

Innofactor Plc Financial Statements Bulletin February 28, 2025, at 9:00 a.m. Finnish time

## Innofactor Plc Financial Statements Bulletin 2024 (IFRS)

### Key figures of the group, IFRS

	Jul 1–Dec 31, 2024	Jul 1–Dec 31, 2023	Change	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023	Change
Net sales, EUR thousand	36,525	39,945	-8.6%	77,576	80,263	-3.3%
Growth of net sales	-8.6%	0.9%		-3.3%	12.8%	
Operating result before depreciation and amortization (EBITDA), EUR thousand	3,134	4,849	-35.4%	6,338	9,101	-30.4%
percentage of net sales	8.6%	12.1%		8.2%	11.3%	
Operating profit/loss (EBIT), EUR thousand	1,693	3,140	-46.1%	3,386	5,835	-42.0%
percentage of net sales	4.6%	7.9%		4.4%	7.3%	
Earnings before taxes, EUR thousand	1,399	3,051	-58.4%	2,940	5,174	-45.7%
percentage of net sales	3.8%	7.6%		3.8%	6.4%	
Earnings, EUR thousand *	-771	1,942	-146.5%	263	3,438	-96.2%
percentage of net sales	-2.1%	4.9%		0.3%	4.3%	
Net gearing	30.1%	36.1%	-5.8%	30.1%	36.1%	-5.8%
Net gearing without IFRS 16	12.2%	23.2%	-10.8%	12.2%	23.2%	-10.8%
Equity ratio	46.8%	48.3%	-1.8%	46.8%	48.3%	-1.8%
Equity ratio without IFRS 16	51.0%	51.5%	-0.8%	51.0%	51.5%	-0.8%
Active personnel on average during the review period**	571	583	-2.1%	576	578	-0.3%
Active personnel at the end of the review period**	571	581	-1.7%	571	581	-1.7%
Earnings per share (EUR)	-0.021	0.053	-146.2%	0.007	0.094	-96.2%

\*) In accordance with IFRS 3, the operating result for July 1–December 31, 2024, includes EUR 117 thousand (2023: 136) and for January 1–December 31, 2024, EUR 233 thousand (2023: 359) in depreciation related to acquisitions, consisting of allocations of the purchase price to intangible assets.

On December 31, 2024, the Innofactor Group recognized write-downs on deferred tax assets related to the Group's business operations in Denmark, as the Group considers it possible that it will not accrue taxable income against which the losses could be utilized.

\*\*) The Innofactor Group monitors the number of active personnel. The number of active personnel does not include employees who are on leave for more than three months.

## **Innofactor's future outlook for 2025**

Innofactor's business is expected to continue as normal in 2025. Innofactor is in redemption proceedings concerning all shares in the company. The redemption proceedings are expected to be completed during the financial year, and the company will not issue more detailed financial guidance for the financial year 2025.

## **CEO Sami Ensio's review: I want to thank all of the investors and partners who participated in Innofactor's journey as a listed company**

This Financial Statements Bulletin is likely to be Innofactor's last earnings report as a listed company, at least for the time being. At the end of 2024, a consortium formed for the purposes of a voluntary recommended public cash tender offer achieved an ownership of over 90 percent of the company and commenced compulsory redemption proceedings for the remaining shares. It is estimated that the redemption proceedings will take a few months. Our period as a listed company lasted for over 14 great years, more than half of the total journey of Innofactor, which celebrated its 25th anniversary at the beginning of this year. Our years as a listed company included many successes but, naturally, also some challenges.

Between 2012 and 2016, we achieved strong growth in the Nordic countries in line with our strategy, as we used our listed share as a means of payment for acquisitions. In 2013, the financial publication Kauppalehti rated Innofactor as Finland's most successful listed company. The period from 2017 to 2020 was a more challenging time for the company, as we integrated the acquired entities and did not achieve much growth. We then resumed our growth in 2021 and 2022, but were subsequently affected by the challenges of the IT market in 2024.

Delisting the company is not an easy decision for me, personally. However, I am confident that, in the present moment, it is unquestionably the best move with regard to the company's success, customers, employees and investors. I want to take this opportunity to thank all of the investors and partners who have been part of our journey, and I wish you all success in the future.

Innofactor updated its strategy and organizational structure effective from the beginning of 2025. Going forward, our business will be divided into four main business areas: Platforms, Solutions, Code and Dynasty, which have been incorporated into separate companies. The members of the Group Executive Board are as follows:

- Sami Ensio, Chief Executive Officer
- Anni Wahlroos, Chief People Officer and Deputy CEO
- Aki Rahunen, Chief Financial Officer (appointed on February 7, 2025, will take up his post on May 8, 2025 at the latest)
- Martin Söderlind, Chief Strategy Implementation Officer
- Jørn Ellefsen, Managing Director, Innofactor Platforms
- Jyrki Vepsäläinen, Managing Director, Innofactor Solutions

- Marko Lybeck, Managing Director, Innofactor Code
- Vesa Niinistö, Managing Director, Innofactor Dynasty

In 2024, Innofactor's business was affected by a number of extraordinary factors, including measures and costs related to the public tender offer and unforeseen legal costs related to an individual acquisition, as well as the preparation of the Group's new strategy and the related changes in the organizational and corporate structure. Due to these factors and the challenging market situation in the IT industry, we were not able to achieve the targets we had set for our business for 2024. Net sales for the year 2024 totaled EUR 77.6 million, representing a year-on-year decrease of 3.3 percent. The operating margin (EBITDA) was EUR 6.3 million (8.2 percent of net sales).

### Net sales

Innofactor's net sales for the period July 1–December 31, 2024, amounted to EUR 36,525 thousand (2023: 39,945), representing a decrease of 8.6 percent.

Innofactor's net sales for the period January 1–December 31, 2024, amounted to EUR 77,576 thousand (2023: 80,263), representing a decrease of 3.3 percent.

Innofactor's 10 largest clients accounted for approximately 34.9 percent of net sales for the review period January 1–December 31, 2024.

### Operating margin

Innofactor's operating margin (EBITDA) for July 1–December 31, 2024, was EUR 3,134 thousand (2023: 4,849), representing a decrease of 35.4 percent. EBITDA was 8.6 percent of net sales (2023: 12.1%).

Innofactor's operating margin (EBITDA) for January 1–December 31, 2024, was EUR 6,338 thousand (2023: 9,101), representing a decrease of 30.4 percent. EBITDA was 8.2 percent of net sales (2023: 11.3%).

### Operating profit

Innofactor's operating profit for the period July 1–December 31, 2024, amounted to EUR 1,693 thousand (2023: 3,140), representing a decrease of 46.1 percent. Operating profit was 4.6 percent of net sales (2023: 7.9%).

Innofactor's operating profit for the period January 1–December 31, 2024, amounted to EUR 3,386 thousand (2023: 5,835), representing a decrease of 42.0 percent. Operating profit was 4.4 percent of net sales (2023: 7.3%).

Acquisitions have been a central part of Innofactor's strategy. Depreciations of intangible rights resulting from acquisitions vary greatly depending on how valuable the customer contracts and technology of the acquired company are estimated to be and also in what kind of schedule the resulting intangible rights will be depreciated. For this reason, the company's view is that, instead of operating profit, the primary measure for profitability should be the operating margin (EBITDA), because it is not affected by the said depreciation.

