINCIT PLC'S HALF-YEAR REPORT 1 JANUARY–30 JUNE 2025 (UNAUDITED, IFRS)

This half-year report has been prepared in accordance with International Financial Reporting Standards (IFRS). Figures in parentheses refer to the corresponding period of the previous year, unless otherwise stated. The figures have been adjusted to comply with the IFRS accounting standard, so they may differ from the figures previously reported by Vincit.

Decline in revenue continued to weigh on profitability

April–June 2025

- Revenue was EUR 17.6 (21.7) million. Revenue declined by EUR 4.2 million, or 19.2%.
- Adjusted EBITA was EUR -0.5 (-0.4) million or -2.6% (-1.8%) of revenue.
- EBITA was EUR -1.1 (-0.9) million, or -6.2% (-4.1%) of revenue.
- EBIT was EUR -1.2 (-1.0) million, or -6.9% (-4.4%) of revenue.
- Items affecting comparability were EUR -0.6 (-0.5) million.
- Earnings per share were EUR -0.10 (-0.06).
- Total capacity (FTE) averaged 540 (669) over the reporting period, of which subcontracting was 37 (65) FTEs.
- Vincit Plc (together with its subsidiaries "Vincit" or the "Group") announced on 27 June, 2025 the transition from Finnish Accounting Standards (FAS) to International Financial Reporting Standards (IFRS) reporting.

January–June 2025

- Revenue was EUR 37.0 (44.7) million. Revenue declined by EUR 7.8 million, or 17.4%.
- Adjusted EBITA was EUR -0.2 (0.2) million or -0.5% (0.5%) of revenue.
- EBITA was EUR -1.2 (-0.3) million, or -3.3% (-0.6%) of revenue.
- EBIT was EUR -1.4 (-0.4) million, or -3.9% (-0.9%) of revenue.
- Items affecting comparability were EUR -1.1 (-0.5) million.
- Earnings per share were EUR -0.14 (-0.04).
- Total capacity (FTE) averaged 569 (677) over the reporting period, of which subcontracting was 39 (66) FTEs.

Outlook for 2025 (unchanged)

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 approved on December 18, 2024 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

EUR thousand	4-6/2025	4-6/2024	Change, %	1-6/2025	1-6/2024	Change, %	2024
Revenue	17,575	21,748	-19.2%	36,969	44,730	-17.4%	84,647
EBITDA	-208	-25	746.6%	762	1,592	-52.2%	3,837
% of revenue	-1.2 %	-0.1%		2.1%	3.6%		4.5%
EBITA	-1,087	-889	22.4%	-1,238	-270	359.0%	-12
% of revenue	-6.2%	-4.1%		-3.3%	-0.6%		0.0%
Items affecting comparability	634	498	27.5%	1,067	498	114.4%	520
Adjusted EBITDA	426	473	-9.9%	1,829	2,090	-12.5%	4,358
% of revenue	2.4%	2.2%		4.9%	4.7%		5.1%
Adjusted EBITA	-453	-391	15.8%	-171	228	-175.3%	508
% of revenue	-2.6%	-1.8%		-0.5%	0.5%		0.6%
EBIT	-1,210	-956	26.6%	-1,438	-399	260.3%	-288
% of revenue	-6.9%	-4.4%		-3.9%	-0.9%		-0.3%
Profit for the period	-1,755	-994	76.7%	-2,354	-662	255.5%	-629
Equity ratio -%	58.6%	61.5%		58.6%	61.5%		58.3%
Return on equity (ROE), %	-21.3%	-10.8%		-13.8%	-3.5%		-1.7%
Return on Investment (ROI), %	-11.5%	-8.3%		-6.3%	-1.0%		0.6%
Net Gearing Ratio -%	4.2%	-18.4%		4.2%	-18.4%		1.3%
Number of employees at the end of the period	538	641	-16.1%	538	641	-16.1%	640
Basic EPS, EUR	-0.10	-0.06	73.7%	-0.14	-0.04	246.8%	-0.04
Dividend / Share, EUR	-	-		-	-		0.11

Vincit CEO Julius Manni

In the second quarter, our revenue decreased by 19.2 per cent from the comparison period. The decline was particularly affected by the weakened demand for custom software development in the United States and the challenges in the Commerce business, as several long-term customers cut their investments in digital commerce solutions more than expected.

The organisational restructurings carried out in the United States earlier in the year paid off, and the second quarter was already positive in terms of profitability for US operations. Despite the adjustment measures we have taken, our Vincit-wide cost structure was still too heavy relative to the rapidly declining revenue, and our profitability was still below target. In early April, we concluded the change negotiations concerning the Finnish service business and IT support functions. As a result of the negotiations, the employment of 35 people was terminated. With these measures, we estimate that we will achieve savings of approximately EUR 1.4 million in 2025. Costs of approximately EUR 0.5 million related to the change negotiations have been recorded in the second quarter. The full cost impact of the personnel cuts will be visible in the second half of the year.

Progress in strategic priority areas

In the second quarter of the year, we continued our determined work to implement our strategy. Our focus is on business-driven projects and long-term customer relationships where we can leverage our competitive advantage by combining AI, SAP solutions and custom software development. At the same time, we are continuing with our planned investments in developing our information security.

The more positive sentiment in the demand for custom software development has continued with the launch of several new customer projects. I would particularly like to highlight our collaboration with the Guides and Scouts of Finland, where we are developing a new national scout register. We are proud to be involved in this societally important project.

In the SAP Core business, we strengthened our position as a partner for business-critical core processes by signing an agreement with a major Finnish food industry player for continuous SAP application management services. In addition, we have promoted a productised approach to implementing SAP Public Cloud solutions. This is a key strategic opportunity for us, enabling faster and more efficient deployments for our customers.

In May, the commercial version of the Edilex AI tool for legal information retrieval, developed by Edilex Lakitieto and Vincit, was also released.

Our information security development progressed as planned. We achieved the international ISO 27001 certification for information security management and implemented the Security Operations Center (SOC) operated by DNV Cyber.

During the review period, we also completed the transition to the IFRS accounting standard, which will increase the comparability of Vincit's financial figures with other companies in the industry.

Vincit is heading in the right direction. The work to improve our profitability and turn our revenue back to a growth path continues. We are taking determined measures to adapt our cost structure and enhance sales efficiency. I want to thank our customers for their trust and our Vincit employees for their commitment and hard work in this challenging market environment.

Financial review April–June 2025

Consolidated revenue

Revenue in April-June decreased by 19.2% to EUR 17.6 (21.7) million.

Group profitability and earnings development

Adjusted EBITA was -0.5 (-0.4) million or -2.6% (-1.8%) of revenue during the review period. EBITA was EUR -1.1 (-0.9) million or -6.2% (-4.1%) of revenue.

EBIT was EUR -1.2 million (-1.0) or -6.9% (-4.4%) of revenue.

The profit for April-June was EUR -1.8 (-1.0) million.

