



# Innofactor Interim Report Q1/2022

April 26, 2022, Markku Puolanne, CFO

[#ModernDigitalOrganization](#) | [#HybridWork](#) | [#PeopleFirst](#) | [#CreatingSmiles](#)

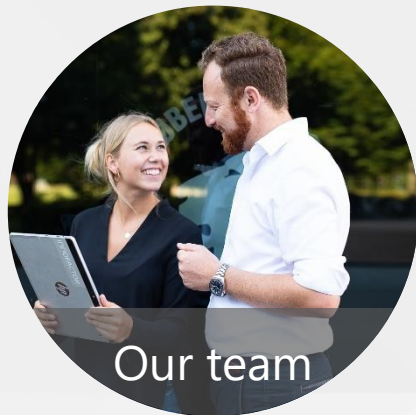


# Innofactor's Business

Driving the Modern Digital Organization  
in the Nordic Countries

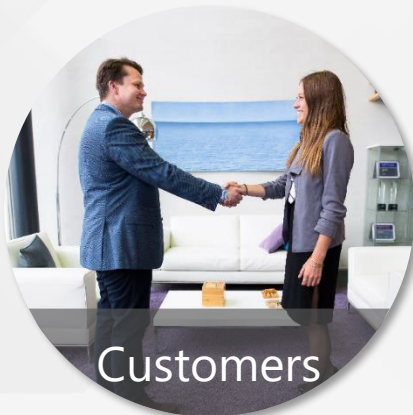
INNOFACTOR®

# Innofactor – Leading Nordic driver of Modern Digital Organization



Our team

- Approx. 500 Nordic professionals
- 16 enterprise level Microsoft Gold competencies
- 10+ Microsoft Partner Awards



Customers

- Approx. 1,000 Nordic customers
- Strong industry knowledge in private, public and membership-based organizations



Company

- Revenue 66+ MEUR and EBITDA 15+% (2021)
- 15 offices in Nordic countries
- Listed in Helsinki Stock Exchange (NASDAQ Helsinki), 12 000+ shareholders

Microsoft  
Partner



Gold Application Development  
Gold Application Integration  
Gold Cloud Business Applications  
Gold Cloud Platform  
Gold Cloud Productivity  
Gold Collaboration and Content  
Gold Data Analytics  
Gold Data Platform  
Gold Datacenter  
Gold DevOps  
Gold Enterprise Mobility Management  
Gold Enterprise Resource Planning  
Gold Project and Portfolio Management  
Gold Security  
Gold Small and Midmarket Cloud Solutions  
Gold Windows and Devices

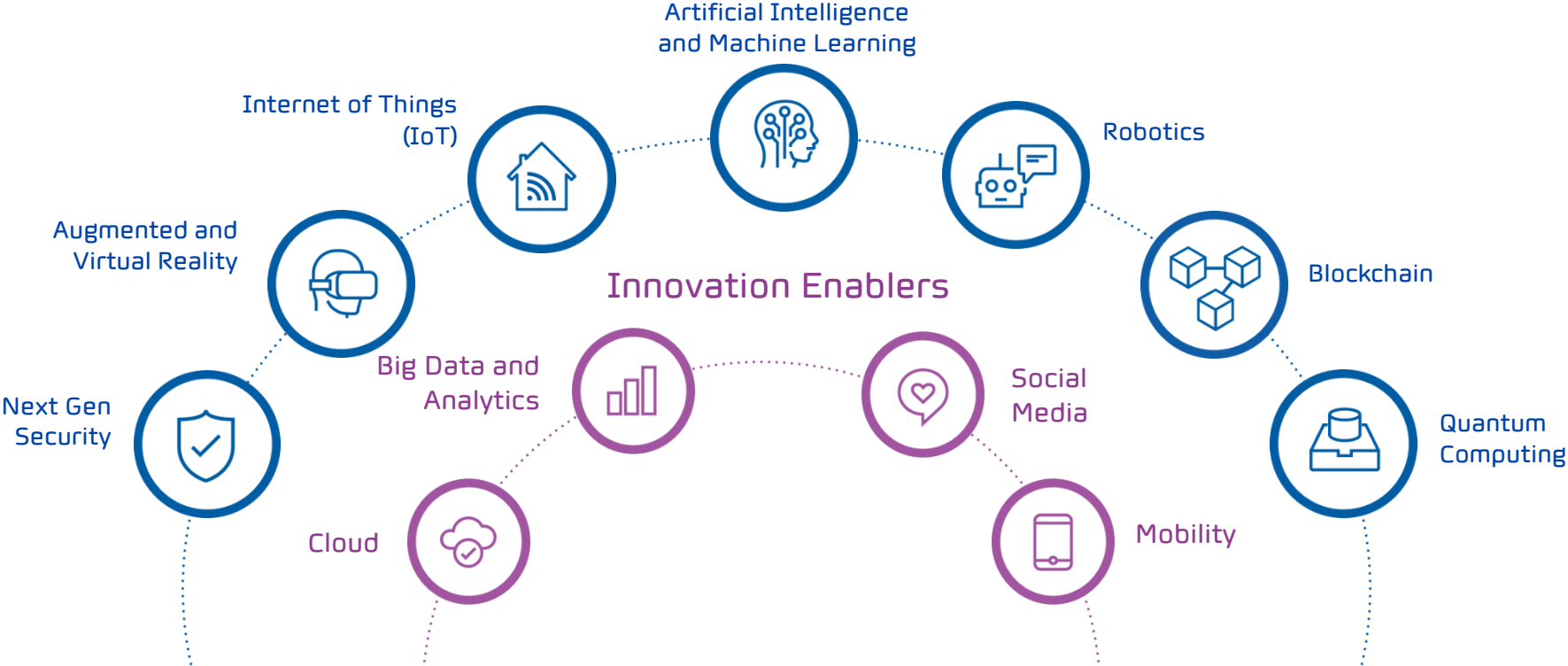
# INNOFACTOR<sup>®</sup>

"Innovating to make  
the world work  
better."

