

Innofactor Plc Interim Report April 23, 2024, at 9:00 Finnish time

Innofactor Plc's Interim Report for January 1–March 31, 2024 (IFRS)

Innofactor increased its net sales in the first quarter of 2024 in spite of the continued challenging market situation

January–March 2024 in brief:

- Net sales were approximately EUR 21.2 million (2023: 20.2), representing an increase of 4.8%
- The operating margin was approximately EUR 2.6 million (2023: 2.5), which shows an increase of 4.6%
- Operating profit was EUR 1.8 million (2023: 1.7), representing an increase of 7.3%
- The order backlog at the end of the review period was EUR 68.8 million (2023: 76.3), representing a decrease of 9.8%

Key figures of the group, IFRS

	Jan 1–Mar 31, 2024	Jan 1–Mar 31, 2023	Change
Net sales, EUR thousand	21,186	20,223	4.8%
Growth of net sales	4.8%	19.2%	
Operating result before depreciation and amortization (EBITDA), EUR thousand	2,601	2,487	4.6%
percentage of net sales	12.3%	12.3%	
Operating profit/loss (EBIT), EUR thousand	1,836	1,712	7.3%
percentage of net sales	8.7%	8.5%	
Earnings before taxes, EUR thousand	1,743	1,311	33.0%
percentage of net sales	8.2%	6.5%	
Earnings, EUR thousand	1,378	1,036	32.9%
percentage of net sales	6.5%	5.1%	
Order backlog	68,819	76,293	-9.8%
Net gearing	19.2%	33.1%	-13.9%
Net gearing without IFRS 16	8.8%	16.4%	-7.5%
Equity ratio	53.9%	47.3%	6.7%
Equity ratio without IFRS 16	57.1%	51.3%	5.8%
Active personnel on average during the review period*	579	567	2.1%
Active personnel at the end of the review period*	583	572	1.9%
Earnings per share (EUR)	0.04	0.03	32.9%

*) 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 2024

Innofactor's net sales and operating margin (EBITDA) in 2024 are estimated to increase from 2023, during which net sales were EUR 80.3 million and the operating margin was EUR 9.1 million.

CEO Sami Ensio's review: We continue to adapt our operations due to the continued challenging market situation

Net sales in the first quarter of 2024 amounted to EUR 21.2 million, representing year-on-year growth of 4.8 percent. The operating margin (EBITDA) increased by 4.6 percent year-on-year to EUR 2.6 million (12.3 percent of net sales), and was positive in Finland and Norway. The order backlog at the end of the quarter amounted to EUR 68.8 million, representing a year-on-year decrease of 9.8 percent.

In accordance with our previous assessment, the market situation remained challenging in the first quarter of 2024. New sales were challenging during the first quarter, but we were successful in our sales activities particularly with regard to the extensions of existing customer accounts. Our invoicing rate fell short of our target due to the challenging demand situation.

We are confident that the market conditions will improve and we want to maintain our competitiveness when demand turns to growth again. In our tendering activities, we have not priced our services below our cost. We are adapting our operations with a conservative approach. We have reduced, and continue to reduce, the use of subcontracting, especially in Finland and Sweden. In the second quarter, we will reduce the number of our personnel by approximately 20 percent in Sweden, where profitability has been weak for an extended period of time and the challenging market situation has further exacerbated the situation.

Innofactor's aim is to be the leading provider of organizations' digital transformation in each of the Nordic countries. We believe in our chosen Nordic strategy and in reaching our long-term goals. This requires perseverance and determination from the company's management and employees as well as investors. Innofactor is still actively looking for new strategic partnerships in the Nordic countries. The Group's goal is to grow both organically and through acquisitions.

Strategy and its realization in the review period

Innofactor's strategy comprises our purpose, mission, vision, strategic choices, values, working principle, and long-term financial goals.

Our purpose: Innovating to make the world work better

Our mission: Driving the modern digital organization

Our vision: Leading Nordic digital transformation partner in the Microsoft ecosystem

Our strategic choices:

- The most competent Nordic teams
- Productized and specialized offering
- Proactive and agile way of working
- Innovation with top customers

Our values:

- Accountability
- Empowerment
- Innovation
- Customer

Our working principle: Our principle is to put people first in everything we do. We want to provide solutions that make our customers' everyday work and life run smoothly and bring a smile to their faces.

