

**Statement of the Board of Directors of Innofactor Plc regarding the voluntary recommended public cash tender offer by a consortium comprising CapMan Growth, Sami Ensio and Osprey Capital through Onni Bidco Oy**

On 22 July 2024, a consortium comprising CapMan Growth ("**CapMan Growth**") and the founder, CEO and member of the Board of Directors of Innofactor Plc, Sami Ensio, through the holding company Ensio Investment Group Oy controlled by him, and Osprey Capital Oy ("**Osprey Capital**") (CapMan Growth, Sami Ensio, through the holding company Ensio Investment Group Oy controlled by him, and Osprey Capital together, the "**Consortium**") announced that it will make a voluntary recommended public cash tender offer through Onni Bidco Oy (the "**Offeror**") for all the issued and outstanding shares in Innofactor Plc ("**Innofactor**" or the "**Company**") that are not held by the Company or its subsidiaries (the "**Shares**" or, individually, a "**Share**") (the "**Tender Offer**").

The Board of Directors of the Company (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) (the "**Innofactor Board**") has unanimously decided to issue the statement below regarding the Tender Offer as required by Chapter 11, Section 13, of the Finnish Securities Markets Act (746/2012, as amended).

**Tender Offer in brief**

The Offeror is a private limited liability company incorporated and existing under the laws of Finland. As at the date of this statement, the Offeror is indirectly owned by Onni Topco Oy, a private limited liability company incorporated under the laws of Finland. Onni Topco Oy was incorporated to be the holding company in the acquisition structure and is currently owned by CapMan Growth. Following the completion of the Tender Offer, CapMan Growth is expected to own approximately 52.4 percent, Ensio Investment Group Oy approximately 42.6 percent and Osprey Capital approximately 5.0 percent of the shares in Onni Topco Oy.

Innofactor and the Offeror have on 22 July 2024 entered into a combination agreement (the "**Combination Agreement**") pursuant to which the Offeror will make the Tender Offer for all the Shares in Innofactor. CapMan Growth and Sami Ensio (through the holding company controlled by him) together with Osprey Capital have formed the Consortium for the purposes of the Tender Offer, which will indirectly own the Offeror following the completion of the Tender Offer.

The Tender Offer will be made in accordance with the terms and conditions of a tender offer document approved by the Finnish Financial Supervisory Authority (the "**Tender Offer Document**"). The Tender Offer Document is expected to be published by the Offeror on or about 2 August 2024.

The Offeror has reserved the right to acquire Shares before, during and/or after the offer period (including any extension thereof and any subsequent offer period) in public trading on Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") or otherwise.

As at the date of this statement, Innofactor has 36,343,691 issued shares, of which 35,789,319 are outstanding Shares and 554,372 are held in treasury. The offer price is EUR 1,68 in cash for each Share in Innofactor validly tendered in the Tender Offer (the "**Offer Price**").

As at the date of this statement, the 7,936,804 Shares held and controlled by Sami Ensio represent approximately 22.2 percent of the Shares. As at the date of the announcement of the Tender Offer, neither the Offeror, CapMan Growth nor Osprey Capital held any Shares in Innofactor.

The Offer Price represents a premium of approximately:

- 49.3 percent compared to the closing price of EUR 1.125 of the Share on Nasdaq Helsinki on July 19, 2024, the last trading day immediately preceding the announcement of the Tender Offer;
- 39.4 percent compared to EUR 1.21, i.e. the one-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer;
- 31.5 percent compared to EUR 1.28, i.e. the three-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer;
- 30.8 percent compared to EUR 1.28, i.e. the six-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer; and
- 37.4 percent compared to EUR 1.22, i.e. the twelve-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer.

The Tender Offer values Innofactor's total outstanding Shares at approximately EUR 60.1 million (excluding 554,372 Shares held in treasury by Innofactor).

The Offer Price is subject to the terms and conditions of the Tender Offer.

The Offer Price has been determined based on 35,789,319 Shares. Should the Company change the number of its Shares as a result of a new issue, reclassification, stock split (including a reverse split) or any other measure with dilutive effect, or should the Company declare or distribute any dividends or in any other manner distribute or transfer value to its shareholders, or if a record date with respect to any of the foregoing occurs after the date hereof and prior to any settlement of the Tender Offer, the Offer Price payable by the Offeror shall be adjusted accordingly on a euro-for-euro basis.