Sami Ensio,  
founder and CEO



# Key Trends Driving Innovation

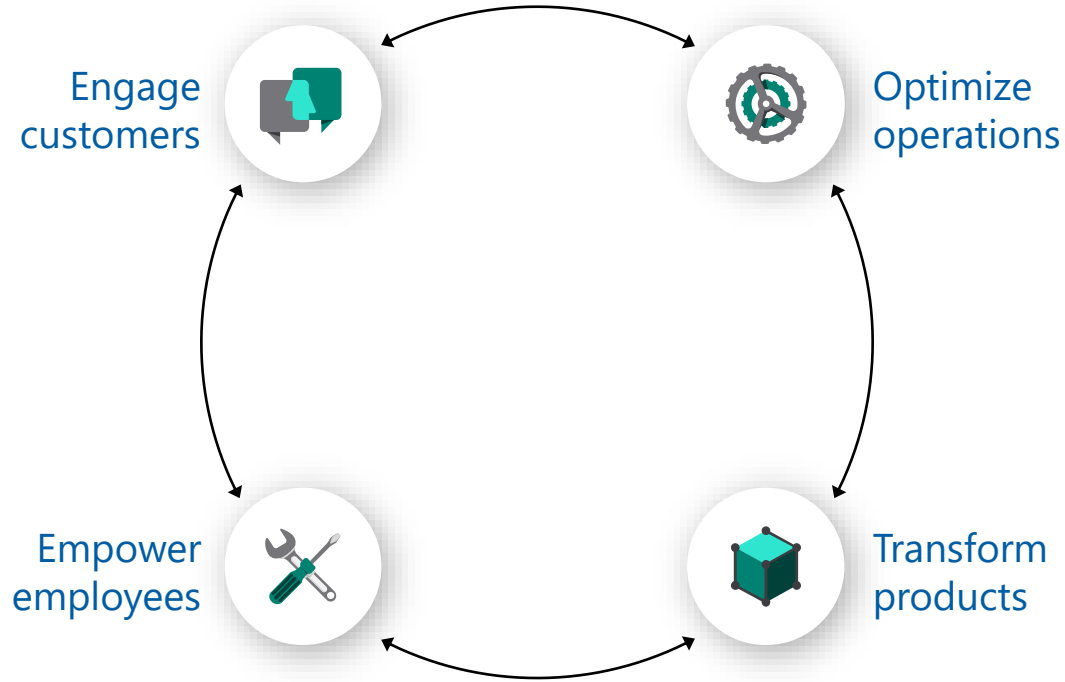




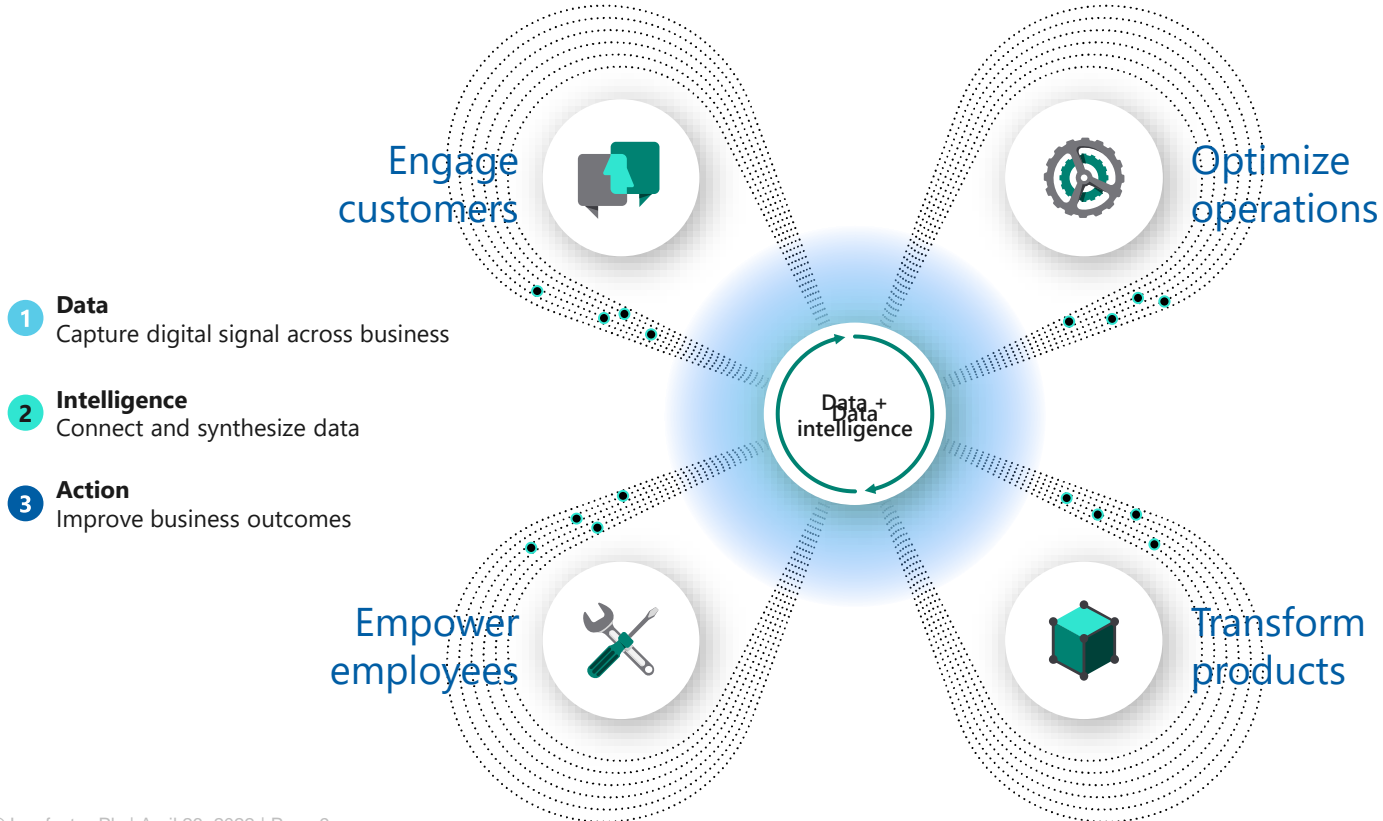
Our mission is to drive the modern digital organization.



# Key Stakeholders of B-to-B Digital Transformation



# Digital Feedback Loop





# Innofactor Solution Offering

Modern Digital Organization  
Framework and Innofactor's  
6 solution areas

## Digital Services

Software Development and DevOps  
App and Data Modernization  
Process Digitalization  
Low-code Development

## Cloud Infrastructure

Managed Operations and DevOps  
Cloud Transformation  
Governance and Automation  
Migrations

## Business Solutions

Sales and Marketing | CRM  
Customer Service Enablement  
Finance and Operations | ERP  
Membership Management

## Data and Analytics

Data Platform  
Advanced Analytics and BI  
Master Data Management | MDM  
AI, Real-time Analytics and IoT

## Information and Case Management

Collaboration and Intranets  
Document and Records Management  
Case and Decision Management  
Contract and Quality Management

## Cybersecurity

Security Assessment  
Hybrid Work Security  
Platform Security  
Identity and Access Management | IAM

#ModernDigitalOrganization

# Traficom

## Agile Development and Customized Digital Services for over a Decade

The Finnish Transport and Communications Agency Traficom is an authority in permit, license, registration, approval, safety and security matters for traffic and communications. It employs approximately 900 people in 15 locations. Traficom promotes the functionality and safety of traffic and expedites the development of a digital society. Traficom supports sustainable development and ensures that high-quality, safe and reasonably priced communications connections and services are available in Finland.

Innofactor has been a digital services development partner for Traficom for over a decade. As a concrete outcome of this long partnership, a comprehensive digital services platform has been developed for the customer. Dozens of solutions that support Traficom's competence areas have already been implemented on the platform. The agile development model is applied in practical development work for Traficom, with Innofactor's expert team taking care of the production of new digital services as well as the continuous development and maintenance of services. The domain.fi service, for example, was implemented in accordance with this model.

Over the course of the long-term partnership, Innofactor's team has become intimately familiar with Traficom's operating environment, architecture and operating practices, which makes it possible to implement solutions to address the agency's needs, even on short notice. As an experienced partner, Innofactor is also able to challenge and consult Traficom on the direction of the future development of the architecture, service roadmap and user experience.

The partnership with Innofactor is valuable and convenient for Traficom in that the agency is provided with maintenance for existing services as well as the development of new services by the same partner. Traficom sees particular value in Innofactor's extensive expertise in technology, service design and user interface design. Thanks to this wide-ranging competence, the agency can expect the services delivered to be of high quality and compatible with the existing set of solutions.



***"Innofactor is a reliable and highly capable partner that challenges our agency's entrenched paradigms. Over the years, we have taken our development efforts to a new level, both in terms of operating practices and the results we have achieved together and at a brisk pace."***

**Kirsi Jäntere**  
Development Manager  
Traficom



## Atea Finland

### Business Insight is the Key to Successful ERP Co-Operation

Atea is a comprehensive IT service provider and the leading IT infrastructure provider in the Nordic region and the Baltic countries. In Finland, Atea has 12 offices in different parts of the country. The company's offices in Finland have approximately 450 employees, while Atea Group as a whole employs about 7,000 people internationally.

Innofactor has been a strategic partner for Atea Finland for several years now. The co-operation with Innofactor has included many different projects related to Microsoft products, for example. The maintenance of back-end systems is very important for Atea, as they help serve customers more efficiently, more ethically and in an eco-friendly manner. Atea's approach is to be an agile, responsible and comprehensive partner for its customers.

The co-operation began in 2014 with a version update to Microsoft SharePoint. The partnership was subsequently expanded over the years by a Microsoft Dynamics 365 project and various development projects. Most recently, the two companies worked together on an enterprise resource planning system update, which involved updating the previous ERP version to Microsoft Dynamics Business Central. Innofactor is a highly strategic partner for Atea Finland. New projects are always proactively planned so that they support Atea's strategic goals.

***"Working with Innofactor has been easy because the company has a very high level of professional expertise in these areas. They also understand Atea's business very well, which is the key to effective co-operation."***

**Petra Berg**  
Chief Information Officer  
Atea Finland




# City of Lahti

## New Case Management System Made Day-to-Day Operations Smoother for the City of Lahti

Known for sports, Lahti is one of the largest cities in Finland with a population of 120,000. The city is also known internationally for its environmental and design expertise as well as high-quality culture services. Lahti was the European Green Capital 2021 and it is also the most recent university city in Finland.

