

Innofactor Plc Interim Report May 14, 2019, at 9:00 Finnish time

Innofactor Plc's Interim Report for January 1–March 31, 2019 (IFRS)

Profitability and order backlog improved significantly in the first quarter

January–March 2019 in brief:

- The net sales were approximately EUR 16.1 million (2018: 16.5), which shows a decrease of 2%
- The operating margin was approximately EUR 0.9 million (2018: 0.3), which shows an increase of 155%
- Operating loss was EUR 90 thousand (2018: operating loss 364), improving by 75%
- The order backlog was EUR 41.0 million (2018: 22.2), which shows an increase of 85%
- The measures for improving profitability, carried out near the end of 2018, started to take an effect in the first quarter as planned
- Innofactor got several significant orders in the first quarter, for example, Traficom VISA, approximately EUR 0.5 million; a decision-making system for the City of Espoo, approximately EUR 1.5 million; and a membership management project for a Swedish organization, approximately EUR 1.3 million

	Jan 1–Mar 31, 2019	Jan 1–Mar 31, 2018	Change
Net sales, EUR thousand	16,148	16,470	-2.0%
Growth of net sales	-2.0%	-4.5%	
Operating profit before depreciation and amortization (EBITDA), EUR thousand***	869	341	155.1%
percentage of net sales	5.4%	2.1%	
Operating profit/loss (EBIT), EUR thousand*	-90	-364	75.3%
percentage of net sales*	-0.6%	-2.2%	
Earnings before taxes, EUR thousand*	-197	-477	58.8%
percentage of net sales*	-1.2%	-2.9%	
Earnings, EUR thousand*	-88	-382	77.0%
percentage of net sales*	-0.5%	-2.3%	
Order backlog***	41,029	22,179	85.0%
Net gearing*	65.6%	53.2%	
Equity ratio****	40.0%	44.1%	
Active personnel on average during the review period**	544	605	-10.1%
Earnings per share (EUR)	-0.0024	-0.0105	77.0%

*) In accordance with IFRS 3, the operating result for January 1–March 31, 2019, includes EUR 507 thousand (2018: 507) in depreciations related to acquisitions, consisting of allocations of the purchase price to intangible assets. The implementation of the IFRS 16 standard affects extensively different figures for 2019. Additional information on the standard's implementation and effects can be found in the "Accounting policies" section of "Financial statement summary and appendixes January 1–March 19, 2019 (IFRS)."

***) The Innofactor Group monitors the number of active personnel. The number of active personnel does not include employees who are on a leave of over 3 months.

****) Before implementing the common ERP system in two stages in Sweden on July 1, 2018, and October 1, 2018, the figures there are partly based on management estimates.

*****) The handling of lease liabilities in a new way in accordance with IFRS 16 had an effect of approximately EUR 300 thousand in the operating margin (EBITDA) and 4.3 percentage point negative effect in the equity ratio.

Innofactor's future outlook for 2019

Innofactor's net sales and operating margin (EBITDA) in 2019 is estimated to increase from 2018, during which the net sales were EUR 63.1 million and operating margin was EUR -1.0 million.

CEO Sami Ensio's review: The corrective measures had the planned effect – the profitability of the first half of the year improved and the order backlog grew into record-breaking amounts.

The net sales in the first quarter of 2019 were EUR 16.1 million, which shows a decrease of 2.0 percent compared to the previous year. The net sales grew in Finland and Norway, but decreased in Sweden and Denmark. The weaker than expected net sales were partly due to the lower exchange rates of Swedish krona and Norwegian krone in relation to euro. This had an effect of approximately EUR 0.2 million. Despite the decreased net sales, the net sales per employee grew 9.2% from the previous year. It is also notable that, for the first time in Innofactor's nine-year history in the stock exchange, the net sales in the first quarter grew organically compared to the last quarter of the previous year (1.6% growth), whereas it has typically decreased by approximately ten percent.

The operating margin (EBITDA) grew 155.1 percent from the previous year and was EUR 0.9 million (5.4 percent of the net sales). The operating margin improved by EUR 1.8 million from the last quarter of 2018 (Q4/2018: -0.9). The improvement in the operating margin was especially due to the measures in the last quarter of 2018 for reorganizing operation and making it more efficient, cost-cutting, and the changes in handling lease liabilities due to IFRS 16, which had an effect of EUR 0.3 million in the operating margin. Historically, Innofactor's operating margin has improved in every quarter towards the end of the year.

