

Innofactor Plc Stock Exchange Release February 26, 2013, at 8:30 Finnish time

## **Innofactor Plc financial statement 2012 (IFRS)**

### **Summary**

Innofactor group's key figures for October 1–December 31, 2012:

- Net sales EUR 6,297 thousand (2011: 5,136), increase of 22.6%
- Operating profit before depreciation and amortization (EBITDA), EUR 1,035 thousand (2011: 606), increase of 70.8%
- EBITDA percentage 16.4% (2011: 11.8%)
- Operating profit (EBIT) EUR 869 thousand (2011: 463), increase of 87.7%
- EBIT percentage 13.8% (2011: 9.0%)

Innofactor group's key figures for January 1–December 31, 2012:

- Net sales EUR 18,818\* thousand (2011: 17,205), increase of 9.4%\*
- Operating profit before depreciation and amortization (EBITDA), EUR 1,215\*\* thousand (2011: 1,443), decrease of 15.8%\*\*
- EBITDA percentage 6.5%\*\* (2011: 8.4%)
- Operating profit (EBIT) EUR 620\*\* thousand (2011: 904), decrease of 31.4%\*\*
- EBIT percentage 3.3%\*\* (2011: 5.3%)

Innofactor's net sales in 2013 are expected to be about EUR 24 million (2012: EUR 18,818 thousand). Operating profit before depreciation and amortization (EBITDA) in 2013 is expected to be about EUR 2 million (2012: EUR 1,215 thousand).

The financial statement figures in this financial statement have been audited. The acquired Danish company Bridgeconsulting A/S (current Innofactor A/S) has been included in the figures as of July 1, 2012. Further details about the acquisition can be found in this interim report's section "Acquisitions and changes in the group structure."

\* Due to the organizational change on January 2, 2012, projects were rearranged, which had a one-off effect of lowering the net sales in January by about EUR 300 thousand.

\*\* Due to the organizational change on January 2, 2012, projects were rearranged, which had a one-off effect of lowering the net sales in January by about EUR 300 thousand. Additionally, the personnel and office space arrangements related to the organizational change led to a one-off cost of about EUR 100 thousand. In total, these reduced the net sales by about EUR 400 thousand. Additionally, the acquisition made on July 5, 2012, resulted in a one-off cost of about EUR 150 thousand in the review period July 1–September 30, 2012.

**Key figures of the group, IFRS**

	mo. 10– 12 /2012	mo. 10–12 /2011	Change	mo. 1–12 /2012	mo. 1– 12 /2011	Change
Net sales, EUR thousand*	6,297	5,136	+22.6%	18,818	17,205	+9.4%
Operating profit before depreciation and amortization (EBITDA), EUR thousand**	1,035	606	+70.8%	1,215	1,443	-15.8%
percentage of net sales**	16.4%	11.8%		6.5%	8.4%	
Operating profit/loss (EBIT), EUR thousand**	869	463	+87.7%	620	904	-31.4%
percentage of net sales**	13.8%	9.0%		3.3%	5.3%	
Earnings before taxes, EUR thousand**	860	457	88.2%	591	886	-33.3%
percentage of net sales**	13.7%	8.9%		3.1%	5.1%	
Earnings, EUR thousand**	816	361	+126.0%	449	687	-34.6%
percentage of net sales**	13.0%	7.0%		2.4%	4.0%	
Shareholders' equity, EUR thousand	13,760	12,905	+6.6%	13,760	12,905	+6.6%
Return on equity***	6.1%	2.8%		3.4%	5.5%	
Return on investment***	5.9%	3.7%		4.5%	7.2%	
Net gearing	5.4%	-5.4%		5.4%	-5.4%	
Equity ratio	66.1%	74.5%		66.1%	74.5%	
Balance sheet total, EUR thousand	22,173	18,324	+21.0%	22,173	18,324	+21.0%
Research and development, EUR thousand	548	369	+48.5%	2,488	2,086	+19.3%
percentage of net sales	8.7%	7.2%		13.2%	12.1%	
Personnel on average during the review period	197	184	+7.1%	189	177	+6.8%
Personnel at the end of the review period	193	189	+2.1%	193	189	+2.1%
Number of shares at the end of the review period****	30,165,90 0	29,261,800	+3.1%	30,165,90 0	29,261,80 0	+3.1%
Earnings per share (EUR)****	0.0272	0.0123	+121.1%	0.0150	0.0235	-36.2%
Shareholders' equity per share (EUR)****	0.460	0.441	+4.3%	0.460	0.441	+4.3%

\* Due to the organizational change on January 2, 2012, projects were rearranged, which had a one-off effect of lowering the net sales in January by about EUR 300 thousand.

\*\* Due to the organizational change on January 2, 2012, projects were rearranged, which had a one-off effect of lowering the net sales in January by about EUR 300 thousand. Additionally, the personnel and office space arrangements related to the organizational change led to a one-off cost of about EUR 100 thousand. In total, these reduced the net sales by about EUR 400 thousand. Additionally, the acquisition made on July 5, 2012, resulted in a one-off cost of about EUR 150 thousand in the review period July 1–September 30, 2012.

\*\*\* The percentages for the return on equity and return on investment have been adjusted to correspond with the figures for a 12-month period.

\*\*\*\* In accordance with the decision of the Innofactor Plc's Annual General Meeting on April 28, 2011, twenty old shares were consolidated into one new share (registered in the Trade Register on May 7, 2011), which reduced the total number of shares to 1/20 of the previous number. The key figures presented in the table have been adjusted to correspond with the current number of shares.

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## Reporting

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

### CEO Sami Ensio's review

Innofactor's net sales on October 1–December 31, 2012, were EUR 6,297 thousand, which shows an increase of 22.6 percent compared to the same period in the previous year. Operating profit before depreciation and amortization (EBITDA) during October 1–December 31, 2012, was EUR 1,035 thousand (16.4%) and earnings before interest and taxes (EBIT) were EUR 869 thousand (13.8%).

For the entire year 2012, the net sales were EUR 18,818 thousand, which shows an increase of 9.4 percent compared to the same period in the previous year. Operating profit before depreciation and amortization (EBITDA) in 2012 was EUR 1,215 thousand (6.5%) and earnings before interest and taxes (EBIT) were EUR 620 thousand (3.3%).

Integrating the Danish business intelligence company Bridgeconsulting A/S (current Innofactor A/S), which was acquired in summer 2012, as part of Innofactor has gone as planned and on the last quarter, the company managed to exceed the goals set for it. Also the personnel satisfaction in the company has remained on a very high level. Microsoft Denmark selected Innofactor A/S as the Business Intelligence partner of the year in Denmark. Innofactor A/S provides a good basis for expanding business in Denmark.

Innofactor's business in 2013 has started as expected and Innofactor sees the growth in Microsoft-based software market and its own outlook as positive in 2013.

Innofactor continues to actively seek potential strategic partnerships in Finland, Denmark and other Nordic Countries. The group will seek growth, which can be organic or based on mergers or acquisitions.

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

Due to the long-standing uncertainties in economic situation, it is challenging to make a reliable estimate on the development of the IT market in the near future. According to research companies monitoring the IT market, the IT service markets grew globally about 1-2 percent in 2012 and they are expected to grow about 3-5 percent in 2013. The growth of software market in 2012–2013 is estimated to be about one percentage point faster, that is, 4–6 percent in 2013.

The IT market is experiencing a clear turning point. One of the major trends is the consumerization of information technology: an increasingly larger share of the IT purchases made by companies is based on the requirements of individuals, that is, the consumer market. Company and corporate clients tend to purchase software that can be used on phones, tablets and computers. Another trend is the ability of public clouds to offer software in a scalable and global form to a wide range of end users and for all devices, including mobile phones.

Innofactor has made a strategic choice by focusing on solutions that use Microsoft technology. Innofactor believes that Microsoft is a strong player in the IT market change: it holds the leading position in the business software market and invests heavily in mobile devices.

Innofactor has selected as its application areas those areas where Microsoft's growth and, correspondingly, its partners' growth has exceeded manifold the growth of general global IT service and software markets. For example, in 2012, Microsoft repeatedly reported annual growth figures of over 30 percent in the sales of Dynamics CRM solutions and Microsoft SQL Server Premium servers (used in Microsoft-based BI solutions) and annual growth figures of over 10 percent in the sales of SharePoint, Lync and Exchange solutions. The above-mentioned Microsoft solution areas, which are growing significantly faster than other IT markets, form a significant part of Innofactor's business operations.

Additionally, the publishing of the Windows 8 operating system in October 2012, is significant for the Microsoft ecosystem and it is believed to strengthen Microsoft's competitiveness within Innofactor's clientele.

The company feels that for companies like Innofactor, which is strongly committed to Microsoft, this development creates growing global markets in the long term both as a traditional system integrator locally in the Nordic Countries and as a provider of cloud and mobile solutions globally.

As the companies committing strongly to Microsoft are typically small, Innofactor believes that they are likely to be consolidating into larger units, and this will offer Innofactor expansion opportunities.

## Net sales

Innofactor net sales on October 1–December 31, 2012, were EUR 6,297 thousand (2011: 5,136), which shows a growth of 22.6 percent of which 4.5 percent was organic and 18.1 percent inorganic.