### **Operating cash flow and balance sheet**

Innofactor's balance sheet total at the end of the review period was EUR 50,703 thousand (2023: 54,451). The Group's liquid assets totaled EUR 1,502 thousand (2023: 425), consisting entirely of cash funds.

The operating cash flow for the review period January 1–December 31, 2024, was EUR 8,094 thousand (2023: 7,229). Cash flow from investing activities was EUR -386 thousand (2023: -533).

The equity ratio at the end of the review period was 46.8 percent (2023: 48.3%) and net gearing was 30.1 percent (2023: 36.1%).

At the end of the review period, the company had EUR 1,542 thousand in current interest-bearing liabilities to financial institutions (2023: 4,555) and EUR 2,800 thousand in non-current interest-bearing liabilities to financial institutions (2023: 1,770). The company had IFRS 16 lease liabilities (leases for the duration of fixed-term leases) of EUR 4,140 thousand (2023: 3,291) of which EUR 1,782 thousand in current leases (2023: 1,996) and EUR 2,357 thousand in non-current leases (2023: 1,295). The total amount of interest-bearing liabilities was EUR 8,481 thousand (2023: 9,616).

The return on investment for the period January 1–December 31, 2024, decreased year-on-year and was 11.6 percent (2023: 18.0%). The return on equity for the period January 1–December 31, 2024, decreased year-on-year and was 1.1 percent (2023: 13.7%).

The non-current assets on Innofactor's balance sheet at the end of the review period totaled EUR 33,540 thousand.

Innofactor's gross investments in tangible and intangible assets during the review period of January 1–December 31, 2024, came to EUR 472 thousand (2023: 714), consisting of normal additional and replacement investments required by growth.

### **Research and product development**

During the review period, the focus of product development was on the renewal of existing products and services as well as continuous further development in order to support the growth of

product-based business. Most of the product development was focused on the Innofactor Dynasty product.

Innofactor's research and development costs recognized in profit or loss for January 1–December 31, 2024, amounted to approximately EUR 5,558 thousand (2023: 5,108), representing 7.2 percent of net sales (2023: 6.4%).

## Personnel

Innofactor primarily monitors the number of active personnel. The number of active personnel does not include employees who are on leave for more than three months.

The average number of active personnel during the period January 1–December 31, 2024, was 576 (2023: 578), representing a decrease of 0.3 percent. At the end of the review period, the number of active personnel was 571 (2023: 581), representing a decrease of 1.7 percent.

At the end of the review period, the average age of the personnel was 42.1 years (2023: 42.1). Women accounted for 26 percent (2023: 26%) of the personnel. Men accounted for 74 percent (2023: 74%) of the personnel.

## Other events in the review period

On May 2, 2024, Innofactor issued a stock exchange release to disclose that Innofactor Plc had transferred a total of 45,628 of its own shares held by the company to the members of the Board of Directors as part of their remuneration in accordance with the decision made at the Annual General Meeting held on March 27, 2024. The share-based board member incentive was paid using the closing price of the share on the publication date of the interim report for January 1–March 31, 2024, which was April 23, 2024. As a result of these transfers, the share-based board member incentive was fully paid off. Following the transfers, Innofactor holds 554,372 of its own shares.

On May 22, 2024, Innofactor issued a stock exchange release to disclose that Keva has chosen Innofactor to provide expert work and support services related to the development of their Microsoft Dynamics 365 services.

On July 3, 2024, Innofactor issued a stock exchange release concerning the damages of approximately EUR 2.3 million that had been awarded to Innofactor in arbitration proceedings at the Stockholm Chamber of Commerce (SCC), which were originally announced on November 11, 2021. The damages were related to the 2016 Lumagate acquisition and the subsequent breach of contract by the counterparty. Following the SCC's arbitration award, the counterparty of the Lumagate acquisition has gone bankrupt. Following the bankruptcy, Innofactor Plc has continued to pursue damages in the SCC's arbitration on behalf of the counterparty's bankruptcy estate. The

subsequent claim is against the legal counsel, which was the counterparty's advisor during the Lumagate acquisition. On July 3, 2024, the arbitration tribunal has awarded the case for the benefit of the defendant. As a result, Innofactor Plc will not receive the previously awarded damages to the full extent, but the distribution share shall be EUR 1.0 million at the maximum. In addition to this, Innofactor Plc will bear its own costs of approximately EUR 309,000, the opposing party's costs of approximately EUR 310,000 and the costs for the arbitration, EUR 166,150.

On July 22, 2024, Innofactor announced that a fund managed by the investment company CapMan Growth and Sami Ensio, through the holding company Ensio Investment Group Oy controlled by him, have formed a consortium for the purposes of the voluntary recommended public cash tender offer by Onni Bidco Oy for all the issued and outstanding shares in Innofactor Plc. Osprey Capital Oy is part of the consortium as a co-investor. The consortium believes that a private setting and the experience and diverse resources of the leading Finnish growth investor CapMan Growth, together with the founder, long-time CEO and board member of Innofactor Plc, Sami Ensio, will provide the target company with the best possible basis for further business development. The consortium believes that the announced cash tender offer provides the shareholders of Innofactor Plc the opportunity to realize the future potential of their holdings at an attractive premium without the uncertainties and risks associated with growth and market conditions. Following the successful completion of the tender offer, Innofactor Plc would continue to operate as an unlisted company, allowing for a greater focus on customers, innovation and execution of the growth strategy, as well as more flexible financing and M&A possibilities. On July 22, 2024, the Offeror and Innofactor entered into a combination agreement, pursuant to which the Offeror will make a Tender Offer for all the shares in Innofactor. The offer price is EUR 1.68 in cash for each share validly tendered in the Tender Offer. The Tender Offer values Innofactor's total equity at approximately EUR 60.1 million. The Board of Directors of Innofactor, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium, has unanimously decided to recommend that the shareholders of Innofactor accept the Tender Offer. The recommendation is supported by a fairness opinion provided by HLP Corporate Finance Oy.

On August 1, 2024, the Board of Directors of Innofactor, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium and thus without the participation of Sami Ensio in the evaluation or decision-making process, announced that it had unanimously decided to issue a statement on the Tender Offer pursuant to chapter 11, section 13 of the Finnish Securities Markets Act (746/2012, as amended).

On August 2, 2024, the company announced that the Finnish Financial Supervisory Authority had approved the Finnish tender document concerning the Purchase Offer on the date in question. The offer period for the Tender Offer would commence on August 5, 2024, at 9:30 a.m. (Finnish time) and expire on September 16, 2024, at 4:00 p.m. (Finnish time), unless the offer period is extended as described in the terms and conditions of the Tender Offer.

On September 11, 2024, the company issued a release stating that the Offeror announces that the Finnish Competition and Consumer Authority has issued a merger control clearance decision concerning the Tender Offer, and thus the Offeror has received all necessary regulatory approvals for the completion of the Tender Offer.

On September 17, 2024, the company announced that, based on the preliminary result of the Tender Offer, the 18,341,539 shares tendered (including the tenderable shares held and controlled by Sami Ensio) represent approximately 51.25 percent of the shares and voting rights in Innofactor, which together with the 10,699,427 shares otherwise acquired by the Offeror prior to or during the offer period, represent in aggregate approximately 81.14 percent of the shares and voting rights in Innofactor. Based on the preliminary result of the Tender Offer, the Offeror has decided that it will waive the Minimum Acceptance Condition.