In the first quarter, the order backlog grew to a record-breaking amount and was EUR 41.0 million at the end of the quarter (2018: 22.2), which shows an increase of 85% compared to the same time in the previous year. Innofactor got several significant orders in the first quarter, for example, Traficom VISA, approximately EUR 5.0 million; a decision-making system for the City of Espoo, approximately EUR 1.5 million; and a membership management project for a Swedish organization, approximately EUR 1.3 million

Innofactor's Country Manager in Sweden, Viktor Lundqvist, and Country Manager in Denmark, Per Bendix Olsen, have made a personal decision to leave the company and search new challenges elsewhere. I would like to thank them for all the work they have done for Innofactor. Innofactor CEO Sami Ensio will be the acting Country Manager for Sweden for the time being, and Executive Vice President, Business Development and Operational Excellence Vesa Syrjäkari (who was the acting Country Manager for Norway until the end of February 2019, before the current Country Manager started in the position) will be the acting Country Manager in Denmark for the time being. Our goal is to turn the net sales in Sweden and Denmark into growth on the last quarter of 2019 at the latest. We will also start actions for recruiting new Country Managers. These changes in personnel are not estimated to cause any extra costs for the last three quarters of 2019.

The Board of Directors of Innofactor has decided on a share issue of 1.2 million shares directed at the personnel, which will be realized by the end of June 2019 and for which we issued a separate

release today. We believe that this will further improve the commitment of our brilliant employees to being part of Innofactor's success.

Innofactor's vision is to be the leading implementer of digitalization 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 (however, these are not a priority in 2019).

Strategy and its realization in the review period

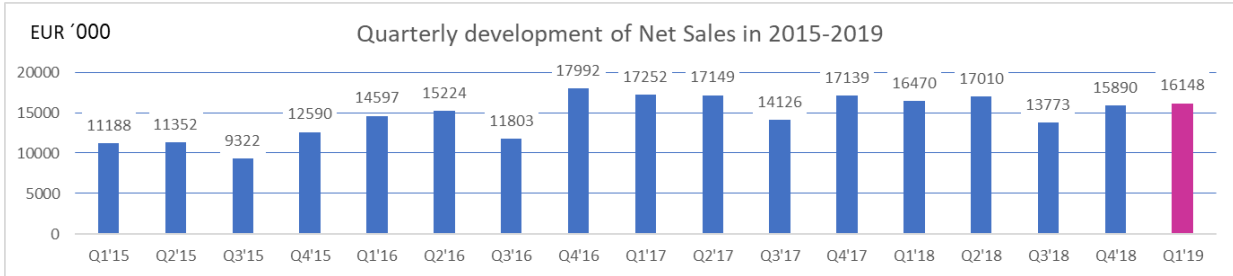
Innofactor's vision is to be the leading provider of organizations' digital transformation in each of the Nordic countries (Finland, Sweden, Denmark and Norway) The long-term financial goal is to grow profitably by achieving an annual growth of approximately 20 percent, of which majority is intended to be achieved by organic growth, by achieving approximately 20 percent operating margin (EBITDA) in relation to the net sales, and by keeping the cash flow positive and by securing solid financial standing in all situations. In 2019, Innofactor will focus especially on improving its profitability.

In the first half of the year, the operating margin (EBITDA) grew 155.1 percent from the previous year and was EUR 0.9 million (5.4 percent of the net sales). The operating margin improved by EUR 1.8 million from the last quarter of 2018 (Q4/2018: -0.9). As regards profitability, Innofactor was able to improve its performance substantially, but a significant effort is still needed in order to reach the long-term goal of approximately 20 percent.

Innofactor's net sales in the first quarter were EUR 16.1 million (2018: 16.5), which shows a decrease of 2.0 percent compared to the previous year. However, the net sales increased by 1.6 percent compared to the last quarter of 2018 when the net sales were EUR 15.9 million. The net sales grew in Finland and Norway, but decreased in Sweden and Denmark. It is essential for Innofactor's strategy to gain growth also in Sweden and Denmark. Our goal is to turn the net sales in Sweden and Denmark into growth on the last quarter of 2019 at the latest as was noted also in the CEO's review. The goal of getting the net sales to grow is also supported by the record-breaking order backlog of EUR 41.0 million (2018: 22.2).