In the review period of January 1–December 31, 2012, net sales were EUR 18,818\* thousand (2011: 17,205), which shows a growth of 9.4 percent of which -1.0 percent was organic and 10.4 percent inorganic.

In division between organic and inorganic, the net sales figures for Innofactor A/S have been considered as of July 1, 2012.

\* Due to the organizational change on January 2, 2012, projects were rearranged, which had a one-off effect of lowering the net sales in January by about EUR 300 thousand.

## Result development

Innofactor's operating profit before depreciation and amortization (EBITDA) on October 1–December 31, 2012, was EUR 1,035 thousand (2011: 606), which shows an increase of 70.8 percent. EBITDA accounted for 16.4 percent of the net sales (2011: 11.8%).

Innofactor's operating profit on October 1–December 31, 2012, was EUR 869 thousand (2011: 463), which shows an increase of 87.7 percent. Operating profit accounted for 13.8 percent of the net sales (2011: 9.0%).

Innofactor's operating profit before depreciation and amortization (EBITDA) on January 1–December 31, 2012, was EUR 1,215\* thousand (2011: 1,443), which shows a decrease of 15.8 percent. EBITDA accounted for 6.5\* percent of the net sales (2011: 8.4%).

Innofactor's operating result on January 1–December 31, 2012, was EUR 620\* thousand (2011: 904), which shows a decrease of 31.4 percent. The operating result accounted for 3.3\*\* percent of the net sales (2011: 5.3%).

During October 1–December 31, 2012, research and development costs recognized in the profit and loss statement were EUR 548 thousand (2011: 369); during January 1–December 31, 2012, they were EUR 2,488 thousand (2011: 2,086).

\* Due to the organizational change on January 2, 2012, projects were rearranged, which had a one-off effect of lowering the net sales in January by about EUR 300 thousand. Additionally, the personnel and office space arrangements related to the organizational change led to a one-off cost of about EUR 100 thousand. In total, these reduced the net sales by about EUR 400 thousand. Additionally, the acquisition made on July 5, 2012, resulted in a one-off cost of about EUR 150 thousand in the review period July 1–September 30, 2012.

**Financing and investments**

Innofactor's balance sheet total at the end of the review period was EUR 22,173 thousand (2011: 18,324). The group's liquid assets totaled EUR 656 thousand (2011: 696), consisting totally of cash funds.

The operating cash flow in the review period of January 1–December 31, 2012, was EUR 252 thousand (2011: -798). The investment cash flow was EUR -1,459 thousand (2011: -220).

The equity ratio at the end of the review period was 66.1 percent (2011: 74.5%) and net gearing was 5.4 percent (2011: -5.4%).

At the end of the review period, the company had EUR 443 thousand in current interest bearing liabilities (2011: 0) and EUR 950 thousand in long term interest bearing liabilities (2011: 0).

The return on investment on January 1–December 31, 2012, was 4.5 percent (2011: 7.2%).

The return on equity on January 1–December 31, 2012, was 3.4 percent (2011: 5.5%).

The non-current assets in Innofactor's balance sheet at the end of the review period were EUR 12,747 thousand in total and consisted of the following items:

- Tangible assets EUR 451 thousand
- Goodwill value EUR 2,834 thousand
- Other intangible assets EUR 1,695 thousand
- Deferred tax assets EUR 7,767 thousand

Innofactor's gross investments in tangible assets in the review period of January 1–December 31, 2012, were EUR 189 thousand (2011: 201), consisting of normal additional and replacement investments required by growth.

According to the impairment tests carried out, there are no impairments. The write-offs on intangible assets were EUR 335 thousand (2011: 328).

**Research and product development**

Innofactor's research and development costs recognized in the profit and loss statement for October 1–December 31, 2012, were EUR 548 thousand (2011: 369), which accounts for 8.7 percent of the net sales (2011: 7.2%).

Innofactor's research and development costs recognized in the profit and loss statement for January 1–December 31, 2012, were EUR 2,488 thousand (2011: 2,086), which accounts for 13.2 percent of the net sales (2011: 12.1%).

**Personnel**

The average number of personnel at Innofactor during October 1–December 31, 2012, was 197 (2011: 184), an increase of 7.1%; during January 1–December 31, 2012, the average number was 189 (2011: 177), which shows an increase of 6.8 percent.

At the end of the review period, the number of personnel was 193 (2011: 189), which shows an increase of 2.1 percent.

At the end of the review period, the average age among personnel was 37.9 years (2011: 37.0). Of the personnel, 42.3 percent (2011: 38.4%) had a higher academic degree, 32.8 percent (2011: 36.8%) had a lower academic degree or were studying for a higher academic degree, and 24.9 percent (2011: 24.8%) had some other degree. Women accounted for 20 percent of the personnel and men for 80 percent (2011: 22% and 78%).

**Business operations**

On January 1–June 30, 2012, Innofactor's business was focused on Finland, and on July 1–December 31, 2012, in Finland and Denmark. On January 1–December 31, 2012, about 88 percent of the net sales came from Finland, about 10 percent from Denmark, and about 2 percent from emissions trading solutions for EU member states and from Swedish parishes and from some Finnish companies' foreign operations.

Of the net sales on January 1–December 31, 2012, about 1/3 came from corporate customers and about 2/3 from customers in public administration.

Innofactor's net sales in the review period of January 1–December 31, 2012, came from the following sources:

- about 58% from systems integrator services (including system delivery projects and smaller changes and further development);
- about 9% from licenses, of which the share of licensing income to third parties was about 3%;
- about 33% from ongoing service agreements (incl. maintenance agreements, SaaS, cloud and hosting services).

Innofactor's 10 largest clients accounted for about 20 percent of the net sales during the review period January 1–December 31, 2012.

**Other events in the review period**

Innofactor reformed its organization as of January 2, 2012. Innofactor group's operations were previously organized into four business units: business clients, public administration and third



sector clients, software and systems, and services. In the new organization, the system integrator function (SI) and the software business (Independent Software Vendor, ISV) are separated into different units. The system integration function is organized into country-specific units; at the moment, there is only a unit in Finland. The software business is organized in the global Cloud and Mobile Solutions unit. In the new organization, the system integrator unit in Finland is divided into four business units: Web Communications and eCommerce, Productivity and Operational Solutions, Document and Case Management, and Third Sector Solutions. The organizational change did not include any lay-offs or other similar personnel arrangements.

On January 2, 2012, Mikko Lampi, M.Sc. (Tech), was appointed Deputy Managing Director and Chief Technology Officer. He has been employed by the company since March 1, 2001, the latest position being Vice President of Software and Systems Unit.

On January 2, 2012, based on the authorization granted to it by the General Meeting, the Board of Directors of Innofactor Plc announced its decision concerning a new share-based incentive plan for the Group's personnel ("Personnel Issue") in order to commit the personnel to the company and its goals. The incentive plan includes a maximum of 2,000,000 new shares ("Personnel Shares"), which are included in the amount authorized by the General Meeting and which are offered for subscription to the entire current personnel of the Innofactor Group, deviating from the shareholders' pre-emptive subscription rights. At the time of the decision, on January 2, 2012, Innofactor Plc had a total of 29,261,800 shares. If all the offered Personnel Shares were subscribed for in the Personnel Issue, the number of shares would increase to a maximum of 31,261,800 shares, of which a maximum of 2,000,000 Personnel Shares would account for a maximum of 6.4 percent of the total post-issue number of shares and votes. The purpose of the directed Personnel Issue is to increase the personnel's commitment to the Company, and therefore a weighty financial reason as per the Finnish Companies Act exists for waiving the pre-emptive rights of shareholders. The subscription price for the Personnel Shares is EUR 0.542 per share. The weighted average price of the Innofactor Plc shares was approximately EUR 0.601 per share between December 1, 2011, and December 30, 2011. The subscription price of the Personnel Shares is therefore approximately 10% lower than the weighted average share price in December 2011. The subscription price in total will be recognized as an increase in the company's fund for invested unrestricted equity. To cover the subscription price of the Personnel Shares, Innofactor grants loans to its personnel. The loan term is 10 years. The loan is granted as part of the distributable funds of the company. Interest rate of the loan is the 12-month Euribor at the time of the subscription period and is adjusted annually. The loan repayments and interests are deducted from the employees' monthly net salaries. The Personnel Shares must be subscribed for and the loans taken out between March 12, 2012, and March 16, 2012, after the company's Financial Statements for the year 2011 have been published. When subscribing for Personnel Shares, the subscriber has to undertake to not to resign from the company during a six month period. The trading of the issued Personnel Shares on the Helsinki Stock Exchange (NASDAQ OMX) is estimated to start on March 23, 2012. The Personnel Shares are subject to a sale and transfer restriction for 12 months starting from the date on which the increase in the share capital related to the



Personnel Issue is entered in the Trade Register. The company will publish the final results of the Personnel Issue in a stock exchange release around March 20, 2012.

