INNOFACTOR

Annual Report 2025

Innofactor Group's Annual Report for the Financial Year January 1 to December 31, 2025

Innofactor in Brief

Innofactor's purpose is to innovate to make the world work better. We are guided by a mission according to which we help our customers succeed by modernizing and digitalizing their organizations' operations. Our operating principle is to put people first in everything we do. We want to implement solutions that make people's everyday lives easier.

In our offering, we focus on solutions for organizations in the Microsoft ecosystem, the markets for which are growing faster than the IT market on average. We provide our customers with design services, delivery projects, deployment support, and maintenance services for business-critical, artificial intelligence-enabled IT solutions, and we also develop our own software and services.

Our solutions are used by approximately 1,000 private and public sector organizations in the Nordic countries. We are a strong and respected partner. Our long-term customer relationships are evidence of our customers' trust in Innofactor. We employ a proactive, value-adding, and flexible delivery model, which helps us stand out favourably in the market.

Innofactor employs more than 500 enthusiastic and motivated top professionals in Finland, Sweden, Norway, and Denmark. We are united by an interest in working at the forefront of innovation and the latest technology. The high level of professional competence of our personnel is a matter of pride for us, and we invest significantly in maintaining it. Our employees maintain their competence by acquiring technological qualifications, for example through Microsoft Certified Professional certifications and in our own Innofactor Academy. The high level of our competence is demonstrated by, among other things, all seven Microsoft Solutions Partner designations and eight Microsoft Advanced Specializations we have achieved. In accordance with our PeopleFirst philosophy, we put people first in everything we do. In line with our employee promise, everyone at Innofactor is free to be themselves, Be the Real You.

In 2025, our net sales totalled EUR 67.6 million, representing a decrease of 12.9 percent from the previous year. Our operating margin (EBITDA) was EUR 8.5 million, representing 12.5 percent of net sales.

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SUMMARY OF THE YEAR 2025

Clear Signs of Recovery Were Visible in the IT Sector During the Second Half of 2025

During 2025, our business was organized around our four business areas which commenced operations at the beginning of the year: Platforms, Solutions, Code, and Dynasty. We were able to offer our customers even clearer, higher-quality, and more cost-effective solutions and services. In our operations, we focus on developing our customers' and our own utilization of artificial intelligence, particularly in a process- and function-oriented manner.

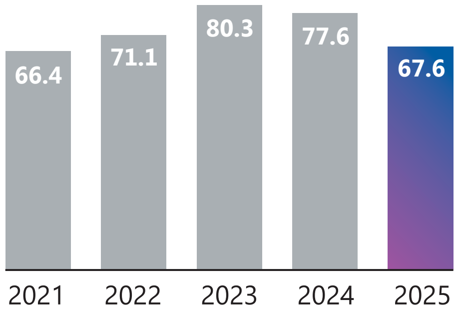
During 2025, we completed the ownership arrangement in which Innofactor was delisted from the Helsinki Stock Exchange. April 25, 2025 Onni Bidco Oy obtained ownership of the remaining shares of Innofactor Oyj through an interim decision issued by the arbitration board, and Innofactor Oyj's shares were removed from the official list of Nasdaq Helsinki. The arbitrators issued their final arbitral award on September 29, 2025, in which the redemption price of the shares was set at Onni Bidco Oy's offer price of EUR 1.68 per share. The decision was not appealed and became legally binding at the end of 2025. Innofactor's shares were removed from the book-entry securities system on March, 31, 2026.

As part of the implementation of the new strategy, Innofactor sold its MMS business, which was outside its four main business areas and targeted at Swedish trade unions, on March 31, 2025.

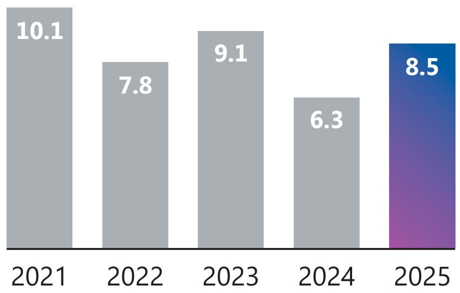
The general market situation in the IT sector remained challenging, particularly in the first half of the year. In Sweden, sales of the Dynasty product were excellent during the year, and several new customer relationships were secured. Business in Norway in 2025 was particularly challenging. Overall, business activity picked up substantially after the summer, which was reflected in an increase in the number of requests for proposals as well as more than a twofold increase in the sales pipeline and the number of sales opportunities.

Net sales for 2025 totalled EUR 67.6 million, representing a decrease of 12.9 percent compared with the previous year. The operating margin (EBITDA) was EUR 8.5 million (12.5 percent of net sales).

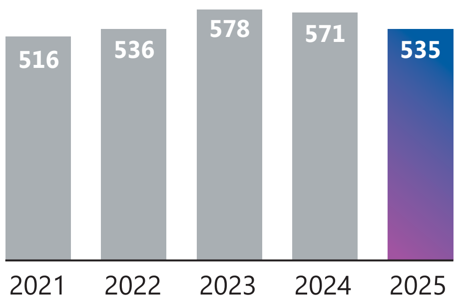
NET SALES
EUR million



EBITDA
EUR million



NUMBER OF PERSONNEL
average



Financial Performance and Position	2025	2024	2023	2022	2021
Net sales, EUR thousand	67,580	77,576	80,263	71,130	66,364
Operating margin (EBITDA), EUR thousand	8,452**	6,338	9,101	7,808	10,111*
percentage of net sales	12.5%	8.2%	11.3%	11.0%	15.2%
Operating profit (EBIT), EUR thousand	5,437	3,386	5,835	4,751	6,519
percentage of net sales	8.0%	4.4%	7.3%	6.7%	9.8%
Earnings before taxes, EUR thousand	4,763	2,940	5,174	4,178	5,730
percentage of net sales	7.0%	3.8%	6.4%	5.9%	8.6%
Result for the financial period, EUR thousand	2,447	263	3,438	3,320	4,504
percentage of net sales	3.6%	0.3%	4.3%	4.7%	6.8%
Shareholders’ equity, EUR thousand	27,181	23,195	25,483	24,799	25,404
Interest bearing liabilities, EUR thousand	4,438	4,342	6,325	14,349	9,818
Cash and cash equivalents, EUR thousand	666	1,502	425	1,956	1,963
Deferred tax assets, EUR thousand	49	293	2,415	4,090	4,830
Return on equity	9.7%	1.1%	13.7%	13.2%	18.4%
Return on investment	18.5%	11.6%	18.0%	14.5%	20.6%
Net Gearing	23.1%	30.1%	36.1%	50.0%	30.9%
Equity ratio	52.1%	46.8%	48.3%	44.8%	51.1%
Balance sheet total, EUR thousand	53,369	50,703	54,451	55,815	51,057
Research and development, EUR thousand	5,278	5,558	5,108	4,153	3,504
percentage of net sales	7.8%	7.2%	6.4%	5.8%	5.3%
Personnel on average during the year	535	571	578	536	516
Personnel at the end of the year	507	546	581	564	500

* For 2021, the operating margin (EBITDA) includes a capital gain of EUR 2.6 million from the Prime business.