City of Lahti wanted to streamline decision-making with a new case management system and selected Innofactor's Dynasty 10 as the new case management solution in a tendering process. Dynasty scored the highest points in the assessment of usability. The new case management system has a particular emphasis on ease of use, which has reduced time spent on training and made it possible to engage the users to the organization's common operating practices.

The new case management system's integrations with several other information systems reduce manual work and extend fully digital processes. Lahti has focused process modeling for decades, which is reflected in streamlined decision-making workflows. Dynasty 10 takes the individual needs of the city's employees into account by allowing each user to customize their desktop view to suit their job tasks. Lahti chose the Microsoft Azure cloud as the platform for case management. Azure's high level of data security, scalability in response to changes in capacity, seamless integration with Microsoft productivity tools and the opportunity to take advantage of Azure services, such as machine-learning automation solutions, ensure the ability to respond to changing challenges in the future.



***"We have achieved our goal of having a single user interface by migrating from separate systems to a single system. Decision-making workflows, communications, contract management and the electronic lifecycle management of data all take place in the same system. Decision-makers and those who prepare matters for decisions benefit from single sign-on, which is both secure and convenient."***

**Marko Monni**  
Chief Information Officer  
City of Lahti

# Alecta


## Efficient and Secure Management and Deployment of the Microsoft Azure Cloud Platform with Innofactor Virtual Data Center

Alecta is the company ensuring that 2.6 million private individuals and 35,000 companies around Sweden have employment pensions. The insurance branch of the business requires numerous difficult mathematical calculations, using enormous volumes of data. However, Alecta's various business areas have differing IT requirements, as each area needs their own installations and complies with different regulations. Despite these differences, Alecta can achieve significant economies of scale by leveraging a unified core infrastructure and data pools.

Some time ago the pension company realized that the critical calculations required more computing power than what a traditional data center was able to provide. Hence, Alecta began planning to take advantage of cloud services, particularly Microsoft Azure. The goal was to find a ready-made solution for deploying Microsoft Azure as efficiently as possible and allowing automation to manage the environment and update the settings.

After discussing with Innofactor, Alecta decided to implement its Azure environment with Innofactor Virtual Data Center (VDC). VDC leverages code deployed in Azure, automating many of the key steps in maintenance and administration in line with Microsoft's best practices for cloud services. As a result, Alecta can manage its cloud services independently using customized code that is owned by the company itself.

As a Microsoft expert in cloud infrastructure management, Innofactor supports the customer by providing all the necessary updates to the codebase. This, in turn, allows Alecta's experienced team of experts to contribute to the company's core business by focusing on application development and data processing. The VDC solution gives Alecta access to all the benefits of Microsoft cloud and analytics solutions such as Power BI without having to hire its own Azure architecture experts.

A portrait of Fredric Adell, an IT architect at Alecta. He is a middle-aged man with short, light-colored hair, wearing glasses, a light purple button-down shirt, and a dark grey suit jacket. He is smiling slightly and looking towards the camera. The background is a blurred, warm-toned wall.

***"Previously, we weren't able to do certain calculations at all, and others took forever to complete. Now, we can perform a calculation that used to take several hours or days in just a few minutes."***

**Fredric Adell**  
IT architect  
Alecta



# Seure

## A Customized Reporting Solution Implemented with a Dynamics 365 Integration

Employee leasing company Seure provides personnel services for municipalities and joint municipal authorities in the Helsinki metropolitan area. Seure's biggest clients are the cities of Helsinki, Espoo, and Vantaa as well as The Hospital District of Helsinki and Uusimaa (HUS).

Seure needed a CRM system and wanted a partner to customize Microsoft Dynamics 365 according to the company's needs. In order to find a suitable partner, Seure organized a tender, which was decided in favor of Innofactor due to its references and a good project plan as well as an exceptionally solid competency in Microsoft Dynamics 365 and Power Platform. Innofactor has supported Seure in developing the company's internal reports as well as the reports that are used by and delivered to Seure's customers. These latter types of reports are mainly created on top of the data layer provided by the Snowflake system. However, the Dynamics 365 solutions developed by Innofactor make an exception to this, as their additional reporting has been implemented with a direct Dynamics 365 integration.

All in all, Seure has been very satisfied with the cooperation with Innofactor. What has been particularly impressive is the level of commitment that Innofactor's experts have shown. During the cooperation, both parties developed into a unified team as they kept learning new ways of working regarding both remote working and agile methods.

***"I can truly recommend Innofactor. Their employees are very nice and professional and committed to our common project."***

**Antti Nummiranta**

Acting CEO, Director, Technology & Development  
Seure





## Bjørnafjorden

### A New Identity Solution Gave Bjørnafjorden Control after the Municipal Merger

Bjørnafjorden municipality saw the light of day in January 2020, when the municipalities Os and Fusa were merged. The municipality has just under 25,000 inhabitants and around 1,800 employees. Prior to the merge, the two municipalities agreed that it was necessary to implement a proper solution for identity and access management. The municipalities therefore began to look at different identity solutions, and eventually chose One Identity, a solution based on Microsoft Identity Manager (MIM).

Consultants from Innofactor have worked with Bjørnafjorden to set up the new ID solution, in addition to a new e-mail solution based on Exchange Online. The MIM solution is connected to Microsoft Azure AD (Active Directory), so that access to file areas and other network resources can be controlled based on which groups in AD employees are members of. Now

Bjørnafjorden has much better control of onboarding and offboarding, and new employees are registered in AD via personnel notification.

The Norwegian National Security Authority (NSM) states in its 2021 report on the National Risks that there is a very high risk that Norwegian companies will be exposed to ransomware viruses during 2022. This is a threat the IT department in Bjørnafjorden municipality is acutely aware of, not least since there have recently been examples of ransomware attacks that have had serious consequences for other municipalities. Therefore, Bjørnafjorden received assistance from Innofactor to conduct a safety audit. Although the review proved that much was already in good order, it was very useful. Based on the audit, Bjørnafjorden received a lot of specific tips on what they could improve.

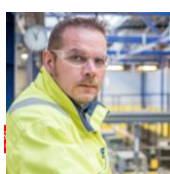
*"Identity management was an area of expertise we lacked at the time. We don't have the resources and capacity to do this ourselves, so we preferred to buy this as a service from Innofactor. Our experience is that Innofactor has very good expertise and skilled people. This was also important to us when selecting a supplier."*

**Espen Harald Haga**  
Head of the IT department  
Bjørnafjorden



# We Create Innovations with Our Leading Customers

Approx. 1,000 Commercial, Public Sector and Membership-based Customers





Our aim is to become the leading Nordic digital transformation partner in the Microsoft ecosystem.

Microsoft  
Partner



Gold Application Development  
Gold Application Integration  
Gold Cloud Business Applications  
Gold Cloud Platform  
Gold Cloud Productivity  
Gold Collaboration and Content