Financial review January–June 2025

Consolidated revenue

Revenue for the January-June period fell by 17.4% to EUR 37.0 (44.7) million. The decline was mainly due to lower demand in the USA as well as in the Commerce business area.

Group profitability and earnings development

Adjusted EBITA was EUR -0.2 (0.2) million or -0.5% (0.5%) of revenue during the review period. EBITA was EUR -1.2 million (-0.3) or -3.3% (-0.6%) of revenue.

EBIT was EUR -1.4 million (-0.4) or -3.9% (-0.9%) of revenue. Profitability was pressured by an excessively heavy cost structure compared to decreased revenue and one-off investments in cybersecurity.

The result for January-June was EUR -2.4 (-0.7) million.

Vincit's business areas

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

Due to the change in Vincit USA's business model and the implemented adjustment measures, we will serve our US customers to a greater extent from Europe in the future. Because of this, starting from the second quarter of 2025, we will no longer report service business separately for the different geographical areas.

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.

Service business revenue decreased year-on-year as demand remained subdued. The Commerce business faced particular challenges, with several long-term customers reducing their investments. We also made a conscious choice not to participate in the most intense price competition in the public sector. Positively, the demand for custom software development continued to pick up, and interest in utilising data and AI remained strong.

During the review period, we concluded the change negotiations concerning the Finnish operations, which resulted in the termination of 35 employment contracts. Due to fierce price competition, the profitability of software development projects, in particular, has declined. This contributed to a decrease in the overall profitability of the service business compared to both the first quarter and the corresponding period last year. The effects of the changes in our cost structure will be visible in the second half of the year. Utilization rates for the second quarter were already at a good level.

Financial development - Service business

EUR million	4-6/2025	4-6/2024	Change %	1-6/2025	1-6/2024	Change %	2024
Revenue	16.6	21.0	-20.7 %	35.1	43.1	-18.5%	81.5
Items affecting comparability	-0.6	-0.5		-1.1	-0.5		-0.5
adjusted EBITA	-0.4	-0.2	68.4%	-0.1	0.4	-129.8%	0.8
adjusted EBITA %	-2.4%	-1.1%		-0.3%	0.9%		1.0%
EBITA	-1.0	-0.7	40.8%	-1.2	-0.1	982.0%	0.3
% of revenue	-6.2%	-3.5%		-3.4%	-0.3%		0.3%

Revenue of the Service business in April-June was EUR 16.6 (21.0) million, down 20.7% year-on-year.

During April-June, adjusted EBITA of the Service business was EUR -0.4 (-0.2) million or -2.4% (-1.1%) of revenue. EBITA in April-June was EUR -1.0 (-0.7) million or -6.2% (-3.5%) of revenue

Revenue of the Service business in January-June was EUR 35.1 (43.1) million, down 18.5% year-on-year.

During January-June, adjusted EBITA of the Service business was EUR -0.1 (0.4) million or -0.3% (0.9%) of revenue. EBITA in January-June was EUR -1.2 (-0.1) million or -3.4% (-0.3%) of revenue.

Product business

VincitEAM is an easy-to-use SaaS solution for managing materials, maintenance and services.

VincitEAM's revenue grew slightly compared to the first half of last year, as expected. During the review period, we succeeded in both new customer acquisition and upselling to existing customers, and recurring billing has continued to grow. The sales reorganisation was positively reflected in the sales results. During the period, we also had the opportunity to pilot our first AI-based solutions together with our clients.

Financial development - Product business

MEUR	4-6/2025	4-6/2024	Change %	1-6/2025	1-6/2024	Change %	2024
Revenue	0.9	0.8	21.0%	1.9	1.6	13.0%	3.1
Items affecting comparability	0.0	0.0		0.0	0.0		0.0
adjusted EBITA	0.0	-0.2	-67.3%	-0.1	-0.2	-65.9%	-0.3
adjusted EBITA %	-5.3%	-19.8%		-2.9%	-9.8%		-9.2%
EBITA	0.0	-0.2	-67.3%	-0.1	-0.2	-65.9%	-0.3
% of revenue	-5.3%	-19.8%		-2.9%	-9.8%		-9.2%

Revenue of the Product business in April-June was EUR 0.9 (0.8) million, up 21.0% year-on-year.

Adjusted EBITA of the Product business in April-June was EUR 0.0 (-0.2) million or -5.3% (-19.8%) of revenue. EBITA of the Product business in April-June was EUR 0.0 (-0.2) million or -5.3% (-19.8%) of revenue.

Revenue of the Product business in January-June was EUR 1.9 (1.6) million, up 13.0% year-on-year.

Adjusted EBITA of the Product business in January-June was EUR -0.1 (-0.2) million or -2.9% (-9.8%) of revenue. EBITA of the Product business in January-June was EUR -0.1 (-0.2) million or -2.9% (-9.8%) of revenue.

Group balance sheet, financing and cash flow

The balance sheet total at the end of the review period was EUR 55.6 (December 31, 2024: 63.0) million.

The equity ratio remained strong and was 58.6% (December 31, 2024: 58.3%) at the end of the review period. Net gearing increased and was 4.2% (December 31, 2024: 1.3%), which mainly resulted from a decrease in cash and cash equivalents during the review period.

Interest-bearing debt amounted to EUR 8.0 (December 31, 2024: 9.6) million, of which lease liabilities amounted to EUR 7.9 (December 31, 2024: 9.6) million. At the end of the review period, the Group had unused unsecured overdraft limits totaling EUR 2.0 million.

Cash flow from operating activities after paid interest and direct taxes was EUR 1.4 (2.5) million. Cash flow from operating activities was negatively impacted by a decrease in profitability.

At the end of the review period, the Group's liquid assets were EUR 6.6 (10.9) million. For the financial year 2024, a dividend of EUR 0.11 per share was distributed from the invested unrestricted equity fund, totaling EUR 1.8 million.

Acquisitions and changes in Group structure

During the review period, Vincit Plc's shareholding in Vincit California Inc. increased to 100 percent and Vincit Arizona merged into Vincit California Inc.

Group companies are presented in the Notes, '1.6. Group companies'.

Personnel and offices

At the end of the review period, the Group employed a total of 538 (641) people, of whom 494 (581) work in Finland, 13 (32) as posted workers and locally employed in the United States, 8 (8) in Sweden and 17 (20) in Poland, and 6 (0) in Portugal.

In Finland, Vincit has offices in Helsinki, Tampere, Espoo, Turku, Jyväskylä, Oulu and Kuopio. The physical offices in the United States were closed in March, and the local employees work independently of location. The office in Sweden is in Stockholm, in Poland our office is located in Poznán and in Portugal our office is in Lisbon.

At the end of the review period, 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 and Mika Immo, Chief Revenue Officer.

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 treasury shares 259,243 (379,139). The average number of shares in January-June 2025 was 16,952,539 (16,952,539).