** For 2025, the operating margin (EBITDA) includes a capital gain of EUR 0.9 million from the MMS business.

Innofactor Celebrated Its 25th Anniversary – We Took Our Customers' Utilization of Artificial Intelligence to a New Level

The year 2025 was special for Innofactor, as we celebrated our 25th anniversary at our offices across the Nordic countries. A big thank you to all our customers, partners, and employees who took part! It was fantastic to celebrate Innofactor together with you, as well as my own quarter-century career as an entrepreneur.

Our anniversary year also involved a great deal of wistfulness. Innofactor's more than 14-year journey as a listed company came to an end. During our time as a listed company, we grew strongly in the Nordic countries in accordance with our strategy. Leaving the stock exchange was not an easy step for me personally, but in hindsight, I also see it as unequivocally the best possible solution for the company's success and for its customers, employees, and investors. I want to once again thank everyone who was part of our journey as a listed company!

In 2026, we will continue to invest in leveraging artificial intelligence in organizations' operating processes and in capturing the resulting superior productivity growth – both in our own operations and in those of our customers.

Sami Ensio
Founder and CEO
Innofactor

We entered 2025 with an updated strategy that emphasizes the use of artificial intelligence in everything we do, an even stronger customer focus, and our Nordic expertise. We renewed our offering and organization around four main areas: Platforms, Solutions, Code, and Dynasty. We were able to offer our customers even clearer, higher-quality, and more cost-effective solutions and services. We focused on developing our customers' utilization of artificial intelligence, particularly in a process- and function-oriented manner. We also added artificial intelligence to our own products, especially Dynasty.

During 2025, we further deepened our collaboration with our customers. Despite the challenging market situation, we secured several significant new orders during the year in Finland, Sweden, Denmark, and Norway. In Sweden in particular, we were highly successful in acquiring new customers for our Dynasty product. I would like to thank all our customers and partners for the trust you have shown in Innofactor.

In our strategy, we focus on Microsoft's offering and platforms. Amid market changes, Microsoft and its partners are growing considerably faster than the IT market on average. In particular, Microsoft's investment in artificial intelligence enhances Innofactor's ability to serve our customers. Our partnership with Microsoft is very strong. This is demonstrated by all seven Microsoft Solutions Partner designations and eight Microsoft Advanced Specializations we have achieved, as well as the Microsoft SMB Innovation Partner of the Year 2025, Finland award we received in 2025. I would like to thank Microsoft and our other partners in the Microsoft ecosystem for their trust in Innofactor.

Innofactor's most important asset is its skilled and motivated personnel. During 2025, the size of our personnel scaled in line with the challenging market situation and has begun to rise slightly again since the beginning of 2026. We strengthened our team, trained our personnel, acquired certifications, and developed our organization and management style.

We want to ensure our continued success in every respect. I am proud of the enthusiastic energy of Innofactor's employees in building a shared direction and seeking ways to innovate new solutions, continuously improve customer satisfaction, leverage artificial intelligence, streamline work, and increase productivity. Thank you all for that.

At Innofactor, we consider sustainability one of the cornerstones of long-term success. Our digital solutions play an important role in mitigating climate change and promoting sustainable development. We see sustainability not only as a prerequisite for business continuity but also as an opportunity for innovation and for building a modern digital organization. People play a key role in the success of our business, which is why the importance of social responsibility is emphasized. We put people first, invest in wellbeing at work and competence development, and are fair, diverse, and inclusive.

In collaboration with our customers, partners, and employees, we continuously innovate solutions that help our customers and society function even better. We look to the future with enthusiasm and confidence.

"In 2026, we will continue to invest in leveraging artificial intelligence in organizations' operating processes and in capturing the resulting superior productivity growth – both in our own operations and in those of our customers."

Sami Ensio
Founder and CEO
Innofactor

Innovating to Make the World Work Better

Innofactor's purpose is to innovate to make the world work better. Our purpose is based on the idea that artificial intelligence and other evolving technologies can be used to advance good. We believe that together with our personnel, partners, and customers, we can build a world that works better – making everyday life and work smoother, enhancing operations, and promoting growth and innovation across different fields.

In accordance with our strategy, our offering is divided into four main areas.

Innofactor Platforms

Leading platforms and services for security, infrastructure, data, and artificial intelligence management solutions. In our implementations, we utilize, among others, Microsoft Azure, Fabric, Entra, Defender, Sentinel, Purview, and Copilot. Innofactor's Nordic top experts help organizations achieve their full potential. Together, we select the platforms best suited to the organization's operations, which scale to support organizational change and the utilization of artificial intelligence. We also offer solutions that ensure cloud service sovereignty.

Innofactor Solutions

The best solutions and services to support sales, financial management, operational activities, and modern work. In our implementations, we utilize Microsoft Dynamics, Power Platform, M365, and Copilot, as well as Jedox and Projectum. Innofactor has deep industry expertise in, among others, the manufacturing industry, the construction and financial sectors, and public administration. We turn strategies into concrete results by leveraging the opportunities offered by artificial intelligence. We have developed an automated, cost-effective, artificial intelligence-based approach to solution configuration and maintenance.

Innofactor Code

The most effective agile teams and artificial intelligence-native delivery models for implementing customer-specific, artificial intelligence-enabled solutions for needs for which no suitable off-the-shelf product exists. We offer solutions for, for example, the digitalization of functions and processes, integrations, and the management of low-code applications. Implementations utilize Microsoft Azure, Foundry, Power Platform, and Copilot. Our solutions help organizations save time, reduce costs, improve customer experience, and achieve results even faster.