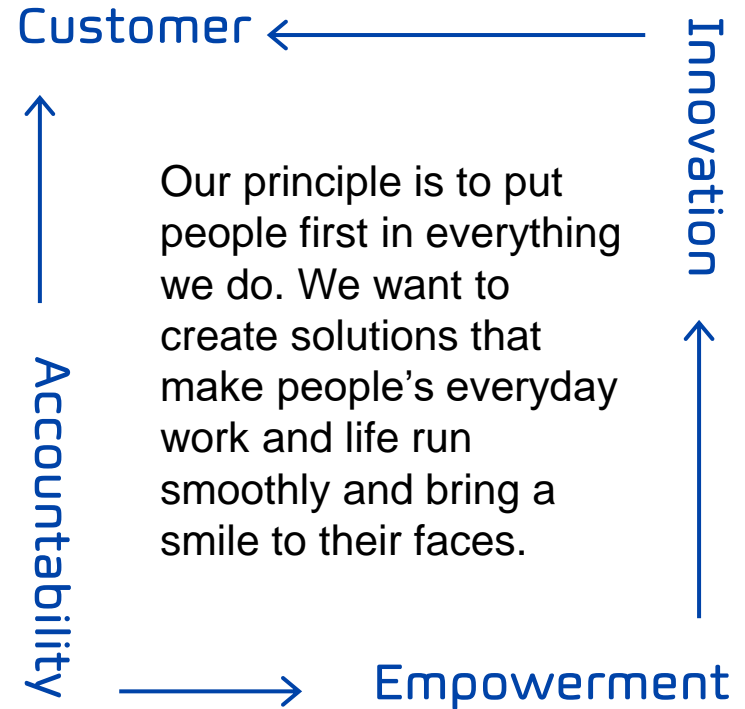
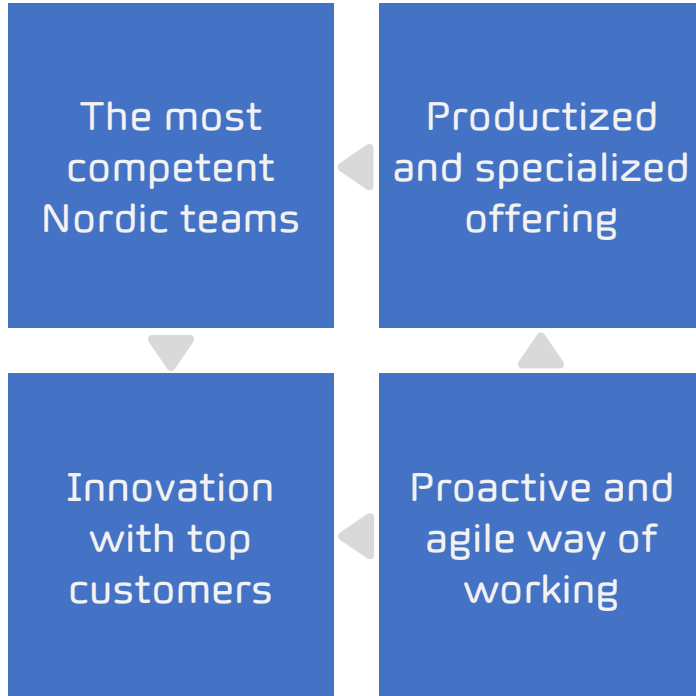
Gold Data Analytics  
Gold Data Platform  
Gold Datacenter  
Gold DevOps  
Gold Enterprise Mobility Management

Gold Enterprise Resource Planning  
Gold Project and Portfolio Management  
Gold Security  
Gold Small and Midmarket Cloud Solutions  
Gold Windows and Devices





# Strategic choices, working principle and values



# Moving forward in a sustainable way by employing young people

- Innofactor is convinced that the long-term success is based on sustainable operations
- Our digital solutions are in key position in curbing climate change and promoting sustainable development
- We see employing young graduates as a key focus in our sustainable operations
- Innofactor recruited in Finland in 2021 14 graduate students in our DigiStar program



# Executive Board of Innofactor Group



**Markku Puolanne, CFO**

B.Sc. (Econ.). Employed by Innofactor since 2019. Born in 1973. Ownership 10,000 shares.

**Martin Söderlind, Chief Innovation and Talent Officer**

B.Sc.(Not finished). Employed by Innofactor as of April 1, 2021. Born in 1971. Ownership 0 shares.

**Sami Ensio, CEO and Country Manager for Finland**

M.Sc. Innofactor's founder, CEO and member of the Board of Directors since 2000. Born in 1971. Ownership 5,712,382 shares.

**Vesa Syrjäkari, EVP, Business Dev. and Operational Excellence**

M.Sc. (Econ.). Employed by Innofactor since 2017. Born in 1960. Ownership 60,000 shares.

**Jørn Ellefsen, Country Manager for Norway and Denmark**

MBA. Employed by Innofactor since 2019. Born in 1971. Ownership 80,500 shares.

**Marcus Hasselblad, Country Manager for Sweden**

M.Sc. (Tech.). Employed by Innofactor since 2020. Born in 1968. Ownership 8,300 shares.

**Janne Heikkinen, Executive Vice President, Products and Services**

M.Sc. Employed by Innofactor since 2015. Born in 1974. Ownership 123,044 shares.



# The Board of Directors of Innofactor Plc



**Risto Linturi**

M.Sc. (Tech.). Member of the Board of Directors since 2018. Born in 1957. Ownership 826,411 shares.



**Heikki Nikku**

BBA (not finished). Member of the Board of Directors since 2020. Born in 1956. Ownership 20,138 shares.



**Anna Lindén, Chairman**

M.Pol.Sc. Chairman of the Board since 2020 and member of the Board since 2018. Born in 1973. Ownership 79,150 shares.



**Sami Ensio**

M.Sc. (Tech.). Innofactor's founder, CEO and member of the Board of Directors since 2000. Born in 1971. Ownership 5,712,382 shares.

# Organization

**Board of Directors**  
 Anna Lindén (Ch.)      Sami Ensio  
 Risto Linturi            Heikki Nikku

**Sami Ensio**  
 President and CEO

**Markku Puolanne**  
 Chief Financial Officer (CFO)

**Vesa Syrjäkari**  
 EVP, Biz Dev and Oper Excellence

**Martin Söderlind**  
 Chief Innovation & Talent Officer

**PRODUCTS AND SERVICES**  
**Janne Heikkinen**  
 EVP, Products & Services

**FINLAND**  
**Sami Ensio**  
 President and CEO,  
 Country Manager, Finland

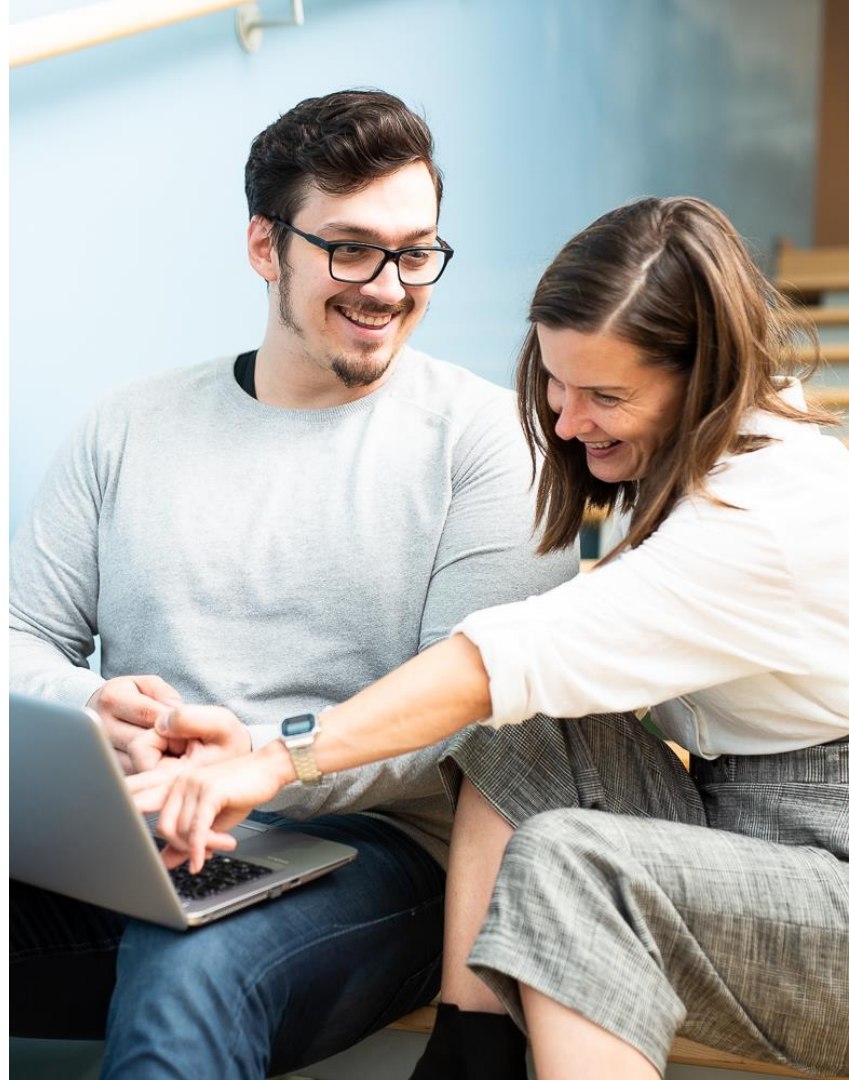
**SWEDEN**  
**Marcus Hasselblad**  
 Managing Director,  
 Country Manager, Sweden

**DENMARK**  
**Jørn Ellefsen**  
 Managing Director,  
 Country Manager, Denmark

**NORWAY**  
**Jørn Ellefsen**  
 Managing Director,  
 Country Manager, Norway

	Digital Services Heikki-Harri Kukkonen	Business Solutions Jyrki Vepsäläinen	Information and Case Management Vesa Niinistö	Cybersecurity Solutions Jarno Limnell	Data and Analytics Stella Diesen	Cloud Infrastructure Marko Lybeck
Sales & Customers Jarkko Lindroos						
HR Riikka Hägg						

Our long-term financial goals are annual growth of about 20 percent, approximately 20 percent EBITDA in relation to net sales, and maintaining positive cash flow and a solid financial standing in all situations.