On March 2, 2012, Mikko Karvinen (35), M.Sc. in Economics, was appointed as a new Chief Financial Officer (CFO) at Innofactor Plc. He will be a member of Innofactor Executive Board and report to Sami Ensio, President and CEO of Innofactor Plc. Innofactor's long-time CFO, Anneli Saarikoski, will act as CFO until July 31, 2012, and then move on to other tasks at Innofactor Plc at her own request. Mikko Karvinen will join Innofactor from Tectia Plc, where he has been acting as CFO since 2009. Mikko Karvinen will start at Innofactor on August 1, 2012.

On March 19, 2012, Innofactor Plc's subsidiary Innofactor Software Ltd was selected in a public procurement procedure to deliver an electronic communication system for the processing of applications for the City of Vantaa and its enterprises and subsidiaries. The delivery includes the licenses and delivery of the system and the services related to its implementation, support, maintenance and development. The value of the contract during the next four years is approximately EUR 740,000. This transaction strengthens Innofactor's position as a provider of eService solutions in Finland. The solution is based on Dynasty<sup>®</sup> 360<sup>°</sup> information management software, SharePoint 2010 and Innofactor<sup>®</sup> CDS<sup>®</sup> eForm component.

On March 19, 2012, the Board of Directors of Innofactor Plc accepted in full the subscriptions made in connection with the Personnel Issue. A total of 904,100 shares were subscribed by the personnel. As a result of the Personnel Issue, the number of Innofactor's shares increased by 904,100 shares to total of 30,165,900 shares. The new shares correspond to 3.0 percent of Innofactor Plc's post-issue share capital and votes. Personnel were granted loans totaling EUR 371,118.78. The subscription price in total was recognized as an increase in the company's fund for invested unrestricted equity. The new shares were registered in the Trade Register without delay. The trading of the new shares in the Helsinki Stock Exchange (NASDAQ OMX) started on March 30, 2012. The Personnel Shares are subject to a sale and transfer restriction for 12 months starting from the registration to the Trade Register.

On March 27, 2012, the Annual General Meeting of Innofactor Plc resolved to adopt the accounts and the group's financial statement for the financial period that ended on December 31, 2011, and granted the members of the Board of Directors and the Chief Executive Officer discharge from liability for the financial period that ended on December 31, 2011.

The General Meeting decided, in accordance with the proposal of the Board of Directors, that no dividend will be paid for the financial period January 1–December 31, 2011.

The General Meeting decided that the Chairman of the Board of Directors shall be paid a fee totaling EUR 36,000 per year and the other members of the Board of Directors shall be paid a fee totaling EUR 24,000 per year. No separate fees for meetings shall be paid. Half of the fee (50%) shall be paid monthly in cash and the other half (50%) as shares of Innofactor Plc. The shares shall be handed over to the members of the Board of Directors and, if necessary, shall be acquired from public trading directly on behalf of the members within two weeks of publishing the interim report

of Innofactor Plc for January 1–March 31, 2012. Innofactor Plc requires the members of the Board of Directors to keep the shares, which they have received as part of the fees, for the duration of their membership in the Board of Directors.

The General Meeting decided that the number of the members of the Board of Directors shall be five and that no deputy members shall be elected. The following persons were elected as members of the Board of Directors: Sami Ensio, Juha Koponen, Pyry Lautsuo, Pekka Puolakka, and Jukka Mäkinen. At their organizing meeting held immediately after the General Meeting, the Board of Directors elected Pyry Lautsuo as Chairman of the Board.

Ernst & Young Oy, an auditing firm authorized by the Central Chamber of Commerce, was elected as the auditor for the company. Ernst & Young Oy has informed that it will appoint Juha Hilmola, Authorized Public Accountant, as the auditor with principal responsibility. It was decided that the auditing fee shall be paid according to a reasonable invoice.

The General Meeting decided to authorize the Board of Directors to decide on issuing new shares and/or conveying the company's own shares held by the company and/or granting special rights entitling to shares pursuant to Chapter 10, Section 1 of the Finnish Companies Act in accordance with the proposal of the Board of Directors. In addition to the Current Authorization, the General Meeting decided to authorize the Board of Directors to decide on granting of a maximum of 8,000,000 shares and transferring of a maximum of 1,000,000 company shares in the company's possession, in one or several parts. The shares could be issued either against a payment or for free on the basis of conditions set by the Board of Directors and, for the part of an issue against payment, at the price defined by the Board of Directors. The New Authorization also gives the Board of Directors the right to grant special rights—as defined in the Chapter 10, Section 1 of the Finnish Companies Act—which entitle, against payment, to new shares or company shares in the company's possession. A right may also be given to a creditor in such manner that the right includes a condition that the creditor's receivable is used to set off the subscription price (convertible loan). The subscription price of the new shares and the amount paid for the company's own shares will be added to the fund for invested unrestricted equity. The New Authorization includes a right to deviate from the pre-emptive subscription rights of the existing shareholders, provided that the company has an important financial reason to do so, as regards the issue against payment, and that there is an especially important reason for the company and the good of the shareholders to do so, as regards the free issue. Within the limits set above, the New Authorization could be used, for example, to develop the capital structure, to widen the ownership base, in making a payment for an acquisition, or when the company buys property related to its business operations. New issue or transfer of own shares could also be used as a contribution in kind or when using the set-off right. The New Authorization cannot be used in implementing incentive systems aimed at the company's personnel or the Chief Executive Officer. The New Authorization also includes the right to decide on a free share issue to the company itself in such a manner that, after the issue, the number of shares in the company's possession is at the maximum one tenth (1/10) of the total number of shares in the company. This number includes the shares in the possession of the company or its subsidiaries as defined in the Chapter 15, Section 11, subsection 1 of the Finnish Companies Act. The New Authorization shall be valid until

June 30, 2013. The Board of Directors was authorized to decide on all other matters related to the New Authorization.

On April 30, 2012, in order to improve profitability, the Board of Directors decided to start cooperation negotiations in the SharePoint Solutions unit, which could lead to a maximum of nine people being let go or to a 90-day temporary dismissal for all personnel.

On May 22, 2012, Innofactor ended the cooperation negotiations concerning the SharePoint Solutions unit. During the talks, there was positive development in the business operations of the unit. The Board of Directors decided on laying off 2 people and temporarily dismissing 2 people for 90 days.

On May 23, 2012, Innofactor Plc and FIM Bank Ltd signed a market making agreement that meets the requirements of NASDAQ OMX Helsinki Ltd's Liquidity Providing (LP) operations. According to the agreement, FIM Bank Ltd will quote bids and offers for Innofactor Plc's share so that the spread of the bid and offer prices is a maximum of 4% calculated on the bid price. The bids and offers quoted must be for an amount of shares corresponding to the minimum of EUR 4,000. FIM Bank Ltd shall quote bids and offers for Innofactor Plc's share in the trading system of NASDAQ OMX Helsinki on each trading day for at least 85 percent of the Continuous Trading period and in the auction procedures applicable to the share. Market making in accordance with the LP agreement commenced on May 24, 2012. The agreement will be in force initially for a fixed term of 6 months and thereafter under further notice. The agreement's period of notice is one month.

On June 21, 2012, Innofactor Plc's subsidiary Innofactor Software Ltd was selected in a public procurement procedure to deliver a Resource Booking System for the City of Espoo. The delivery includes the delivery and implementation of the system and the services related to its implementation, support, hosting and maintenance during the contract period. The value of the contract is approximately EUR 475,000. The goal of the purchase is to implement a Resource Booking System that fulfills the current and future needs of City by enabling allocation of facilities, courses, people, equipment and other resources through the Internet. The system will include 500 users and administrators. The City of Espoo wanted to have a single vendor, who is capable of committing to cooperation and has the required resources to develop and maintain the system comprehensively and to adhere to the given requirements, while maintaining high quality. This transaction strengthens significantly Innofactor's position as a provider of Resource Booking Systems and eServices for municipalities in Finland, and opens significant new business opportunities. The City of Espoo is a strategic and long term partner for Innofactor. Previously delivered solutions include Espoo's Tennis Field Reservation System and Swimming Pool Access Control as well as Information Management Solution. The Resource Booking System is based on Innofactor<sup>®</sup> Prime<sup>™</sup> ERP Software.

On June 25, 2012, Innofactor Plc signed a contract on acquiring the entire share capital of the Danish company Bridgeconsulting A/S and its parent company Bridgeconsulting Holding ApS. This is described in more detail in the section "Acquisitions and changes in the group structure."

On April 7, 2012, Innofactor Plc's subsidiary Innofactor Software Ltd was selected in a public procurement procedure to deliver a SharePoint application maintenance service for VTT. The delivery includes a handover project, application maintenance service for VTT SharePoint platform in its entirety, customer support and projected software development for the SharePoint platform. The estimated value of the contract is EUR 1,580,000. This transaction strengthens Innofactor's position as a provider of SharePoint services in Finland.