Employer Value Proposition: Be the real you

Our long-term financial goals:

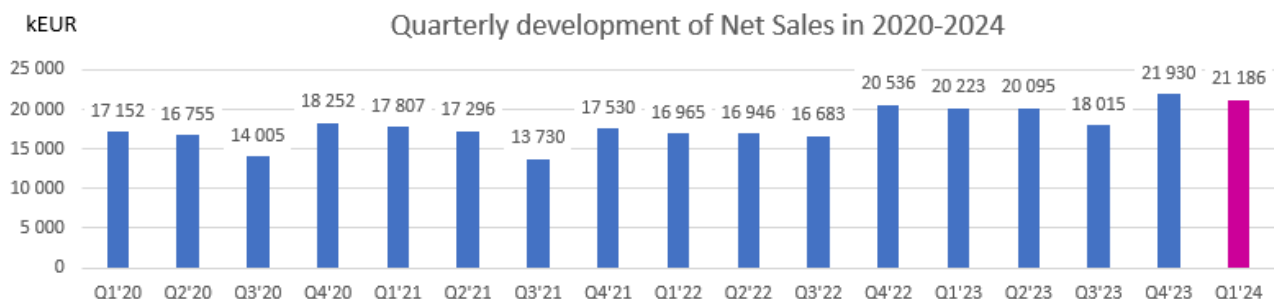
- To achieve annual growth of about 20 percent, the majority of which is intended to be achieved by organic growth
- To achieve about 20 percent EBITDA in relation to the net sales
- To keep the cash flow positive and secure good financial standing in all situations.

Innofactor's net sales in the first quarter amounted to EUR 21.2 million (2023: 20.2), which shows an increase of 4.8 percent compared to the previous year. Achieving the net sales growth target is challenging at present due to the prevailing weak market situation. Innofactor aims to continue to take measures to support stronger net sales growth going forward.

The operating margin (EBITDA) was 12.3 percent of net sales (2023: 12.3%). In the period under review, the operating margin increased by 4.6 percent year-on-year. Profitability has remained at the previous level, and attention and efforts by the management are needed to reach the long-term target of approximately 20 percent.

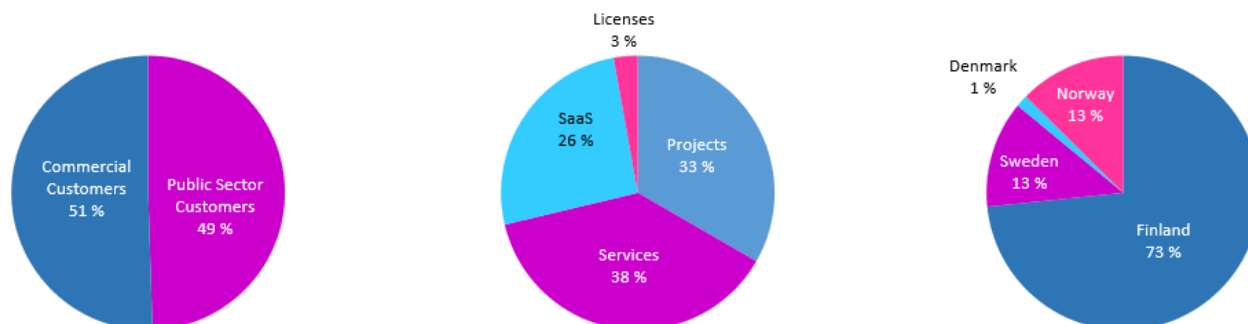
Innofactor's operating cash flow for the review period January 1–March 31, 2024, was EUR 4.4 million (2023 Q1: EUR 3.9 million) and the equity ratio at the end of the review period was 53.9 percent (2023: 47.3 percent). Innofactor's high equity ratio and strong operating cash flow supports the company's strategic goal of profitable growth and securing a solid financial standing in all situations.

Innofactor’s net sales increased in spite of the challenging market conditions



Innofactor’s net sales for the period January 1–March 31, 2024, amounted to EUR 21,186 thousand (2023: 20,223), which shows an increase of 4.8 percent.

Net sales per active employee amounted to approximately EUR 36.6 thousand (2023: 35.7), which shows an increase of 2.6 percent. This was partly due to the reduction of the use of subcontracting. We focus on continuing to increase our net sales per active employee.



Innofactor’s business operations were focused on Finland, Sweden, Denmark and Norway. During the period January 1–March 31, 2024, approximately 73 percent of the net sales came from Finland, approximately 13 percent from Sweden, approximately 13 percent from Norway, and approximately 1 percent from Denmark. Compared with the corresponding period in 2023, net sales increased in Finland and Norway, but decreased in Sweden and Denmark.