Innofactor Dynasty

The most desired solutions and the best expertise in document management, case management, and quality management. The Dynasty product family is available as a SaaS solution, as a hybrid solution, or for installation on customers' own servers. The solutions include comprehensive artificial intelligence features and are compatible with Microsoft M365 and Copilot. With more than 30 years of experience, Dynasty offers a user-friendly, comprehensive, high-performing, and secure solution that scales to become the core information management solution for the agentic organization of the future.

Market Outlook and Business Environment

We estimate that growth in the IT services market in the Nordic countries in 2026 will be positive; however, due to the geopolitical situation and weak growth in national economies, we are not able to provide a more precise estimate. Our objective is to grow faster than the market.

The price competition in the market that began in 2023 continued to be intense throughout 2025, and according to our analysis, the weighted average prices of new deals remained at a low level, particularly among public sector customers, until the end of the year. However, the number of requests for proposals increased significantly in the second half of the year. We estimate that the IT services market grew slightly in the Nordic countries in 2025. We believe that the average prices of new deals will continue to rise slightly during 2026. We estimate that the IT services market in the Nordic countries will grow to some extent in 2026, but due to the unclear geopolitical situation, we are not able to provide a more precise estimate of the amount of growth. Our estimate is based on forecasts by research institutes as well as our own market views.

Generative artificial intelligence has continued to develop rapidly and has attracted widespread interest in the market. It offers our customers – and also Innofactor – significant opportunities to increase operational efficiency. In our estimation, the efficiency of software development can be multiplied over the coming years. Artificial intelligence is also opening up significant new business opportunities, for which we offer solutions based on Microsoft technologies as well as our own, self-developed solutions. At the same time, artificial intelligence is changing the pricing of IT solutions, and we believe that the focus will gradually shift from hourly-based pricing toward impact-based pricing. We believe that during 2026, the utilization of artificial intelligence in processes and functions that are significant to organizations will continue to accelerate among our customer base with the help of so-called agents. Innofactor sees itself as having a significant role in this. During 2026, we will also continue to develop the artificial intelligence capabilities of our own products, particularly Dynasty.

Climate change mitigation, the rapid development of technology, and the geopolitical situation are placing new kinds of demands on both societies and organizations, while at the same time creating new business opportunities and accelerating innovation. The capabilities of a modern digital organization are becoming increasingly important to our customers going forward. At the same time, the significance of data sovereignty is growing among our customer base, as customers want to ensure not only the location of their data but also access management, key management, and continuity, which creates opportunities for Innofactor thanks to our strong data, infrastructure, and security expertise. In addition, we consider it likely that our customers will move some of their operations back to the Nordic countries, closer to their own customers. This could have a favourable effect on Innofactor's business model under its chosen strategy, which is based on Nordic expertise. We believe in our opportunities to grow our market share going forward.

Microsoft Partnership

The partnership between Innofactor and Microsoft has been a key factor in Innofactor's success. Microsoft's advanced artificial intelligence solutions and cloud technologies have helped us remain competitive and innovative in rapidly changing markets. Our collaboration has enabled significant added value for our customers, and Microsoft's solutions and technologies will remain at the core of Innofactor's offering going forward. This partnership reflects a shared success story spanning more than 25 years, and we look forward to the coming decades together with Microsoft.

Microsoft Solutions Partner
Microsoft Cloud

Microsoft Solutions Partner
Data & AI
Azure

Microsoft Solutions Partner
Digital & App Innovation
Azure

Microsoft Solutions Partner
Infrastructure
Azure

Microsoft Solutions Partner
Security

Microsoft Solutions Partner
Modern Work

Microsoft Solutions Partner
Business Applications

Our Purpose
We innovate for a more functional world

Our Mission
We drive the modern digital organization

Our Vision
The most-wanted Nordic IT and AI partner in the Microsoft ecosystem

Our Strategic Choices

1. AI-Driven, Artificial Intelligence as Part of Everything We Do

We continuously learn to utilize artificial intelligence in our own work, processes, offering, and products and services in order to create more value for our customers.

2. Customer Orientation, a Trusted Advisor

Our objective is to become an even more customer-oriented and advisory-focused organization in all functions and roles. In the age of artificial intelligence, the importance of trust is emphasized, and we want to be a trusted sparring partner for our customers both in leveraging technology and in selecting the right solutions.

3. Clear and Distinctive Offerings

We are making our offering clearer and easier to understand for all our Nordic customers by simplifying our buying process and eliminating unnecessary complexity. At the same time, we are developing our offering to be more comprehensive, to support the customer's entire value chain and, as the AI transformation progresses, to move towards impact-based pricing.

4. Leveraging Nordic Strengths

We leverage our Nordic strengths and expertise to always provide the best possible service to customers in every country.

Our Values

Accountability → Empowerment → Innovation → Customer → Accountability

Our Employee Value Proposition

Be the Real You
In our supportive and inclusive work environment, we encourage collaboration and personal growth within a people-oriented Nordic company culture.

Our Sustainability Strategy

We Innovate for Good
Promoting sustainable innovation

We Put People First
Promoting well-being and personal development

We Are Fair
Promoting diversity, equality and inclusion

We Build Trust
Promoting good governance and responsible use of data and AI

Sustainability

For Innofactor, sustainability is a prerequisite for business continuity, guiding our operations and the way we take our stakeholders into account. During 2025, we have deepened our understanding of the sustainability themes that are material to our business and further developed the practices and metrics that support them.

Innofactor reports on sustainability transparently in its annual Sustainability Report. The reporting is based on key international frameworks as well as the principles of the EU Corporate Sustainability Reporting Directive (CSRD), such as the double materiality assessment, which takes into account both the impacts of the business on the environment and society and the related risks and opportunities.

Science-Based Climate Targets (SBTi)

The Science Based Targets initiative (SBTi) approved Innofactor's new short-term science-based emission reduction targets in 2025. The Science Based Targets initiative is an organization focused on corporate climate action that helps companies and financial institutions around the world contribute to combating the climate crisis.

The targets set by Innofactor support the goal of the Paris Agreement to limit global warming to 1.5 degrees. As part of the target-setting work, we refined our emissions calculation covering the entire value chain (Scope 1–3) and identified our most significant emission sources and the most effective reduction measures.