On September 19, 2024, the company announced that, according to the final result of the Tender Offer, the 18,288,674 shares tendered (including tendered shares held and controlled by Sami Ensio) represent approximately 51.10 percent of the shares and voting rights in Innofactor, which together with the 10,699,427 shares otherwise acquired by the Offeror prior to or during the offer period, represent in aggregate approximately 81.00 percent of the shares and voting rights in Innofactor. As the Minimum Acceptance Condition has been waived and all other conditions to completion of the Tender Offer have been fulfilled, the Offeror will complete the Tender Offer in accordance with its terms and conditions. In order to provide those shareholders of Innofactor who have not yet accepted the Tender Offer with a further possibility to accept the Tender Offer, the Offeror has decided to commence a subsequent offer period. The subsequent offer period would commence on September 19, 2024, at 9:30 (Finnish time) and expire on October 3, 2024, at 16:00 (Finnish time)

On September 19, 2024, Innofactor announced it is changing its financial reporting practice and will in the future only publish semi-annual reports and annual financial statements. Therefore, Innofactor would not publish the interim report for January–September 2024 on October 22, 2024, as previously announced.

On September 19, 2024, Innofactor lowered its financial guidance for 2024 net sales and operating margin (EBITDA). Innofactor estimated that the full-year 2024 net sales and operating margin would be lower than in 2023. The previous guidance for the current year was that net sales and operating margin (EBITDA) in 2024 were estimated to increase from 2023, during which net sales were EUR 80.3 million and the operating margin (EBITDA) was EUR 9.1 million. The change in the financial guidance was influenced by the challenging market situation, which the company had previously mentioned in its announcements, as well as the company's advisors' costs related to the voluntary public tender offer made by Onni Bidco Oy for Innofactor.

On September 19, 2024, Innofactor gave notice to shareholders to attend an Extraordinary General Meeting to be held on Friday, October 11, 2024. The Offeror and Innofactor had agreed in the combination agreement that the Board of Directors of Innofactor would resolve to convene an



Extraordinary General Meeting at the request of the Offeror after the Offeror has confirmed that it will complete the Tender Offer. This notice, including the resolution proposals to be considered at the Extraordinary General Meeting, is based upon that request by the Offeror.

October 4, 2024 Based on the preliminary result of the Subsequent Offer Period, the 913,100 shares tendered during the Subsequent Offer Period represent approximately 2.55 percent of the shares and voting rights in Innofactor. Together with the shares validly accepted during the Original Offer Period and the shares otherwise acquired by the Offeror, the shares tendered during the Subsequent Offer Period represent preliminarily approximately 84.62 percent of the shares and voting rights in Innofactor.

October 8, 2024 Based on the final result of the Subsequent Offer Period, the 914,649 shares tendered during the Subsequent Offer Period represent approximately 2.56 percent of the shares and voting rights in Innofactor. Together with the shares validly accepted during the Original Offer Period and the shares otherwise acquired or to be acquired by the Offeror (comprising 148,127 Shares that Sami Ensio has received as board remuneration), the shares tendered during the Subsequent Offer Period represent approximately 85.05 percent of the shares and voting rights in Innofactor.

On October 11, 2024, the company announced the decisions of the Extraordinary General Meeting. In previous Annual General Meetings, Innofactor has approved decisions regarding the remuneration of the Board of Directors. It has been decided that Innofactor requires Board Members to hold the shares they receive as annual compensation for the duration of their Board Membership. This means that there is a restriction on the transfer of these shares during their tenure. According to the proposal presented in the meeting invitation, the General Meeting decided to remove all transfer restrictions on all shares received as compensation by the Board Members elected at Innofactor Plc's Annual General Meeting on March 27, 2024, prior to the date of the Extraordinary General Meeting.

The General Meeting decided that the remuneration for the Chairman of the Board and Board Members will remain unchanged, in accordance with the decision made at Innofactor's Annual General Meeting on March 27, 2024. However, for the Board Members elected at the Extraordinary General Meeting, the remuneration will be paid entirely in cash, proportionate to the length of their term, taking into account any remuneration already paid to the continuing Board Members. Therefore, the General Meeting decided to pay the Chairman of the Board 5,000 euros per month and Board Members 2,500 euros per month for the duration of their term, with the monthly cash remuneration for continuing Board Members reduced by 50 percent if they have already received a share-based remuneration. No separate meeting fees will be paid. Additionally, the General Meeting decided that the remuneration already paid to the Board Members in accordance with the decision made at Innofactor's Annual General Meeting on March 27, 2024, will be paid in full, and no repayment of the already paid remuneration will be required based on the length of their term. The General Meeting decided that for those Board Members who were not re-elected and whose term ended at the conclusion of the Extraordinary General Meeting, the



monthly cash remuneration, as determined by the decision of the Annual General Meeting, will be paid until the date of the Extraordinary General Meeting.

The General Meeting decided that the Board of Directors shall have four members. Mr. Sami Ensio and Mr. Risto Linturi were re-elected as members to the Board of Directors, and Mr. Antti Kummu and Mr. Timo Larjomaa were elected as new members of the Board of Directors for a term that begins at the conclusion of the Extraordinary General Meeting and ends at the conclusion of the next Annual General Meeting. The term of those Innofactor Board Members who were not re-elected ended at the conclusion of the Extraordinary General Meeting. At the organizing meeting held after the Extraordinary General Meeting, Mr. Antti Kummu was elected as Chairman of the Board. The Board elected Mr. Antti Kummu as the chairman of the remuneration committee and Mr. Timo Larjomaa and Mr. Risto Linturi as its members.

October 22, 2024 The Board of Directors of Innofactor Plc has decided to cancel a total of 554,372 Innofactor shares currently owned by the Company. The treasury shares to be cancelled were acquired within the Company's acquisition of own shares announced by the Company on July 20, 2023. Prior to the cancellation of the own shares, there are in total 36,343,691 registered shares in Innofactor. After the cancellation has been registered in the trade register, the total number of shares in Innofactor is 35,789,319 and the total number of votes attached to the shares is 35,789,319. After the cancellation, Innofactor Plc does not hold any shares in the Company. The cancellation of the shares has no effect on the share capital of Innofactor Plc.

October 29, 2024 Innofactor announced that CFO Antti Rokala has resigned from his position. During his notice period, Rokala will not have any work obligations. Innofactor has initiated actions to hire a new CFO. In the interim, CEO Sami Ensio will assume the responsibilities of the CFO.

November 15, 2024 Innofactor Plc has on November 15, 2024, received a notification from Onni Bidco under Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which Onni Bidco Oy's direct holding in Innofactor's shares increased above the 90 percent threshold.

November 25, 2024 Onni Bidco announced that it has decided to exercise its redemption right pursuant to the Finnish Companies Act and to redeem all the shares held by all other remaining shareholders in Innofactor. To implement the redemption of the remaining shares, Onni Bidco will initiate redemption proceedings, as provided in the Finnish Companies Act, as soon as possible.

November 25, 2024 Innofactor Plc's Board of Directors appointed Anni Wahlroos as Deputy CEO for Innofactor Group. She will continue as the Chief People Officer of the Innofactor Group and as a member of the Group's Executive Board, reporting to CEO Sami Ensio. Wahlroos has been with Innofactor since 2015 and has been a member of the Group's Executive Board since 2022.