During the period January 1–March 31, 2024, approximately 51 percent of the net sales came from commercial customers (including third-sector customers) and approximately 49 percent came from public sector customers.

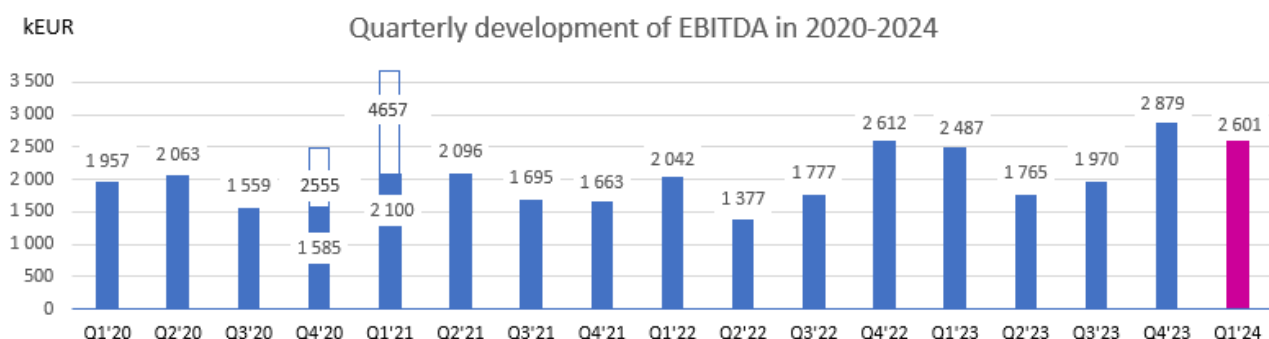
Innofactor’s net sales for the review period of January 1–March 31, 2024, were derived from the following sources:

- Licenses: 3 percent, including all non-recurring fees received for software

- SaaS: 26 percent, including recurring income from SaaS, cloud and hosting services and from software maintenance
- Services: 38 percent, including specialist work based on recurring service contracts, such as smaller customer-specific changes and the further development of IT systems
- Projects: 33 percent, including IT system delivery projects and consulting

Innofactor’s 10 largest customers accounted for approximately 35.4 percent of net sales for the review period January 1–March 31, 2024.

Innofactor’s operating margin remained on a par with the comparison period

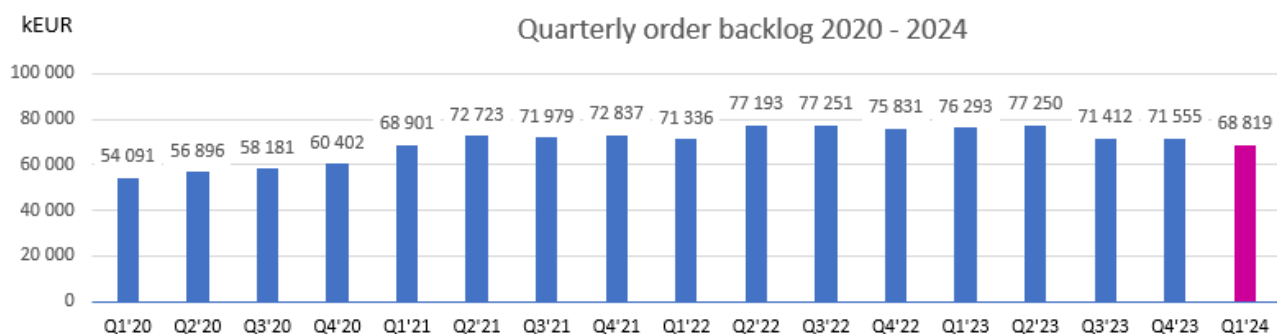


Innofactor’s operating margin (EBITDA) for January 1–March 31, 2024, was EUR 2,601 thousand (2023: 2,487), which shows an increase of 4.6 percent. EBITDA represented 12.3 percent of net sales (2023: 12.3%). Innofactor’s operating margin was positive in Finland and Norway, but negative in Sweden and Denmark.

Innofactor’s operating profit for the period January 1–March 31, 2024, amounted to EUR 1,836 thousand (2023: 1,712), which shows an increase of 7.3 percent. Operating profit was 8.7 percent of net sales (2023: 8.5%).

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 according to 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.

Innofactor's order backlog weakened due to the challenging market situation, the framework agreement backlog grew



Innofactor's order backlog at the end of the review period was EUR 68,819 thousand (2023: 76,293), representing a decrease of 9.8 percent. The decrease in the order backlog is due to the weak market situation, in which generating new sales has been challenging.