Innofactor's short-term climate targets are:

- Innofactor commits to reducing absolute scope 1 and 2 greenhouse gas emissions by 63.64 percent from a 2023 base year to 2030.*
- Innofactor commits to reducing absolute scope 3 greenhouse gas emissions by 25.0 percent from a 2024 base year to 2030.

* The target boundary includes land-related emissions and removals from biogenic feedstocks.

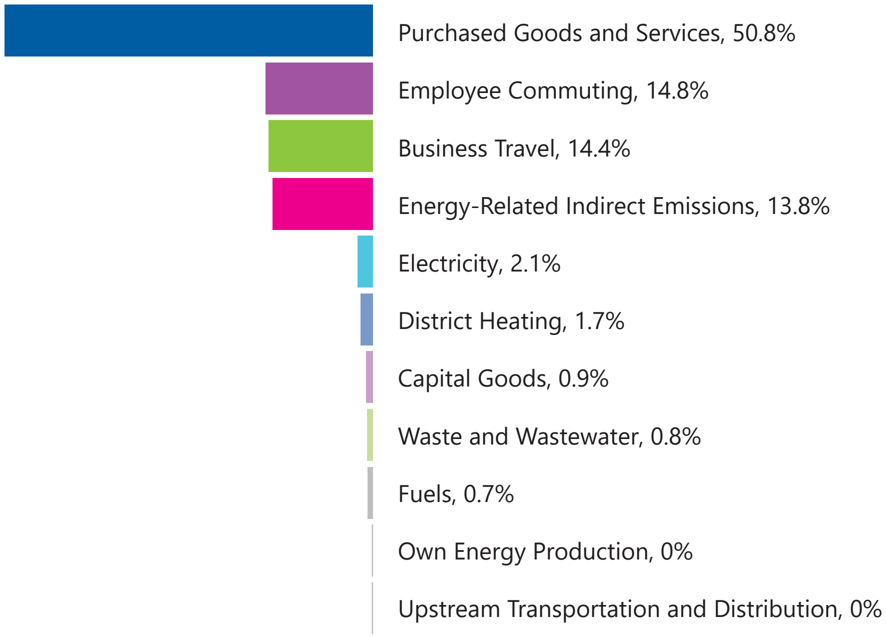
ISO 14001 Environmental Management System

In 2025, Innofactor was awarded the ISO 14001:2015 certificate. With this certificate, Innofactor's environmental management is based on an international standard, and the environmental management system has been integrated into the company's quality management system. The environmental management system supports the identification of Innofactor's key environmental impacts and ensures that they are consistently considered in all of the company's operations.

Carbon Footprint

In 2025, Innofactor further developed its emissions calculation to better meet SBTi requirements and expanded the scope of the calculation. The updates to the calculation also concerned the comparison years 2023 (Scope 1 & 2) and 2024 (Scope 3), so that the results are comparable with one another. The calculation now more comprehensively includes, for example, purchases, fixed assets, lifecycle emissions of energy, and logistics emissions.

The total carbon footprint for 2025 was 968 tonnes of CO_2e.



For further information, see Innofactor's sustainability report for 2025.

Personnel

Be The Real You – a workplace where everyone can be themselves and people are at the centre of everything we do.

From a personnel perspective, the key highlights of 2025 were Innofactor's 25-year anniversary, the new strategy and organizational structure, and new learning driven by artificial intelligence. The year 2025 began with the launch of the new strategy and the transition to a Nordic, offering-based organization. Many employees gained new close colleagues or for example a new business unit head. The significance of national borders diminished, and activities became centred around technology and the offering. During the year, we celebrated Innofactor's 25-year anniversary on several occasions. Anniversary events were held at all Innofactor's locations, and in addition to personnel, customers and stakeholders were also invited. During 2025, every Innofactor employee had the opportunity to learn new things and develop themselves through the rapid adoption of artificial intelligence. In expert work, competence development is extremely important, as people are our organization's most important asset.

Our Culture

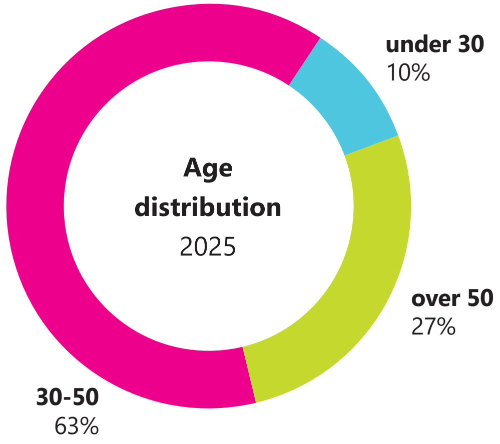
Our operating models are based on a self-organizing culture, in which the responsibility for and freedom to plan work rests with the teams. Together, in line with our mission, we are building Innofactor into a modern digital organization in which artificial intelligence is a natural part of everyday work. We are developing our operating models to support our employees' everyday work in a Nordic organization. A skilled and motivated workforce, good leadership, self-organization, teamwork, and shared ways of working support Innofactor's long-term objectives. Our starting point is to put people first in everything we do. We want to create a communal, inspiring work environment for our employees and have fun while working.

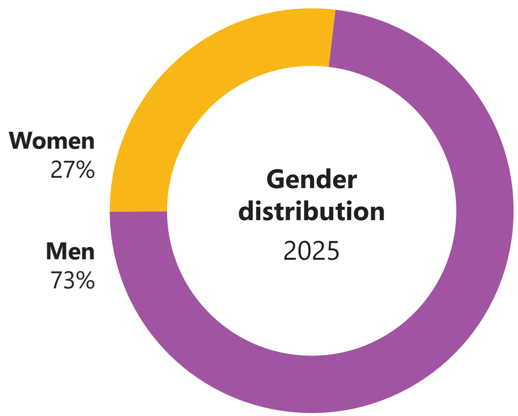
Be the Real You – Our inclusive and people-centred Nordic work culture encourages collaboration and personal growth. At Innofactor, our work community encourages every team member to succeed and to create meaning through their own contribution. Our agile and Nordic culture puts people first and encourages collaboration. Flexible working conditions, opportunities to develop, and good leadership are characteristic traits for us. At Innofactor, work is done together, supporting and encouraging one another. We invest in ensuring that work is meaningful and, at the same time, fun. This is supported by good leadership and shared ways of working, but above all by outstanding colleagues, customers, and a fantastic, shared team spirit.