At the end of the review period, the company had 8,227 (9,458) shareholders. Nominee-registered holdings accounted for 2.46% (0.90%) of the share capital.

Summary of trading on Nasdaq Helsinki, Jan. 1-Jun. 30, 2025

January-June 2025	Traded shares, volume	Total value EUR	Highest, EUR	Lowest, EUR	Weighted average price, EUR	Latest, EUR
VINCIT	1,359,327	2,424,735	2.09	1.54	1.74	1.67

	Jun. 30, 2025	**Jun. 30, 2024**
Market cap, EUR	28,310,740	44,076,601
Shareholders	8,227	9,458

Significant events during the review period

Vincit Plc's transition to IFRS reporting

Vincit Plc (together with its subsidiaries "Vincit" or the "Group") announced on 27 June, 2025 the transition from Finnish Accounting Standards (FAS) to International Financial Reporting Standards (IFRS) reporting. The company estimates that the transition to IFRS reporting will increase the comparability of financial figures with other companies in the industry, support the company's growth strategy and increase the interest of international investors in the company.

Vincit publishes its first half-year report prepared in accordance with IFRS standards for the reporting period ending June 30, 2025. Comparative information is presented for the financial years ended December 31, 2024 and December 31, 2023 and for the comparison half-year periods ended June 30, 2024 and June 30,2023. The transition date for IFRS reporting is January 1, 2023.

Vincit's change negotiations were concluded

Vincit announced on April 3, 2025, that the change negotiations that were initiated on February 25, 2025, were concluded. As a result, the number of employees in the service business will decrease by 35. In addition, as part of the change negotiations, Vincit implemented a planned, more extensive outsourcing of IT support functions, and as a result, the employment of three people was transferred to the service provider.

The aim of the negotiations was 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 estimates to achieve savings of approximately EUR 1.4m in 2025.

The one-off costs related to the change negotiations are approximately EUR 0.5 million. A provision has been made for the costs, and they have been presented as items affecting comparability in the second quarter of 2025.

Resolutions of Vincit Plc's Annual General Meeting and Organization of the Board of Directors

The Annual General Meeting of Vincit Plc was held on Wednesday, 26 March 2025 at 1 pm EET at Fredrikinkatu 42, 00100 Helsinki. The General Meeting adopted the financial statements for the financial year 2024 and discharged the members of the Board of Directors and the CEO from liability for the financial year 2024. The General Meeting decided that for 2024, EUR 0.11 per share will be distributed from the invested unrestricted equity fund.

The number of members of the Board of Directors was confirmed to be five. Current Board members Mikko Kuitunen and Arto Martonen were re-elected to the Board of Directors, and Enel Sintonen, Matti Copeland and Veera Siivonen were elected as new members. At the organizing meeting arranged after the General Meeting, the Board of Directors elected Mikko Kuitunen as its Chair. Enel Sintonen (Chair), Matti Copeland and Mikko Kuitunen were elected as members of the Audit Committee. Matti Copeland (Chair), Arto Martonen and Veera Siivonen were elected as members of the Personnel Committee.

The General Meeting resolved that the Chairman of the Board of Directors will receive EUR 48,000 a year, the possible Vice Chairman EUR 36,000 per year and the other members of the Board of Directors EUR 24,000 each per year. A meeting fee of EUR 800 per meeting will be paid to the Chair for meetings of the Board committees. The committee members' meeting fee is EUR 500 per meeting.

In addition, the members of the Board of Directors are reimbursed for reasonable travel and other expenses for meetings.

In addition, the General Meeting resolved that 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.

The committee members' meeting fees shall be paid in cash.

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 1,700,000 shares (including shares issued based on special rights) may be issued based on the authorization, which corresponds to approximately 10% of the company's current number of shares.

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, 2026, 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, 2026, and it revokes all previous unused authorizations to repurchase own shares.

Risks and uncertainties

Vincit's operating environment faces several risks and uncertainties that can impact our financial performance and position. 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. 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 Vincit 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.

Financial calendar 2025

In 2025, Vincit will publish financial information as follows:

- 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.

In Helsinki, 17 July, 2025.

VINCIT PLC

Board of Directors

Additional information

Vincit Plc, CEO Julius Manni, phone: +358 50 424 3932

Certified advisor: Aktia Alexander Corporate Finance Oy, phone: +358 50 520 4098

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

Table section

Consolidated statement of profit or loss

EUR thousand	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Revenue	17,575	21,748	36,969	44,730	84,647
Other operating income	3	9	92	13	24
Materials and services	-2,450	-3,465	-4,986	-7,143	-13,800
Employee benefit expenses	-12,444	-14,592	-25,636	-29,003	-53,436
Other operating expenses	-2,892	-3,725	-5,678	-7,006	-13,599
EBITDA	**-208**	**-25**	**762**	**1,592**	**3,837**
Depreciation, amortisation and impairment	-1,001	-931	-2,199	-1,991	-4,126
OPERATING PROFIT	**-1,210**	**-956**	**-1,438**	**-399**	**-288**
Finance income	-13	82	46	174	557
Finance expenses	-534	-131	-891	-219	-490
Finance income and expenses total	-548	-49	-845	-45	67
RESULT BEFORE TAXES	**-1,757**	**-1,004**	**-2,283**	**-444**	**-222**
Income taxes	2	11	-72	-218	-408
RESULT FOR THE PERIOD	**-1,755**	**-994**	**-2,354**	**-662**	**-629**
Attributable to:					
Equity holders of the parent	-1,739	-994	-2,328	-666	-642
Non-controlling interests	-16	1	-26	4	13
Earning per share for net profit attributable to owners of the parent					
Earnings per share, basic, EUR	-0.10	-0.06	-0.14	-0.04	-0.04
Earnings per share, diluted, EUR	-0.10	-0.06	-0.14	-0.04	-0.04

Consolidated statement of comprehensive profit or loss

EUR thousand	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Result for the period	**-1,755**	**-994**	**-2,354**	**-662**	**-629**
Other comprehensive income					
Items that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	138	3	298	-7	-61
Other comprehensive income/(loss) for the year, net of tax	**138**	**3**	**298**	**-7**	**-61**
Total comprehensive income for the financial period	**-1,618**	**-991**	**-2,056**	**-669**	**-690**
Total comprehensive income attributable to:					
Equity holders of the parent company	-1,602	-992	-2,030	-673	-703
Non-controlling interests	-16	1	-26	4	13