Sami Ensio has irrevocably undertaken, subject to certain conditions, to accept the Tender Offer in respect of the Shares held and controlled by him (excluding certain Shares received as board remuneration, which are subject to a lock-up resolved by the General Meeting and shall only become subject to the sale commitment if the lock-up restriction is waived or is no longer applicable) which represent approximately 21.8 percent of the Shares and votes in Innofactor (approximately 22.2 percent of the Shares including the Shares subject to the lock-up restriction).

The offer period under the Tender Offer is expected to commence on or about 5 August 2024 and is expected to expire on or about 16 September 2024, and thus, to run for approximately 6 weeks, subject to any extension of the offer period by the Offeror in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws and regulations, in order to satisfy the conditions to completion of the Tender Offer.

The completion of the Tender Offer is subject to the satisfaction or waiver by the Offeror of certain customary conditions on or prior to the Offeror's announcement of the final results of the Tender Offer including, among others, the receipt of all necessary regulatory approvals, permits, clearances, consents or other actions (or the expiry of relevant waiting periods, as the case may be) required under applicable competition laws or other regulatory laws in any relevant jurisdiction for the completion of the Tender Offer and the Offeror having gained control of more than 90 percent of the Shares and votes in Innofactor on a fully diluted basis calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act

(624/2006, as amended, "**Finnish Companies Act**"). The Tender Offer is currently expected to be completed at the end of the third quarter or in the beginning of the fourth quarter of 2024.

The Offeror intends to acquire all the Shares. If, as a result of the completion of the Tender Offer, the Offeror's ownership has exceeded ninety (90) percent of all the Shares and votes in Innofactor, when calculated together with any Shares otherwise held by the Offeror prior to the date of the announcement of the final result of the Tender Offer, the Offeror will commence as soon as reasonably practicable compulsory redemption proceedings in accordance with the Finnish Companies Act for all the Shares not purchased pursuant to the Tender Offer. Thereafter, the Offeror will apply for the Shares in Innofactor to be delisted from Nasdaq Helsinki, as soon as permitted and reasonably practicable under the applicable laws and regulations and the rules of Nasdaq Helsinki.

The detailed terms and conditions of the Tender Offer as well as instructions on how to accept the Tender Offer will be included in the Tender Offer Document.

The Innofactor Board may at any time prior to the completion of the Tender Offer withdraw, modify, cancel, change or amend the recommendation and take actions contradictory to its recommendation, including by way of deciding not to issue the recommendation, but only if the Innofactor Board determines in good faith due to any event, condition, circumstance, development, occurrence, change, effect or fact (any such item an "**Effect**") occurring after the date of the Combination Agreement or an Effect occurring prior to the date of the Combination Agreement of which the Innofactor Board was not aware as at the date of the Combination Agreement, after receiving advice from reputable external legal counsel and financial advisor(s) and after consultation with the Offeror, that such action with respect to the recommendation is required for the Innofactor Board to comply with its mandatory fiduciary duties towards the holders of the outstanding Shares under Finnish laws and regulations (including the Helsinki Takeover Code) (such duties referred to as the "**Fiduciary Duties**").

The Innofactor Board may, as stated above, withdraw, modify, cancel, change or amend the recommendation (including conditions thereto or deciding not to issue the recommendation) or take actions contradictory to its prior recommendation, only if the Innofactor Board has, before taking action on such recommendation, complied with certain procedures agreed in the Combination Agreement, according to which the Offeror may evaluate matters arising from the changed circumstances, negotiate with the Innofactor Board, enhance the terms and conditions of the Tender Offer or to take other actions to remedy or mitigate the circumstances, and the Innofactor Board has taken such enhanced terms and conditions, if any, into consideration when resolving upon such contemplated actions with respect to the recommendation.

The Innofactor Board has seen it fit to agree to the non-solicitation undertaking and the above-mentioned obligations included in the Combination Agreement, based on its assessment of the terms and conditions of the Tender Offer as a whole, and also considering the non-solicitation undertaking and the above-mentioned obligations do not prevent the Innofactor Board from complying with its fiduciary duties under the Finnish Companies Act and the Helsinki Takeover Code, e.g., in the event of a competing offer or arrangement.