People First – We want every Innofactor employee to have the right to good leadership. At Innofactor, leadership is built on establishing trust, coaching-based leadership, open communication, and enabling and supporting growth. Authenticity is at the centre of Innofactor's leadership culture. We lead by example and act in accordance with our values. This means that we put people first in everything we do. We value diversity and inclusion, and through them we strive to build a better working life.

Number of Personnel

The number of active personnel at the end of 2025 was 507 (2024: 546). At the end of the review period, the average age of the personnel was 43.2 years (2024: 42.1). The proportion of women was 27 percent (2024: 26%) of personnel. The proportion of men was 73 percent (2024: 74%) of personnel. More personnel figures can be found in Innofactor's separately published Sustainability Report.





#AIDriven
#PeopleFirst
#BeTheRealYou

The Board of Directors of Innofactor Plc

Timo Larjomaa
M.Sc. (Econ.), LLM.
Member of the Board
of Directors since 2024.

Antti Kummu
M.Sc. (Econ.).
Chairman of the
Board since 2024.

Sami Ensio
M.Sc. (Tech.). Innofactor's
founder, CEO and member of the
Board of Directors since 2000.

Image modified using artificial intelligence.

Executive Board of the Innofactor Group

Vesa Niinistö
Managing Director, Innofactor Dynasty. B.Eng. (Automation Technology). Employed by Innofactor since 2022.

Aki Rahunen
Chief Finance Officer, M.Sc. (Econ.). Employed by Innofactor since 2025.

Marko Lybeck
Managing Director, Innofactor Code. B.Eng. (Information Technology). Employed by Innofactor since 2010.

Jyrki Vepsäläinen
Managing Director, Innofactor Solutions. B.Sc. (not finished). Employed by Innofactor since 2007.

Anni Wahlroos
Chief People Officer and Deputy CEO. M.Sc. (Econ.). Employed by Innofactor since 2015.

Sami Ensio
CEO. M.Sc. (Tech.). Innofactor's founder, CEO and member of the Board of Directors since 2000.

Image modified using artificial intelligence.

Innofactor Plc

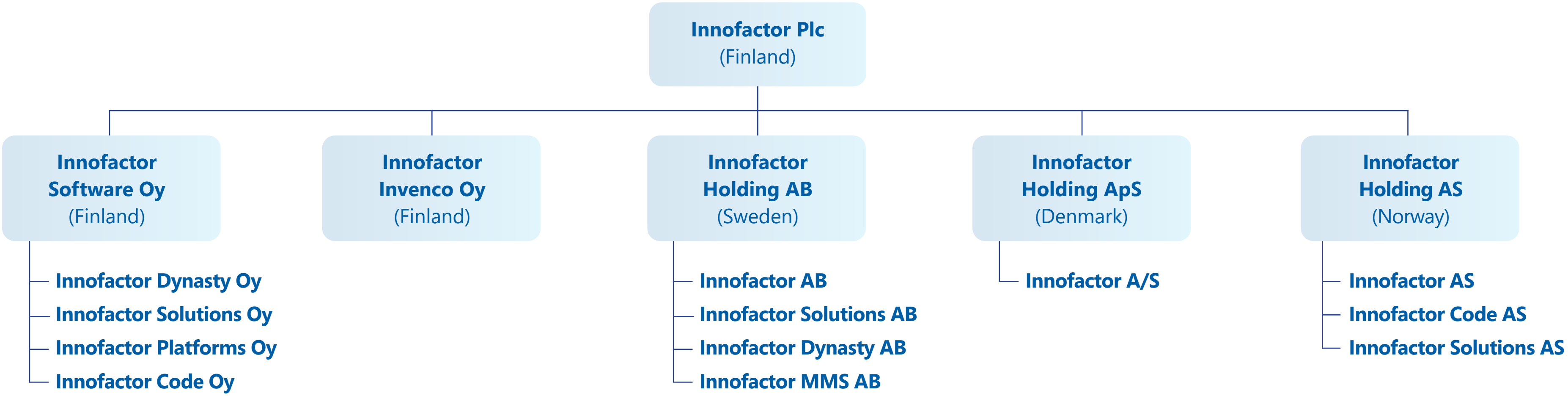
Annual Report and Financial Statement

Financial period January 1–December 31, 2025

Report of the Board of Directors of Innofactor Plc 2025

Innofactor Group

Innofactor is one of the leading software providers focused on Microsoft solutions in the Nordic countries. Innofactor delivers IT projects to its customers as a system integrator and also develops its own software products and services. The focus area of its own product development is cloud solutions from Microsoft and its ecosystem. Innofactor has approximately 1,000 companies and public sector organizations as customers in the Nordic countries. Innofactor strives for long-term customer relationships in its operations. Innofactor employs more than 500 enthusiastic and skilled people at more than 10 locations in Finland, Sweden, Denmark, and Norway. The structure of the Innofactor Group at the end of the financial year 2025 is presented below.



The following companies belonged to the Innofactor Group at the end of the financial year:

- Innofactor Oyj, Finland (parent company)
- Innofactor Software Oy, Finland, 100%
- Innofactor Dynasty Oy, Finland 98.74%
- Innofactor Solutions Oy, Finland 93.49%
- Innofactor Platforms Oy, Finland 97.29%
- Innofactor Code Oy, Finland 97.68%
- Innofactor Invenco Oy, Finland, 100%
- Innofactor Holding AB, Sweden, 100%
- Innofactor AB, Sweden, 97.29%
- Innofactor Solutions AB, Sweden, 93.49%
- Innofactor Dynasty AB, Sweden, 98.74%
- Innofactor MMS AB, Sweden, 100%*
- Innofactor Holding ApS, Denmark, 100%
- Innofactor A/S, Denmark, 97.29%
- Innofactor Holding AS, Norway, 100%
- Innofactor AS, Norway, 97.29%
- Innofactor Code AS, Norway 97.68%
- Innofactor Solutions AS, Norway 93.49%

Onni Bidco Oy is 100 percent owned by Onni Midco Oy, which in turn is 100 percent owned by Onni Topco Oy. Onni Topco Oy is under the joint control of CapMan Growth Equity Fund III Ky and Ensio Investment Group Oy. Ensio Investment Group Oy is controlled by Sami Ensio.