At the end of the review period, the value of the framework agreement backlog was EUR 30,527 thousand (2023: 26,104), showing an increase of 16.9 percent.

Innofactor's operating cash flow in the review period continued to be strong

Innofactor's balance sheet total at the end of the review period was EUR 53,897 thousand (2023: 59,105). The Group's liquid assets totaled EUR 1,870 thousand (2023: 5,493), consisting entirely of cash funds.

Operating cash flow for the review period January 1–March 31, 2024, was EUR 4,442 thousand (2023: 3,882). Cash flow from investing activities was EUR -165 thousand (2023: -98).

The equity ratio at the end of the review period was 53.9 percent (2023: 47.3%) and net gearing was 19.2 percent (2023: 33.1%).

At the end of the review period, the company had EUR 2,707 thousand in current interest-bearing liabilities to financial institutions (2023: 5,676) and EUR 1,353 thousand in non-current interest-bearing liabilities to financial institutions (2023: 4,100). The total amount of interest-bearing liabilities to financial institutions was EUR 4,060 thousand (2023: 9,776). The company had IFRS 16 lease liabilities amounting to EUR 2,756 thousand (2023: 4,370) of which EUR 1,880 thousand in current leases (2023: 2,098) and EUR 876 thousand in non-current leases (2023: 2,272). The total amount of interest-bearing liabilities was EUR 6,816 thousand (2023: 14,146).

The return on invested capital for the rolling four quarters from January 1 to March 31, 2024 increased from the previous year and was 18.3 percent (2023: 15.7%). The return on equity for the

rolling four quarters from January 1 to March 31, 2024 increased from the previous year and was 15.0 percent (2023: 14.0%).

The non-current assets on Innofactor’s balance sheet at the end of the review period totaled EUR 34,367 thousand.

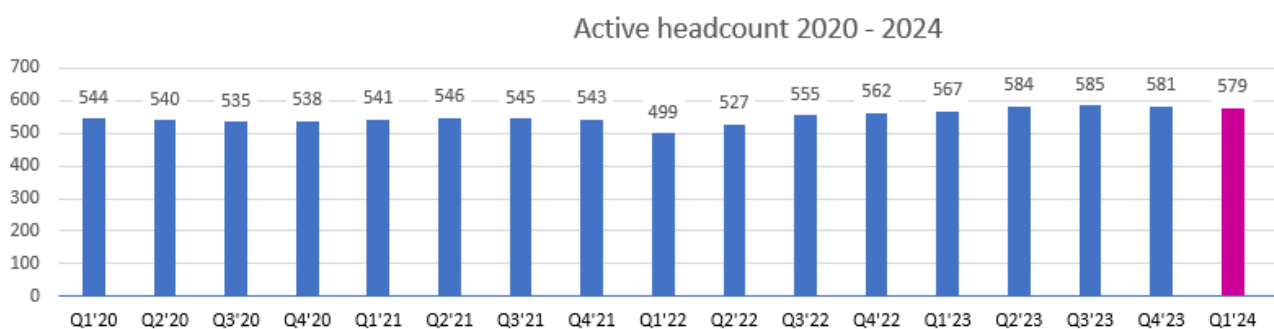
Innofactor’s gross investments in tangible and intangible assets during the review period of January 1–March 31, 2024, came to EUR 171 thousand (2023: 59), consisting of normal additional and replacement investments required by growth.

Innofactor’s research and product development investments increased from last year

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. The focus of the investments was particularly on the Innofactor Dynasty product family.

Innofactor’s research and development costs recognized in profit or loss for January 1–March 31, 2024, amounted to approximately EUR 1,448 thousand (2023: 1,201), representing 6.8 percent of net sales (2023: 5.9%).

Innofactor’s headcount remained at the level of the preceding quarter



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–March 31, 2024, was 579 (2023: 567), which shows an increase of 2.1 percent.

At the end of the review period, the number of active personnel was 583 (2023: 572), which shows an increase of 1.9 percent.

At the end of the review period, the average age of the personnel was 42.1 years (2023: 42.5). Women accounted for 26 percent (2023: 26%) of the personnel. Men accounted for 74 percent (2023: 74%) of the personnel.