### **Background of the statement**

Pursuant to the Finnish Securities Markets Act, the Innofactor Board has an obligation to prepare a public statement regarding the Tender Offer. The statement shall include a well-founded assessment of the Tender Offer from the perspective of Innofactor and its shareholders as well as of the strategic plans

presented by the Offeror in the draft Tender Offer Document and their likely effects on the operations of, and employment at Innofactor.

For the purposes of issuing this statement, the Offeror has submitted to the Innofactor Board a draft version of the Finnish language Tender Offer Document in the form in which the Offeror has filed it with the Finnish Financial Supervisory Authority on 30 July 2024 (the "**Draft Tender Offer Document**") and its corresponding English version.

In preparing this statement, the Innofactor Board has relied on the information provided in the announcement regarding the Tender Offer published on 22 July 2024 ("**Offer Announcement**") as well as the Draft Tender Offer Document and has not independently verified the information included therein. Accordingly, the Innofactor Board's assessments of the consequences of the Tender Offer on Innofactor's operations and employees, as presented by the Offeror, should be treated with some degree of caution.

### **Assessment of the strategic plans presented by the Offeror in the Draft Tender Offer Document and their likely effects on the operations of, and employment at, Innofactor**

#### ***Information given by the Offeror in the Offer Announcement and Draft Tender Offer Document***

The Innofactor Board has assessed the Offeror's strategic plans based on the statements made in the Offer Announcement and the Draft Tender Offer Document.

The Consortium believes that Innofactor's current status as a listed company limits its growth potential. Among other things, the increasing reporting obligations do not allow the Company and its management to focus sufficiently on business development in addition to which operating as a listed company ties up resources and incurs significant additional costs. The Company also has low liquidity in shares, which limits effective price formation thus making it difficult to raise equity financing from the market to support growth.

According to the view of the Consortium, operating as an unlisted company would provide Innofactor with several significant advantages, including more flexible access to financing and M&A opportunities, a stronger focus on customers, innovation and execution of the growth strategy, and more competitive incentives for management and employees, facilitating the recruitment of key personnel.

CapMan Growth, focusing on domestic growth investments, offers its extensive experience and resources as a strategic partner to Innofactor. According to the view of the Consortium, it can, in particular, support the Company in developing its Nordic operations, improving profitability outside of Finland and accelerating its growth strategy through acquisitions. Furthermore, the Consortium believes that together with Osprey Capital, it will provide a good and stable owner for a demanding Nordic customer base.

The completion of the Tender Offer is not expected to have any immediate material effects on the operations, or the position of the management or employees, of Innofactor. However, as is customary, the Offeror intends to change the composition of the Innofactor Board after the completion of the Tender Offer. Sami Ensio is intended to continue as the CEO of Innofactor also after the completion of the Tender Offer.

#### ***The Innofactor Board's assessment***

The Innofactor Board considers that the information on the strategic plans of the Offeror concerning Innofactor included in the Offer Announcement and Draft Tender Offer Document is of a general nature,

as is typical for such a document. However, based on the Offeror's statements, the Innofactor Board believes that the strategic plans of the Offeror pursuant to the Offer Announcement and Draft Tender Offer Document would not have any immediate material effects on Innofactor's operations or the position of the management and employees of Innofactor.

On the date of this statement, the Innofactor Board has not received any formal statements as to the effects of the Tender Offer to the employment at Innofactor from Innofactor's employees.

## **Assessment Regarding the Financing Presented by the Offeror in the Draft Tender Offer Document**

### ***Information given by the Offeror in the Draft Tender Offer Document***

The Innofactor Board has assessed the Offeror's financing based on the statements made in the Offer Announcement and the Draft Tender Offer Document. In addition, the Company's legal adviser Krogerus Attorneys Ltd has reviewed the Offeror's principal financing documents.