** Business sold on 31.3.2025*

Financial Performance and Position

	2025	2024	2023	2022	2021
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Return on equity	9.7%	1.1%	13.7%	13.2%	18.4%
Return on investment	18.5%	11.6%	18.0%	14.5%	20.6%
Net Gearing	23.1%	30.1%	36.1%	50.0%	30.9%
Equity ratio	52.1%	46.8%	48.3%	44.8%	51.1%
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** For 2025, the operating margin (EBITDA) includes a capital gain of EUR 0.9 million from the MMS business.

Net Sales

Innofactor's net sales in 2025 were EUR 67,580 thousand (2024: 77,576), a decrease of 12.9 percent. Innofactor divested its MMS business in Sweden on 1.4.2025, which reduced net sales.

Financial Performance

Innofactor's operating margin (EBITDA) in 2025 was EUR 8,452 thousand (2024: 6,338), an increase of 33.4 percent. EBITDA as a percentage of net sales was 12.5 percent (2024: 8.2%).

Innofactor's operating profit in 2025 was EUR 5,437 thousand (2024: 3,386), an increase of 60.6 percent. Operating profit as a percentage of net sales was 8.0 percent (2024: 4.4%).

Financial Position, Liquidity and Investments

At the end of the review period, Innofactor's balance sheet total was EUR 53,369 thousand (2024: 50,703). The Group's total liquid assets were EUR 666 thousand (2024: 1,502), consisting entirely of cash and cash equivalents. Operating cash flow for the review period 1.1.–31.12.2025, was EUR 5,991 thousand (2024: 8,094). Cash flow from investing activities was EUR -4,821 thousand (2024: -386).

At the end of the review period, the equity ratio was 52.1 percent (2024: 46.8 %), and net debt to equity (net gearing) was 23.1 percent (2024: 30.1 %).

At the end of the review period, the company had short-term interest-bearing debt to financial institutions of EUR 2,058 thousand (2024: 1,542) and long-term interest-bearing debt to financial institutions of EUR 2,380 thousand (2024: 2,800). The company had lease liabilities under IFRS 16 (rents according to the term of fixed-term lease agreements) of EUR 2,503 thousand (2024: 4,140), of which EUR 1,095 thousand (2024: 1,782) was short-term and EUR 1,408 thousand (2024: 2,357) was long-term. Total interest-bearing liabilities were EUR 6,941 thousand (2024: 8,481).

Return on investment 1.1. –31.12.2025 increased from the previous year and was 18.5 percent (2024: 11.6%). Return on equity 1.1.–31.12.2025 increased from the previous year and was 9.7 percent (2024: 1.1%). At the end of the review period, Innofactor's non-current assets on the balance sheet totalled EUR 34,721 thousand and consisted of the following items:

- tangible assets and right-of-use assets totalling EUR 3,094 thousand
- goodwill of EUR 26,711 thousand*
- other intangible assets of EUR 3,372 thousand*
- shares and holdings of EUR 98 thousand
- deferred tax assets of EUR 49 thousand

Innofactor's gross investments in tangible and intangible fixed assets for the review period 1.1.–31.12.2025 were EUR 2,613 thousand (2024: 472) and consisted of the customary supplementary and replacement investments required by growth, as well as capitalized product development expenses. Amortization of intangible assets was EUR 561 thousand (2024: 310).

* Goodwill and intangible rights arising from the acquisition of foreign units are treated as assets of the foreign unit and are translated at the exchange rate prevailing on the balance sheet date. The resulting exchange differences are recognized in other comprehensive income.

Mergers, Acquisitions and Changes in Group Structure

Through the public tender offer and the subsequent redemption proceedings described in more detail below under "Major Events in the Financial Period," Onni Bidco Oy owned 100 percent of Innofactor Plc at the end of the review period.

As of 1.1.2025, in order to implement the strategy renewal, the Group's business operations began to be conducted in accordance with the Group structure described above, in the operating subsidiaries of the business units in each country of operation, as described in more detail at the beginning of the Report of the Board of Directors.

On 1.4.2025, the business of Innofactor MMS AB was sold to Softronic Aktiebolag. The purchase price was approximately EUR 2 million, which includes an earn-out of approximately EUR 1 million.

Personnel

Innofactor primarily monitors the number of active personnel. The number of active personnel does not include employees on leave for more than 3 months.

The average number of active personnel in 1.1.–31.12.2025 was 535 (2024: 571), a decrease of 7.2 percent. At the end of the review period, the number of active personnel was 507 (2024: 546), a decrease of 11.2 percent.

At the end of the review period, the average age of the personnel was 43.2 years (2024: 42.1). Women accounted for 27 percent (2024: 26%) of personnel. Men accounted for 73 percent (2024: 74%) of personnel.

Strategy

Innofactor's strategy consists of, among other things, its purpose, mission, vision, strategic priorities for achieving growth, values, sustainability, and employee promise.

Purpose: Innovating to Make the World Work Better

Mission: Driving the modern digital organization

Vision: The most-wanted Nordic IT and AI partner in the Microsoft ecosystem

Strategic priorities for achieving growth

- AI-driven – artificial intelligence as part of everything we do
- customer orientation – a trusted advisor
- clear and distinctive offerings
- leveraging Nordic strengths

Values

- Responsibility
- Empowerment
- Innovation
- Customer

Sustainability

- We Innovate for Good
- We Are Fair
- We Put People First
- We Build Trust

Employee promise

- Be the Real You

Business

Innofactor focuses its business on the Microsoft ecosystem. Innofactor operates both as a system integrator and develops its own software products and services, which provides Innofactor with a significant competitive advantage and synergy benefit. The system integrator business increases Innofactor's understanding of customers' product and service needs and serves as a distribution channel for its own products and services. Focusing on the Microsoft ecosystem creates superior expertise for Innofactor and makes Innofactor a sought-after partner for Microsoft in the Nordics, which helps Innofactor win the best deals.