Consolidated statement of financial position

EUR thousand	Jun 30, 2025	Jun 30, 2024	Dec. 31, 2024
ASSETS			
Non-current assets			
Goodwill	24,070	24,212	24,257
Intangible assets	1,485	1,443	1,556
Tangible assets	345	474	487
Right-of-use assets	6,909	3,857	8,895
Other non-current receivables and investments	1,735	1,891	1,861
Deferred tax assets	237	207	209
Total non-current assets	**34,782**	**32,084**	**37,265**
Current assets			
Trade receivables	11,841	14,180	14,443
Other receivables	2,092	2,332	1,891
Current tax assets	260	848	270
Cash and cash equivalents	6,633	10,867	9,164
Total current assets	**20,826**	**28,226**	**25,768**
TOTAL ASSETS	**55,608**	**60,311**	**63,033**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company			
Share capital	545	545	545
Reserve for invested non-restricted equity	31,666	33,274	33,502
Translation adjustment	257	12	-41
Retained earnings	-151	2,631	2,111
Total equity attributable to the shareholders of the parent company	**32,317**	**36,462**	**36,116**
Non-controlling interests	-197	20	2
Total equity	**32,120**	**36,482**	**36,118**

Non-current liabilities			
Non-current interest-bearing liabilities	67	73	66
Lease liabilities	4,837	1,752	6,471
Provisions	595	0	600
Deferred tax liabilities	696	427	575
Total non-current liabilities	**6,195**	**2,252**	**7,712**
Current liabilities			
Current interest-bearing liabilities	10	0	0
Lease liabilities	3,077	2,344	3,102
Contract liabilities	749	1,011	1,089
Current tax liabilities	35	27	74
Trade and other payables	13,422	18,194	14,938
Total current liabilities	**17,293**	**21,576**	**19,203**
TOTAL LIABILITIES	**23,488**	**23,828**	**26,915**
TOTAL EQUITY AND LIABILITIES	**55,608**	**60,311**	**63,033**

Consolidated cash flow statement

EUR thousand	01-06/2025	01-06/2024	1-12/2024
Cash flows from operating activities			
Result for the period	-2,354	-662	-629
Adjustments:			
Depreciation and amortisation	2,199	1,991	4,126
Finance income and expenses	845	45	-67
Income taxes	72	218	408
Other non-cash flow adjustments	349	202	416
Total adjustments	**3,465**	**2,456**	**4,882**
Changes in working capital:			
Increase (-) / Decrease (+) in trade and other receivables	1,947	2,490	3,216
Increase (+) / Decrease (-) in trade and other payables	-1,610	-1,492	-4,671
Total changes in working capital	**337**	**998**	**-1,455**
Interest and other financial expenses	-20	-23	-40
Interest received and other financial income	15	34	192
Income taxes paid	0	-279	22
Net cash flows from operating activities	**1,442**	**2,524**	**2,793**
Cash flows used in investing activities			
Purchase of tangible and intangible assets	-142	-368	-673
Proceeds from sale of tangible and intangible assets	44	35	36
Other investments	-5	-10	-15
Gains received on other investments	18	15	38
Loans Granted	0	0	-84
Repayment of Loans Granted	81	27	127
Net cash flows from investing activities	**-4**	**-301**	**-571**
Cash flows from financing activities			
Acqusition and disposals of non controlling interests	-103	0	-334
Share issue	0	0	0
Loan withdrawals	83	0	0
Loan repayments	-66	-36	-45
Repayment of lease liabilities	-1,760	-1,732	-3,176
Interest Paid	-200	-128	-266
Dividend paid	-1,836	-1,656	-1,664
Net cash flows from/(used in) financing activities	**-3,883**	**-3,552**	**-5,484**
Net increase in cash and cash equivalents	**-2,444**	**-1,329**	**-3,082**
Cash and cash equivalents at 1 January	9,164	12,158	12,158
Impact of the changes in foreign exchange rates	-87	38	88
Cash and cash equivalents at the end of review period	**6,633**	**10,867**	**9,164**

Consolidated statement of changes in equity

EUR thousand	Share capital	Fund for invested non-restricted equity	Translation adjustment	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Equity 1 January 2025	**545**	**33,502**	**-41**	**2,111**	**36,116**	**2**	**36,118**
Comprehensive income							
Profit (loss) for the period				-2,328	-2,328	-26	-2,354
Other comprehensive income							
Translation adjustment			298		298		298
Total comprehensive income	**-**	**-**	**298**	**-2,328**	**-2,030**	**-26**	**-2,056**
Transactions with owners:							
Share issue					-		-
Transactions with non-controlling interests				67	67	-173	-106
Dividends and equity repayments		-1,836			-1,836		-1,836
Other items					-		-
Transactions with owners total	**-**	**-1,836**	**-**	**67**	**-1,770**	**-173**	**-1,943**
Equity on 30 June 2025	**545**	**31,666**	**257**	**-151**	**32,317**	**-197**	**32,120**

EUR thousand	Share capital	Fund for invested non-restricted equity	Translation adjustment	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Equity on 1.1.2024	**545**	**33,274**	**20**	**4,953**	**38,791**	**17**	**38,808**
Comprehensive income							
Profit (loss) for the period				-666	-666	4	-662
Other comprehensive income							
Translation adjustment			-7		-7		-7
Total comprehensive income	**-**	**-**	**-7**	**-666**	**-673**	**4**	**-669**
Transactions with owners:							
Share issue					-		-
Transactions with non-controlling interests					-		-
Dividends and equity repayments				-1,664	-1,664	-8	-1,672
Other items				8	8	7	15
Transactions with owners total	**-**	**-**	**-**	**-1,656**	**-1,656**	**-1**	**-1,656**
Equity on 30 June 2024	**545**	**33,274**	**12**	**2,631**	**36,462**	**20**	**36,482**

EUR thousand	Share capital	Fund for invested non-restricted equity	Translation adjustment	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Equity on 1.1.2024	**545**	**33,274**	**20**	**4,953**	**38,791**	**17**	**38,808**
Comprehensive income							
Profit (loss) for the period				-642	-642	13	-629
Other comprehensive income							
Translation adjustment			-61		-61		-61
Total comprehensive income	**-**	**-**	**-61**	**-642**	**-703**	**13**	**-690**
Transactions with owners:							
Share issue					-		-
Transactions with non-controlling interests		228		-493	-265	-20	-285
Dividends and equity repayments				-1,664	-1,664	-8	-1,672
Other items				-43	-43		-43
Transactions with owners total	**-**	**228**	**-**	**-2,200**	**-1,972**	**-28**	**-2,000**
Equity on 31 December 2024	**545**	**33,502**	**-41**	**2,111**	**36,116**	**2**	**36,118**

Calculation formulas for key figures

Key figure		Calculation formula	
EBITDA	=	Operating profit + depreciations, amortisation, and impairments	
EBITDA %	=	$\frac{\text{EBITDA}}{\text{Revenue}}$	x 100%
EBITA	=	Operating Profit + Amortization and impairment	
EBITA %	=	$\frac{\text{EBITA}}{\text{Revenue}}$	x 100%
Adjusted EBITDA	=	Operating profit + depreciations, amortisation, and impairments before items affecting comparability	
Adjusted EBITDA %	=	$\frac{\text{Adjusted EBITDA}}{\text{Revenue}}$	x 100%
Adjusted EBITA	=	Operating profit +Amortization and impairment before Items affecting comparability	
Adjusted EBITA %	=	$\frac{\text{Adjusted EBITA}}{\text{Revenue}}$	x 100%
Operating profit (EBIT)	=	Revenue + Other operating income - Materials and Services - Personnel expenses - Other operating expenses - Depreciation, amortisation and impairments	
EBIT %	=	$\frac{\text{EBIT}}{\text{Revenue}}$	x 100%
Return on Investment ROI).%	=	$\frac{\text{Profit(loss) after financial items + interest-and other financial expenses}}{\text{Balance sheet total - Non-Interest bearing liabilities (average over one year)}}$	