November 25, 2024 Innofactor announced it will postpone the Annual General Meeting of 2025 to be held on June 25, 2025. Contrary to the previously announced preliminary date, the Annual General Meeting will not be held on April 23, 2025.

November 28, 2024 Innofactor announced that the cancellation of shares has been registered in the trade register maintained by the Finnish Patent and Registration Office. After the registration, Innofactor Plc has a total of 35,789,319 shares and the total number of votes attached to the shares is 35,789,319. After the cancellation, Innofactor Plc does not hold any shares in the Company. The cancellation of the shares has no effect on the share capital of Innofactor Plc.

### Share and shareholders

At the end of the review period, Innofactor Plc's share capital was EUR 2,100,000.00 and the total number of shares was 35,789,319. Innofactor Plc has one series of shares. Each share confers one vote.

During the period July 1–December 31, 2024, the highest price of the company's share was EUR 1.76 (2023: 1.29), the lowest price was EUR 1.07 (2023: 1.03) and the average price was EUR 1.67 (2023: 1.14).

During the period January 1–December 31, 2024, the highest price of the company's share was EUR 1.76 (2023: 1.34), the lowest price was EUR 1.07 (2023: 1.03), and the average price was EUR 1.63 (2023: 1.18). The closing price for the review period on December 31, 2024, was EUR 1.69 (2023: 1.23).

In public trading during the period of July 1–December 31, 2024, a total of 37,799,734 shares were traded (2023: 2,651,360), which corresponds to 105.6 percent (2023: 8.3%) of the average number of shares in the said period. During the period July 1–December 31, 2024, the average number of shares was 36,240,693 (2023: 36,343,691). The share trading volume increased by 1,156.6 percent when compared to the corresponding period in 2023.

In public trading during the period January 1–December 31, 2024, a total of 41,834,903 shares were traded (2023: 6,841,002), which corresponds to 116.9 percent (2023: 18.6%) of the average number of shares in the said period. During the period January 1–December 31, 2024, the average number of shares was 36,292,051 (2023: 36,810,154). The share trading volume increased by 511.5 percent when compared to the corresponding period in 2023.

The market value of the share capital at the closing price of EUR 1.69 on December 31, 2024 was EUR 61,333,566 (2023: 45,092,439), representing an increase of 36.0 percent.

On December 31, 2024, the company had a total of 4,649 shareholders (2023: 11,633), including nominee-registered shares.

The company held no treasury shares on December 31, 2024.

## Decisions of General Meetings

On March 27, 2024, the Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that a repayment of capital of EUR 0.07 per share be paid for the financial year 2023. The repayment of capital was paid to shareholders who, on the record date of the capital repayment on April 2, 2024, were recorded in the company's shareholders' register held by Euroclear Finland Oy. The repayment of capital was paid on April 9, 2024.

The Annual General Meeting of March 27, 2024, decided that the Board of Directors shall have four members. Mr. Sami Ensio, Ms. Anna Lindén, Mr. Risto Linturi, and Mr. Heikki Nikku were re-elected as members to the Board of Directors. At the organizing meeting held after the Annual General Meeting, the Board of Directors elected Anna Lindén as the Chairman of the Board.

The Annual General Meeting approved the proposal to appoint Ernst & Young Oy, an auditing firm authorized by the Central Chamber of Commerce, as the auditor for the company, with Juha Hilmola as the main responsible auditor.

The Board of Directors has been given the following authorizations:

- Until June 30, 2025, to decide on a share issue and granting of special rights entitling to shares, concerning a maximum of 3,600,000 new shares (decided by the Annual General Meeting of March 27, 2024); the authorization has not been used.
- Until June 30, 2025, to decide on an acquisition of a maximum of 3,600,000 treasury shares (decided by the Annual General Meeting of March 27, 2024); the authorization has not been used.
- Until the next Annual General Meeting, to distribute assets to shareholders as repayment of capital totaling a maximum of EUR 2,544,058, which allows the distribution of assets up to a maximum of EUR 0.07 per share; the authorization has not been used.

The Extraordinary General Meeting of October 11, 2024, decided that the Board of Directors shall have four members. Mr. Sami Ensio and Mr. Risto Linturi were re-elected as members to the Board of Directors, and Mr. Antti Kummumäki and Mr. Timo Larjomaa were elected as new members of the Board of Directors for a term that begins at the conclusion of the Extraordinary General Meeting and ends at the conclusion of the next Annual General Meeting. The term of those Innofactor Board Members who were not re-elected ended at the conclusion of the Extraordinary General Meeting. At the organizing meeting held after the Extraordinary General Meeting, Mr. Antti Kummumäki was elected as Chairman of the Board.

## Management of the company

Innofactor Plc complies with the recommendations of the Corporate Governance Code 2025 for Finnish listed companies, published by the Securities Market Association.

Innofactor has drawn up a separate Corporate Governance Statement for the financial period 2024.

Innofactor Plc's corporate governance principles and statements are available in their entirety on the company's website at: [www.innofactor.com/invest-in-us/corporate-governance/](http://www.innofactor.com/invest-in-us/corporate-governance/).

### **Related party transactions**

A fund managed by the investment company CapMan Growth and Innofactor's CEO Sami Ensio, through the holding company Ensio Investment Group Oy controlled by him, made a public cash tender offer for Innofactor Plc during the review period and, through Onni Bidco Oy, a company owned by the aforementioned parties, acquired an ownership of over 90 percent of the company. This is described in more detail above under "Other events in the review period".

### **Market outlook and business environment**

We expect that the growth rate of the Nordic IT services market will be positive in 2025 but, due to the geopolitical situation and the general economic downturn, we are not able to provide a more accurate estimate. Our growth target is to surpass the market growth rate.

The price competition that began in the market in 2023 remained intense and, in our assessment, the weighted average prices of new contracts stayed at a low level until the end of the year, particularly in the case of public sector customers, in spite of a slight increase during the year. We estimate that the IT services market in the Nordic countries did not grow in 2024. We expect the average prices of new contracts to continue to increase in 2025. We estimate that the Nordic IT services market will grow slightly in 2025, but because of the uncertain economic and security policy situation, we cannot give a more detailed estimate of the rate of growth. Our estimate is based on research institutes' forecasts and our own outlook on markets.

Generative AI has attracted a great deal of interest in the market. Generative AI presents our customers – and Innofactor – with significant opportunities for improving operational efficiency. Above all, it opens up significant new business opportunities, for which we offer solutions developed by Microsoft as well as our own solutions. However, AI projects in the first phase have, in many cases, remained at the stage of experimentation in organizations. We believe that, during 2025, our customer base will continue to develop AI projects, especially agent-based solutions for certain processes and functions that are significant for each organization. Innofactor sees a significant role for itself in this trend. In 2025, we will also continue to develop the AI capabilities of our own products, especially Dynasty.

Climate change mitigation and the geopolitical situation place new demands on both societies and organizations, creating new business opportunities and accelerating innovation. The abilities of a modern digital organization will be even more important for our customers in the future. It is also

likely that some of our customers will transfer some of their operations back to the Nordic countries in order to be closer to their customers. This could have a favorable effect as regards the business model of Innofactor's chosen strategy based on Nordic specialists. Microsoft's position has also strengthened in recent years as a market leader in generative AI, among other things. We believe in our chances of increasing our market share in the Nordic countries.