Pursuant to the Draft Tender Offer Document, the Offeror has received equity commitments, as evidenced in equity commitment letters addressed to the Offeror. The Offeror has also entered into a debt financing arrangement made available under a facilities agreement with a reputable Nordic bank. The financing agreed under the facilities agreement has been obtained on standard European "certain funds" basis, and the availability of debt financing is subject only to the following limited conditions: (i) no event of default relating to non-payment, breach of certain major undertakings or statements, cross default, certain insolvency proceedings (or certain similar proceedings), unlawfulness or repudiation and rescission of certain agreements is continuing or would result from the drawdown of the loan; (ii) no event of illegality in respect of granting the loan, no major changes in the ownership of the Offeror having occurred; and (iii) the delivery to the lender of certain customary documents and certifications that are prerequisites to the drawdown and are within the control of the Offeror.

The Offeror's obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the conditions to completion are otherwise satisfied or waived by the Offeror).

### ***The Offeror's Representations and Warranties in the Combination Agreement***

In the Combination Agreement, the Offeror represents and warrants to Innofactor that the Offeror has on the date of the Combination Agreement and will have on the completion date of the Tender Offer secured necessary and adequate financing, as evidenced in, together, (i) the equity commitment letters and (ii) the facilities agreement, in redacted form, in each case, delivered to the Company prior to the execution of the Combination Agreement, to finance the payment of the aggregate Offer Price for all of the Shares and in connection with the possible compulsory redemption proceedings and the possible payment of a termination fee by the Offeror pursuant to the Combination Agreement. The Offeror's obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the conditions to completion are otherwise satisfied or waived by the Offeror).

### ***Board Assessment***

Based on the information made available by the Offeror to the Company, the Offeror's obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the conditions to completion of the Tender Offer are otherwise satisfied or waived by the Offeror). The Innofactor Board believes that the Offeror has secured necessary and adequate financing in sufficient amounts to the extent that the Offeror shall have sufficient funds in cash through equity and debt obligations in order to

finance the Tender Offer on customary European "certain funds" basis on the completion date of the Tender Offer, and compulsory redemption proceedings, if any, in accordance with the requirement set out in Chapter 11, Section 9 of the Finnish Securities Markets Act and the possible payment of a termination fee by the Offeror pursuant to the Combination Agreement.

## **Assessment of the Tender Offer from the perspective of Innofactor and its shareholders**

### ***Introduction***

When evaluating the Tender Offer, analysing alternative opportunities available to Innofactor and concluding this statement, the Innofactor Board has considered several factors, including, but not limited to Innofactor's recent financial performance, current position and future prospects, the historical performance of the trading price of Innofactor's Shares, and the conditions set by the Offeror for completing the Tender Offer.

The Innofactor Board's assessment of continuing the business operations of Innofactor as an independent company has been based on reasonable forward-looking estimates that include various uncertainties, whereas the Offer Price offered by the Offeror in the Tender Offer and the premium included therein is not subject to any uncertainty other than the uncertainties related to the fulfilment of the conditions to completion of the Tender Offer and the completion of the Tender Offer.

Prior to issuing its recommendation, the Innofactor Board has, in accordance with Chapter 1, Section 8 of the Finnish Companies Act, confidentially investigated strategic opportunities for the Company together with its exclusive financial advisor Advium Corporate Finance Ltd ("**Advium**"), by, inter alia, approaching several other parties to enquire about their interest in Innofactor and to evaluate possible alternatives that would be better than the Tender Offer. These alternatives have included, for instance, remaining as an independent company, other strategic arrangements affecting the business operations of the Company, such as divestment of business operations and discovery of parties possibly interested in the Company. In connection with this confidential investigation, the Innofactor Board has, together with the exclusive financial advisor, approached several other parties considered to be potential and, prior to the half-yearly report for January - June (Q2/2024) being released, received three non-binding offers or preliminary indications of interest regarding the Company or certain of its business operations, where in one of the non-binding indicative offers, EUR 1.86 per Share has been indicatively offered for the Shares in the Company, conditional to, inter alia, a customary due diligence review. The Innofactor Board has also received a non-binding offer for one significant part of its business operations. The above-mentioned non-binding offers and preliminary indications of interest, including the non-binding indicative offer with the higher offer price, required, inter alia, the largest shareholder to commit to support such transaction and take part in such transaction, which commitment, to the understanding of the Innofactor Board, would not be available (also taking into consideration the conditions restricting the largest shareholder from withdrawing from the Tender Offer following a competing offer), thereby making, to the understanding of the Innofactor Board, the above-mentioned non-binding indicative offers and preliminary indications of interest, including the non-binding indicative offer with the higher offer price, unfeasible due to their terms. After evaluating other strategic opportunities of the Company and the feasibility of the received non-binding offers and preliminary indications of interests, including the above-mentioned non-binding indicative offer with the higher offer price, the Innofactor Board, represented by a quorum comprising the non-conflicted members of the Innofactor Board who are not members of the Consortium, considers that alternative arrangements better than the Tender Offer are currently not available. When evaluating other non-binding offers and preliminary indications of interest, the Innofactor Board has considered, inter alia, the feasibility of these non-binding offers and preliminary indications of interest, including, inter alia, any