Return on equity (ROE) -%	=	$\dfrac{\text{Profit (loss)after financial items - income taxes}}{\text{Average Equity + Minority interest (average over the year)}}$	x 100%
Net Gearing Ratio -%	=	$\dfrac{\text{Interest bearing liabilities - cash in hand and in banks}}{\text{Equity + Minority interest}}$	x 100%
Equity ratio, %	=	$\dfrac{\text{Equity + Minority interest}}{\text{Balance sheet total – advances received}}$	x 100%
Earnings per share (EPS), basic, euros	=	$\dfrac{\text{Profit (loss) for the period excluding minority interest}}{\text{Average number of shares adjusted for share issues excluding own shares}}$	

Notes

1. Accounting principles for the half-year review

The restated comparison figures for previous years in accordance with IFRS standards and their changes compared to FAS reporting are presented in the IFRS transition release published on 27 June 2025.

This Half-year report should be reviewed and read together with the IFRS transition file, which is attached to the company announcement release summary. The file presents the impacts of the IFRS transition.

1.1 Corporate information

Vincit Plc ("the company" or "Vincit") is a Finnish public limited liability company and the parent company of Vincit Group (collectively referred to as "Vincit", "Vincit group" or "the group") located in Tampere, Finland with a business ID 2113034-9. Vincit offers in IT services, consulting, and digital business solutions in Finland and internationally.

1.2 Basis of preparation

This half-year report has been prepared in accordance with the IAS 34 Interim Financial Reporting standard and the International Financial Reporting Standards (IFRS) approved in the EU. The comparison information from previous years as converted to comply with the IFRS standards and the changes in them compared with FAS reporting have been presented in the IFRS transition release published on 27 June 2025. This half-year report of the Group should be reviewed and read together with the IFRS transition release, which presents the effects of the IFRS transition in the Vincit Group.

The half-year report has been prepared under the historical cost convention unless otherwise stated in the accounting policies.

The half-year report is presented in thousand euros unless otherwise stated. The figures in the tables are subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals.

This half-year report is unaudited.

1.3 Consolidation principles

In addition to the parent company, the consolidated financial statements include all companies which Vincit Plc controls directly or indirectly (subsidiaries). Vincit Plc controls the company when it is exposed to the variable return of the investee or is entitled to its variable return and is able to influence the amount of return received by exercising its power over the investee. The companies acquired during the financial year have been consolidated from the date of their acquisition and the consolidation will cease when Vincit loses control of the company. If necessary, the financial statements of subsidiaries are restated to correspond to the accounting policies of the Group. All intra-group ownership, receivables and liabilities, as well as income and expenses from transactions between Group companies, are eliminated as part of the consolidation process.

1.4 Non-controlling interest

Changes in non-controlling interest without losing control, due to changes in ownership interest of a subsidiary, are accounted for as equity transactions. The result for the period and items recognized in other comprehensive income are allocated to the equity holders of the parent company and non-controlling interests and presented in the statement of income and statement of other comprehensive income. Non-controlling interests are presented separately from the equity allocated to the equity holders of the company. Other comprehensive income is allocated to the equity holders of the parent company and to non-controlling interests even in situations where the allocation would result in the non-controlling interests' share being negative, unless non-controlling interests have an exemption not to meet obligations which exceed the non-controlling interests' investment in the company.

1.5 Currencies and foreign operations

The consolidated financial statements are presented in euro, the functional and presentation currency of the Parent Company. The financial statements of all Group companies are measured using the functional currency, which is the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses arising from the settlement of such transactions and exchange rate gains and losses arising from the translation of foreign currency receivables and liabilities into the exchange rate at the reporting date are recorded in financial income and expenses.

The results and financial position of all group entities that have a functional currency different from the group's presentation currency are translated into the presentation currency as follows:

• Assets and liabilities are translated at the closing rate quoted on the relevant reporting date;

• Income and expenses are translated at average exchange rates during the reporting period

On consolidation, exchange differences arising from the translation of the net equity are recognized in other comprehensive income and allocated to the translation differences in equity. When a foreign operation is partially disposed of, sold, or liquidated, translation differences accrued in equity are recognized in the income statement as part of the gain or loss on the sale/liquidation. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the entity in question and translated at the reporting date closing rate.

1.6. Group companies

Group companies				
		Group's ownership, %		
Subsidiaries	Country	30, June 2025	31, December 2024	31, December 2023
Vincit Solutions Oy	Finland	89.0%	89.0%	89.0%
Vincit Helsinki Oy	Finland	100.0%	100.0%	92.5%
Vincit Jyväskylä Oy	Finland	Merged	Merged	100.0%
Motley Agency Oy	Finland	Merged	Merged	100.0%
Vincit California Inc.	United States	100.0%	96.7%	96.7%
Vincit Arizona	United States	Merged	100.0%	100.0%
Vincit Poland Sp. z.o.o.	Poland	100.0%	100.0%	100.0%
Vincit Sweden AB	Sweden	100.0%	100.0%	100.0%
Vincit Portugal -Digital Services, Unipessoal Lda	Portugal	100.0%	100.0%	-

1.7 Estimates and judgements requiring management estimation

The preparation of financial statements in accordance with IFRS requires the Group's management to make accounting estimates and judgments and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and other reasonable assumptions that are believed to be reasonable in the circumstances that form the basis for the measurement of the items recognized in the financial statements.

In particular, Vincit's management has used judgment or estimates in the following areas of the financial statements:

Area	Use of judgement	Estimate
Revenue	Yes	Measure of progress of projects
Impairment testing	Yes	Assumptions in value in use calculations
Leases	Yes	Lease term and borrowing rate
Deferred taxes	Yes	Measurement of tax assets

1.8 Employee benefit expenses

Employment benefits include short-term employment benefits, post-employment benefits (pensions), other long-term employment benefits, and benefits related to termination of employment.

Employee benefits consist of payments based either on the performance of work or termination of employment. Pension plans are classified as defined-benefit plans or defined-contribution plans. In defined-contribution plans, the the Group pays fixed contributions to a separate unit, and the Group has no legal or factual obligation to make supplementary contributions, should the recipient of the contributions fail to pay out the pension benefits in question. All such arrangements that do not meet the above terms are defined-benefit plans.