### **Short-term risks and uncertainty factors**

Innofactor's operations and finances involve risks that may be significant for the company and its share value. These risks are assessed by Innofactor Plc's Board of Directors as part of the strategy and business planning process. The risks are published in their entirety in the financial statement and in the Annual Report of the Board of Directors. The half-yearly report only presents the changes in short-term risks.

### **Risks related to operations**

The risks related to the operation of the Innofactor Group are primarily business risks related to the group companies that carry on its business operations.

**Skilled personnel and its availability:** The development of Innofactor's operations and deliveries depends greatly on the Group having skilled personnel and being able to replace persons, who are leaving, with properly skilled persons. In Innofactor's field of business, there is a lack of and competition for certain personnel resources, which may lead to short employment relationships and high personnel turnover. If Innofactor fails at motivating its personnel, keeping the personnel's skills at a high level and keeping the personnel in its service, that could cause problems for the Group's business operations. The success of the Group depends heavily on the employed personnel and their success in their work. Innofactor invests in the continuous development of its personnel and in high personnel satisfaction, a good employer image, efficient recruitment and, if necessary, the use of subcontracting.

**Increase in personnel costs:** A majority of Innofactor's costs consists of salaries and other personnel costs (in 2024, about 67% of all costs, including depreciation). Currently, all of Innofactor's own employees work in the Nordic countries, whereas some competitors rely heavily on workforce in countries with cheap labor. If the personnel costs continue rising in the Nordic countries at the same rate as before, it will create a risk for Innofactor, if the prices paid for IT services will not rise correspondingly. Innofactor is monitoring the situation constantly and strives to affect the moderate development of personnel costs via interest groups. It also aims at increasing the share of work done by subcontractors and abroad, when it makes sense from the point of view of business operations, for example, in large product development projects.

**Profitability of projects:** A significant part of Innofactor's net sales is still derived from the project business. The profitable implementation of Innofactor's delivery projects requires that project

calculation and planning before submitting a tender are done successfully as regards the amount of work and the delivery schedule, and also that the deliveries can be made in a cost-effective manner. It is possible that Innofactor fails at correctly estimating the profitability of a project and, thus, the delivery could cause losses to the company. Correspondingly, it is possible that projects may have to be sold cheaper because of competition, which leads to lower profit margins. Innofactor pays special attention to the profitability of project business and has included it as a central part of the monitored key performance indicators. The relative share of the project business has decreased and the company aims to decrease it further, which reduces the risks associated to project business.

**Competition:** Innofactor's main competitors are companies offering traditional information technology services and software in the Nordic countries. Some competitors have larger financial resources, wider product selection, cheaper workforces and larger existing customer bases than Innofactor does and also notable legal resources, and they can use these when competing with Innofactor for the same deliveries. Additionally, new startup companies increase competition in certain deliveries. The price competition in the field is expected to remain intense. If the competition becomes tougher, it may have an adverse effect on Innofactor's business, operating result and financial position. Innofactor continuously strives to improve its competitiveness.

**Research and product development:** In Innofactor's operation, research and product development play a central role. In 2024, approximately 7.2 percent of net sales was used on research and product development. Each research and product development project carries the risk that the end results are not as successful financially as planned and that the investment in the project does not pay itself back. By constantly updating its offering and organizing its operations, Innofactor aims at minimizing the risks inherent in research and product development.

**Changes in the technology and field of business:** Fast development is characteristic for Innofactor's field of business. There can be quick changes in the customers' requirements and choices concerning software technology. The most significant ongoing change is the transition to making extensive use of artificial intelligence. If Innofactor cannot react to these changes, it may have an adverse effect on Innofactor's business, operating result and financial position. Innofactor strives to actively invest in new technologies and central areas of know-how and agree on customer deliveries in new areas. We have paid special attention to developing our offering related to artificial intelligence.

**Information security and data protection:** From the point of view of Innofactor's business, it is important to ensure adequate data security and data protection for customers. The realization of the risks relating to data security and data protection may lead to losses in net sales and penalties imposed by a supervisory authority. Innofactor has acknowledged the risks related to data security and data protection, on the basis of which the company has implemented standard-based data security and data protection management processes. Innofactor has a data security policy approved by the management, defining Innofactor's key data security objectives and means of



implementation, as well as the organization of data security and related responsibilities. The data security policy is written in accordance with the ISO 27001 data security standard and legislation.

**Compliance:** It is important for Innofactor to comply with the laws and regulations applicable to Innofactor's business activities, and to conduct business ethically. Violations of laws and regulations may lead to administrative fines, penalties, criminal proceedings and liability, and claims for damages. The materialization of this risk may also have an adverse impact on Innofactor's reputation and lead to the loss of business opportunities. Innofactor has internal procedures and processes to ensure compliance in day-to-day business operations. Innofactor's Code of Conduct lays out ethical guidelines and standards for Innofactor and its subcontractors. Innofactor has an internal whistleblowing channel.

**Risk of a pandemic:** An epidemic spreading into a global pandemic may hinder Innofactor's business operations. If there is no significant pandemic in Innofactor's operating area in the Nordic countries, the detriment will be limited mostly to a decrease in the availability of tools, especially computers, which are needed in Innofactor's business operations. If there is a significant pandemic also in Innofactor's operating area in the Nordic countries, it could mean introducing remote work, either for a part of or the entire personnel, a temporary decrease in customer purchases, and delays in some customer deliveries, increasing absence rates connected directly to the disease caused by the pandemic, quarantine or mental symptoms caused indirectly by isolation and increased personnel turnover due to remote work.

**Reaching the growth targets:** Realizing the desired growth requires a growth rate that is faster than the growth in the IT market in general. This has the risk that it cannot be realized in the future, although it has been done often in the past. Also, it is possible that, going forward, the IT market in Innofactor's market area will not grow or may even shrink. Ensuring growth has a central part in planning Innofactor's operation and setting its goals. Innofactor strives to lessen this operational risk by focusing on the growing Microsoft solution areas, which grow faster than the IT market in general, and by focusing on sales to keep the order backlog on a sufficient level as regards the business operations.

**Globalization:** In accordance with its strategy, Innofactor seeks growth also in the global markets, outside of Finland, especially in the Nordic countries. Global operations typically always involve higher risks than operations at home. Innofactor strives to make sure that the investments in becoming a global player will not be so great that it would jeopardize the Group's ability to make profit and to grow. Additionally, the company strives to create a management model, common processes and systems that will decrease the risks in global operations.

**Uncertainties and risks related to acquisitions:** Innofactor's growth has been partially driven by acquisitions, and this may also be the case in the future. With acquisitions, there are uncertainties about finding suitable companies to acquire and in making the acquisitions at the desired price level and schedule. If acquisitions cannot be made as planned, the growth goal may be jeopardized. In acquisitions, Innofactor focuses on high-level know-how and good processes. Each

acquisition, after it has been made, also carries some risks, which include the success of the integration, the stability of the key personnel, formation of the business value, and possible related needs for depreciations. Innofactor's strategy is primarily based on integrating the acquired companies in a fast schedule as part of the whole in the country in question. Innofactor invests in the integration process.

Success of the organizational changes: Rapid growth may occasionally require making significant changes in the organization. Starting a new organization typically includes challenges before the desired improvement in operation can be achieved. Typically, the operation can be at least restored to the previous level of efficiency within a few months from starting the new organization. If the improvement in operation for some parts does not take place within the planned schedule, there is a risk that it will not happen at all or that the delay may lead to extra costs or loss of net sales. The reasons for this include, for example, incorrect planning in placing units and personnel. Innofactor strives to pay attention to controlling organizational changes and to prepare for them also financially.