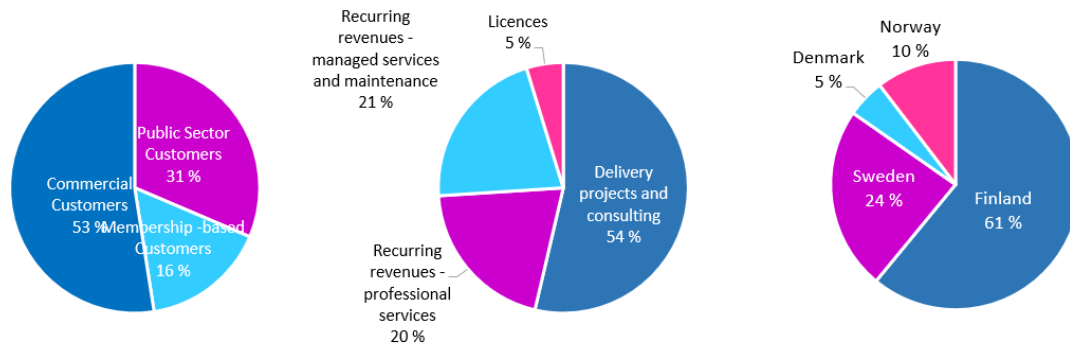
Innofactor's operating cash flow in the review period of January 1–March 31, 2019, was EUR 1.6 million (2018: EUR 0.6 million) and the equity ratio at the end of the review period was 40.0 percent (2018: 44.0 percent). The handling of lease liabilities in a new way in accordance with IFRS 16 had a positive effect of approximately EUR 0,3 million in the operating cash flow and approximately 4.3 percentage point negative effect in the equity ratio. The strong operating cash flow supports Innofactor's strategic goal of profitable growth and securing solid financial standing in all situations.

Innofactor’s net sales were slightly smaller than in the comparison period, but increased per employee



Innofactor’s net sales in January 1–March 31, 2019, were EUR 16,148 thousand (2018: 16,470), which shows a decrease of 2.0 percent. The net sales per active employee were approximately EUR 29.7 thousand (2018: 27,2), which shows an increase of 9.2 percent. In the future, we will focus on continuing to increase the net sales per active employee.

Net sales distribution 1.1 - 31.3.2019



Innofactor's business operations were focused on Finland, Sweden, Denmark and Norway. In January 1–March 31, 2019, approximately 61 percent of the net sales came from Finland, approximately 24 percent from Sweden, approximately 10 percent from Norway, and approximately 5 percent from Denmark. The net sales grew in Finland and Norway, but decreased in Sweden and Denmark.

Of the net sales in January 1–March 31, 2019, approximately 53 percent came from commercial clients, approximately 31 percent from public sector clients, and approximately 16 percent from third sector clients.

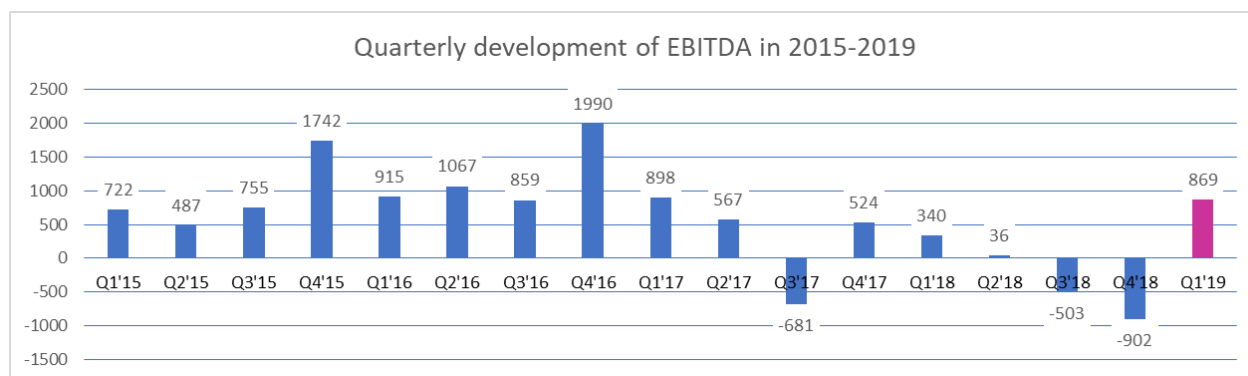
Innofactor's net sales in the review period of January 1–March 31, 2019, came from the following sources:

- approximately 54 percent from IT system delivery projects and consulting

- approximately 21 percent from services based on recurring service contracts, such as SaaS, cloud and hosting services, and from software maintenance
- approximately 20 percent from specialist work based on recurring service contracts, such as smaller customer-specific changes and further development of IT systems
- approximately 5 percent from licenses, of which the share of licensing income to third parties was approximately 4 percent of the net sales

Innofactor’s 10 largest clients accounted for approximately 24 percent of the net sales during the review period January 1–March 31, 2019.

Innofactor’s operating margin was clearly higher than in the comparison period



Innofactor’s operating margin (EBITDA) in January 1–March 31, 2019, was EUR 869 thousand (2018: 341), which shows an increase of 155.1 percent. EBITDA accounted for 5.4 percent of the net sales (2018: 2.1%). Innofactor’s operating loss in January 1–March 31, 2019, was EUR 90 thousand (2018: operating loss 364), which shows an increase of 75.3 percent. The operating loss accounted for 0.6 percent of the net sales (2018: operating loss 2.2%).

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

In accordance with IFRS 3, the operating result for January 1–March 31, 2019, includes EUR 507 thousand (2018: 507) in depreciations related to acquisitions, consisting of allocations of the purchase price to intangible assets. Adjusted for the said depreciations, Innofactor’s operative business profit for the review period of January 1–March 31, 2019, would have been EUR 417 thousand (2018: 143), which shows an increase of 291.6 percent.

Implementing IFRS 16 in the review period of January 1–March 31, 2019, improves the operating margin (EBITDA) by EUR 300 thousand (2018: 0) as the lease liabilities are divided into depreciations and financial expenses. The implementation of IFRS 16 is explained in more detail in the section “Financial statement summary and appendixes January 1–March 31, 2019 (IFRS).”

Innofactor’s order book grew significantly, making an all time record

Innofactor's order backlog at the end of the review period was EUR 41,029 thousand (2018: 22,179), which shows an increase of 85.0%. The order backlog grew, for example, due to Traficom VISA, approximately EUR 5.0 million, and a membership management project for a Swedish organization, approximately EUR 1.3 million.

Before implementing the Nordic ERP system in two stages in Sweden on July 1, 2018, and October 1, 2018, the figures there are partly based on management estimates, because they had no system for reliably monitoring the order backlog.

Innofactor’s operating cash flow in the review period improved essentially from the situation one year earlier

Innofactor's balance sheet total at the end of the review period was EUR 55,823 thousand (2018: 57,481). The Group's liquid assets totaled EUR 250 thousand (2018: 898), consisting totally of cash funds.

The operating cash flow in January 1–March 31, 2019, was EUR 1,560 thousand (2018: 586). The investment cash flow was EUR -50 thousand (2018: -289).

The equity ratio at the end of the review period was 40.0 percent (2018: 44.1%) and net gearing was 65.6 percent (2018: 53.2%).

At the end of the review period, the company had EUR 9,176 thousand in current interest bearing liabilities (2018: 7,086) and EUR 5,025 thousand in non-current interest bearing liabilities (2018: 6,822). The total amount of interest bearing liabilities was EUR 14,201 thousand (2018: 13,890).

The return on investment in January 1–March 31, 2019, improved from the previous year and was -1.0 percent (2018: -1.9%).

The return on equity in January 1–March 31, 2019, improved from the previous year and was -1.6 percent (2018: -6.7%).

The non-current assets in Innofactor's balance sheet at the end of the review period were EUR 42,708 thousand in total.

Innofactor's gross investments in tangible and intangible assets in the review period of January 1–March 31, 2019, were EUR 50 thousand (2018: 289), consisting of normal additional and replacement investments required by growth.

The handling of lease liabilities in a new way in accordance with IFRS 16 had a positive effect of approximately EUR 300 thousand in the operating cash flow and approximately 4.3 percentage point negative effect in the equity ratio. The implementation of IFRS 16 is explained in more detail in the section “Financial statement summary and appendixes January 1–March 31, 2019 (IFRS).”