Digital Services and Information and Case Management maintained their strong growth and profitability

During the period January 1–March 31, 2024, the net sales of the **Digital Solutions** solution area amounted to EUR 5,624 thousand (2023: 4,697), showing growth of 19.7 percent. The solution area's operating margin for the period January 1–March 31, 2024, was EUR 1,159 thousand (2023: 830), representing 20.6 percent of net sales (2023: 17.7%). The solution area's order backlog at the end of the review period amounted to EUR 15,043 thousand (2023: 29,015). We transferred part of the order backlog to the framework agreement backlog at the end of 2023.

During the period January 1–March 31, 2024, the net sales of the **Business Solutions** solution area amounted to EUR 4,445 thousand (2023: 4,832), down 8.0 percent. The solution area's operating margin for the period January 1–March 31, 2024, was EUR -28 thousand (2023: 71), representing -0.6 percent of net sales (2023: 1.5%). The solution area's order backlog at the end of the review period amounted to EUR 13,766 thousand (2023: 10,257).

During the period January 1–March 31, 2024, the net sales of the **Information and Case Management*** solution area amounted to EUR 4,799 thousand (2023: 4,159), showing growth of 15.4 percent. The solution area's operating margin for the period January 1–March 31, 2024, was EUR 1,011 thousand (2023: 751), representing 21.1 percent of net sales (2023: 18.1%). The solution area's order backlog at the end of the review period amounted to EUR 22,779 thousand (2023: 18,806).

During the period January 1–March 31, 2024, the net sales of the **Cloud, Data, Modern Work and Data Security*** solution area amounted to EUR 6,317 thousand (2023: 6,534), down 3.3 percent. The solution area's operating margin for the period January 1–March 31, 2024, was EUR 460 thousand (2023: 837), representing 7.3 percent of net sales (2023: 12.8%). The solution area's order backlog at the end of the review period amounted to EUR 17,231 thousand (2023: 13,257). We transferred part of the order backlog to the framework agreement backlog at the end of 2023.

*) The figures for 2024 and 2023 are not fully comparable because, at the beginning of 2024, one team with annual net sales of approximately EUR 950 thousand moved from the Information and Case Management solution area to the Cloud, Data, Modern Work and Data Security solution area.

Other events in the review period

There were no other significant events during the review period.

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 36,343,691. Innofactor Plc has one series of shares. Each share confers one vote.

During the period January 1–March 31, 2024, the highest price of the company's share was EUR 1.42 (2023: 1.34), the lowest price was EUR 1.12 (2023: 1.05) and the average price was EUR 1.28 (2023: 1.20).

The closing price for the review period on March 31, 2024, was EUR 1.32 (2023: 1.22).

In public trading during the period of January 1–March 31, 2024, a total of 2,163,766 shares were traded (2023: 2,301,471 shares), which corresponds to 6.0 percent (2023: 6.2%) of the average number of shares in the said period. During the period January 1–March 31, 2024, the average number of shares was 36,343,691 (2023: 37,388,225). The share trading volume decreased by 6.0 percent when compared to the corresponding period in 2023.

The market value of the share capital at the closing price of EUR 1.32 on March 31, 2024, was EUR 47,974 thousand (2023: 45,763), which shows an increase of 4.8 percent.

On March 31, 2024, the company had a total of 11,761 shareholders (2023: 11,838), including nominee-registered shares.

On March 31, 2024, the company held 600,000 treasury shares.

Decisions of the Annual General Meeting

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.

Management of the company

Innofactor Plc complies with the recommendations of the Corporate Governance Code 2020 for Finnish listed companies, published by the Securities Market Association.

Innofactor has drawn up a separate Corporate Governance Statement for the financial period 2023.

Innofactor Plc's entire Corporate Governance and statements are available on the company's website at: www.innofactor.com/invest-in-us/corporate-governance/

Related party transactions

The company's managers considered to be related parties have EUR 14 thousand in liabilities from the company's personnel issues to the company. The loan period is five years, and the loan is repaid in fixed monthly installments. There are also two-year loans that are repaid in four equal instalments every six months. The interest rate for the loan is 12-month Euribor 360. However, the interest rate is always a minimum of 0%. The accrued interest is paid monthly to the company. The company does not have any other major related party transactions.

Market outlook and business environment

The market outlook and business environment are published in their entirety in the financial statement and in the Annual Report.

There have been no significant changes in market outlook and business environment during the review period nor can any other significant changes be seen.

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 four times a year 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 interim reports only present the changes in short-term risks.

There have been no significant changes in Innofactor's short-term risks and uncertainty factors during the review period nor can any other significant changes be seen.

Acquisitions and changes in the Group structure

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

Events after the review period

Innofactor had no significant events after the review period.