Innofactor's offering is divided into the following areas:

Innofactor Platforms

Leading platforms and experts for infrastructure, data, and security solutions. In our implementations, we utilize, among others, Microsoft Azure, Fabric, Entra, Defender, Sentinel, Purview, and Copilot. Innofactor's Nordic top experts help organizations achieve their full potential. Together, we select the platforms best suited to the business, which scale to support the organization's transformation and the utilization of artificial intelligence. We also offer solutions that ensure the sovereignty of cloud services.

Innofactor Solutions

The best solutions and experts to support sales, financial management, operations, and modern work. Implementations utilize Microsoft Dynamics, Power Platform, M365, and Copilot, as well as Jedox and Projectum. Innofactor has deep industry expertise in, among others, manufacturing, construction, finance, and the public sector. With our expertise and Microsoft's modular solutions, we turn strategies into concrete results by leveraging the opportunities offered by artificial intelligence.

Innofactor Code

The most effective agile teams to implement customer-specific, AI-driven solutions for demanding customer needs for which no suitable off-the-shelf product exists. We offer solutions for the digitalization of functions and processes, integrations, and low-code application management. Implementations utilize, among others, Microsoft Azure, Foundry, Power Platform, and Copilot. Our solutions help save time, reduce costs, improve the customer experience, and deliver products and services faster.

Innofactor Dynasty

The most desired solutions and the best expertise for document management, case management, and quality management. The solutions are available as a SaaS service, as hybrid solutions, or installable on customers' own servers. The solutions include artificial intelligence features and are compatible with Microsoft M365 and Copilot. The Innofactor Dynasty product family has been developed over more than 30 years into a versatile package, with attention paid to, among other things, user-friendliness, functionality, performance, and data security.

Major Events in the Financial Period

As of January 1, 2025, an internal restructuring was carried out within the Group, as a result of which the businesses were separated into their own companies, as described in more detail at the beginning of the Report of the Board of Directors.

On January 2, 2025, the company announced that the Redemption Board of the Finland Chamber of Commerce had requested that the District Court of Länsi-Uusimaa appoint a trustee to oversee the interests of Innofactor's minority shareholders during the arbitration proceedings in connection with the redemption proceedings. The Redemption Board of the Finland Chamber of Commerce has notified Onni Bidco that, by a decision dated 30.12.2024, the District Court of Länsi-Uusimaa appointed Professor Kari Hoppu as trustee.

On February 7, 2025, Innofactor's Board of Directors appointed Aki Rahunen as the Group's Chief Financial Officer (CFO), and he took up the position on March 24, 2025. Rahunen has previously served as, among other things, CFO of Avidly and Fluido. M.Sc. (Econ.) Rahunen serves as a member of Innofactor's Executive Board in his role as CFO and reports to Sami Ensio, the Group's President and CEO.

At its meeting held on February 12, 2025, the Board of Directors of Innofactor Plc approved the company's updated dividend policy. Under the revised policy, the company will, as a general rule, no longer distribute dividends going forward, and will instead use retained earnings for measures that increase growth.

On February 13, 2025, the company announced that the Redemption Board of the Finland Chamber of Commerce had appointed a three-member arbitral tribunal for the arbitration proceedings concerning the redemption of Innofactor's minority shares. The members of the arbitral tribunal are Independent Arbitrator Heidi Merikalla-Teir (Chairman), Professor Emeritus, LL.D., Attorney-at-Law Raimo Immonen, and D.Sc. (Econ.), CVA Harri Seppänen.

On March 31, 2025, Innofactor's Board of Directors decided to file an application with Nasdaq Helsinki to terminate public trading in Innofactor's shares and to delist the shares from the stock exchange. The application requests that the delisting of Innofactor's shares traded on the Nasdaq Helsinki official list take place as soon as possible after Onni Bidco has obtained ownership of all Innofactor shares in the ongoing redemption proceedings under Chapter 18 of the Finnish Limited Liability Companies Act.

On April 25, 2025, Onni Bidco Oy obtained ownership of the minority shares of Innofactor Plc, and Innofactor Plc's shares will be delisted from the Nasdaq Helsinki official list.

On September 29, 2025, the arbitrators issued an arbitral award concerning the redemption dispute, in which the redemption price of the shares was set at Onni Bidco Oy's tender offer price of EUR 1.68 per share. The decision was not appealed and became final at the end of 2025.

Major Events After the Financial Period

On March 31, 2026 Innofactor Plc's shares were removed from the book-entry securities system.

Future Outlook

Innofactor's business is expected to continue as normal in 2026.

Major Risks and Uncertainties

Innofactor's operations and finances involve risks that may be material to the company and the value of its share. The Board of Directors of Innofactor Plc assesses risks as part of the strategy and business planning process. In 2025, the Board's risk management monitoring focused particularly on risk areas with the greatest potential impact on the Group's profitability, competitiveness, product development, changes in technology and the business landscape, and information security and data protection. The Board regularly monitored the development of risks through predefined metrics and measures reported by management, and addressed escalations and the progress of risk mitigation plans as necessary.

Risks Related to Operations
The risks associated with the operations of the Innofactor Group are mainly business risks related to the Group companies engaged in business operations.

Skilled personnel and their availability: The development of Innofactor's operations and the success of deliveries depend largely on the Group having access to skilled personnel and being able to recruit replacement talent for departing employees. Innofactor's industry faces a shortage of, and intense competition for, certain personnel resources, which may lead to short-term employment relationships and high turnover. If Innofactor fails to motivate its personnel, maintain a high level of personnel competence, and retain its personnel, problems may arise for the Group's business. The Group's success depends significantly on its employees and their success in their duties. Innofactor invests in the continuous development of personnel, maintaining high personnel satisfaction, a good employer image, effective recruitment and, when necessary, the use of subcontracting.

Increase in labour costs: The majority of Innofactor's costs consist of costs arising from salaries and other employment benefits (in 2025, approximately 66 percent of all costs including depreciation). All Innofactor's own employees currently work in the Nordic countries. Correspondingly, some competitors make significant use of labour in low-cost countries. If the increase in labour costs in the Nordic countries continues at the same rate as it has to date, this poses a risk for Innofactor if the prices charged for IT services do not rise correspondingly. Innofactor continuously monitors the situation and seeks to influence the moderate development of labour costs through employer associations, as well as to increase the share of subcontracting and work performed abroad when it makes business sense, for example in extensive product development projects.