Innofactor’s research and product development investments decreased slightly

In the product development during the review period, focus was on renewing existing products and services and continuous further development in order to support the growth of product-based business.

Innofactor's research and development costs recognized in profit or loss for January 1–March 31, 2019, were approximately EUR 725 thousand (2018: 823), which accounts for 4.5 percent of the net sales (2018: 5.0%).

The number of personnel in Innofactor decreased significantly as a part of the measures for improving efficiency

Primarily, Innofactor monitors the number of active personnel. The number of active personnel does not include employees who are on a leave of over 3 months.

The average number of active personnel in January 1–March 31, 2019, was 544 persons (2018: 605), which shows a decrease of 10.1 percent. At the end of the review period, the number of active personnel was 541 (2018: 599), which shows a decrease of 9.7 percent. The decrease in the number of personnel was especially due to the reorganization implemented in Finland in the last quarter of 2018.

At the end of the review period, the average age among personnel was 40.7 years (2018: 39.8). Women accounted for 27 percent (2018: 28%) of the personnel. Men accounted for 73 percent (2018: 72%) of the personnel.

Other events in the review period

On January 25, 2019, Innofactor lowered its estimate on the net sales and operating margin (EBITDA) for 2018.

On February 14, 2019, Innofactor announced in a stock exchange release that a Swedish organization selected Innofactor to implement their membership management project, the value of the procurement being approximately EUR 1.3 million, which is estimated to be registered for 2019.

On February 15, 2019, Innofactor announced in a stock exchange release that Traficom selected Innofactor as the development and maintenance provider for their technical platform for digital services (VISA), the value of the procurement being approximately EUR 5.0 million within 5–7 years, starting from spring 2019.

On March 8, 2019, Innofactor announced in a stock exchange release that the City of Espoo selected Innofactor as the provider of a decision-making system, the value of the procurement being approximately EUR 1.5 million, which is estimated to be registered for 2019 and 2020.

On March 14, 2019, Innofactor announced in a stock exchange release that Innofactor Plc's CFO Marko Lehtonen has decided to assume responsibilities with another employer and has resigned from his position on March 13, 2019.

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 36,188,225. Innofactor Plc has one series of shares. Each share is entitled to one vote.

On January 1–March 31, 2019, the highest price of the company share was EUR 0.70 (2018: EUR 1.13), the lowest price was EUR 0.36 (2018: EUR 0.79), and the average price was EUR 0.45 (2018: EUR 0.92).

The closing price for the review period on March 31, 2019, was EUR 0.51 (2018: EUR 0.84).

In public trading in January 1–March 31, 2019, a total of 3,141,978 shares were traded (2018: 3,245,441 shares), which corresponds to 8.7 percent (2018: 9.0%) of the average number of shares on the said period. In January 1–March 31, 2019, there were 36,188,225 shares on the average (2018: 36,188,225). The share trading decreased by 3.2 percent compared to the corresponding period in 2018.

The market value of the share capital at the closing price of EUR 0.51, on March 31, 2019, was EUR 18,384 thousand (2018: 30,507), which shows a decrease of 39.7 percent.

On March 31, 2019, the company had a total of 11,265 shareowners (2018: 12,264), including administrative registers.

The Board of Directors has the following authorizations:

- Until June 30, 2020, 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 General Meeting of April 2, 2019); the authorization is intended to be used in directed share issue at personnel published May 14, 2019.
- Until June 30, 2020, to decide on a transfer of a maximum of 3,600,000 treasury shares (decided by the General Meeting of April 2, 2019); the authorization has not been used.

Own shares

The General Meeting of April 2, 2019, authorized the Board of Directors to decide on acquiring of a maximum of 3,600,000 of company's own shares in one or several parts with the company's unrestricted equity. The authorization entitles the Board to deviate from the shareholders' proportional shareholdings (directed acquisition). Own shares may be acquired at the purchase price formed for them in public trading at the day of purchase or at another market price. The number of treasury shares at a time may be, at the maximum, one tenth of the total number of shares in the company. Shares may be purchased to be used in company acquisitions or implementing other arrangements relating to the company's business operations, improving the company's capital or financing structure, as a part of the company's incentive system, or otherwise to be handed over or voided. 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, 2020. This authorization replaces the Board's earlier authorizations concerning share repurchase.