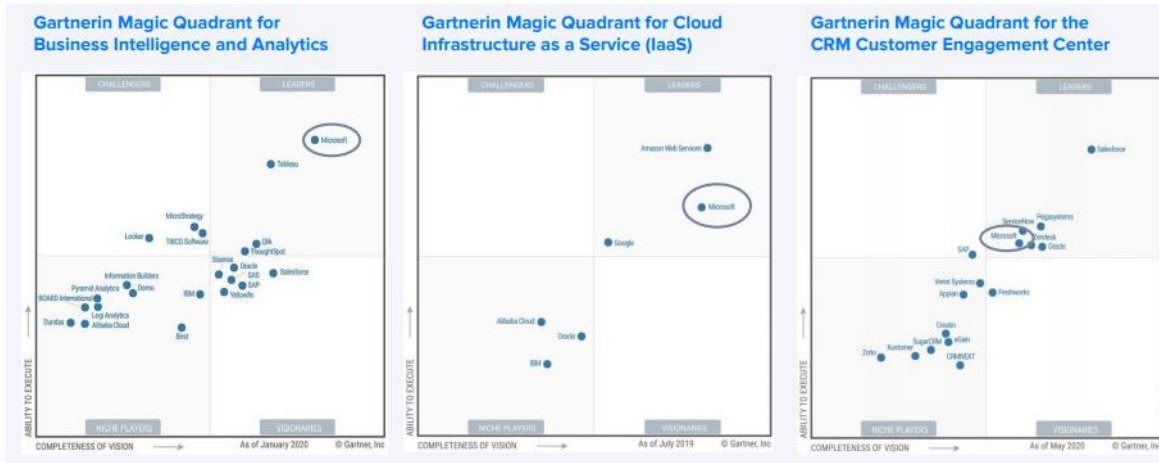


# The elements of profitable growth



# Microsoft Has the Leading Ecosystem in Innofactor's Strategic Focus Areas

- Microsoft is the leading global provider in Innofactor's strategic focus areas
- By focusing on the Microsoft ecosystem Innofactor can attract the best talent and know-how and have close relations to Microsoft
- If Microsoft were to lose its leading position in some areas Innofactor could transition to other partners in these areas



# Innofactor Competitive Positioning in the Nordic EUR 10 Billion Microsoft IT Services Market

Nordic IT services market  
25 billion euro\*

**Large companies, in every Nordic Country, all solution areas, and several technologies**  
- E.g. TietoEvry, CGI and Fujitsu

Nordic Microsoft  
IT-services market  
10 billion euro\*\*

**Mid-sized, not in all Nordic Countries, several technologies**  
- E.g. Siili, Solita, Digia, Netcompany and Precio

**Our Competitive Advantage:**  
- leading know-how in Microsoft-based solutions  
- productized offering

**Our Competitive Advantage:**  
- more skilled local professionals  
- better productized offering  
- more flexible mode of operation

**INNOFACTOR®**

**Our Competitive Advantage:**  
- Trustworthiness of a listed company  
- Established processes  
- Strong customer references.

**Our Competitive Advantage:**  
- leading know-how in Microsoft-based solutions  
- stronger industry focus & knowledge  
- Broader offering

**Mid-sized, in every Nordic Country, focusing on specific solutions**  
- E.g. Atea, HiQ, and Knowit

**Small companies, usually only in home market, one solution or one technology**  
- E.g. Sulava, Clouddriven ja Proactive

\* Source: IDC, internet

\*\* Estimate Microsoft market share to approx. 40%

>0%

>0%





Financial Information

# Q1/2022 Results

The absences due to sickness arising from the COVID-19 pandemic made the first quarter challenging – with the net sales and operative operating margin slightly smaller than the previous year

Net sales in the first quarter of 2022 were EUR 17.0 million, representing a year-on-year decrease of 4.7 percent. Without the Prime business sold in the first quarter of 2021, the comparable change would have been a decrease of 1.5 percent. The net sales in Denmark and Norway increased in the first quarter. However, the net sales in Finland and Sweden decreased, affected by the increase in absences due to sickness as a result of the COVID-19 pandemic

The operating margin (EBITDA) decreased by 2.8 percent from the previous year without the sold Prime business and was EUR 2.0 million (12 percent of the net sales). The operating margin decreased totally by 56.2 percent.

The order backlog was EUR 71.3 million at the end of the quarter, which shows an increase of 3.5 percent compared to the corresponding time in the previous year.

Revenue

**17.0 M€**

Decrease -1.5%  
(On 2021 level  
without Prime) vs.  
Q1/2021

EBITDA

**12.0%**  
**2.0 M€**

Decrease -2.8%  
(without Prime)  
vs.  
Q1/2021

Order Backlog

**71.3 M€**

Growth +3.5%  
vs.  
Q1/2021

# Q1/2022 Actuals

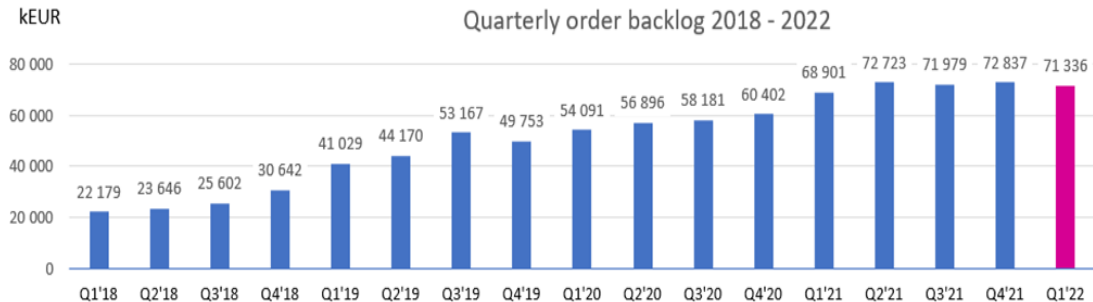
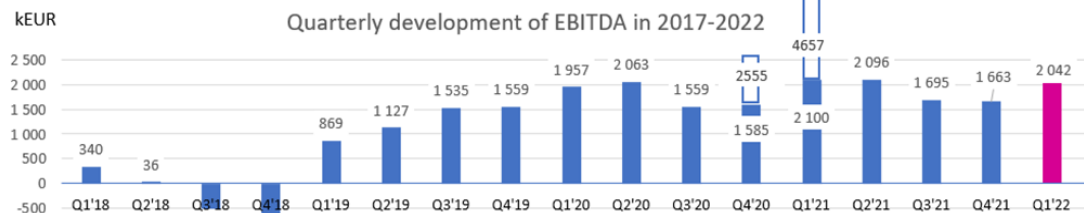
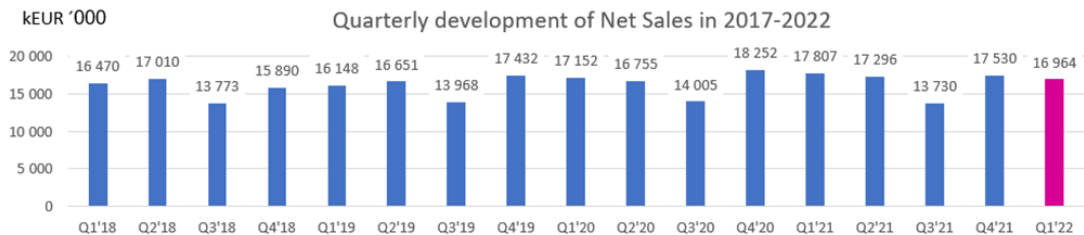
## Selected Key Figures