### Financial risks

General financial uncertainty and changes in the customers' financial situations affect customers' investment decisions and purchasing policies. It is possible that changes in the general financial situation will be reflected in Innofactor's customers' software purchases by delaying the decision-making or timing of purchases.

Financing risks: In its normal business operations, the Innofactor Group is susceptible to normal financing risks. At the end of the review period, Innofactor had a total of approximately EUR 2.8 million in loans from financial institutions and a credit limit of approximately EUR 5.0 million, of which approximately EUR 1.5 million was in use. Innofactor has committed to the following covenants: the Group's ratio of net debt to adjusted EBITDA, calculated on a quarterly months, is at least 4.0, and the ratio of adjusted EBITDA to the Group's net financial expenses, calculated on a quarterly basis, is at least 2.5, and certain other normal conditions for loans.

The goal of managing the financing risks is to minimize the negative effects of the changes in the financial markets on the result of the Group. Financing risk management has been centralized to the CFO, who is responsible for the Group's financing and regularly reports to the company's Executive Board, CEO, and Board of Directors. It is possible that, in the future, the Group will not get the financing it needs and this would have a negative effect on the Group's business and its development, especially on making acquisitions.

Interest risk: An interest risk is mainly due to the Group's short-term and long-term loans and the derivatives used for protecting them. Loans with fluctuating rates pose an interest risk to the Group's cash flow. This risk is decreased, for example, by using interest rate swap agreements.

Exchange rate risk: The Innofactor Group operates globally and is susceptible to risks related to the currencies of the countries in which it operates. Changes in exchange rates, especially the rates of Swedish krona and Norwegian krone, affect the Group's net sales and profitability as Innofactor has significant operations based on Swedish krona and Norwegian krone. The exchange rate risk is mainly due to the assets and liabilities registered in the balance sheet and the net investments made in the subsidiaries abroad. Also, the business contracts made by subsidiaries pose an exchange rate risk, although these contracts are mainly made in the currency the business unit uses in its operation. The management of exchange rate risks in the Group aims at minimizing the uncertainty that changes in exchange rates cause in the result through cash flows and assessment of receivables and liabilities.

Risks related to the cash position: The Innofactor Group handles management of liquid assets with the help of centralized payments and cash management. The Group strives for continuous monitoring and assessment of the needed business financing in order to ensure that the Group has enough liquid assets in its use. Additionally, the Group has overdraft facilities to cover any seasonal variations in liquid assets. Excess cash balance is placed on savings accounts or funds with capital guarantee.

Risks related to receivables from projects: A large part of Innofactor's net sales comes from project business. A significant part of projects consists of long-term projects in which scheduled payments and their terms may be agreed on with the customer beforehand. When Innofactor performs work in customer projects, which is scheduled to be invoiced afterwards, project receivables are accrued. Especially in public administration projects, scheduled payments often take place nearer to the end of the project, which means increased project receivables and related risks. In customer negotiations, Innofactor pays special attention to scheduling the payments and the size of payments, and in customer projects, to project management and steering in accordance with the scheduled payments. Project receivables are monitored regularly, on a monthly basis.

Credit risk: Credit decisions related to sales receivables are monitored centrally by the Group's management. A large part of Innofactor's cash flow comes through established customer relationships as payments from the public sector and financially sound companies, which have not presented essential credit risks in the past, and the Group has not suffered any significant credit losses. Should credit risks be realized, it would weaken the Group's financial standing and liquidity. Sales receivables are monitored regularly.

### **Acquisitions and changes in the Group structure**

Following the public tender offer described above under "Other events in the review period" and market purchases, Onni Bidco Oy owned 95.71 percent of Innofactor Plc at the end of the review period. Consequently, the Innofactor Group is part of the Onni Bidco Group.

Onni Bidco Oy is 100% owned by Onni Midco Oy, which in turn is 100% owned by Onni Topco Oy. Onni Topco Oy's largest shareholders are Ensio Investment Group Oy, which is controlled by CEO Sami Ensio, and CapMan Growth Equity Fund III Ky.

There were no other acquisitions or changes in the group structure during the review period.

### Events after the review period

On January 2, 2025, the company announced that the Redemption Board of the Finland Chamber of Commerce has petitioned the District Court of Länsi-Uusimaa for the appointment of a trustee to supervise the interests of Innofactor's minority shareholders during the redemption process. The Redemption Board of the Finland Chamber of Commerce has notified Onni Bidco that the District Court of Länsi-Uusimaa has, with its decision given on December 30, 2024, appointed professor Kari Hoppu to act as such trustee.

February 7, 2025 Innofactor's Board of Directors appointed **Aki Rahunen** as the CFO for Innofactor Group, and he will assume the position no later than May 8, 2025. Rahunen is currently serving as the CFO of Avidly. Previously, Rahunen has held the position of CFO at Fluido, among others. M.Sc. (Econ.) Rahunen will become a member of Innofactor's Executive Board in his role as the CFO and will report to the Group's CEO Sami Ensio.

February 12, 2025 Innofactor Plc's Board of Directors has confirmed the company's updated Dividend Distribution Policy on February 12, 2025. According to the renewed policy, the company will generally not pay dividends in the future but will instead use the retained earnings for growth-enhancing measures.

On February 13, 2025, the company announced that the Redemption Board of the Finland Chamber of Commerce has appointed an arbitral tribunal consisting of three members for the arbitration proceedings concerning the redemption of the minority shares in Innofactor. The arbitral tribunal consists of Independent Arbitrator Heidi Merikalla-Teir (chair), Professor Emeritus, LL.D., Trained on the bench Raimo Immonen and D.Sc. (Econ.), CVA Harri Seppänen.

Innofactor had no other significant events after the end of the review period.

### Board of Directors' proposal on the distribution of profits

Innofactor is a growing company and intends to use its operating profit on actions promoting growth, for example, on realizing mergers. According to the dividend distribution policy, Innofactor will generally not pay dividends in the future but will instead use the retained earnings for growth-enhancing measures.

For 2024, the Group's result for the financial period was EUR 263,161.73. In making the proposal on the dividend, the Board of Directors takes into account the company's financial situation, profitability and near-term outlook. At the end of the financial year 2024, the distributable assets of the Group's parent company amounted to EUR 7,949,235.09.

The Board of Directors proposes that no dividend be distributed for the financial period of January 1–December 31, 2024.

Espoo, February 28, 2025

INNOFACTOR PLC

Board of Directors

Additional information:

CEO Sami Ensio, Innofactor Plc

tel. +358 50 584 2029

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### Financial releases in 2025

The annual report for 2024 will be published on the company's website on Monday, March 31, 2025.

The Annual General Meeting is scheduled to be held on Wednesday, June 25, 2025.

The schedule for financial releases in 2025 is as follows:

- Half-yearly report January–June 2025 (H1) on Tuesday, September 30, 2025.

Distribution:

NASDAQ Helsinki

Main media

[www.innofactor.com](http://www.innofactor.com)

**Financial statement summary and notes January 1–December 31, 2024 (IFRS)****Accounting policies**

Innofactor operates on a single segment, offering software, systems and related services.