On August 28, 2012, the Extraordinary General Meeting of Innofactor Plc accepted the Board of Directors' proposal to renew the March 27, 2012, Authorization until June 30, 2014. According to the decision, the Innofactor Board of Directors has an authorization, valid until June 30, 2014, on granting of a maximum of 8,000,000 shares and transferring of a maximum of 1,000,000 company shares in the company's possession, in one or several parts ("March 27, 2012, Authorization"). The shares could be issued either against a payment or for free on the basis of conditions set by the Board of Directors and, for the part of an issue against payment, at the price defined by the Board of Directors. The March 27, 2012, Authorization also gives the Board of Directors the right to grant special rights—as defined in the Chapter 10, Section 1 of the Finnish Companies Act—which entitle, against payment, to new shares or company shares in the company's possession. A right may also be given to a creditor in such manner that the right includes a condition that the creditor's receivable is used to set off the subscription price (convertible loan). The subscription price of the new shares and the amount paid for the company's own shares will be added to the fund for invested unrestricted equity. The March 27, 2012, Authorization includes a right to deviate from the pre-emptive subscription rights of the existing shareholders, provided that the company has an important financial reason to do so, as regards the issue against payment, and that there is an especially important reason for the company and the good of the shareholders to do so, as regards the free issue. Within the limits set above, the March 27, 2012, Authorization could be used, for example, to develop the capital structure, to widen the ownership base, in making a payment for an acquisition, or when the company buys property related to its business operations. New issue or transfer of own shares could also be used as a contribution in kind or when using the set-off right. The March 27, 2012, Authorization cannot be used in implementing incentive systems aimed at the company's personnel or the Chief Executive Officer. The March 27, 2012, Authorization also includes the right to decide on a free share issue to the company itself in such a manner that, after the issue, the number of shares in the company's possession is at the maximum one tenth (1/10) of the total number of shares in the company. This number includes the shares in the possession of the company or its subsidiaries as defined in the Chapter 15, Section 11, subsection 1 of the Finnish Companies Act. The Board of Directors shall decide on all other matters related to the March 27, 2012, Authorization.

The Extraordinary General Meeting of Innofactor Plc on August 27, 2012, accepted the Board of Directors' proposal to grant the Board an authorization to decide on acquisition of own shares with following presumptions:

The Extraordinary General Meeting authorizes the Board of Directors to decide on acquiring a maximum of 3,000,000 shares in one or several parts with the company's own capital. The authorization entitles the Board to deviate from the shareholders' proportional shareholdings

(directed acquisition). Shares will be acquired on the Nasdaq OMX Helsinki Ltd with the public trading on the market. The number of shares in the company's possession may be, at the maximum, one tenth (1/10) of the total number of shares in the company. The shares may be used to develop the capital structure, to widen the ownership base, in making a payment for an acquisition, or when the company buys property related to its business operations or as part of the incentive compensation plan, or to be otherwise invalidated or conveyed. In connection with the share repurchase, ordinary derivative, stock lending and other agreements may be made in the market in accordance with the laws and regulations. The authorization includes the right of the Board of Directors to decide on all other matters related to the acquisition of shares. The authorization will be valid until June 30, 2014.

At its meeting on August 27, 2012, the Board of Directors of Innofactor Plc decided to start the acquisition of the company's own shares. A maximum of 1,500,000 shares will be acquired, equaling approximately 4.97% of the total number of the company's shares. The decision is based on the authorization, given to the Board by the Extraordinary General Meeting on August 27, 2012, to acquire a maximum of 3,000,000 shares. The acquisition of own shares will start at the earliest on September 4, 2012, and will end on December 31, 2013, at the latest. The shares may be used to develop the capital structure, to widen the ownership base, in making a payment for an acquisition, or when the company buys property related to its business operations or as part of the incentive compensation plan, or to be otherwise invalidated or conveyed. The shares will be acquired by using company's unrestricted equity, at the market price on the time of purchase, in the public trading maintained by NASDAQ OMX Helsinki Ltd, and in accordance with the NASDAQ OMX Helsinki Ltd and Euroclear Oy regulations and guidelines for acquisition of own shares.

At its meeting on August 27, 2012, the Board of Directors of Innofactor Plc decided to increase the equity of Innofactor Software Ltd, a subsidiary of the group, by EUR 5,000,000. The equity was increased by having Innofactor Software Ltd offer new shares to Innofactor Plc for subscription at a total subscription price of EUR 5,000,000, of which EUR 4,988,000 was recorded in Innofactor Software Ltd's fund for invested unrestricted equity and EUR 12,000 in the share capital. The subscription price was fully paid through an offset of EUR 5,000,000 of Innofactor Plc's receivables from Innofactor Software Ltd. Innofactor group's business operations in Finland are centralized into Innofactor Software Ltd. The amount of Innofactor Software Ltd's equity is significant particularly for certain public-sector procurement contracts, where it may be considered as one of the grounds for awarding a contract.

In its meeting on October 30, 2012, the Board of Directors of Innofactor Plc decided on updating Innofactor's strategy. The updated strategy is presented in this statement's section "Strategy."

On November 1, 2012, Innofactor was selected to deliver a platform transfer and deployment of intranet and extranet for Tekes. Innofactor Plc's subsidiary Innofactor Software Ltd was selected in a public procurement procedure to deliver a platform transfer and deployment of intranet and extranet for Tekes – the Finnish Funding Agency for Technology and Innovation. The value of the contract is EUR 557,585.

On November 30, 2012, Innofactor amended its estimate for 2012.

**Share and shareowners**

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 30,165,900, of which 276,000 shares were in the company's possession. Innofactor Plc has one series of shares. Each share is entitled to one vote.

On October 1–December 31, 2012, the highest price of the company share was EUR 0.70 (2011: EUR 0.77), the lowest price was EUR 0.42 (2011: EUR 0.56), and the average\*\* price was EUR 0.48 (2011: EUR 0.63).

On January 1–December 31, 2012, the highest price of the company share was EUR 0.70 (2011: EUR 3.20\*), the lowest price was EUR 0.38 (2011: EUR 0.56\*), and the average\*\* price was EUR 0.50 (2011: EUR 1.35\*). The closing price for the review period on December 31, 2012, was EUR 0.48 (2011: EUR 0.60\*).

\* In accordance with the decision of the Innofactor Plc's Annual General Meeting on April 28, 2011, twenty old shares were consolidated into one new share (registered in the Trade Register on May 7, 2011), which reduced the total number of shares to 1/20 of the previous number. The share prices before share consolidation have been adjusted by multiplying them by 20.

\*\* The average share price was calculated by taking the total value of share trading in the stock exchange on the said period and dividing this by the number of shares traded in the stock exchange on the said period.

In public trading on October 1–December 31, 2012, a total of 1,689,176 shares were traded (2011: 281,705 shares), which corresponds to 5.6 percent (2011: 1.0%) of the average number of shares on the said period. On October 1–December 31, 2012, there were 29,971,458 shares on the average (2011: 29,261,800). The share trade increased by 499.6 percent compared to the corresponding period in 2011. The average number of shares does not include shares in the company's possession.

In public trading on January 1–December 31, 2012, a total of 3,569,716 shares were traded (2011: 2,092,354 shares\*), which corresponds to 11.9 percent (2011: 7.2%) of the average number of shares on the said period. On January 1–December 31, 2012, there were 29,894,264 shares on the average (2011: 29,261,814\*). The share trade increased by 70.6 percent compared to the corresponding period in 2011. The average number of shares does not include shares in the company's possession.

\* In accordance with the decision of the Innofactor Plc's Annual General Meeting on April 28, 2011, twenty old shares were consolidated into one new share (registered in the Trade Register on May 7, 2011), which reduced the total number of shares to 1/20 of the previous number. The numbers of shares presented in the table have been adjusted to the current number of shares historically as well by dividing the number of shares by 20.



The market value of the share capital, excluding the shares in the company's possession, on December 31, 2012, at the closing price of the review period, EUR 0.48, was EUR 14,347 thousand (2011: 17,557), which shows a decrease of 18.3 percent.

On December 31, 2012, the company had 11,838 shareowners (2011: 12,257) including the administrative registers (8 registers). The share of nominee registered ownership was 0.4 percent of the total number of shares. Of the owners, 4.2 percent were companies operating in Finland, 0.3 percent financing and insurance companies, 93.7 percent Finnish households, and 1.4 percent foreign owners.

The Board of Directors has the following authorizations:

- Until June 30, 2014, on a share issue and granting of special rights entitling to shares, concerning a maximum of 8,000,000 new shares, of which none has been used (decided on General Meetings of March 27, 2012, and August 27, 2012).
- Until June 30, 2014, on a transfer of company shares in the company's possession, concerning a maximum of 1,000,000 shares, of which none has been used (decided on General Meetings of March 27, 2012, and August 27, 2012).

During the financial period, Innofactor Plc submitted two flagging notices:

- On March 30, 2012, Sami Ensio's and his children's (minors under guardianship) ownership of the Innofactor Plc votes and shares fell under one fourth (25%) when the new shares subscribed in the Personnel Issue were registered in the Trade Register. Sami Ensio and his children owned 7,370,000 shares, that is, 24.24% of the shares and votes.
- On March 30, 2012, Rami Laiho's ownership of the Innofactor Plc votes and shares fell under one twentieth (5%) when the new shares subscribed in the Personnel Issue were registered in the Trade Register. Rami Laiho owned 1,489,888 shares, that is, 4.94% of shares and votes.