Contributions paid to defined-contribution plans are recognized through profit or loss for the financial period during which they are charged. Vincit's pension plans are defined-contribution plans, including the employer's pension insurance (TyEL insurance) applied in Finland that is based on fixed contributions.

1.9 Goodwill and intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired business at the date of acquisition. Recognized goodwill is tested for impairment and carried at cost, less accumulated impairment losses. Impairment testing is done annually and whenever there is an indication that the asset may be impaired. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing, using those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Vincit determines the recoverable amounts of cash-generating units using value-in-use calculations. In these calculations, the projected cash flows are based on financial plans approved by management and the calculations require making estimates regarding the future.

Research expenditure is recognized as an expense at the time it is incurred. Development costs are capitalized in the balance sheet in intangible assets, when product development costs will probably generate future financial benefit, product completion is technologically feasible, available and saleable, the costs to be capitalized can be reliably determined and the Group has adequate technological and financial resources to successfully complete the development work. Development assets relate to developing new products and services or developing essential improvements for products and services. Amortization is recorded once the asset is ready on a straight-line basis over the estimated useful life which is maximum of 5 years.

1.10 Tangible assets

Vincit Group's tangible assets primarily consist of leasehold improvements and machinery and equipment. These assets are recorded at acquisition cost, net of depreciation and impairment. The acquisition cost includes all expenses that can be directly attributed to the acquisition. Tangible assets are depreciated on a straight-line basis over their estimated useful lives. The residual value and useful life of assets shall be reviewed at least at the end of each financial year. Gains and losses arising from the sale of fixed assets are recognised in the income statement and presented as other operating income and expenses.

The estimated useful lives are as follows:

• Leasehold improvements: during lease period

• Machinery and equipment: 1-5 years

• Other tangible assets 1-3 years

1.11 Leases

The lease contracts of Vincit consist mainly of office premises, IT equipment and cars for the use of personnel. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A right-of-use asset and a lease liability corresponding to the present value of the future lease payments are recognised in the consolidated statement of financial position at the commencement date of the lease.

The lease term of a lease is defined as the period during which the agreement is not cancelable. The lease term includes the period of any extension or termination option, if it is reasonably certain that the Group will exercise the extension option or will not exercise the termination option. In lease agreements in force until further notice, the lease term is defined according to the assumed termination date.

The right-of-use asset is initially recorded in the consolidated balance sheet valued at the acquisition cost, which includes the amount of the initial measurement of the lease liability, advances paid, initial direct costs and possible restoration costs. The subsequent measurement of right-of-use assets is based on the cost model, which deducts accumulated depreciation and impairment from cost and is adjusted for the lease liability remeasurement items. Right-of-use assets are depreciated on a straight-line basis over the lease term, or the useful life of the leased asset if shorter. The depreciation periods of the right-of-use assets are between 1 and 5 years.

The lease liability is initially measured at the present value of the lease payments due during the lease term that have not been paid at the inception of the lease. The present value of future lease payments is calculated using the interest rate implicit in the lease. If interest rate implicit in the lease is not readily determinable, Vincit uses the incremental borrowing rate that is a rate that Vincit would have to pay to borrow the money needed to acquire an asset of the value of the right-of-use asset for a similar period and with similar collateral in a similar economic environment.

The measurement of the lease liability include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option that is reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate.

Interest expenses on lease liabilities are presented in the financial expenses of the consolidated income statement. In the consolidated cash flow statement, lease payments are presented as repayments of lease liabilities and the interest portion as interest paid in cash flows from financing activities.

The Group applies a practical expedient, according to which the Group combines similar lease contracts into a portfolio and practical expedient not to separate non-lease components from lease components.

The management uses judgment in determining the length of the lease term of leased properties. Generally, fixed-term lease contracts are presumed to end by the end of the term specified in the agreement. In the agreements valid until further notice, the lease term is the assumed period of use. The use of renewal options is based on case-by-case judgement on the expected outcome. Additionally, management judgment is applied in defining the incremental borrowing rate used to calculate the present value of the future lease payments.

1.12 Share-based payments

The benefits granted in share-based arrangements are measured at fair value at the time of their granting and are recognized as an expense in the income statement for the period during which the entitlement arises. The terms and conditions based on performance of service are not considered at the fair value of the benefit on the date of its granting; instead, their actual outcomes are assessed and they are considered by adjusting both the number of those equity instruments to which an entitlement is expected to arise and the amount thereby to be recognized as expense. An expense will be recognized cumulatively only with respect to those granted instruments to which an entitlement arises. The profit and loss effect of share-based arrangements is presented in employee benefit expenses, and the corresponding effect is presented in equity.

In regard to stock compensation, the management estimates the number of shares that will probably be granted.

Total expense arising from share-based payment transactions for periods 1-6/2025, 2024 and 2023 was zero since the targets were not met.

1.13 Income taxes

Taxes in the consolidated income statement include accrual-based taxes corresponding to the Group companies' results for the financial year, adjustments to taxes from previous financial years and changes in deferred taxes. Group companies' taxes have been calculated based on each company's taxable income determined in accordance with local tax legislation. Correspondingly, the tax effect of other comprehensive income items has been recognised in other comprehensive income.

1.14 Deferred taxes

Deferred tax asset or liability is recorded on temporary differences arising between the tax bases of assets and liabilities and their financial statement carrying amounts at the reporting date. Deferred tax assets and liabilities are measured at the tax rates enacted or substantively enacted at the reporting date. Vincit records a deferred tax liability for all taxable temporary differences.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will arise against which temporary differences can be utilised. Unrecognised deferred tax assets are reassessed at the date of the end of each reporting period and recognised to the extent that future taxable profit enabling the use of the deferred tax asset has become probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

For the purpose of recognising deferred tax assets related to tax losses or other items, management estimates the amount likely to generate taxable profit for companies against which the tax assets can be utilised. Vincit has not recognized deferred tax assets relating to tax losses.

The actual profit may differ from the estimate and thus affect taxes for future financial years.

1.15 New and amended standards

Vincit adopts the new and amended standards and interpretations, if applicable, when they become effective. The new and amended standards that become effective of 1 January 2025 or later are not expected to have significant impact on Vincit's consolidated financial statements except for IFRS 18.

IFRS 18 (Presentation and Disclosure in Financial Statements) will be effective on financial years beginning on or after 1.1.2027. IFRS 18 will affect the way of presentation in the financial statements and Vincit is preparing for the adoption.

2. Revenue

Segment information

Vincit reports its business as a single segment. Vincit's service areas have similar financial characteristics and are similar in terms of the nature and methods of production processes, customer types, geographical characteristics and distribution capabilities. The chief operating decision maker is the CEO and the Board of Directors together, who monitor both Vincit's service and product businesses and are responsible for allocating resources and assessing the Group's performance.