This financial statement has been drafted in accordance with the IAS 34 Interim financial reporting standard.

The financial statement adheres to the same accounting policies and calculation methods as the last annual financial statement 2023. However, as of January 1, 2024, the Group has introduced the new or renewed IFRS standards and IFRIC interpretations published by IASB as mentioned in the accounting policies section of the financial report 2023. The principles for calculating the key figures and the calculation formulas have not been changed, and they have been presented in an appendix to this report.

In addition to the IFRS key figures, Innofactor publishes certain alternative key figures in order to present the financial development of the actual business operations and to improve comparisons between different periods. Acquisitions are a central part of Innofactor's strategy. Depreciations of intangible rights resulting from acquisitions vary greatly depending on how valuable the customer contracts and technology of the acquired company are estimated to be and also in what kind of schedule the resulting intangible rights will be depreciated. For this reason, the company's view is that, instead of operating profit, the primary measure for profitability should be the operating margin (EBITDA), because it is not affected by the said depreciation.

Other alternative key figures used by Innofactor are equity ratio, net gearing, return on investment, and return on equity. The formulas for calculating the other alternative key figures are presented at the end of this report.

Drafting a financial statement in accordance with the IFRS standards requires the management of Innofactor to use estimates and presuppositions, which affect the amounts of assets and debts at the time of drafting the balance sheet and the amounts of earnings and costs for the review period. The application of the accounting policies also requires judgment. As estimates and presuppositions are based on the views held at the time of drafting the statement, they contain risks and uncertainty factors. The actual figures may deviate from the estimates and presuppositions. The figures of the profit and loss statement and the balance sheet are figures for the Group. The figures of the statement have been rounded, so the sum of individual figures may differ from the sum presented.

The figures in the financial statement have not been audited.



**Comprehensive consolidated profit  
and loss statement, IFRS**

<b>EUR thousand</b>	<b>Jul 1–Dec 31, 2024</b>	<b>Jul 1–Dec 31, 2023</b>	<b>Jan 1–Dec 31, 2024</b>	<b>Jan 1–Dec 31, 2023</b>
Net sales	36,525	39,945	77,576	80,263
Other operating income	41	93	95	141
Materials and services (–)	-6,242	-6,977	-13,114	-13,508
Employee benefit expenses (–)	-23,006	-24,868	-49,514	-50,784
Depreciation (–)	-1,440	-1,710	-2,952	-3,266
Other operating expenses (–)	-4,184	-3,344	-8,706	-7,011
<b>Operating profit/loss</b>	<b>1,693</b>	<b>3,140</b>	<b>3,386</b>	<b>5,835</b>
Financial income	21	90	70	116
Financial expenses (–)	-315	-180	-516	-777
<b>Profit/loss before taxes</b>	<b>1,399</b>	<b>3,051</b>	<b>2,940</b>	<b>5,174</b>
Income taxes	-2,171	-1 108	-2,677	-1,736
<b>Profit/loss for the financial period</b>	<b>-771</b>	<b>1,942</b>	<b>263</b>	<b>3,438</b>
<b>Distribution of the result</b>				
<b>To shareholders of the parent company</b>	<b>-771</b>	<b>1,942</b>	<b>263</b>	<b>3,438</b>
<b>To non-controlling interests</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other comprehensive income				
Items that may be later recognized				
in profit or loss:				
Translation differences	83	312	-39	-49
<b>Total comprehensive income</b>	<b>-688</b>	<b>2,254</b>	<b>224</b>	<b>3,389</b>
<b>Distribution of the comprehensive income</b>				
<b>To shareholders of the parent company</b>	<b>-688</b>	<b>2,254</b>	<b>224</b>	<b>3,389</b>
<b>To non-controlling interests</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Earnings per share calculated from the profit attributable to equity holders of the parent:				
basic earnings per share (EUR)	-0.0211	0.0534	0.0072	0.0940
diluted earnings per share (EUR)	-0.0211	0.0534	0.0072	0.0940

**Consolidated balance sheet, IFRS**
**ASSETS**

<b>EUR thousand</b>	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
<b>Non-current assets</b>		
Tangible assets	849	1,080
Right-of-use assets	4,041	3,177
Goodwill	26,640	26,835
Other intangible assets	1,619	1,929
Shares and holdings	98	98
Receivables	0	44
Deferred tax assets	293	2,415
<b>Non-current assets</b>	<b>33,540</b>	<b>35,578</b>
<b>Current assets</b>		
Trade and other receivables	15,661	18,449
Cash and cash equivalents	1,502	425
<b>Current assets</b>	<b>17,163</b>	<b>18,873</b>
<b>TOTAL ASSETS</b>	<b>50,703</b>	<b>54,451</b>

**SHAREHOLDERS' EQUITY AND LIABILITIES**

<b>EUR thousand</b>	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
Share capital	2,100	2,100
Share premium reserve	72	72
Other reserves (+/-)	59	59
Fund for invested unrestricted equity	12,567	15,069
Retained earnings	10,386	10,133
Translation differences	-1,989	-1,950
<b>Equity attributable to the shareholders of the parent company</b>	<b>23,195</b>	<b>25,483</b>
Non-controlling interest	0	0
<b>Total shareholders' equity</b>	<b>23,195</b>	<b>25,483</b>
 <b>Non-current liabilities</b>		
Loans from financial institutions	2,800	1,770
Lease liabilities	2,357	1,295
Deferred tax liabilities	1,733	1,779
Other non-current liabilities	0	0
<b>Total non-current liabilities</b>	<b>6,890</b>	<b>4,845</b>
 <b>Current liabilities</b>		
Loans from financial institutions	1,542	4,555
Lease liabilities	1,782	1,996
Trade and other payables	17,294	17,573
<b>Current liabilities total</b>	<b>20,618</b>	<b>24,123</b>
 <b>Total liabilities</b>	<b>27,508</b>	<b>28,968</b>
 <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>50,703</b>	<b>54,451</b>

**Statement of change in shareholders' equity, IFRS**

EUR thousand	Share capital	Share premium reserve	Reserve fund	Fund for invested unrestricted equity	Own shares	Retained earnings	Exchange differences	Total shareholders' equity
<b>Shareholders' equity Jan 1, 2024</b>	<b>2,100</b>	<b>72</b>	<b>59</b>	<b>15,069</b>	<b>-2,119</b>	<b>12,252</b>	<b>-1,950</b>	<b>25,483</b>
Comprehensive income								
Result for the financial period						263		263
Other comprehensive income:								
Translation differences							-39	-39
Total comprehensive income						262	-39	224
Repayment of capital				-2,502				-2,502
Purchase of own shares					-10			-10
<b>Shareholders' equity Dec 31, 2024</b>	<b>2,100</b>	<b>72</b>	<b>59</b>	<b>12,567</b>	<b>-2,129</b>	<b>12,514</b>	<b>-1,989</b>	<b>23,195</b>

EUR thousand	Share capital	Share premium reserve	Reserve fund	Fund for invested unrestricted equity	Own shares	Retained earnings	Exchange differences	Total shareholders' equity
<b>Shareholders' equity Jan 1, 2023</b>	<b>2,100</b>	<b>72</b>	<b>59</b>	<b>17,247</b>	<b>-1,592</b>	<b>8,815</b>	<b>-1,902</b>	<b>24,799</b>
Comprehensive income								
Result for the financial period						3,438		3,438
Other changes						-1		-1
Other comprehensive income:								
Translation differences							-49	-49
Total comprehensive income						3,437	-49	3,388
Repayment of capital				-2,177				-2,177
Purchase of own shares					-527			-527
<b>Shareholders' equity Dec 31, 2023</b>	<b>2,100</b>	<b>72</b>	<b>59</b>	<b>15,069</b>	<b>-2,119</b>	<b>12,252</b>	<b>-1,950</b>	<b>25,483</b>