conditions requiring the support of the Company's largest shareholder. The Innofactor Board has carefully evaluated the conditions to completion, risks and uncertainties associated with such alternatives and has concluded that the other non-binding offers and preliminary indications of interest received by the Company are not such that the Innofactor Board would consider them likely to be able proceed to completion, considering in particular the requirement for the support of the largest shareholder. In addition to these factors, the Innofactor Board has in its assessment taken into consideration that especially the aforementioned non-binding indicative offer with the higher offer price was submitted to the Company prior to the half-yearly report for January - June (Q2/2024) being released, thereby, in the Innofactor Board's view, rendering such offer incomparable due to its differing premise.

In order to support its assessment of the Tender Offer, the Innofactor Board has received a fairness opinion, dated 21 July 2024, (the "**Fairness Opinion**") from HLP Corporate Finance Oy to the effect that, the consideration to be offered to shareholders in the Tender Offer was, at the date of the fairness opinion, fair from a financial point of view to the holders of Shares (excluding Sami Ensio and members of the Consortium), which fairness opinion was based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in such opinion. The complete Fairness Opinion is attached as Appendix 1 to this statement.

### ***The Innofactor Board's assessment***

The Innofactor Board believes that the consideration offered by the Offeror in the Tender Offer is fair from the perspective of Innofactor's shareholders on its assessment of the matters and factors it has concluded to be material in evaluating the Tender Offer. These matters and factors include, but are not limited to:

- the information and assumptions on the business operations and financial condition of Innofactor as at the date of this statement and their expected future development, including an assessment of expected risks and opportunities related to the execution of Innofactor's current strategy;
- the Offer Price and premium offered for the Shares;
- historical trading price of the Shares and the relatively low liquidity of shares;
- the liquidity available to shareholders offering their shares in the Tender Offer;
- that the Offer Price will be paid fully in cash;
- transaction certainty, and that the conditions of the Tender Offer are reasonable and customary, including the Offeror's acceptance condition of more than 90 percent;
- valuations and analysis made and commissioned by the Innofactor Board as well as discussions with an external financial advisor;
- the ability to respond to possible third party proposals if necessary to comply with the Innofactor Board's fiduciary duties;
- other terms and conditions of the Tender Offer;
- The Company's largest shareholder's commitment to the Consortium, and, in particular, the Company's Board understanding that the support of the Company's largest shareholder is not available for alternative transactions; and

- the Fairness Opinion issued by HLP Corporate Finance Oy.

Following a written request from the Offeror, the Innofactor Board allowed the Offeror to conduct a due diligence review of the Company in connection with the preparations for the Tender Offer. No inside information has been provided by Innofactor to the Offeror in connection with the review and the Consortium members' participation in the due diligence has been addressed through customary contractual limitations. In parallel with the Offeror's due diligence review, the Innofactor Board and its advisers engaged in negotiations with the Consortium, which resulted in the Offer Price of EUR 1,68 per Share, a clear increase compared to the per Share consideration of the first non-binding indicative proposal made by the Consortium.