Board of Directors:

- Pyry Lautsuo, 46,964 shares, 0.16%
- Sami Ensio 7,400,000 shares, 24.52%
  - Sami Ensio 5,226,240 shares, 17.32%
  - minor under guardianship, 724,588 shares, 2.40%
  - minor under guardianship, 724,586 shares, 2.40%
  - minor under guardianship, 724,586 shares, 2.40%
- Juha Koponen, 31,309 shares, 0.10%
- Jukka Mäkinen, 28,183 shares, 0.09%
- Pekka Puolakka, 126,979 shares, 0.42%
  - Hillside Ou, 105,670 shares, 0.35%
  - Pekka Puolakka, 31,309 shares, 0.10%



**CEO:**

- Sami Ensio 7,400,000 shares, 24.52%
  - Sami Ensio 5,226,240 shares, 17.32%
  - minor under guardianship, 724,588 shares, 2.40%
  - minor under guardianship, 724,586 shares, 2.40%
  - minor under guardianship, 724,586 shares, 2.40%

**Management Team:**

- Aino-Maija Gerdt, 180,000 shares, 0.60%
- Henrikki Hervonen, 133,880 shares, 0.44%
- Petteri Kekkonen, 36,900 shares, 0.12% (until July 24, 2012)
- Mikko Karvinen, 100,000 shares, 0.33% (as of August 1, 2012)
- Mikko Lampi, 1,045,543 shares, 3.47%
- Janne Martola, 100,000 shares, 0.33%
- Teemu Muukkonen, 507,468 shares, 1.68%
- Mikko Myllys, 176,981 shares, 0.59%
- Mika Nurmi, 139,553 shares, 0.46%
- Anneli Saarikoski, 22,616 shares, 0.07% (until July 31, 2012)

**Auditors:**

- Juha Hilmola, 0 shares, 0.0%

**Own shares**

The Extraordinary General Meeting of Innofactor Plc on August 27, 2012, accepted the Board of Directors' proposal to grant the Board an authorization to decide on acquisition of own shares with following presumptions:

The Extraordinary General Meeting authorized the Board of Directors to decide on acquiring of a maximum of 3,000,000 shares in one or several parts with the company's own capital. The authorization entitles the Board to deviate from the shareholders' proportional shareholdings (directed acquisition). Shares will be acquired on the Nasdaq OMX Helsinki Ltd with the public trading on the market. The number of shares in the company's possession may be, at the maximum, one tenth (1/10) of the total number of shares in the company. The shares may be used to develop the capital structure, to widen the ownership base, in making a payment for an acquisition, or when the company buys property related to its business operations or as part of the incentive compensation plan, or to be otherwise invalidated or conveyed. In connection with the share repurchase, ordinary derivative, stock lending and other agreements may be made in the market in accordance with the laws and regulations. The authorization includes the right of the Board of Directors to decide on all other matters related to the acquisition of shares. The authorization will be valid until June 30, 2014.

At its meeting on August 27, 2012, the Board of Directors of Innofactor Plc decided to start the acquisition of the company's own shares. A maximum of 1,500,000 shares will be acquired, equaling approximately 4.97% of the total number of the company's shares. The decision is based on the authorization, given to the Board by the Extraordinary General Meeting on August 27, 2012, to acquire a maximum of 3,000,000 shares. The acquisition of own shares will start at the earliest on September 4, 2012, and will end on December 31, 2013, at the latest. The shares may be used to develop the capital structure, to widen the ownership base, in making a payment for an acquisition, or when the company buys property related to its business operations or as part of the incentive compensation plan, or to be otherwise invalidated or conveyed. The shares will be acquired by using company's unrestricted equity, at the market price on the time of purchase, in the public trading maintained by NASDAQ OMX Helsinki Ltd, and in accordance with the NASDAQ OMX Helsinki Ltd and Euroclear Oy regulations and guidelines for acquisition of own shares.

On December 31, 2012, Innofactor Plc had in its possession 276,000 of its own shares that had been purchased at the average price of EUR 0.47 per share. The ownership of the company's share capital is 0.91%, which does not have a significant effect on the distribution of ownership or votes.

### **Management of the company**

Innofactor Plc complies with the recommendations of the Corporate Governance Code 2010 for Finnish listed companies, published by the Securities Market Association.

At the General Meeting on March 27, 2012, the number of the members of the Board of Directors was confirmed to be five. The General Meeting decided to approve the proposal to re-elect Sami Ensio, Juha Koponen, Pyry Lautsuo and Pekka Puolakka as members of the Board of Directors and to elect Jukka Mäkinen as a new member. The Board of Directors elected Pyry Lautsuo to continue as their Chairman.

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

Innofactor has drawn up a separate Corporate Governance Statement for the financial period of 2012.

Innofactor Plc's entire Corporate Governance and statements are available on the company's web site at: [http://www.innofactor.com/investors/corporate\\_governance](http://www.innofactor.com/investors/corporate_governance)

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

Innofactor's operations, finances and shares involve risks that may be significant for the company and its share value. These risks are assessed by the Board of Directors four times a year as part of

the strategy and business planning process. The risks in their entirety are published in the financial statement and the interim reports only introduce changes in the short term risks.

### **Risks related to operations**

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

**Profitability of projects:** A large part of Innofactor's net sales comes from project business. 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 will pay special attention to the profitability of project business in 2013.

**Knowledgeable personnel and its availability:** The development of Innofactor's operations and deliveries depend greatly on the group having knowledgeable personnel and being able to replace persons, who are leaving, with proper resources. In Innofactor's field of business, there is a lack of and competition for certain personnel resources. If Innofactor fails at motivating its personnel, keeping the personnel's skills on 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 key personnel and their success in their work. In 2013, Innofactor will invest especially in developing the personnel's skills.

**Increase in personnel costs:** The main part of Innofactor's costs consists of personnel costs (in 2012, about 70%). Currently, all of Innofactor's own employees work in Finland and Denmark, whereas some competitors rely heavily on workforce in countries with cheap labor. If the personnel costs continue rising in Finland and Denmark 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 and aims at increasing the share of work done by subcontractors and abroad.

**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 workforce and larger existing customer base than Innofactor does, and they can use these when competing with Innofactor for the same deliveries. The price competition on the field is expected to remain tough. 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 2012, about 13% of the net sales were used for it. 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. In reorganizing its operations, Innofactor aims at minimizing the risks inherent in research and product development.

**Globalization:** In accordance with its strategy, Innofactor is seeking for more growth also in the global markets, especially in the Nordic Countries. Global operations typically always involve higher risks than operation at home. Especially at the beginning, it is difficult to operate global business profitably. Although Innofactor's internationalization to Denmark by acquiring Bridgeconsulting A/S has been a success financially and also in other ways, it is probable that international business operations in some other countries may be unprofitable at the beginning. 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.

**Changes in technology:** Fast technological development is characteristic for Innofactor's field of business. There can be quick changes in the customers' requirements and choices concerning software technology. An important change under way is the transfer of software to cloud technologies. If Innofactor cannot answer the technology challenges, it may have an adverse effect on Innofactor's business, operating result and financial position. Innofactor strives to actively invest in new technologies.

**Reaching the growth goals:** Realizing the desired organic growth requires a growth rate that is clearly faster than the growth in the general IT market. This creates a risk that it cannot be realized in the future, although it has been done before. Although market development in 2013 seems to be more positive than in the previous year, it is possible that, due to the general financial situation in Europe, the growth of IT market in 2013 is not good. Ensuring growth has a central part in planning Innofactor's operations and setting its goals. Innofactor strives to lessen this operational risk by focusing on sales to keep the order book on a sufficient level as regards the business operations.

**Uncertainties related to acquisitions:** The growth estimates are partly based on acquisitions. With acquisitions, there are uncertainties about finding suitable companies to acquire and in making the acquisitions on 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.

**Risks related to acquisitions:** Each acquisition, after it has been made, carries some risks, which include the success of the integration, 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 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. The reasons for this include, for example, incorrect planning in placing units and personnel. As regards the organizational change made at the beginning of 2012, no negative effects are expected anymore. Innofactor is not planning any such organizational changes in the near future. If such changes are to be made in the future, Innofactor will strive to pay more attention to controlling the change and possibly also to preparing for the change financially.

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

### Financial risks

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

Financing risks: In its normal business operations, the Innofactor group is susceptible to normal financing risks. In order to acquire the Danish company Bridgeconsulting A/S, Innofactor took a loan of EUR 1.25 million. Before that, Innofactor had no debts. This may have increased Innofactor's financing risks. Innofactor has committed itself to the following covenants: equity ratio shall be at least 40 percent and interest bearing debts / EBITDA shall be 3.0 at the maximum in the financial statement of December 31, 2012, and subsequent statements. The goal of managing the financing risks is to minimize the negative effects of the changes in the financial markets to the result of the group. Risk management has been centralized to the CFO, who is responsible for the group's financing and regularly reports to the company's Management Team and Board of Directors. It is possible that, in the future, the group will not get the financing it needs and this will have a negative effect on the group business and its development, especially on making acquisitions.

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 business financing in order to ensure that the group has enough liquid assets in its use. Excess cash balance is placed on savings accounts or funds with capital guarantee.