**Consolidated cash flow statement, IFRS**

EUR thousand	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
<b>Cash flow from operating activities</b>		
Profit before taxes	2,940	5,174
Adjustments:		
Depreciation	2,952	3,266
Other transactions with no related cash flow	426	143
<b>Operating profit before change in working capital</b>	<b>6,318</b>	<b>8,583</b>
Change in trade and other receivables (+/–)	2,746	-3,951
Change in trade and other payables (+/–)	-279	2,758
<b>Change in working capital</b>	<b>2,467</b>	<b>-1,193</b>
<b>Cash flow from operating activities before financing and income taxes paid</b>	<b>8,785</b>	<b>7,390</b>
Interest received	66	46
Interest paid (–)	-221	-206
Taxes paid	-536	0
<b>Net cash flow from operating activities</b>	<b>8,094</b>	<b>7,229</b>
<b>Investment cash flow</b>		
Acquisition of subsidiaries	0	200
Purchase of shares in associated companies	0	-93
Investments in intangible and tangible assets (–)	-472	-714
Loan receivables repaid	86	74
<b>Net cash flow from investments</b>	<b>-386</b>	<b>-533</b>
<b>Cash flow from financing</b>		
Loans withdrawn	0	0
Loans paid	-1,983	-3,077
Lease liability payments	-2,146	-2,282
Dividend distribution/repayment of capital	-2,502	-2,177
Purchase of own shares	0	-1,027
Transfer of own shares	0	336
<b>Net cash flow from financing</b>	<b>-6,631</b>	<b>-8,227</b>
<b>Change in cash and cash equivalents (+/–)</b>	<b>1,078</b>	<b>-1,531</b>
Cash and cash equivalents, opening balance	425	1,956
Cash and cash equivalents, closing balance	1,502	425

**Consolidated half-yearly profit and loss statement, IFRS**

EUR thousand	Jan 1– Jun 30, 2024	Jul 1–Dec 31, 2024	Jan 1– Jun 30, 2023	Jul 1–Dec 31, 2023
<b>Net sales</b>	<b>41,052</b>	<b>36,525</b>	<b>40,317</b>	<b>39,945</b>
Other operating income	54	41	48	93
Materials (–)	-6,871	-6,242	-6,530	-6,977
Employee benefit expenses (–)	-26,507	-23,006	-25,916	-24,868
Depreciation (–)	-1,512	-1,440	-1,556	-1,710
Other operating expenses (–)	-4,522	-4,184	-3,667	-3,344
<b>Operating profit/loss</b>	<b>1,693</b>	<b>1,693</b>	<b>2,695</b>	<b>3,140</b>
Financial income	50	21	26	90
Financial expenses (–)	-201	-315	-597	-180
<b>Profit/loss before taxes</b>	<b>1,541</b>	<b>1,399</b>	<b>2,124</b>	<b>3,050</b>
Income taxes	-507	-2,171	-628	-1,108
<b>Profit/loss for the financial period</b>	<b>1,034</b>	<b>-771</b>	<b>1,496</b>	<b>1,942</b>
EBITDA	3,204	3,134	4,252	4,849



**The Group's commitments and contingent liabilities**

EUR thousand	Dec 31, 2024	Dec 31, 2023
<b>Collateral given for own commitments</b>		
Lease collateral	168	167
Mortgages on company assets	17,450	16,650
Bank guarantees	312	312
<b>Other own liabilities</b>		
Lease and rent liabilities		
Liabilities maturing in less than one year	38	48
Liabilities maturing in 1–5 years	59	66
<b>Total</b>	<b>97</b>	<b>114</b>
<b>Other own liabilities total</b>	<b>97</b>	<b>114</b>

Other commitments include leasing and other leases as well as liabilities arising from license agreements, to which the IFRS 16 standard has not been applied. Commitments due to long-term service contracts have not been included.

## Fair values of financial assets and liabilities

The table below shows the fair value and carrying amount of each item in financial assets and liabilities. These values correspond with the consolidated balance sheet values.

EUR thousand	Dec 31, 2024	Dec 31, 2023
	-	-
Trade and other receivables	15,661	18,449
Cash and cash equivalents	1,502	425
<b>Total</b>	<b>17,163</b>	<b>18,873</b>
Loans from financial institutions	4,342	6,325
Lease liabilities	4,140	3,291
Trade and other payables:		
Received advances	1,094	1,703
Trade payables	1,595	2,074
Other liabilities	6,142	5,139
Accrued expenses	8,463	8,657
Interest rate swap agreements, not in hedge accounting *		
<b>Total</b>	<b>25,775</b>	<b>27,188</b>

## Largest shareholders

According to the share register maintained by Euroclear Finland Oy, the share ownership of the 20 largest Innofactor Plc shareholders at the end of the review period, on December 31, 2024, was as follows:

Name	Number of shares	% of share capital
1. Onni Bidco Oy	34,253,409	95.71%
2. Pakarinen Janne	89,520	0.25%
3. Lauren Karri-Pekka	62,701	0.18%
4. Suutari Pekka Johannes	41,272	0.12%
5. Kukkanieniemi Marko Jaani	40,000	0.11%
6. Finnish Foundation for Share Promotion	35,800	0.10%
7. LocalTapiola Mutual Life Insurance Company	30,000	0.08%
8. Laakso Harri Einari	24,800	0.07%
9. Supersorsa Investment Oy	24,179	0.07%
10. Santala Matti Kaarlo Pellervo	20,000	0.06%
11. Savikurki Silke Helena	19,974	0.06%
12. Puustinen Hymy Tuija Hillevi	15,000	0.04%
13. Santala-Mäkinen Silja Kaarina	15,000	0.04%
14. Håkan Hjerpe Oy	15,000	0.04%
15. Stenmark Ove Peter	14,823	0.04%
16. Anttila Joel Matias	13,833	0.04%
17. Haarala Juuso Heikki Matias	11,589	0.03%
18. Molatii Oy	11,000	0.03%
19. Muuttomiehet K Niskanen Oy	10,485	0.03%
20. Liukkonen Anssi Kyösti Mikael	10,000	0.03%
Total	34,758,385	97.12%

**Formulas for calculating the key figures**

**Operating margin (EBITDA):**

Operating profit/loss - Depreciations

**Percentage of return on equity:**

Profit/loss for the financial period

Shareholders' equity

**Percentage of return on investment:**

Profit or loss before taxes + Interest and other financial expenses

Shareholders' equity + Interest bearing financial liabilities

**Net gearing:**

Interest bearing liabilities - Cash funds

Shareholders' equity

**Equity ratio, (%):**

Shareholders' equity

Balance sheet total - Received advances

**Result/share:**

Profit before taxes attributable to equity holders of the parent - Taxes

Average number of shares on the financial period adjusted after the share issue

**Shareholders' Equity/Share:**

Equity attributable to the shareholders of the parent company

Undiluted number of shares on the date of the financial statement