Espoo, April 22, 2024

INNOFACTOR PLC

Board of Directors

Additional information:

CEO Sami Ensio, Innofactor Plc

tel. +358 50 584 2029

sami.ensio@innofactor.com

Briefings concerning the Interim Report for January 1–March 31, 2024

Innofactor will publish its Interim Report for January–March 2024 on Tuesday, April 23, 2024, at approximately 9:00 Finnish time.

A briefing in Finnish concerning the Interim Report will be held for media, investors and analysts on the same day at 10:00 Finnish time, at the company's premises at Keilaranta 9, Espoo. The report will be presented by CEO Sami Ensio. The corresponding video conference in English will be held at 12 noon Finnish time. The report will be presented by CFO Antti Rokala.

Please register for the briefing in advance by sending an e-mail to ir@innofactor.com.

The presentation materials will be available on Innofactor's website after the briefing.

Distribution:
NASDAQ Helsinki
Main media
www.innofactor.fi

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

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

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

The interim report 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 and mentioned in the accounting policies section of the financial report 2023. The principles for calculating the key figures and the calculation formulas 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, such as equity ratio, net gearing, return on investment, return on equity, and net sales per person. 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 this interim report have not been audited.

Comprehensive consolidated profit and loss statement and balance sheet, IFRS

Comprehensive consolidated profit and loss statement, IFRS

EUR thousand	Jan 1–Mar 31, 2024	Jan 1–Mar 31, 2023
Net sales	21,186	20,223
Other operating income	25	19
Materials and services (–)	-3,633	-3,275
Employee benefit expenses (–)	-13,324	-12,776
Depreciation (–)	-765	-775
Other operating expenses (–)	-1,653	-1,704
Operating profit/loss	1,836	1,712
Financial income	43	42
Financial expenses (–)	-135	-411
Profit/loss before taxes	1,743	1,311
Income taxes	-366	-274
Profit/loss for the financial period	1,378	1,036
Distribution of the result		
To shareholders of the parent company	1,378	1,036
To non-controlling interests	0	0
Other comprehensive income		
Items that may be later recognized in profit or loss:		
Translation differences	-111	87
Total comprehensive income	1,266	1,124
Distribution of the comprehensive income		
To shareholders of the parent company	1,266	1,124
To non-controlling interests	0	0

Earnings per share calculated from the profit attributable to equity holders of the parent:

basic earnings per share (EUR)	0.0377	0.0283
diluted earnings per share (EUR)	0.0377	0.0283

Consolidated balance sheet, IFRS
ASSETS

EUR thousand	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Non-current assets			
Tangible Assets	1,052	1,006	1,080
Right-of-use assets	2,648	4,260	3,177
Goodwill	26,606	26,831	26,835
Other intangible assets	1,852	2,296	1,929
Shares and holdings	98	76	98
Receivables	44	108	44
Deferred tax assets	2,067	3,782	2,415
Non-current assets	34,367	38,358	35,578
Current assets			
Trade and other receivables	17,661	15,254	18,449
Cash and cash equivalents	1,870	5,493	425
Current assets	19,530	20,747	18,873
TOTAL ASSETS	53,897	59,105	54,451

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR thousand	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Share capital	2,100	2,100	2,100
Share premium reserve	72	72	72
Other reserves (+/-)	59	59	59
Fund for invested unrestricted equity	15,069	17,247	13,549
Retained earnings	11,511	8,365	10,133
Translation differences	-2,062	-1,681	-1,950
Equity attributable to the shareholders of the parent company	26,749	26,162	25,483
Non-controlling interest	0	0	0
Total shareholders' equity	26,749	26,162	25,483
Non-current liabilities			
Loans from financial institutions	1,353	4,100	1,770
Lease liabilities	876	2,272	1,295
Deferred tax liabilities	1,768	1,839	1,779
Other non-current liabilities	0	0	0
Total non-current liabilities	3,997	8,212	4,845
Current liabilities			
Loans from financial institutions	2,707	5,676	4,555
Lease liabilities	1,880	2,098	1,996
Trade and other payables	18,564	16,958	17,573
Current liabilities total	23,150	24,732	24,123
Total liabilities	27,148	32,943	28,968
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	53,897	59,105	54,451

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 difference	Total shareholders' equity
Shareholders' equity Jan 1, 2024	2 100	72	59	15 069	-2 119	12 252	-1 950	25 483
Comprehensive income								
Result for the financial period						1 378		1 378
Exchange differences							-111	-111
Total comprehensive income						1 377	-111	1 266
Repayment of capital								0
Shareholders' equity Mar 31, 2024	2 100	72	59	15 069	-2 119	13 629	-2 062	26 749