	Q1 2022	Q2 2021	Change (%)	CEO's comment
<b>Net Sales (kEUR)</b>	16,964	17,807 (17,226)	-4.7% (-1.5%)	<i>"Net sales in the first quarter of 2022 were EUR 17.0 million, representing a year-on-year decrease of 4.7 percent. Without the Prime business sold in the first quarter of 2021, the comparable change would have been a decrease of 1.5 percent. The net sales in Denmark and Norway increased in the first quarter."</i>
<b>EBITDA (kEUR)</b>	2,042	4,657 (2,100)	-56.2 % (-2.8%)	<i>"The operating margin (EBITDA) decreased by 56.2 percent from the previous year and was EUR 2.0 million (12.0 percent of the net sales). The operating margin of 2021 included a sales gain of approximately EUR 2.6 million from the sale of the Prime business, without which the comparable change would have represented a decrease of 2.8 percent"</i>
<b>Order Backlog (kEUR)</b>	71,336	68,901	+3.5 %	<i>"The order backlog was EUR 71.3 million at the end of the quarter, which shows an increase of 3.5 percent compared to the corresponding time in the previous year."</i>
<b>Equity Ratio (%)</b>	51,7 % (56,5 %)*	46,6 % (44,0%)*	+10,9 %	<i>"Innofactor's operating cash flow in the review period of January 1–March 31, 2022, was EUR 2.7 million. The strong operating cash flow and financial position support Innofactor's strategic goal of profitable growth and securing solid financial standing in all situations."</i>

\* w/o IFRS16

# Quarterly Development of Innofactor Group Financials

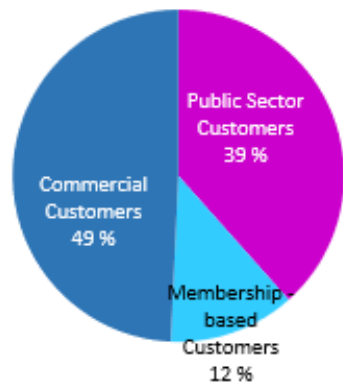
Increased revenue is typically reflected immediately in EBITDA



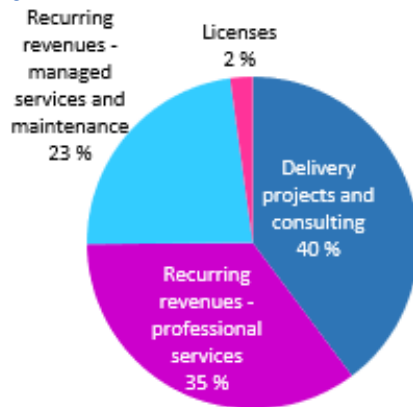
Increased order backlog effects the revenue typically with 1 to 2 quarter delay

# Broad Customer Base, Long-term Contracts and Business Footprint in The Nordic Countries Bring Scalability and Stability

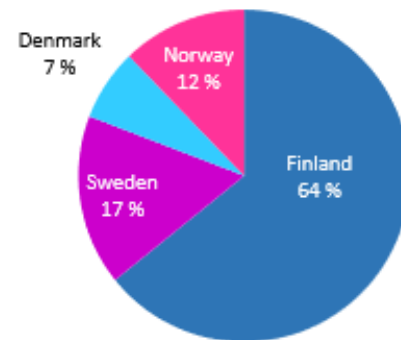
Distribution of net sales January 1 to March1, 2022



- Strong customers in public private and third sectors bring stability in economic fluctuations
- 10 largest customers account for approximately 29% of net sales



- Recurring revenues from service agreements and license sales bring competitive advantage, scalability and stability
- Sales of consultant's work moving increasingly to frame agreements and continuous development



- Sweden, Denmark and Norway represented a significant portion of Innofactor's revenues
- Innofactor's objective is to create a strong position in all Nordic countries

# Innofactor Key Financials, IFRS

	Jan 1–Mar 31, 2022	Jan 1–Mar 31, 2021	Change
Net sales, EUR thousand	16,964	17,807	-4.7%
Growth of net sales	-4.7%	3.8%	
Operating result before depreciation and amortization (EBITDA), EUR thousand	2,042	4,657	-56.2%
percentage of net sales	12.0%	26.2%	
Operating profit/loss (EBIT), EUR thousand*	1,319	3,809	-65.4%
percentage of net sales	7.8%	21.4%	
Earnings before taxes, EUR thousand	1,102	3,357	-67.2%
percentage of net sales	6.5%	18.9%	
Earnings, EUR thousand	846	2,637	-67.9%
percentage of net sales	5.0%	14.8%	
Order backlog	71,336	68,901	3.5%
Net gearing	26.5%	56.9%	
Net gearing without IFRS 16	10.1%	43.6%	
Equity ratio	51.7%	46.6%	10.9%
Equity ratio without IFRS 16	56.5%	44.0%	
Active personnel on average during the review period*	499	537	-7.1%
Active personnel at the end of the review period*	502	536	-6.3%
Earnings per share (EUR)	0.0231	0.0705	-67.2%

\*) Innofactor Group monitors the number of active personnel. The number of active personnel does not include employees who are on leave for more than 3 months.



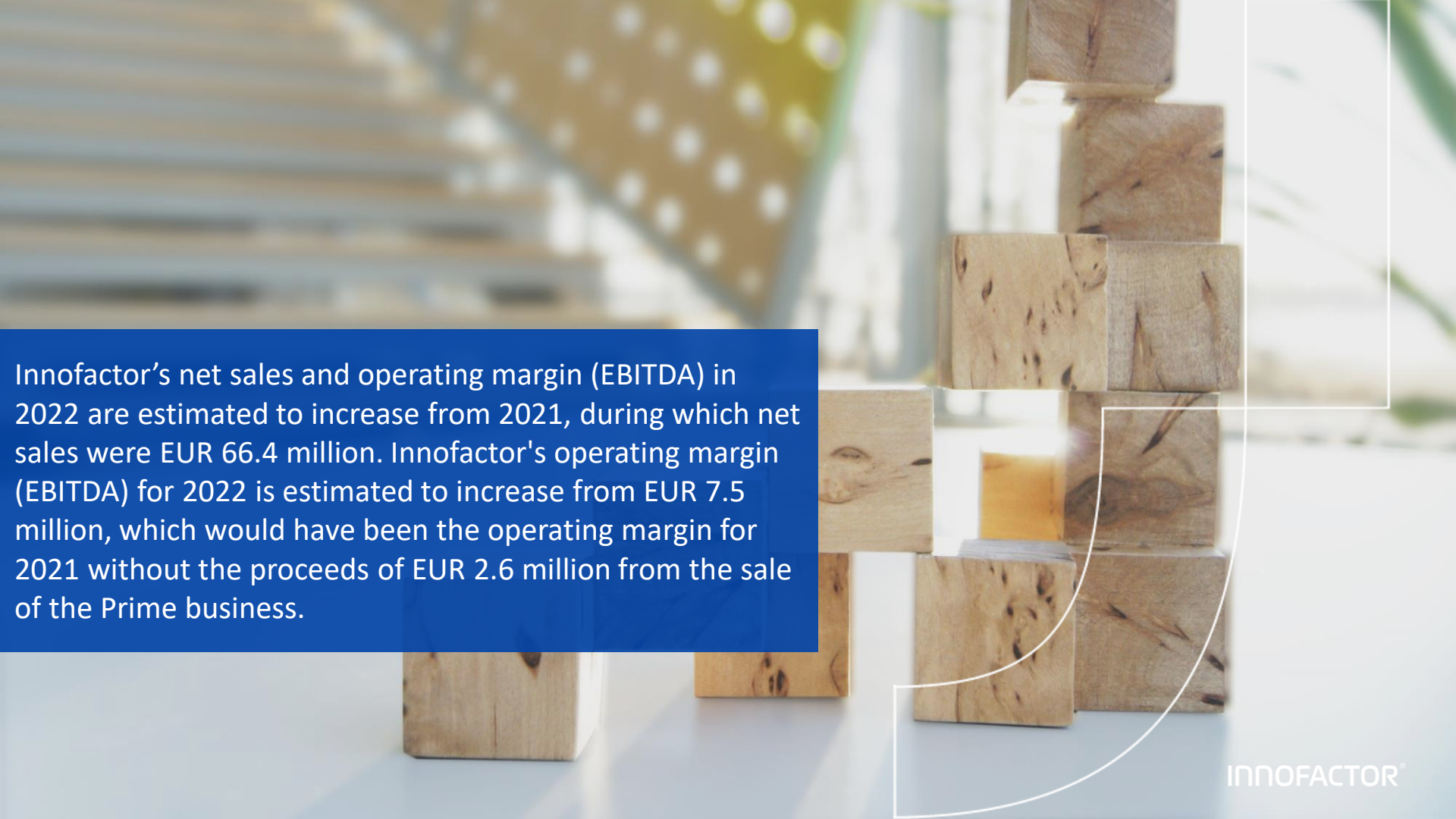
# Realization of the strategy in the review period Q1 2022