At the end of the review period, the company had no treasury shares.

Management of the company

Innofactor Plc complies with the recommendations of the Corporate Governance Code 2015 for Finnish listed companies, published by the Securities Market Association.

On April 2, 2019, the General Meeting decided that the number of Board members is four. The previous members, Sami Ensio, Pekka Eloholma, Anna Lindén and Risto Linturi, were re-elected as the members of the Board of Directors. In their organizing meeting held immediately after the General Meeting, the Board of Directors elected Pekka Eloholma as the Chairman of the Board.

The 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.

Innofactor has drawn up a separate Corporate Governance Statement for the financial period of 2018.

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

Market outlook and business environment

Innofactor's market outlook and business environment in their entirety are described in the financial statement and annual report.

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

Acquisitions and changes in the Group structure

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

Events after the review period

On May 14, 2019, Innofactor published a stock exchange release about a directed share issue of 1.2 million shares for the personnel.

On May 14, 2019, Innofactor announced in a stock exchange release that Innofactor Plc's General Counsel Anna-Maria Palmroos has decided to assume responsibilities with another employer and has resigned from his position on May 13, 2019.

There are no other significant events in Innofactor after the review period.

Espoo, May 14, 2019

INNOFACTOR PLC

Board of Directors

Additional information:

CEO Sami Ensio, Innofactor Plc

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sami.ensio@innofactor.com

Briefings concerning the Interim Report January 1–March 31, 2019

A briefing in Finnish concerning the interim report will be held for media, investors and analysts on May 14, 2019, 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 conference call in English will be held at 12:00 Finnish time.

Please register for the briefings beforehand by sending email to ir@innofactor.com.

The presentations will be available on Innofactor's web site after the briefings.

Distribution:

NASDAQ Helsinki

Main media

www.innofactor.com

Financial statement summary and appendixes January 1–March 31, 2019 (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 2018. However, as of January 1, 2019, 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 2018. The principles for calculating the key figures and the calculation formulas have not been changed and they have been presented in an appendix to this report.

In addition to the IFRS key figures, Innofactor publishes certain alternative key figures in order to present the financial development of the actual business operations and to improve comparisons between different periods. Acquisitions are a central part of Innofactor's strategy. Depreciations of intangible rights resulting from acquisitions vary greatly depending on how valuable the customer contracts and technology of the acquired company are estimated to be and also in what kind of schedule the resulting intangible rights will be depreciated. For this reason, the company's view is that instead of the operating profit, the primary measure for profitability should be the operating margin (EBITDA), because it is not affected by the said depreciations. In addition to the operating margin, the company also publishes the following figures adjusted for the above-mentioned depreciations: the operative business result, operative business result before taxes, operative business result, and operative business result per share. Depreciations related to acquisitions, adjusted from the above-mentioned key figures, in the period January 1–March 31, 2019, were EUR 507 thousand (2018: 507).

Other alternative key figures used by Innofactor are 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.

IFRS 16 Leases

Innofactor has implemented the IFRS 16 standard as of January 1, 2019. The implementation of the standard has affected the company's balance sheet by increasing the committed capital and interest bearing debt. The standard does not have a significant effect on the company's earnings per share, but it improves the company's operating margin (EBITDA), because a lease cost is divided into depreciations and financial expenses. The standard also improves the company's operating cash flow and deteriorates the financing cash flow, because the lease payments are mainly presented in the financing cash flow.

The effects of implementing the IFRS 16 standard are as follows:

Opening balance, January 1, 2019

Assets

Tangible assets + EUR 5,310 thousand

Liabilities

Current lease liabilities + EUR 1,173 thousand

Non-current lease liabilities + EUR 4,137 thousand

Financial statement January 1–March 31, 2019

- Decrease in lease liabilities, EUR 300 thousand
- Increase in planned depreciations, EUR 269 thousand
- Increase in lease liability financing costs, EUR 31 thousand

The implementation of the IFRS 16 standard affects the operating margin (EBITDA) and the key figures that have been calculated based on the balance sheet total or interest bearing debt.

In the implementation of the standard, Innofactor uses the simple method in which the comparison figures will not be adjusted. In its reporting, the company also takes into account the two exceptions that make it easier to implement the standard and which are related to leases of low value and short term.