Credit risk: Credit decisions related to sales receivables are monitored centrally in the group's management. Large part of Innofactor's cash flow comes through established customer relationships as payments from the public sector and companies, which have not presented essential credit risks in the past. The group has not had significant amounts of outstanding sales receivables. Should the credit risks realize, it would weaken the group's financial standing and liquidity. Sales receivables are monitored regularly.

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

**Risks related to shares**

Trading of Innofactor Plc shares in the review period of 2012 increased by 70%, but is still relatively low. In 2012, the trading was 11.9% of the share capital, when the average for companies in the Helsinki stock exchange was 80%. Low volume in trading typically results in a liquidity risk for the share and its price formation. Innofactor Plc strives to improve the liquidity of the share and decrease the related liquidity risk by its strategy of increasing the value for the shareowners and by its active investor communications.

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

**Acquisitions and changes in the group structure**

On June 25, 2012, Innofactor signed a contract on acquiring the entire share capital of the Danish company Bridgeconsulting A/S from its management. 3% of the shares were acquired directly and the rest, 97%, were acquired by acquiring the entire share capital of Bridgeconsulting Holding ApS. Bridgeconsulting was the leading Danish IT services company focusing on producing Business Intelligence solutions based on Microsoft technology. The acquisition supported Innofactor's globalization strategy announced in 2011. Innofactor's strategic goal is to grow both organically and through mergers and acquisitions and to become the largest provider of Microsoft-based solutions in the Nordic Countries. The name of Bridgeconsulting A/S was changed to Innofactor A/S.

Bridgeconsulting was focused on providing Business Intelligence, Data Warehousing and Corporate Performance Management solutions. The company has been a highly ranked Microsoft partner in Business Intelligence, and has been awarded as the Microsoft's Business Intelligence partner of the year in Denmark in 2009, 2010 and, after the acquisition, 2012. The company's customers include large Danish organizations both in the private and public sectors, including SAS, Unicef, TDC, DONG Energy, Ministry of Environment, and Copenhagen Municipality. The company's net sales for the last fiscal year preceding the acquisition (October 2010–September 2011) were approximately EUR 3.28 million (growth of 18%) and the operating profit before depreciation and amortization (EBITDA) was approximately EUR 0.14 million. At the time of the acquisition, the company employed approximately 25 people in Copenhagen, Denmark. The management and employees of the company were transferred into the Innofactor group as existing employees. The company and its financial information have been consolidated into the Innofactor group starting from July 2012, on the basis of the acquisition closing date, July 5, 2012. The company's last financial period (started in October 2011) was extended to end on December 31, 2012. The acquisition price will depend on the target company's realized EBITDA of the 12 months following the acquisition (July 2012–June 2013). The acquisition price will be paid in Danish kroner and in

Innofactor Plc shares and is estimated to be approximately EUR 2.0 million. It was agreed that the minimum purchase price shall be approximately EUR 1.6 million and the maximum purchase price approximately EUR 3.0 million. Approximately EUR 1.26 million of the acquisition price was paid in cash at the beginning of July 2012 and the rest is planned to be paid with Innofactor Plc's shares during the second half of 2013. The cash part of the transaction was financed with a bank loan of EUR 1.25 million. 75% of the shares are subject to transfer restrictions, which are gradually released during a period of 36 months starting from the date of the final purchase price payment in shares.

Bridgeconsulting A/S's net sales, EBITDA and operating income in the financial periods of October 1, 2010–September 30, 2011, and October 1, 2009–September 30, 2010, were formed according to the Danish Accounting Standards as follows (thousand euros):

	October 1, 2010–September 30, 2011	October 1, 2009–September 30, 2010
Net sales	3,277	2,768
EBITDA	142	181
Operating profit (EBIT)	95	143

Bridgeconsulting A/S's balance sheets on September 30, 2011, and September 30, 2010, were as follows (thousand euros):

	Sep 30, 2011	Sep 30, 2010
Fixed assets	127	77
Receivables and current assets	982	758
Total	1,109	835
Shareholders' equity	191	207
Liabilities	917	628
Total	1,109	835

The currency rate used in the above figures: 1 euro = 7.44 Danish Kroner.

At the beginning of July 2012, Innofactor Plc founded in Denmark a subsidiary, Innofactor Holding Aps, which it owns fully. The entire ownership of Bridgeconsulting Holding Aps and Innofactor A/S (former Bridgeconsulting A/S) have been transferred to this subsidiary. Bridgeconsulting Holding Aps will be dissolved later.

The preliminary acquisition cost calculation for Bridgeconsulting A/S has been attached to the financial statement.



On November 30, 2012, Innofactor acquired project and project portfolio management solutions business from Tietotalo Infocenter. The transaction entered into force on December 31, 2012, and the acquired business will be consolidated into Innofactor's financial figures as of January 1, 2013. The net sales of the acquired business in 2012 was estimated to be approximately EUR 0.5 million. Tietotalo Infocenter's personnel in the business unit focused on project and project portfolio management systems were transferred into Innofactor as existing employees. The purchase price is to be paid in cash from Innofactor's cash funds.

No other acquisitions or other changes in the group structure were carried out during the review period.

### **Corporate environmental and social responsibility**

Innofactor's operations are guided by the company's strategy, values, quality system, environmental policy, and legislation. The group is committed to operating profitably and increasing its net sales while taking into account the environmental effects.

Innofactor takes care of the well-being of its personnel by maintaining a stable, safe and communicative atmosphere and by building a reliable development path into the future.

In its operations, Innofactor adheres to the principles of sustainable development and the environmental guidelines of the Federation of Finnish Technology Industries. Through the solutions it has developed, the group has helped its customers to reach their environmental goals and contributed to the sustainable development of the society. Electronic case and document management solutions and eService solutions are examples of Innofactor's solutions that reduce adverse effects on the environment. The emissions trading systems provided for several European countries also contribute to the efforts to curb the climate change.

Innofactor strives to establish long-term cooperation with its clients and partners and thereby create networks in which complementary expertise produces new kinds of solutions. In accordance with its mission, the Group aims at offering its employees and partners an innovative and supportive environment in which they can continue to develop themselves.

### **Strategy**

Innofactor provides its clients with software, systems and related services. Innofactor focuses on the supply of solutions for the Microsoft environment. Innofactor's clients are enterprises and organizations. Innofactor operates in Finland and Denmark and offers its solutions from these to other countries. Innofactor strives to actively expand its operations in the Nordic Countries, which may happen either organically or through acquisitions. Additionally, Innofactor offers value-added components for Microsoft business solutions for global markets, utilizing several distribution channels.

Innofactor's mission is

- to help our clients offer their customers increasingly better services and improve their operations, and
- to provide our personnel and partners with an innovative and supportive environment in which they can continue to develop themselves.

Innofactor's vision is to become

- #1 provider of Microsoft solutions for corporate clients and organizations in the Nordic Countries, and
- #1 provider of value-added components for Microsoft's business solutions globally.

Innofactor's strategy is to differentiate itself from the competitors as the leading provider focused in Microsoft solutions, and the most important strategic choices related to this are the following:

- Unique combination of Microsoft Independent Software Vendor and System Integration business
- Focusing on the most important corporate clients and organizations in the target market
- Unique offering, containing critical Microsoft business solutions
- We create value for customers' money by ensuring that the best people are providing the best products and services
- Focusing on continuous service and long-term partnerships with clients
- Growth in the Nordic Countries in system integration business and globally as Microsoft Independent Software Vendor

Innofactor's goal is to grow profitably:

- Achieve an average annual growth of 30–40% in 2011–2015 through both organic growth and company acquisitions.
- Achieve an average annual operating profit of 10–15% before depreciation and amortization (EBITDA) in relation to the net sales in 2011–2015.
- Keep the cash flow positive and secure good financial standing in all situations.

**Events after the review period**

There have been no significant events in Innofactor after the review period.

**Future outlook**

Innofactor's net sales in 2013 are expected to be about EUR 24 million (2012: EUR 18,818 thousand). Operating profit before depreciation and amortization (EBITDA) in 2013 is expected to be about EUR 2 million (2012: EUR 1,215 thousand).

**Board of Directors' proposal on the dividend**

Innofactor is a growing company and intends to use its operating profit on actions promoting growth, for example, on realizing mergers. Innofactor has defined a dividend distribution policy according to which the aim of the Board of Directors is to provide an opportunity for the shareholders to distribute, from the part of the operating profit before depreciation and amortization (EBITDA) that exceeds 10 percent, the maximum dividend allowed by the state of the business. For 2012, the EBITDA was under 10 percent. 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 period of 2012, the distributable assets of the group's parent company were EUR 28,312,743.79.

The Board of Directors proposes that Innofactor Plc should not pay any dividend for the financial period of 2012.

Espoo, February 26, 2013

INNOFACTOR PLC

Board of Directors

Additional information:

CEO Sami Ensio, Innofactor Plc  
Tel. +358 50 584 2029  
[sami.ensio@innofactor.com](mailto:sami.ensio@innofactor.com)

**Briefings concerning the financial statement of 2012**

On February 2013, at 9:00 Finnish time, Innofactor will hold a briefing concerning the financial statement in Finnish for the media, investors and analysts at the company's premises at Keilaranta 19, Espoo. The result will be presented by CEO Sami Ensio and CFO Mikko Karvinen. The presentations of the briefing will be available on Innofactor's web site after the briefing.