- Target 1: Ca 20 percent yearly growth, mainly organic growth
  - Net sales decreased by 4.7 percent compared to the previous year. Without the Prime business sold in the first quarter of 2021, the comparable change would have been a decrease of 1.5 percent.
  - The EUR 71.3 million order backlog supports the revenue growth target.
- Target 2: Ca 20 percent EBITDA
  - EBITDA was 12.0 percent of revenue, decreasing by 56.2 percent. The EBITDA Q1 2021 included a sales gain of approximately EUR 2.6 million from the sale of the Prime business, without which the decrease would have been 2.8 percent
  - Still some work needed to reach the 20% profitability target.
- Target 3: Positive cash flow and financial solidity in all situations
  - Innofactor operative cash flow was EUR 2.7 million decrease of 25.4 % and equity ratio at the end of review period was 51.7 percent (growth 10.9%).
  - Strong operative cash flow and good financial position support the strategic growth target securing solid financial standing in all situations.



## Dividend Distribution

- According to the policy, the aim of the Board of Directors is
  - to pay a dividend regularly each year
  - to pay about half of the result for the financial period in dividends, taking into account the company's financial position, possible corporate reorganizations and other development needs
- Board of directors proposes that
  - distribute repayment of capital amounting to **EUR 0.08** per share
- In addition Board of directors proposes that
  - To authorize the company's Board of Directors to decide on a potential extra dividend and repayment of capital of maximum EUR 3,279,058 (**EUR 0.08** per share taking into account the share issue authorization proposed to the Board of Directors)



Innofactor's net sales and operating margin (EBITDA) in 2022 are estimated to increase from 2021, during which net sales were EUR 66.4 million. Innofactor's operating margin (EBITDA) for 2022 is estimated to increase from EUR 7.5 million, which would have been the operating margin for 2021 without the proceeds of EUR 2.6 million from the sale of the Prime business.



Other Issues



# Stock Exchange Releases after Q1/2022 (1/3)

- On January 4, 2022, Innofactor announced in a stock exchange release that it had completed the share repurchase program. Repurchases of treasury shares began on October 26, 2021, and ended on January 5, 2022. During this period, Innofactor acquired 800,000 treasury shares at an average price of EUR 1.5045. The shares were acquired at the current market price in public trading arranged by Nasdaq Helsinki Ltd.
- On January 18, 2022, Innofactor announced in a stock exchange release that the **Ministry of Social Affairs and Health** selected Innofactor in a public procurement competition as the provider of the Case Management, Document Management, Services and Reference Price Information System and the related maintenance and further development tasks of the Pharmaceuticals Pricing Board. The total value of the procurement (excluding VAT) stated by the Ministry of Social Affairs and Health in the procurement decision for the four-year contract period is approximately **EUR 1,190,000**.
- On January 20, 2022, Innofactor announced in a stock exchange release that **the Housing Finance and Development Centre of Finland (ARA)** had selected Innofactor in a public procurement competition as the supplier of the Sequence Number Register. The procurement includes the planning and implementation of the Sequence Number Register, the support, maintenance and further development services for the implemented solution, as well as system operation and control. The solution is based on Microsoft Azure cloud services. Innofactor's share of the total value of the procurement is approximately **EUR 680,000**. The minimum agreement period is three years.

## Stock Exchange Releases after Q1/2022 (2/3)

- On February 16<sup>th</sup> 2022, Innofactor announced in a stock exchange release that **the Finnish Safety and Chemicals Agency (Tukes)** selected Innofactor in a public procurement competition as the supplier of the “Agile development of services, servicing and maintenance” section of the framework agreement on for IT system development and maintenance. The framework agreement comprises a total of three areas for which a total of four framework contract suppliers were selected. A total of two framework contract suppliers were selected for the “Agile development of services, servicing and maintenance”. The Agile development of services, servicing and maintenance section focuses on the implementation of Tukes' systems in accordance with an agile approach, service validation, the servicing and maintenance of applications, and processing and repair of disruptions. The anticipated total value (excluding VAT) of the procurement indicated by Tukes in **the procurement decision for all three covered areas is EUR 6.8. million**. The duration of the framework agreement is four years, plus an option for two additional years..
- On March 1, 2022, Innofactor announced in a stock exchange release that Innofactor and a **Swedish bank** have signed an agreement concerning the configuration, development, and support services for a Microsoft Dynamics 365 solution. Innofactor estimates the value of the agreement to be approximately **EUR 800,000**. The agreement will be valid until further notice.

## Stock Exchange Releases after Q1/2022 (3/3)

- On February 2, 2022, Innofactor announced in a stock exchange release that **Finnvera** had selected Innofactor as the provider of its case management system as a SaaS solution. The procurement comprises the case management system as well as the relevant access permissions, support and maintenance services, system delivery project, and supplementary expert services. The system will be based on Innofactor's Dynasty 10 solution. The service agreement related to the procurement will be valid for a fixed period of four (4) years, after which the agreement will be valid until further notice. The planned start of the deployment project is on April 1, 2022. Innofactor estimates the total value of the procurement to be approximately **EUR 1.0 million**.
- On March 10, 2022, Innofactor announced in a stock exchange release that **the Social Insurance Institution of Finland (Kela)** has selected Innofactor as the provider of an administrative case management solution in a public procurement competition. The procurement includes a case management solution based on Innofactor's Dynasty 10 system, the delivery project, the maintenance and support services as well as any separately requested expert work related to the solution. The total value (excluding VAT) quoted by Kela in its procurement decision is approximately **EUR 0.7 million**. The agreement will be valid for a fixed period of four (4) years, after which the agreement will be valid until further notice.
- On March 31, 2022, Innofactor announced in a stock exchange release that Innofactor and a **Norwegian non-profit organization** have signed an agreement concerning a cloud migration project, which comprises the migration of the organization's IT system from an external On Premises hosting environment to the Microsoft Azure cloud environment. The value (excluding VAT) of the agreement is approximately **EUR 1.2 million**. The cloud migration project will be delivered between April 2022 and January 2023.

## Stock Exchange Releases after Q1/2022

- On April 12, 2022, Innofactor announced in a stock exchange release that **Senate Properties** has selected Innofactor in a public procurement competition as the provider of a case and document management system as well as the related maintenance and development tasks. The system will be based on Innofactor's Dynasty 10 solution. The delivery project is planned to be implemented during years 2022–2023, after which maintenance and development services will be delivered. The total value of the procurement (excluding VAT) quoted by Senate Properties in its procurement decision is approximately **EUR 2.2 million**. The agreement will be valid for a fixed period of two (2) years from delivery, after which the agreement will be valid until further notice.