Revenue

Revenue from contracts with customers is recognized when the control of services is transferred to the customer. Vincit primarily acts as a principal for the services and products sold, as Vincit typically has overall responsibility for the products and services transferred to the customer. In some services, Vincit acts as an agent on behalf of third parties, in which case the amount of the fee or commission is recognized as revenue.

Software contracts typically involve multiple performance obligations which are allocated based on their separate selling price. Any discounts included in the contracts are estimated and the recognized transaction price is adjusted accordingly. Revenue is recognized only when it is highly probable that there will be no significant reversal in the future to the amount recognized.

Time and material-based projects

Time and material-based projects are recognized as revenue up to the amount for which Vincit has the right to invoice in accordance with the practical expedient included in IFRS 15. Time and material-based projects are generally invoiced monthly based on actual costs and the invoiced consideration corresponds to the value of the service to the customer.

Fixed-price projects

Revenue from fixed-price contracts is recognized based on the proportion of services performed by the reporting date in relation to the total number of services to be delivered ("measure of progress"). The measure of progress is determined by comparing actual hours worked to estimated total hours needed for completion, as it best represents the transfer of control of the deliverables to the customer. If estimates of revenue, costs or project progress change due to new circumstances, adjustments are made to profit or loss in the period in which management becomes aware of the changes. Invoicing and payments for these projects follow the payment schedule agreed in the customer contract. If the value of services performed exceeds payments received, a contract asset is recognized, or if payments exceed services performed, a contract liability is recognized.

Own products

Vincit's product portfolio includes "VincitEAM", an enterprise-class asset management solution, and related services that support companies in digitizing and automating maintenance, asset management and material handling processes. When the product is sold alongside implementation services and these two elements are identified as separate performance obligations the total purchase price is allocated to each obligation based on their respective individual sales prices. Cloud-based ("SaaS") licenses are recognized on a straight-line basis over the contract term and implementation services are recognized on time and material basis or at fixed-price basis over time. In addition, revenue from customer training, support and other services related to the sale of software is recognized when the corresponding performance obligations are satisfied.

Third-party products

For third-party product licenses, Vincit determines contract-by-contract basis who has the overall responsibility for the delivery of the product. If the responsibility lies with Vincit, revenue from third-party products is recognized as a principal on gross basis. If the third party bears the overall responsibility for the delivery, revenue is recognized on an agent basis, i.e. the fee or commission is recognized as net revenue when the performance obligation is fulfilled.

Warranties

Vincit does not generally provide warranties that could be considered as separate performance obligations. Vincit's normal warranty terms concern the conformity of the services performed with the specifications. This is an insurance-type warranty that ensures that the delivered product meets the agreed technical specifications. These warranties are treated in accordance with IAS 37. The warranty for third-party software is determined by the terms of the third-party software.

Significant accounting estimates and judgements

Distinct performance obligations

The Group assesses the services promised in the contract and identifies the performance obligations that can be separated in the contract. The identification of separate performance obligations to determine the performance and the customer's ability to benefit from such performance independently of other obligations requires significant judgment by Vincit's management.

Principal or agent

Vincit may act as either a principal or an agent for third party products. Whether Vincit is considered to act as a principal or an agent for third party products is based on Vincit management's analysis of the legal form and factual content of the agreements between the company and its suppliers. The determining factor in the factual content is Vincit's role and responsibility towards the end customer.

Measure of progress of a project recognised as revenue over time

A fixed-price project that is recognized over time is recognized as revenue based on the measure of progress when the project outcome can be reliably estimated. Revenue is recognized based on estimates of the project's expected revenue and expenses and reliable measurement and assessment of the project's progress. If estimates of the project's outcome change, the recognized revenue and margin are adjusted in the period in which the change is first known and estimable. An onerous contract is immediately recognized as an expense.

Revenue by Geography

EUR thousand	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Finland	15,419	18,710	34,384	38,650	73,558
Other countries	2,156	3,039	2,585	6,080	11,089
Total revenue	**17,575**	**21,748**	**36,969**	**44,730**	**84,647**

Revenue by sector

EUR thousand	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Public sector	2,017	3,306	4,476	6,624	12,504
Private sector	15,558	18,442	32,493	38,106	72,143
Total revenue	**17,575**	**21,748**	**36,969**	**44,730**	**84,647**

All the revenue of Vincit is recognised over time.

3. Financial Assets and Liabilities

Accounting principles

Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1:

Fair value is determined on the basis of quotations available on the market.

Level 2:

Fair value is determined using valuation methods. Fair value means the value ascertainable from the market value of components of a financial instrument or comparable financial instruments; or a value that can be ascertained using valuation models and methods generally accepted on the financial markets, provided that they allow the market value to be measured reliably.

Level 3:

Fair value is determined using valuation methods that use factors that have a significant impact on recognised fair value and are not based on observable market data.

Financial assets

For the valuation after initial recognition, the group's financial assets are classified as fair value through profit and loss or at amortized cost. The selection of the appropriate category is based on both the group's business model for managing the financial asset and on the contractual cash flow characteristics of the asset. The Group derecognises a financial asset when, and only when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer fulfils the conditions for derecognition.

Financial assets at amortised cost

Financial assets classified at amortized cost include long-term loan receivables, trade receivables, other receivables and cash and cash equivalents measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash at bank and in hand as well as highly liquid, fixed income and money market investments that are readily convertible to known amounts of cash with maturities at acquisition of three months or less, as well as bank deposits with maturities or contractual call periods at acquisition of three months or less. Due to the high credit quality and short-term nature of these investments, there is an insignificant risk of change in value.

Financial assets recognised at fair value through profit or loss

Financial assets classified at fair value through profit or loss include investments in equity instruments of companies outside of the Group. These financial instruments are measured at fair value, and all changes in fair value are recognised in the income statement for the period in which they arise. The Group's investments in other companies are minor and if the fair value can't be reliably estimated the initial cost will serve as an estimate for the fair value. Transaction costs related to financial assets at fair value through profit or loss are recognised in the income statement in the period in which they occur.

Financial liabilities

The group's financial liabilities are classified as financial liabilities measured at amortised cost. Borrowings, purchases and sales of financial liabilities are recognised on the date when the related contract has been made. Financial liability or part of it is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include loans, lease liabilities, trade payables and other liabilities that meet the financial liability criteria. Loans are recognised initially at fair value net of transaction costs. Loans are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as finance expense over the loan period using the effective interest method.

Financial assets are classified as non-current assets unless the Group has an intention to hold the instrument for less than 12 months from the reporting date, in which case they are included in current assets. Financial liabilities are classified as current liabilities, unless the Group has an unconditional right to postpone the payment of the liability to at least 12 months from the reporting date.