EUR thousand	Share capital	Share premium reserve	Reserve fund	Fund for invested unrestricted equity	Own shares	Retained earnings	Exchange difference	Total shareholders' equity
Shareholders' equity Jan 1, 2023	2 100	72	59	20 174	-1 146	5 496	-1 351	25 404
Comprehensive income								
Result for the financial period						3 438		3 438
Exchange differences							-49	-49
Total comprehensive income						3 437	-49	3 388
Repayment of capital				-2 177				-2 177
Purchase of own shares					-527			-527
Shareholders' equity Mar 31, 2023	2 100	72	59	15 069	-2 119	12 252	-1 950	25 483

Consolidated cash flow statement, IFRS

EUR thousand	Jan 1–Mar 31, 2024	Jan 1–Mar 31, 2023
Cash flow from operating activities		
Profit before taxes	1,743	1,311
Adjustments:		
Depreciation	765	775
Other transactions with no related cash flow:	291	336
Operating profit before change in working capital	2,800	2,422
Change in trade and other receivables (+/–)	783	-707
Change in trade and other payables (+/–)	991	2,142
Change in working capital	1,774	1,436
Cash flow from operating activities before financing and income taxes paid	4,573	3,858
Interest received	42	-10
Interest paid (–)	-40	34
Taxes paid	-133	0
Net cash flow from operating activities	4,442	3,882
Investment cash flow		
Acquisition of subsidiaries	0	0
Purchase of shares in associated companies	0	0
Investments in intangible and tangible assets (–)	-171	-59
Change in loan receivables	5	-39
Net cash flow from investments	-165	-98
Cash flow from financing		
Loans withdrawn	0	0
Loans paid	-2,265	374
Lease liability payments	-567	-568
Dividend distribution/repayment of capital	0	0
Payment of equity loans	0	0
Purchase of own shares	0	-389
Transfer of own shares	0	0
Net cash flow from financing	-2,832	-583
Change in cash and cash equivalents (+/–)	1,445	3,202
Cash and cash equivalents, opening balance	425	1,956
Cash and cash equivalents, closing balance	1,870	5,493
	1,445	3,537

**Consolidated profit and loss
statement by quarter, IFRS**

EUR thousand	Jan 1–Mar 31, 2024	Apr 1– Jun 30, 2024	Jul 1– Sep 30, 2024	Oct 1– Dec 31, 2024	Jan 1– Mar 31, 2023	Apr 1– Jun 30, 2023	Jul 1–Sep 30, 2023	Oct 1–Dec 31, 2023
Net sales	21,186				20,223	20,095	18,015	21,930
Other operating income	25				19	28	41	52
Materials (–)	-3,633				-3,275	-3,256	-3,566	-3,411
Employee benefit expenses (–)	-13,324				-12,776	-13,140	-11,101	-13,767
Depreciation (–)	-765				-775	-781	-761	-948
Other operating expenses (–)	-1,653				-1,704	-1,962	-1,419	-1,925
Operating profit/loss	1,836				1,712	984	1,209	1,209
Financial income	43				10	16	91	0
Financial expenses (–)	-135				-411	-187	128	-308
Profit/loss before taxes	1,743				1,311	813	1,428	1,428
Income taxes	-366				-274	-354	-363	-745
Profit/loss for the financial period	1,378				1,036	459	1,064	1,064
EBITDA	2,601				2,487	1,765	1,970	2,879

Key figures for the solution areas

Jan 1–Mar 31, 2024	Digital	Business	Information	Cloud, Data, Modern	Total
EUR thousand	Services	Solutions	and Case Management*	Work and Data Security*	
SaaS net sales	462	1,302	2,211	1,510	5,485
License net sales	25	94	229	253	601
Project net sales	2,135	1,528	1,566	1,828	7,057
Service net sales	3,002	1,521	793	2,727	8,042
Total net sales	5,624	4,445	4,799	6,317	21,186
Growth, %	19.7%	-8.0%	15.4%	-3.3%	4.8%
EBITDA	1,159	-28	1,011	460	2,601
percentage of net sales	20.6%	-0.6%	21.1%	7.3%	12.3%
Order backlog	15,043	13,766	22,779	17,231	68,819
percentage of net sales	267%	310%	475%	273%	325%
Research and product development expenses		144	1,200	103	1,448
percentage of net sales	0%	3%	25%	2%	7%