In evaluating the Tender Offer, the Innofactor Board has taken into account that the CEO and a member of the Board, as well as the largest shareholder, of Innofactor, Sami Ensio, participates in the Tender Offer as a member of the Consortium. Upon receipt of a non-binding indicative proposal from the Consortium, the Innofactor Board resolved to establish a special ad hoc committee of its non-conflicted members who are not members of the Consortium, comprising Anna Lindén, Risto Linturi and Heikki Nikku, to assess the Tender Offer. The members of the ad hoc committee have held 24 formally scheduled meetings up to the issuance of this statement and have communicated actively with each other and their legal and financial advisers also outside formal meetings in order to carefully assess the Tender Offer from the perspective of Innofactor and its shareholders.

The Innofactor Board has concluded that the business prospects of Innofactor would provide opportunities for Innofactor to further develop its business as an independent company for the benefit of Innofactor and its shareholders. However, based on its overall assessment, taking into consideration the risks and uncertainties described above, among other matters, the Innofactor Board has concluded that the Tender Offer is a favourable alternative to Innofactor's shareholders and considers it necessary to help bring the Tender Offer to the attention of shareholders so that they have the opportunity to accept the Tender Offer if they so wish.

### **Recommendation of the Innofactor Board**

Innofactor Board, represented by a quorum comprising the non-conflicted members of the Innofactor Board who are not members of the Consortium, has carefully assessed the Tender Offer and its terms and conditions based on the Draft Tender Offer Document, the Fairness Opinion by HLP Corporate Finance Oy, the Offer Announcement, and other available information.

Based on all the foregoing, the Innofactor Board considers that the Tender Offer and the amount of the Offer Price are, under the prevailing circumstances, fair to the shareholders of Innofactor.

Given all the above-mentioned viewpoints, the members of the Innofactor Board who participated in the consideration and decision-making concerning the implications of the Tender Offer and this statement in Innofactor unanimously recommend that the shareholders of Innofactor accept the Tender Offer.

Being party to the Consortium, a member of the Innofactor Board Sami Ensio has not participated in any consideration or decision-making concerning the implications of the Tender Offer or this statement.

### **Certain Other matters**

The Innofactor Board notes that the transaction may, as is common in such processes, involve unforeseeable risks.



The Innofactor Board states that Innofactor's shareholders should also take into account the potential risks related to the non-acceptance of the Tender Offer. If the acceptance condition of more than 90 percent of the Shares and votes is waived, the completion of the Tender Offer would reduce the number of Innofactor's shareholders and the number of Shares, which would otherwise be available for trading on Nasdaq Helsinki. Depending on the number of Shares validly tendered in the Tender Offer, this could have an adverse effect on the liquidity and value of the Shares in Innofactor. Furthermore, pursuant to the Finnish Companies Act, a shareholder that holds more than half of the voting rights carried by the shares present in a company's general meeting has sufficient voting rights to decide on, among other things, the appointment of board members and distribution of dividends and a shareholder that holds more than two-thirds of the shares and voting rights carried by the shares present in a company's general meeting has sufficient voting rights to, independently and without cooperation with other shareholders, decide upon certain corporate transactions, including, but not limited to, a merger of the company into another company, an amendment of the articles of association of the company, a change of domicile of the company and an issue of shares in the company in deviation from the shareholders' pre-emptive subscription rights. On the other hand, the price of the Shares may fluctuate prior to and during the acceptance period of the Tender Offer. If the market price of the Shares exceeds the Offer Price, this would make it economically more beneficial for shareholders to sell their Shares in the open market, assuming sufficient liquidity.

Pursuant to the provisions in Chapter 18 of the Finnish Companies Act, a shareholder with more than 90 percent of all shares and votes in a company shall have the right to acquire, and subject to a demand by the other shareholders, also have an obligation to redeem, the shares owned by the other shareholders. Provided that the Offeror acquires such amount of Shares, the Shares held by Innofactor's shareholders who have not accepted the Tender Offer may be redeemed through compulsory redemption proceedings under the Finnish Companies Act under the conditions set out therein.

The Consortium, Innofactor and the Offeror have undertaken to comply with the Helsinki Takeover Code issued by the Securities Market Association referred to in Chapter 11, Section 28, of the Finnish Securities Markets Act.

This statement does not constitute investment or tax advice, and the Innofactor Board specifically does not evaluate herein the general price development or the risks relating to the Shares in general. The shareholders of Innofactor must independently decide whether to accept the Tender Offer, and they should take into account all relevant information available to them, including information presented in the tender offer document and this statement as well as any other factors affecting the value of the Shares.