Financial instruments by classification 30 June, 2025

EUR thousand	Level	Fair value through profit and loss	At amortised cost	Book value	Fair value
Non-current financial assets					
Other non-current receivables and investments	3	239	1,496	1,735	1,735
Non-current financial assets total		239	1,496	1,735	1,735
Current financial assets					
Trade receivables	2		11,841	11,841	11,841
Cash and cash equivalents	2		6,633	6,633	6,633
Current financial assets total		0	18,474	18,474	18,474
Financial assets total		239	19,970	20,209	20,209

EUR thousand	Level	Fair value through profit and loss	At amortised cost	Book value	Fair value
Non-current financial liabilities					
Loans from financial institutions	2		67	67	67
Lease liabilities	2		4,837	4,837	4,837
Non-current financial liabilities total		0	4,904	4,904	4,904
Current financial liabilities					
Loans from financial institutions	2		10	10	10
Lease liabilities	2		3,077	3,077	3,077
Trade payables	2		1,443	1,443	1,443
Current financial liabilities total		0	4,530	4,530	4,530
Financial liabilities total		0	9,434	9,434	9,434

Financial instruments by classification 30 June, 2024

EUR thousand	Level	Fair value through profit and loss	At amortised cost	Book value	Fair value
Non-current financial assets					
Other non-current receivables and investments	3	229	1,663	1,891	1,891
Non-current financial assets total		229	1,663	1,891	1,891
Current financial assets					
Trade receivables	2		14,180	14,180	14,180
Cash and cash equivalents	2		10,867	10,867	10,867
Current financial assets total		0	25,046	25,046	25,046
Financial assets total		229	26,709	26,938	26,938

EUR thousand	Level	Fair value through profit and loss	At amortised cost	Book value	Fair value
Non-current financial liabilities					
Loans from financial institutions	2		73	73	73
Lease liabilities	2		1,752	1,752	1,752
Non-current financial liabilities total		0	1,825	1,825	1,825
Current financial liabilities					
Loans from financial institutions	2				
Lease liabilities	2		2,344	2,344	2,344
Trade payables	2		3,370	3,370	3,370
Current financial liabilities total		0	5,715	5,715	5,715
Financial liabilities total		0	7,540	7,540	7,540

Financial assets and liabilities by classification 31 December, 2024

EUR thousand	Level	Fair value through profit and loss	At amortised cost	Book value	Fair value
Non-current financial assets					
Other non-current receivables and investments	3	234	1,627	1,861	1,861
Non-current financial assets total		234	1,627	1,861	1,861
Current financial assets					
Trade receivables	2		14,443	14,443	14,443
Cash and cash equivalents	2		9,164	9,164	9,164
Current financial assets total		0	23,607	23,607	23,607
Financial assets total		234	25,234	25,468	25,468

EUR thousand	Level	Fair value through profit and loss	At amortised cost	Book value	Fair value
Non-current financial liabilities					
Loans from financial institutions	2		66	66	66
Lease liabilities	2		6,471	6,471	6,471
Non-current financial liabilities total		0	6,537	6,537	6,537
Current financial liabilities					
Loans from financial institutions	2				
Lease liabilities	2		3,102	3,102	3,102
Trade payables	2		2,698	2,698	2,698
Current financial liabilities total		0	5,800	5,800	5,800
Financial liabilities total		0	12,337	12,337	12,337

4. Provisions, contingent liabilities and commitments

Accounting principles

Provision is recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Management judgment may be required in determining whether it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is based on the best estimate of unavoidable costs required to settle the obligation at the end of the reporting period.

Contingent liabilities are possible obligations resulting from past events whose existence will only be confirmed by uncertain future events that are beyond Vincit Group's control. Existing obligations that the settlement is not probable or the amount cannot be measured reliably, are also considered contingent liabilities. Contingent liabilities are not recognised as liabilities on the balance sheet, but are presented as an off-balance sheet liability in the notes to the consolidated financial statements.

Other liabilities that are not included in the balance sheet

EUR thousand	30 June, 2025	30 June, 3024	31 December, 2024
Credit cards held by the employees	12	36	34
Rental securities	413	107	413
Total	**425**	**143**	**446**

Business mortgages and guarantees

EUR thousand	30 June, 2025	30 June, 3024	31 December, 2024
Liabilities for which the company has given mortgages			
Overdraft limit (total limit available)	2,000	2,000	2,000
Business mortgages given	6,300	6,300	6,300

Legal disputes

Vincit has no open legal disputes. Related to potential business-related disputes and legal processes, a provision amounting to EUR 0.6 million has been made (December 31, 2024: EUR 0.6 million).

Alternative performance measures

EUR thousand	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Revenue	17,575	21,748	36,969	44,730	84,647
EBITDA	-208	-25	762	1,592	3,837
% of revenue	-1.2%	-0.1%	2.1%	3.6%	4.5%
EBITA	-1,087	-889	-1,238	-270	-12
% of revenue	-6.2%	-4.1%	-3.3%	-0.6%	0.0%
Items affecting comparability	634	498	1,067	498	520
Adjusted EBITDA	426	473	1,829	2,090	4,358
% of revenue	2.4%	2.2%	4.9%	4.7%	5.1%
Adjusted EBITA	-453	-391	-171	228	508
% of revenue	-2.6%	-1.8%	-0.5%	0.5%	0.6%
EBIT	-1,210	-956	-1,438	-399	-288
% of revenue	-6.9%	-4.4%	-3.9%	-0.9%	-0.3%
Profit for the period	-1,755	-994	-2,354	-662	-629
Equity ratio -%	58.6%	61.5%	58.6%	61.5%	58.3%
Return on equity (ROE), %	-21.3%	-10.8%	-13.8%	-3.5%	-1.7%
Return on Investment (ROI), %	-11.5%	-8.3%	-6.3%	-1.0%	0.6%
Net Gearing Ratio -%	4.2%	-18.4%	4.2%	-18.4%	1.3%
Number of employees at the end of the period	538	641	538	641	640
Basic EPS, EUR	-0.10	-0.06	-0.14	-0.04	-0.04
Dividend / Share,EUR	-	-	-	-	0.11

Vincit applies ESMA (European Securities and Markets Authority) guidelines on alternative performance measures effective from 2016.

Vincit uses and presents the following alternative performance measures to better illustrate the operative development of its business: adjusted EBITA, adjusted EBITDA, ROI, ROE, equity ratio and net gearing.

The items included in the adjusted EBITA and adjusted EBITA consist of the following:

Adjusted EBITA and EBITDA	**4-6/2025**	**4-6/2024**	**1-6/2025**	**1-6/2024**	**1-12/2024**
Operating Profit (EBIT)	-1,210	-956	-1,438	-399	-288
Depreciations, amortisations and impairment	1,001	931	2,199	1,991	4,126
EBITDA	-208	-25	762	1,592	3,837
Items affecting comparability					
Restructuring expenses	634	498	1,067	498	520
Other items affecting comparability					
Items affecting comparability total	634	498	1,067	498	520
Adjusted EBITDA	426	473	1,829	2,090	4,358
Depreciation and impairment	-879	-864	-2,000	-1,862	-3,850
Adjusted EBITA	-453	-391	-171	228	508