Jan 1–Mar 31, 2023	Digital	Business	Information	Cloud, Data, Modern	Total
EUR thousand	Services	Solutions	and Case Management*	Work and Data Security*	
SaaS net sales	426	1,404	2,075	1,046	4,952
License net sales	36	48	234	227	545
Project net sales	1,792	1,526	964	2,831	7,113
Service net sales	2,443	1,854	885	2,430	7,613
Total net sales	4,697	4,832	4,159	6,534	20,222
Growth, %	10.6%	11.6%	20.0%	32.8%	19.2%
EBITDA	830	71	751	837	2,488
percentage of net sales	17.7%	1.5%	18.1%	12.8%	12.3%
Order backlog	29,015	10,257	18,806	13,257	71,336
percentage of net sales	618%	212%	452%	203%	353%
Research and product development expenses		127	985	89	1,202
percentage of net sales	0%	3%	24%	1%	6%

*) The figures for 2024 and 2023 are not fully comparable because, at the beginning of 2024, one team with annual net sales of approximately EUR 950 thousand moved from the Information and Case Management solution area to the Cloud, Data, Modern Work and Data Security solution area.

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	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
	-	-	-
Trade and other receivables	17,661	15,254	18,449
Cash and cash equivalents	1,870	5,493	425
Total	19,530	20,747	18,873
Loans from financial institutions	4,060	9,776	6,325
Lease liabilities	2,756	4,370	3,291
Trade and other payables:			
Received advances	4,417	3,739	1,703
Trade payables	2,145	1,703	2,074
Other liabilities	2,754	3,260	5,139
Accrued expenses	9,248	8,256	8,657
Interest rate swap agreements, not in hedge accounting *			
Total	25,380	31,104	27,188

The Group's commitments and contingent liabilities

EUR thousand	Mar 31, 2024	Mar 31, 2023
Collateral given for own commitments		
Lease collateral	163	156
Mortgages on company assets	16,650	16,950
Bank guarantees	326	309
Other own liabilities		
Lease and rent liabilities		
Liabilities maturing in less than one year	45	128
Liabilities maturing in 1–5 years	63	112
Total	108	240
Other own liabilities total	108	240

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.

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 March 31, 2024, was as follows:

Name	Number of shares	% of share capital
1. Ensio Sami (under control of)	7,925,397	21.81%
<i>Sami Ensio</i>	5,751,637	15.83%
<i>Minor under guardianship</i>	724,588	1.99%
<i>liris Ensio</i>	724,586	1.99%
<i>Minor under guardianship</i>	724,586	1.99%
2. Ilmarinen Mutual Pension Insurance Company	1,800,000	4.95%
3. R. Linturi Oyj (under control of)	1,256,411	3.46%
<i>R. Linturi Oyj</i>	489,107	1.35%
<i>Linturi Kaija Anneli</i>	430,000	1.18%
<i>Linturi Risto Erkki Olavi</i>	337,304	0.93%
4. Hellen Stefan Andreas	486,000	1.34%
5. Mäki Antti-Jussi	460,000	1.27%
6. Ingman Finance Oy Ab	450,000	1.24%
7. Muukkonen Teemu Heikki	402,857	1.11%
8. Mandatum Life Insurance Company Limited	292,583	0.81%
9. Tilman Tuomo Tapani	287,538	0.77%
10. Laiho Rami Tapani	246,480	0.68%
11. Kannisto Jaakko Mikael	226,533	0.62%
12. Kukkonen Heikki-Harri	213,606	0.59%
13. Järvenpää Janne-Olli	213,079	0.59%
14. Varsio Jussi Ilari	200,000	0.55%
15. Mäkinen Antti Vilho Juhani	168,000	0.46%
16. Ärje Matias Juhannoika	155,800	0.43%
17. Pesonen Tuomo Sakari	139,862	0.38%
18. Saarnio Mikko Markus	138,000	0.38%
19. Heikkinen Janne Mikael	136,543	0.38%
20. Muurinen Hannu Olavi	125,750	0.35%
Total	15,315,439	42.14%

Formulas for calculating the key figures

Operating margin (EBITDA):

Operating profit/loss - Depreciations

Order backlog:

Received license and project orders - realized net sales related to the order + net sales from recurring agreements for the next 12 months (does not include expected purchase activity not based on agreement, so called Run Rate)

Framework agreement backlog:

The management's estimate of future net sales to be derived from framework agreements concluded by the company. The net sales are transferred to the order backlog when a binding order is received from the customer.

Net sales/employee:

Net sales

Active personnel on average during the review period

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