We ask you to register for the briefing beforehand either by sending email to [ir@innofactor.com](mailto:ir@innofactor.com) or by phoning to +358 50 554 3832.

Innofactor will also hold a conference call in English for analysts, media and investors on February 26, 2013, at 17:00 Finnish time. Registrations to [ir@innofactor.com](mailto:ir@innofactor.com) at least one hour before the event.

**Financial releases in 2013**

The schedule for financial releases in 2013 is as follows:

March 5, 2013: The annual report, including the financial statement and annual report, will be published on the company's web site at [www.innofactor.com/investors](http://www.innofactor.com/investors)

March 26, 2013, at 10:00 Finnish time: Annual General Meeting

April 16–April 29, 2013: Silent period

April 30, 2013, at 8:30 Finnish time: Interim report for January–March

July 16–July 29, 2013: Silent period

July 30, 2013, at 8:30 Finnish time: Interim report for January–June

October 15–October 28, 2013: Silent period

October 29, 2013, at 8:30 Finnish time: Interim report for January–September

Distribution:  
NASDAQ OMX Helsinki  
Main media  
[www.innofactor.com](http://www.innofactor.com)

**Financial statement summary and appendixes January 1–December 31, 2012 (IFRS)**

## Drafting principles

This financial statement has been drafted in accordance with the IAS 34 Interim financial reporting standard. The financial statement adheres to the same drafting principles and calculation methods as the last annual financial statement. The principles for calculating the key figures and the calculation formulas have not been changed and they have been presented in an appendix to the financial statement. The figures include the figures for the acquired Danish company Innofactor A/S (former Bridgeconsulting A/S) as of July 1, 2012.

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. Additionally, deliberation is needed in applying the drafting principles for a financial statement. 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 financial statement figures in this financial statement have been audited.

**Consolidated profit and loss statement, IFRS**

EUR thousand	Oct 1–Dec 31, 2012	Oct 1– Dec 31, 2011	Jan 1–Dec 31, 2012	Jan 1–Dec 31, 2011
Net sales	6,297	5,136	18,818	17,205
Other operating income	26	49	33	109
Materials (–)	-459	-571	-1,691	-1,516
Employee benefits/expenses (–)	-3,959	-3,153	-12,835	-10,936
Depreciations (–)	-166	-143	-595	-539
Other operating expenses (–)	-870	-854	-3,110	-3,418
<b>Operating profit/loss</b>	<b>869</b>	<b>463</b>	<b>620</b>	<b>904</b>
Financial income	5	3	12	5
Financial expenses (–)	-14	-9	-41	-23
<b>Profit/loss before taxes</b>	<b>860</b>	<b>457</b>	<b>591</b>	<b>886</b>
Income taxes	-44	-96	-142	-199
<b>Profit/loss for the period</b>	<b>816</b>	<b>361</b>	<b>449</b>	<b>687</b>
<b>Total comprehensive income</b>	<b>816</b>	<b>361</b>	<b>449</b>	<b>687</b>

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

Basic earnings per share (EUR)	0.0272	0.0123	0.0150	0.0235
Diluted earnings per share (EUR)	*	*		

\* The dilution effect has not been calculated, because the remaining Innofactor SW Oy warrant programs have no financial value after the business operations of the company have been sold.

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

EUR thousand	Dec 31, 2012	Dec 31, 2011
<b>Non-current assets</b>		
Tangible assets	451	459
Goodwill	2,834	1,207
Other intangible assets	1,695	1,534
Deferred tax assets	7,767	7,895
<b>Non-current assets</b>	<b>12,747</b>	<b>11,095</b>
<b>Current assets</b>		
Trade and other receivables	8,770	6,533
Cash and cash equivalents	656	696
<b>Current assets</b>	<b>9,426</b>	<b>7,229</b>
<b>TOTAL ASSETS</b>	<b>22,173</b>	<b>18,324</b>



**SHAREHOLDERS' EQUITY AND LIABILITIES**

EUR thousand	Dec 31, 2012	Dec 31, 2011
<b>Shareholders' equity</b>		
Share capital	2,100	2,100
Share premium reserve	72	72
Other reserves (+/-)	59	59
Own shares	-129	0
Fund for invested unrestricted equity	8,834	8,344
Retained earnings	2,824	2,330
<b>Total shareholders' equity</b>	<b>13,760</b>	<b>12,905</b>
<b>Long term liabilities</b>		
Loans from financial institutions	950	0
Deferred tax liabilities	509	420
<b>Long term liabilities total</b>	<b>1,459</b>	<b>420</b>
<b>Current liabilities</b>		
Loans from financial institutions	443	0
Trade and other payables	6,511	5,000
<b>Current liabilities total</b>	<b>6,954</b>	<b>5,000</b>
<b>Liabilities total</b>	<b>8,413</b>	<b>5,420</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>22,173</b>	<b>18,324</b>

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

EUR thousand	Share capital	Share premium reserve	Other reserves	Fund for invested unrestricted equity	Own shares	Retained earnings	Total shareholders' equity
<b>Shareholders' equity Jan 1, 2012</b>	<b>2,100</b>	<b>72</b>	<b>59</b>	<b>8,344</b>	<b>0</b>	<b>2,330</b>	<b>12,905</b>
Comprehensive income							
Profit for the financial period						449	449
Other items of comprehensive income:							
Exchange differences						2	2
Total comprehensive income	0	0	0	0	0	451	451
Transactions with owners							
Share issue				490		43	533
Purchase of own shares					-129		-30
Transactions with owners in total				490	-129	43	404
<b>Shareholders' equity Dec 31, 2012</b>	<b>2,100</b>	<b>72</b>	<b>59</b>	<b>8,834</b>	<b>-129</b>	<b>2,824</b>	<b>13,760</b>
<b>Shareholders' equity Jan 1, 2011</b>	<b>2,100</b>	<b>72</b>	<b>59</b>	<b>8,344</b>	<b>0</b>	<b>1,723</b>	<b>12,278</b>
Comprehensive income							
Profit for the financial period						687	687
Total comprehensive income	0	0	0	0	0	687	687
<b>Shareholders' equity Dec 31, 2011</b>	<b>2,100</b>	<b>72</b>	<b>59</b>	<b>8,344</b>	<b>0</b>	<b>2,330</b>	<b>12,905</b>

**Consolidated cash flow statement, IFRS**

EUR thousand	Jan 1– Dec 31, 2012	Jan 1 –Dec 31, 2011
<b>Cash flow from operating activities</b>		
Operating profit	620	904
Amendments:		
Depreciations	595	539
Non-cash transactions	43	0
Change in working capital:		
Change in trade or other receivables (+/–)	-905	-338
Change in trade and other payables (+/–)	-72	-1,807
Interests paid (–)	-41	-23
Interests received	12	5
Taxes paid (–)	0	-78
<b>Cash flow from operating activities, total</b>	<b>252</b>	<b>-798</b>
<b>Cash flow/investments</b>		
Investment in daughter companies	-1,260	0
Investments in intangible and tangible assets (–)	-199	-220
<b>Cash flow/investments total</b>	<b>-1,459</b>	<b>-220</b>
<b>Cash flow/financing</b>		
Payments received from share issue	161	0
Loans withdrawn	1,325	0
Loans paid	-190	0
Purchase of own shares (–)	-129	0
<b>Cash flow/financing total</b>	<b>1,167</b>	<b>0</b>
<b>Change in liquid funds (+/–)</b>	<b>-40</b>	<b>-1,018</b>
Liquid funds, opening balance	696	1,714
Liquid funds, closing balance	656	696

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

EUR thousand	Jan 1– Mar 31 2012	Apr 1– Jun 30 2012	Jul 1– Sep 30 2012	Oct 1–Dec 31 2012	Jan 1– Mar 31 2011	Apr 1– Jun 30 2011	Jul 1– Sep 30 2011	Oct 1–Dec 31 2011
<b>Net sales</b>	<b>3,972</b>	<b>3,982</b>	<b>4,567</b>	<b>6,297</b>	<b>3,943</b>	<b>4,360</b>	<b>3,766</b>	<b>5,136</b>
Other operating income	0	0	7	26	10	11	39	49
Materials (–)	-429	-473	-330	-459	-231	-389	-325	-571
Employee benefits/expenses (–)	-3,142	-2,813	-2,921	-3,959	-2,704	-2,686	-2,393	-3,153
Depreciations (–)	-138	-143	-147	-166	-131	-133	-132	-143
Other operating expenses (–)	-609	-803	-828	-870	-868	-1,021	-675	-854
<b>Operating profit/loss</b>	<b>-347</b>	<b>-251</b>	<b>348</b>	<b>869</b>	<b>19</b>	<b>142</b>	<b>280</b>	<b>463</b>
Financial income	2	3	2	5	1	1	0	3
Financial expenses (–)	-2	-3	-22	-14	-4	-4	-6	-9
<b>Profit/loss before taxes</b>	<b>-347</b>	<b>-251</b>	<b>328</b>	<b>860</b>	<b>16</b>	<b>139</b>	<b>274</b>	<b>457</b>
<b>Income taxes</b>	<b>3</b>	<b>3</b>	<b>-104</b>	<b>-44</b>	<b>-3</b>	<b>-31</b>	<b>-69</b>	<b>-96</b>
<b>Profit/loss for the period</b>	<b>-344</b>	<b>-248</b>	<b>224</b>	<b>816</b>	<b>13</b>	<b>108</b>	<b>205</b>	<b>361</b>