Comprehensive consolidated profit and loss statement, IFRS

EUR thousand	Jan 1–Mar 31, 2019	Jan 1– Mar 31, 2018	Jan 1–Dec 31, 2018
Net sales	16,148	16,470	63,144
Other operating income	10	9	205
Materials (–)	-1,478	-1,807	-6,812
Employee benefits/expenses (–)	-11,597	-12,125	-46,432
Depreciation (–)	-959	-704	-2,842
Other operating expenses (–)	-2,213	-2,207	-11,134
Operating profit/loss	-90	-364	-3,872
Financial income	4	4	952
Financial expenses (–)	-111	-117	-892
Profit/loss before taxes	-197	-477	-3,811
Income taxes	109	95	625
Profit/loss for the financial period	-88	-382	-3,186
Other comprehensive income Items that may be later recognized in profit or loss:			
Exchange differences	45	-317	-275
Total comprehensive income	-43	-699	-3,462

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

basic earnings per share (EUR)	-0.0024	-0.0105	-0.0880
diluted earnings per share (EUR)	-0.0024	-0.0105	-0.0880

Consolidated Balance Sheet, IFRS

ASSETS

EUR thousand	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
Non-current assets			
Tangible assets	5,478	571	484
Goodwill	26,042	26,105	26,126
Other intangible assets	5,352	7,241	6,114
Shares and holdings	78	62	78
Receivables	155	255	155
Deferred tax assets	5,602	5,796	5,602
Non-current assets	42,708	40,030	38,558
Current assets			
Trade and other receivables	12,865	16,553	13,059
Cash and cash equivalents	250	898	258
Current assets	13,115	17,451	13,317
TOTAL ASSETS	55,823	57,481	51,875

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR thousand	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
Equity attributable to the shareholders of the parent company			
Share capital	2,100	2,100	2,100
Share premium reserve	72	72	72
Other reserves (+/-)	59	59	59
Fund for invested unrestricted equity	20,321	20,321	20,321
Retained earnings	-1,292	1,850	-1,250
Total shareholders' equity	21,261	24,402	21,303
Non-current liabilities			
Loans from financial institutions	5,025	6,822	5,418
Lease liabilities	3,837		
Deferred tax liabilities	947	1,731	1,190
Long-term liabilities total	9,808	8,553	6,608
Current liabilities			
Loans from financial institutions	9,176	7,068	10,000
Lease liabilities	1,173		
Trade and other payables	14,404	17,458	13,964
Current liabilities total	24,753	24,526	23,965
Total liabilities	34,562	33,079	30,573
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	55,823	57,481	51,875

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, 2019	2,100	72	59	20,321	0	-212	-1,037	21,303
Comprehensive income								
Result for the financial period						-88		-88
Exchange differences							45	45
Total comprehensive income						-88	45	-43
Shareholders' equity Mar 31, 2019	2,100	72	59	20,321	0	-299	-993	21,261

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, 2018	2,100	72	59	20,321	0	2,974	-762	24,764
Comprehensive income								
Result for the financial period						-382		-382
Other comprehensive income:								
Exchange differences							-317	-317
Total comprehensive income						-382	-317	-699
Shareholders' equity Mar 31, 2018	2,100	72	59	20,321	0	2,592	-1,079	24,065

Consolidated Cash Flow Statement, IFRS

EUR thousand	Jan 1– Mar 31, 2019	Jan 1– Mar 31, 2018	Jan 1–Dec 31, 2018
Cash flow from operating activities			
Operating profit	-90	-364	-3,872
Adjustments:			
Depreciation *)	959	704	2,842
Non-cash transactions *)	269	0	0
Changes in working capital:			
Change in trade and other receivables (+/-)	194	383	3,474
Change in trade and other payables (+/-)	302	-24	-2,209
Interests paid (-)	-79	-117	-870
Interests received	4	4	52
Net cash flow from operating activities	1,560	586	-581
Investment cash flow			
Acquisition of subsidiaries	0	0	-200
Investments in intangible and tangible assets (-)	-50	-289	-1,133
Loan receivables paid back	0	29	109
Shares and holdings	0	0	-16
Net cash flow from investments	-50	-260	-1,239
Cash flow from financing			
Loans withdrawn	538	316	3,237
Loans paid	-1,755	-654	-2,069
Lease liability payments *)	-300	0	0
Net cash flow from financing	-1,517	-338	1,168

Change in cash and cash equivalents (+/-)	-8	-12	-652
Cash and cash equivalents, opening balance	258	910	910
Cash and cash equivalents, closing balance	250	898	258

*) IFRS 16 Leases was implemented on January 1, 2019, using the modified retrospective approach and the comparison figures for 2018 have not been adjusted.