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

## Key points from CEO's review

- **Net sales:** Net sales in the first quarter of 2022 were EUR 17.0 million, representing a year-on-year decrease of 4.7 percent. Without the Prime business sold in the first quarter of 2021, the comparable change would have been a decrease of 1.5 percent. The net sales in Denmark and Norway increased in the first quarter.
- **EBITDA:** The operating margin (EBITDA) increased by 56.2 percent from the previous year and was EUR 2.0 million (12 percent of the net sales), and it was positive in all countries with the exception of Sweden. The operating margin of 2021 included a sales gain of approximately EUR 2.6 million from the sale of the Prime business, without which the comparable change would have represented a decrease of 2.8 percent.
- **Order backlog:** The order backlog was EUR 71.3 million at the end of the quarter, which shows an increase of 3.5 percent compared to the corresponding time in the previous year.
- **COVID-19:** The COVID-19 pandemic caused unforeseen challenges in the first quarter, during which period Innofactor's absences due to sickness approximately doubled from the previous year. As Innofactor's operations are largely based on the sale of man-hours, this resulted in a drastic reduction of our net sales. It is our belief that the worst of the wave of sicknesses is now behind us and the pandemic should not further reduce our net sales in the second quarter.

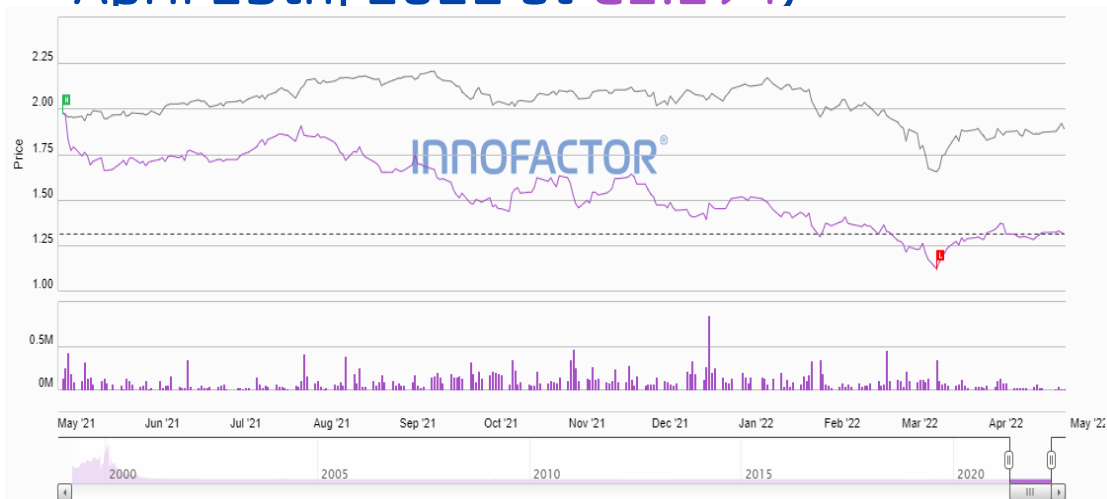


# Largest shareholders Marh 31, 2022

Name	Number of shares	% of share capital
1. Ensio Sami	7,886,142	21.10%
<i>Ensio Sami</i>	5,712,382	15.28%
<i>Minor under guardianship</i>	724,588	1.94%
<i>Minor under guardianship</i>	724,586	1.94%
<i>Minor under guardianship</i>	724,586	1.94%
2. Ilmarinen Mutual Pension Insurance Company	1,800,000	4.81%
3. Linturi Kaija and Risto	1,256,411	3.36%
<i>R. Linturi Oyj</i>	489,107	1.31%
<i>Linturi Kaija Anneli</i>	430,000	1.15%
<i>Linturi Risto Erkki Olavi</i>	337,304	0.90%
4. Laiho Rami Tapani	1,155,316	3.09%
5. Ärje Matias Juhanoika	854,253	2.28%
6. Mäki Antti-Jussi	613,725	1.64%
7. Tilman Tuomo Tapani	563,538	1.51%
8. Hellen Stefan Andreas	486,000	1.30%
9. Ingman Finance Oy Ab	450,000	1.20%
10. Muukkonen Teemu Heikki	410,357	1.10%
11. Järvenpää Janne-Olli	266,397	0.71%
12. Rausanne Oy	250,000	0.67%
13. Kukkonen Heikki-Harri	218,606	0.58%
14. Puolakka Petri Yrjö Emil	202,511	0.54%
15. Laiho Jari Olavi	200,371	0.54%
16. Mandatum Life Insurance Company Limited	199,445	0.53%
17. Kannisto Jaakko Mikael	191,981	0.51%
18. Varsio Jussi Ilari	190,000	0.51%
19. Mäkinen Antti Vilho Juhani	164,000	0.44%
20. Muurinen Hannu Olavi	125,750	0.34%
Total	17,484,803	46.76%



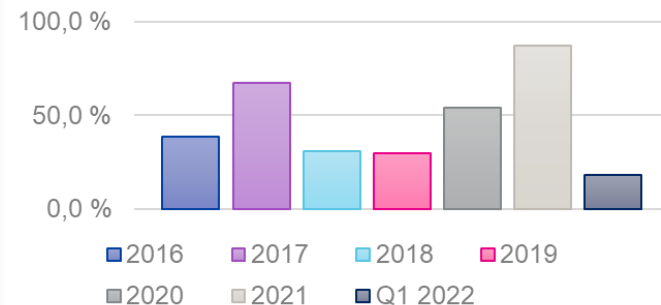
# Innofactor Share Price Development and Turnover (Closing April 25th, 2022 at €1.294)



## Share Price Development

Beginning of 2022	- 14.59%	Year highest 2022	1.54 EUR
1 year change	- 34.97%	Year lowest 2022	1,07 EUR
3 year change	+131.07%		
5 year change	-10,14%	Target price Inderes	1.50 EUR
10 year change	+131.07%	Target price Evli	1.60 EUR

## Turnover in % compared total amount of shares



In public trading during the period of January 1–March 31, 2022, a total of 6,513,680 shares were traded (2021: 10,096,022), which corresponds to 17.8 percent (2021: 27.0%) of the average number of shares in the said period. During the period January 1–March 31, 2022, there were 36,588,225 shares on average (2021: 37,188,225). The share trading decreased by 35.5 percent compared to the corresponding period in 2021.

# Additional Information

<https://www.innofactor.com/invest-in-us/innofactor-as-an-investment/>

**Sami Ensio**

CEO

+358 50 584 2029

[sami.ensio@innofactor.com](mailto:sami.ensio@innofactor.com)

**Markku Puolanne**

CFO

+358 400 694 114

[markku.puolanne@innofactor.com](mailto:markku.puolanne@innofactor.com)

INNOFACTOR®

What We Do

Customers

What's New

Join Us

Invest in Us

About Us

Q

BLOG MEDIA CONTACT US CHOOSE LANGUAGE

## Innofactor as an Investment

Innofactor Plc will publish its Interim Report for January–September 2020 on October 27, 2020. A video conference call for media, investors and analysts will be held in English on the same day beginning at 12:00 Finnish time.

PUBLISHING OF INNOFACTOR'S INTERIM REPORT JANUARY–SEPTEMBER 2020

The Leading Driver of the Modern Digital Organization in the Nordic Countries

€ 1.39

28.10.2020 09:55 AM CET

Change	%	High	Low
€ +0.03	+2.58%	€ 1.42	€ 1.36

Innofactor is the leading driver of the modern digital organization in the Nordic Countries for its over 1,500 customers in commercial, public and third sector. Innofactor has the widest solution offering and leading know-how in the Microsoft ecosystem in the Nordics. Innofactor has over 500 enthusiastic and motivated top specialists in Finland, Sweden, Denmark and Norway. In 2015–2019, the annual growth of Innofactor's net sales has been approximately 10%. The Innofactor Plc share is listed in the technology section of the main list of NASDAQ Helsinki Oy. #ModernDigitalOrganization #PeopleFirst #CreatingSmiles

Latest Stock Exchange Releases

A man with glasses and a dark suit over a light blue shirt is looking upwards with a slight smile. A Rubik's cube is suspended in the air above him. The background is a blurred green forest. A white outline of a large bracket is on the right side of the image. A pink rectangular box is on the left side, containing the text.

Thank You.  
Questions?

INNOFACTOR®