Innofactor has appointed Advium as its exclusive financial advisor and Krogerus Attorneys Ltd as its legal advisor in connection with the Tender Offer.

Appendix 1: Fairness opinion issued by HLP Corporate Finance Oy

### **Disclaimer**

Advium Corporate Finance Ltd is acting exclusively on behalf of Innofactor and no one else in connection with this Tender Offer or other matters referred to in this document, does not consider any other person (whether the recipient of this statement or not) as a client in connection to the Tender Offer and is not responsible to anyone other than Innofactor for providing protection or for providing advice in connection with the Tender Offer or any other transaction or arrangement referred to in this document.



21 July 2024

The Board of Directors

Innofactor Plc

Keilaranta 9  
02150 Espoo

To the Board of Directors of Innofactor Plc:

We understand that Onni Bidco Oy (the **“Offeror”**), a private limited liability company incorporated and existing under the laws of Finland, that will be indirectly owned by a consortium formed for the purposes of the Tender Offer (as defined below) of CapMan Growth Equity Fund III Ky, a fund managed by the investment company CapMan Growth, (**“CapMan Growth”**), Sami Ensio, the founder, CEO and a member of the Board of Directors of Innofactor Plc, through the holding company Ensio Investment Group Oy controlled by him, and co-investor Osprey Capital Oy (**“Osprey Capital”**) (CapMan Growth, Sami Ensio, through the holding company Ensio Investment Group Oy controlled by him, and Osprey Capital together, the **“Consortium”**) is planning to launch an all-cash voluntary public tender offer (**“Tender Offer”**) for all the issued and outstanding shares in Innofactor Plc (**“Innofactor”** or the **“Company”**). Pursuant to the combination agreement the Offeror and Innofactor are preparing to enter into, the Offeror aims to acquire 100% of the shares of the Company on a fully diluted basis (the **“Shares”**) through the Tender Offer. The price per Innofactor share applied in the Tender Offer is 1.68 EUR (**“Consideration”**), resulting in a total equity value of the Company of 60.1 MEUR. This Consideration represents a premium of 49.3% to the closing price of the Share on the official list of Nasdaq Helsinki, on 19 July 2024 and a premium of 31.5% to the volume weighted average share price of the Share on the official list of Nasdaq Helsinki, during the three-month period up until and including 19 July 2024.

In connection with the Tender Offer, you have requested HLP Corporate Finance Oy (**“HLP”**) to provide you with an opinion, as to the fairness, from a financial point of view, of the Consideration.

We have solely been requested to provide you with this opinion as to the fairness of the Consideration from a financial point of view and are thus not acting as a financial advisor to the Offeror or the Company in connection with the Tender Offer. We will receive a fee for this fairness opinion, which is not contingent upon the consummation of the Tender Offer.



Additionally, HLP may have provided and may in the future provide investment banking services to the Offeror or the Company and may have received and may in the future receive customary fees for such services.

In connection with this opinion, we have

- a) reviewed the financial terms and conditions of the Tender Offer as set forth in the materials made available to us on or before 20 July 2024;
- b) reviewed certain business and financial information relating to the Company provided to us by the Company, such as financial prospects of the Company for the near future prepared by the Company and financial prospects of the Company prepared by certain external financial analysts following the Company (together “**Forecasts**”);
- c) reviewed publicly available financial and stock market information with respect to certain other companies operating in lines of businesses we believe to be generally relevant in evaluating the business of the Company;
- d) reviewed various other information relating to the Company;
- e) compared the Consideration in the Tender Offer with publicly available prices paid in certain other transactions we believe to be generally relevant; and
- f) conducted such other financial studies, analyses and investigations and considered such other information, as we deem appropriate.

In conducting the analyses and arriving at the opinion contained in this letter, we have utilized a variety of generally accepted valuation methods commonly used for these types of analyses. The analyses prepared by us were prepared solely for enabling us to provide the opinion contained in this letter and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities may actually be sold, which are inherently subject to uncertainty. We do not express any opinion as to the price at which the Shares may trade at any time.