Consolidated Profit and Loss Statement by Quarter, IFRS

EUR thousand	Jan 1– Mar 31, 2019	Apr 1– Jun 30, 2019	Jul 1– Sep 30, 2019	Oct 1– Dec 31, 2019	Jan 1– Mar 31, 2018	Apr 1– Jun 30, 2018	Jul 1– Sep 30, 2018	Oct 1– Dec 31, 2018
Net sales	16,148				16,470	17,010	13,773	15,890
Other operating income	10				9	17	20	159
Materials (–)	-1,478				-1,807	-1,974	-1,691	-1,341
Employee benefits/expenses (–)	-11,597				-12,125	-12,552	-9,818	-11,937
Depreciation (–)	-959				-704	-666	-683	-789
Other operating expenses (–)	-2,213				-2,207	-2,464	-2,787	-3,676
Operating profit/loss	-90				-364	-629	-1,186	-1,693
Financial income	4				4	10	15	923
Financial expenses (–)	-111				-117	-163	-52	-560
Profit/loss before taxes	-197				-477	-782	-1,223	-1,329
Income taxes	109				95	157	243	129
Profit/loss for the financial period	-88				-382	-625	-980	-1,200
EBITDA	868				340	36	-503	-902

Commitments and contingent liabilities

EUR thousand	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
Collateral given for own commitments			
Lease collateral	182	184	183
Mortgages on company assets*	16,962	16,969	16,972
Bank guarantees	303	303	303
Other own liabilities			
Lease liabilities			
Current lease liabilities	161	332	172
Lease liabilities maturing in 1-5 years	68	266	94
Total	230	598	266
Lease liabilities**			
Current lease liabilities	161	1,979	2,007
Lease liabilities maturing in 1-5 years	0	1,007	4,639
Total	161	2,986	6,646
Other own liabilities total	391	3,584	6,912

* Of the mortgages on company assets, EUR 500 thousand was in the company's possession on March 31, 2019.

** The change is due to the implementation of the IFRS 16 standard

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 March 31, 2019, was as follows.

Name	Number of shares	% of share capital
1. Ensio Sami	7,716,173	21.32%
<i>Ensio Sami</i>	5,542,413	15.32%
<i>Minor under guardianship</i>	724,588	2.00%
<i>Minor under guardianship</i>	724,586	2.00%
<i>Minor under guardianship</i>	724,586	2.00%
2. Ilmarinen Mutual Pension Insurance Company	1,800,000	4.97%
3. Tilman Tuomo Tapani	1,465,437	4.05%
4. Svalroma Invest AB	1,357,062	3.75%
5. Linturi Kaija and Risto	1,256,411	3.47%
<i>R. Linturi Oyj</i>	489,107	1.35%
<i>Linturi Kaija Anneli</i>	430,000	1.19%
<i>Linturi Risto Erkki Olavi</i>	337,304	0.93%
6. Laiho Rami Tapani	1,255,159	3.47%
7. Ärje Matias Juhanoika	882,065	2.44%
8. Mäki Antti-Jussi	877,192	2.42%
9. Muukkonen Teemu Heikki	522,230	1.44%
10. Ingman Finance Oy Ab	500,000	1.38%
11. Järvenpää Janne-Olli	315,211	0.87%
12. Saarelainen Mika-Pekka	296,633	0.82%
13. Kukkonen Heikki-Harri	276,931	0.77%
14. Rausanne Oy	272,545	0.75%
15. Anttila Mikko Matias	254,150	0.70%
16. Hellen Stefan Andreas	250,000	0.69%
17. Laiho Jari Olavi	235,000	0.65%
18. Audit-Lex Oy	170,000	0.47%
19. Mäkinen Antti Vilho Juhani	164,000	0.45%
20. Heikki Tervonen Oy	153,000	0.42%

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)

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

Shareholders' equity / share:

Equity attributable to the shareholders of the parent company

Undiluted number of shares on the date of the financial statement