**Commitments and contingent liabilities**

EUR thousand	Dec 31, 2012	Dec 31, 2011
<b>Collateral given for own commitments</b>		
Rental guarantees	201	152
Business mortgages	2,250	1,000
Bank guarantees	18	18
<b>Other own guarantees</b>		
Lease liabilities		
Current lease liabilities	104	104
Lease liabilities maturing in 1-5 years	34	96
<b>Total</b>	<b>138</b>	<b>200</b>
<b>Rental liabilities</b>		
Current rental liabilities	662	604
Rental liabilities maturing in 1-5 years	348	836
<b>Total</b>	<b>1,010</b>	<b>1,440</b>
<b>Other own guarantees total</b>	<b>1,148</b>	<b>1,640</b>

**Key figures of the group, IFRS**

	mo. 10– 12 /2012	mo. 10– 12 /2011	Change	mo. 1–12 /2012	mo. 1–12 /2011	Change
Net sales, EUR thousand*	6,297	5,136	+22.6%	18,818	17,205	+9.4%
Operating profit before depreciation and amortization (EBITDA), EUR thousand**	1,035	606	+70.8%	1,215	1,443	-15.8%
percentage of net sales**	16.4%	11.8%		6.5%	8.4%	
Operating profit/loss (EBIT), EUR thousand**	869	463	+87.7%	620	904	-31.4%
percentage of net sales**	13.8%	9.0%		3.3%	5.3%	
Earnings before taxes, EUR thousand**	860	457	88.2%	591	886	-33.3%
percentage of net sales**	13.7%	8.9%		3.1%	5.1%	
Earnings, EUR thousand**	816	361	+126.0%	449	687	-34.6%
percentage of net sales**	13.0%	7.0%		2.4%	4.0%	
Shareholders' equity, EUR thousand	13,760	12,905	+6.6%	13,760	12,905	+6.6%
Return on equity***	6.1%	2.8%		3.4%	5.5%	
Return on investment***	5.9%	3.7%		4.5%	7.2%	
Net gearing	5.4%	-5.4%		5.4%	-5.4%	
Equity ratio	66.1%	74.5%		66.1%	74.5%	
Balance sheet total, EUR thousand	22,173	18,324	+21.0%	22,173	18,324	+21.0%
Research and development, EUR thousand	548	369	+48.5%	2,488	2,086	+19.3%
percentage of net sales	8.7%	7.2%		13.2%	12.1%	
Personnel on average during the review period	197	184	+7.1%	189	177	+6.8%
Personnel at the end of the review period	193	189	+2.1%	193	189	+2.1%
Number of shares at the end of the review period****	30,165,90 0	29,261,8 00	+3.1%	30,165,90 0	29,261,80 0	+3.1%
Earnings per share (EUR)****	0.0272	0.0123	+121.1%	0.0150	0.0235	-36.2%
Shareholders' equity per share (EUR)****	0.460	0.441	+4.3%	0.460	0.441	+4.3%

\* Due to the organizational change on January 2, 2012, projects were rearranged, which had a one-off effect of lowering the net sales in January by about EUR 300 thousand.

\*\* Due to the organizational change on January 2, 2012, projects were rearranged, which had a one-off effect of lowering the net sales in January by about EUR 300 thousand. Additionally, the personnel and office space arrangements related to the organizational change led to a one-off cost of about EUR 100 thousand. In total, these

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reduced the net sales by about EUR 400 thousand. Additionally, the acquisition made on July 5, 2012, resulted in a one-off cost of about EUR 150 thousand in the review period July 1–September 30, 2012.

\*\*\* The percentages for the return on equity and return on investment have been adjusted to correspond with the figures for a 12-month period.

\*\*\*\* In accordance with the decision of the Innofactor Plc's Annual General Meeting on April 28, 2011, twenty old shares were consolidated into one new share (registered in the Trade Register on May 7, 2011), which reduced the total number of shares to 1/20 of the previous number. The key figures presented in the table have been adjusted to correspond with the current number of shares.

### **The preliminary acquisition cost calculation for Bridgeconsulting A/S (current Innofactor A/S)**

On June 25, 2012, Innofactor Plc signed an agreement on acquiring the entire share capital of the Danish company Bridgeconsulting A/S from the company's management (3% of shares were purchased directly and 97% indirectly by acquiring the entire share capital of Bridgeconsulting Holding Aps). The name of Bridgeconsulting A/S has been changed to Innofactor A/S.

The acquisition price will depend on the target company's realized EBITDA of the 12 months following the acquisition (July 1, 2012–June 30, 2013). The acquisition price will be paid in Danish kroner and in Innofactor Plc shares and the total price is estimated to be approximately EUR 2.0 million. It was agreed that the minimum purchase price shall be approximately EUR 1.6 million and the maximum purchase price approximately EUR 3.0 million. Approximately EUR 1.26 million of the acquisition price was paid in cash at the beginning of July 2012 and the rest is planned to be paid with Innofactor Plc's shares during the second half of 2013.

The figures of Innofactor A/S have been consolidated into the Innofactor group as of July 1, 2012. In the preliminary acquisition cost calculation, an acquisition price of EUR 2,018 thousand has been used.

The values of the acquired assets and liabilities on the acquisition date were as follows:



<b>Values registered for consolidation (EUR thousand)</b>	
Tangible assets	63
Intangible assets	435
Trade and other receivables	873
<b>Total assets</b>	<b>1,371</b>
Financing liabilities	258
Other liabilities	550
<b>Liabilities total</b>	<b>808</b>
<b>Net assets</b>	<b>563</b>
Acquisition cost	2,018
Goodwill	1,455
Acquisition price paid in cash	1,260
Cash funds of the acquired subsidiary	45
Effect on cash flow	-1,215

The value of the customer contracts and the related customer relationships included in the intangible assets (EUR 435 thousand) has been defined on the basis of the estimated life time of customer relationships and the discounted net cash flows resulting from current customer relationships.

The acquisition created goodwill value of EUR 1,455 thousand. The goodwill value is based on the expected synergy benefits arising from the acquisition of Innofactor A/S and on making use of the common sales and marketing network in the group and expanding customer relationships.

**Largest shareholders**

According to the share register maintained by Euroclear Finland Oy, the share ownership of the 20 largest Innofactor Plc shareowners at the end of the review period on December 31, 2012, was as presented below. Additionally, on December 31, 2012, Innofactor Plc had a total of 276,000 Innofactor shares in its possession.

<b>Name</b>	<b>Number of shares</b>	<b>% of share capital</b>
1. Ensio Sami	7,400,000	24.52%
Ensio Sami	5,226,240	17.32%
minor under guardianship	724,588	2.40%
minor under guardianship	724,586	2.40%
minor under guardianship	724,586	2.40%
2. Tilman Tuomo Tapani	2,886,777	9.57%
Tilman Tuomo Tapani	2,747,492	9.11%
Mpire Capital Oy	139,285	0.46%
3. Salminen Jyrki Kalle Tapio	2,747,492	9.11%
4. Laiho Rami Tapani	1,489,888	4.94%
5. Linturi Kaija and Risto	1,367,011	4.53%
R. Linturi Oyj	539,707	1.79%
Linturi Kaija	440,000	1.46%
Linturi Risto	387,304	1.28%
6. Mäki Antti-Jussi	1,310,201	4.34%
7. Lampi Mikko Olavi	1,045,543	3.47%
8. Ärje Matias Juhampoika	946,278	3.14%
9. Luostarinen Juha Markku T	929,438	3.08%
10. Riski Tuomas Mikael	865,052	2.87%
11. Jokinen Klaus Antero	564,111	1.87%
12. Muukkonen Teemu Heikki	507,468	1.68%
13. Kukkonen Heikki-Harri	398,946	1.32%
14. Järvenpää Janne-Olli	372,804	1.24%
15. Ementor Norge As	269,299	0.89%
16. Laiho Jari Olavi	266,851	0.88%
17. Gerdt Aino-Maija	180,000	0.60%
18. Myllys Mikko Juhani	176,981	0.59%
19. Nurmi Mika	139,553	0.46%
20. Hervonen Antti Henriikki	133,880	0.44%

**Formulas for calculating the key figures**

**Percentage of return on equity:**

Profit or loss before taxes - Taxes  
Shareholders' equity

**Percentage of return on investment:**

Profit or loss before taxes + Interest and other financial expenses  
Shareholders' equity + Interest bearing financing 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:**

Shareholders' equity attributable to equity holders of the parent  
Undiluted number of shares on the date of the financial statement