In preparing this opinion, we have assumed and relied upon, without independent verifications or appraisals, the accuracy and completeness of all information, whether publicly available or furnished to us by or on behalf of the Company or the Offeror or otherwise reviewed by us for the purposes of this opinion, and we have not assumed and do not assume any responsibility or liability for any such information. In addition, we have assumed that the valuation of assets and liabilities made by the Company is fair and reasonable and we have not independently investigated, valued, or appraised any of the assets or liabilities (contingent or otherwise) of the Company, nor have we been furnished with or reviewed any such valuation or appraisal for the purposes of this opinion.

With respect to financial forecasts and projections we have, at your direction, utilized Forecasts as defined above and we have assumed, with your consent, that these form a reasonable basis to evaluate the future results of the operations and financial condition and performance of the



Company. We have assumed, at your direction, that Forecasts are reasonably prepared on bases reflecting the best currently available estimates and judgements of the parties having prepared them. We assume no responsibility or liability for and express no view as to such Forecasts and projections or the assumptions on which they are based. Additionally, we accept no responsibility for the accounting or other data and commercial assumptions on which this opinion is based.

In preparing this opinion, we have assumed that the Tender Offer will be consummated in accordance with the terms and subject to the conditions described to us without any waiver, modification or amendment of any material term or condition and that all parties of the Tender Offer comply with all material terms presented to us. We have also assumed that all governmental, regulatory or other approvals and consents potentially required in connection with the consummation of the Tender Offer will be obtained promptly without any reduction in the benefits of the Tender Offer to the shareholders of the Company and without any adverse effect on the Company.

Our opinion is necessarily based on the financial, economic, regulatory, monetary, market and other conditions as in effect on, and the information made available to us as of the date hereof. Events, circumstances and developments occurring after the date hereof (including, but not limited to changes in laws and regulations) may affect this opinion and the assumptions used in preparing it, and we are under no obligation to update, revise or reaffirm this opinion.

Our opinion does not address the relative merits of the Tender Offer as compared to other business strategies, transactions or tender offers that might be available with respect to the Company or the underlying business decision of the Board of Directors of the Company to enter into the combination agreement concerning the Tender Offer. We have not been requested, nor do we offer any opinion as to the form or timing of the Tender Offer or any terms, agreements or arrangements or anything else relating to the Tender Offer, other than the Consideration. This opinion only addresses the fairness to the Company's shareholders (other than Mr. Sami Ensio and other Consortium members holding shares in the Company, if any), as of the date hereof, from a financial point of view, of the Consideration, and does not address any legal, regulatory, tax or accounting matters.

Our opinion does not constitute an offer by us or represent a price at which we would be willing to purchase, sell, enter into, assign, terminate or settle any transaction. Our opinion does not include any assessment or analysis of any legal or tax effects, hedging or transaction costs, credit considerations, market liquidity and bid-ask spreads, nor have we performed any independent analysis of the situation of individual shareholders of the Company.

*Based upon and subject to all the foregoing, it is our opinion, as of the date hereof, that the Consideration is fair, from a financial point of view, to the shareholders of Innofactor (other than Mr. Sami Ensio and other Consortium members holding shares in the Company, if any).*



This letter and the opinion are provided solely for the benefit of the Board of Directors of Innofactor in connection with and for the purpose of its consideration of the Tender Offer. This opinion is not on behalf or for the benefit of and shall not confer rights or remedies upon any individual shareholder of the Company or the Offeror and may not be relied upon by any shareholder of the Company or any other person. This opinion is not intended and does not constitute a recommendation to any person as to whether such person should support the Tender Offer by any decision or any manner or as to how any shareholder of the Company should act with respect to the Tender Offer or any matter relating hereto.

This letter may not be used for any other purpose or reproduced (other than for Board of Directors of Innofactor, acting in such capacity), summarized, disseminated, published or quoted at any time and in any manner without our prior written consent. This letter and opinion are made without legal liability or responsibility on our part. We accept no responsibility to any person other than the Board of Directors of Innofactor in relation to the contents of this letter, even if it has been disclosed with our consent.

This letter has been issued in English. Any dispute arising out of, or relating to, this letter shall be governed by Finnish law.

Yours faithfully,

**HLP CORPORATE FINANCE OY**

Joakim Åberg