Profitability of projects: A significant portion of Innofactor's net sales still comes from project business. The profitable execution of Innofactor's delivery projects requires that project calculation and planning prior to submitting a bid are successful, among other things regarding the amount of work and the delivery schedule, and, on the other hand, that deliveries can be carried out cost-effectively. It is possible that Innofactor fails to correctly assess the profitability of a project, causing the delivery to become unprofitable for the company. Similarly, it is possible that, due to the competitive landscape, projects must be sold at a lower price, resulting in a smaller profit margin. Innofactor pays particular attention to the profitability of project operations and has made it a key business metric to be monitored. The relative share of project business has decreased and is intended to be further reduced going forward, which reduces the risks associated with project business.

Competition: Innofactor's main competitors are traditional IT service and software companies in the Nordic countries. Some competitors have greater financial resources, a broader product selection, cheaper labour, more extensive existing customer relationships, and significant legal resources than the company, which they can leverage when competing with Innofactor for the same deliveries. In addition, new start-up companies entering the industry are adding to competition in certain deliveries. Price competition in the industry is expected to remain intense. Intensifying competition may have an adverse effect on Innofactor's business, operating result, and financial position. Innofactor continuously strives to develop its competitiveness. Innofactor's management monitors competitiveness and financial development relative to a peer group and assesses the measures needed to strengthen its competitive position.

Research and development: Research and development play a key role in Innofactor's operations. In 2025, approximately 7.8 percent of net sales was spent on this. Every research and development project carries the risk that its results will not achieve the planned commercial success and that the investment made in the project will not pay for itself. Innofactor seeks to minimize the risks involved in research and development by continuously updating its offering and organizing its operations. Innofactor monitors the progress of key product and development programs and identified realized or elevated risks (e.g., capacity shortages or customer escalations that tie up development resources).

Changes in the technology and field of business: Innofactor's industry is characterized by rapid development. Rapid changes can occur in customers' software technology requirements and choices. The most significant ongoing change is the shift toward the broad utilization of artificial intelligence. If Innofactor is unable to respond to these changes, it may have an adverse effect on Innofactor's business, operating result, and financial position. Innofactor actively strives to invest in new technologies, key competence areas, and to enter customer deliveries in new areas. We have paid particular attention to developing our artificial intelligence offering. Innofactor monitors developments in the utilization of artificial intelligence and the related change capability as part of the technology disruption risk area.

Information security and data protection: Ensuring adequate information security and data protection for customers is important to Innofactor's business. The realization of risks related to information security and data protection may lead to loss of net sales and fines imposed by supervisory authorities. Innofactor is aware of the risks related to information security and data protection, and on this basis, the company has implemented standards-based processes for managing information security and data protection. Innofactor has a data security policy approved by management, which defines Innofactor's key information security objectives and means of implementation, as well as the organization of information security and related responsibilities. This data security policy has been written to comply with the ISO 27001 information security standard and legislation. Innofactor monitors the state of information security and data protection, including any critical deviations and the development of compliance, and ensures that key controls and corrective actions are adequate.

Compliance: Compliance with the laws, statutes, and regulations applicable to Innofactor's business, as well as conducting business ethically, are important to Innofactor. Violation of such laws, statutes, and regulations may lead to administrative fines, penalties, criminal proceedings and liability, as well as claims for damages. The realization of this risk may also damage Innofactor's reputation and lead to the loss of business opportunities. Innofactor has internal practices and processes in place to ensure compliance in its day-to-day business. Innofactor's Code of Conduct sets ethical rules and standards for Innofactor and its subcontractors. Innofactor has an internal whistleblowing reporting channel.

Pandemic risk: An epidemic spreading globally as a pandemic may cause harm to Innofactor's business. If the epidemic is not detected to a significant extent in Innofactor's area of operation in the Nordic countries, the harm is mainly limited to a possible decline in the availability of equipment needed for Innofactor's operations, particularly computers. If the epidemic is detected to a significant extent also in Innofactor's area of operation in the Nordic countries, this may mean that personnel move mostly or entirely to remote work, possible temporary decreases in purchases and delays in deliveries for some customers, increasing absences directly related to the disease caused by the pandemic, quarantine, or indirectly to psychological symptoms caused by isolation, as well as increased personnel turnover due to remote work.

Geopolitical situation and digital sovereignty: Changes in the operating environment and geopolitical tensions may increase customer requirements regarding the location of data, the place of production of the service, and who controls the solutions, for example, a European operating environment may be a prerequisite. Such requirements may affect Innofactor's competitiveness, the development of the order book, and delivery models, as well as increase the need to develop the offering and partner ecosystem to meet changing demand.

Achieving growth goals: Achieving the targeted growth requires growth to occur faster than in the general IT market. This entails a risk that this may not be achievable going forward, even though this has often been achieved in the past. It is also possible that the IT market in Innofactor's market area will not grow at all, or will even contract, going forward. Ensuring growth plays a key role in Innofactor's business planning and goal setting. Innofactor seeks to reduce this operational risk by focusing on Microsoft solution areas that are growing faster than the average IT market, and by investing in sales to keep the order backlog continuously at a level sufficient for the business.

Globalization: In accordance with its strategy, Innofactor also seeks growth from international markets outside Finland, particularly in the Nordic countries. International operations typically always involve greater risks than the domestic market. Innofactor seeks to ensure that globalization does not consume so much in costs that it would jeopardize the Group's earnings capacity and growth. In addition, the company seeks to create a management model, common processes, and systems that can reduce the risk of international operations.

Uncertainties and risks related to acquisitions: Growth has partly occurred, and may also occur in the future, through acquisitions. Acquisitions involve uncertainty as to whether suitable acquisition targets can be found and whether acquisitions can be completed at the desired price level and schedule. If acquisitions cannot be carried out as planned, the growth goal may be jeopardized. Innofactor invests in high-quality expertise and a sound process related to acquisitions. Every acquisition also involves risks after completion, including, among other things, the success of integration, the stability of key personnel, the formation of goodwill, and possible resulting impairment needs. Innofactor's strategy is based on the principle that acquired companies are, as a rule, integrated on a fast schedule as part of the overall entity in each country. Innofactor invests in the integration process.

Success of the organizational changes: Strong growth may from time to time require the implementation of even significant organizational changes. Launching a new organization typically involves challenges before the targeted improvement in operational efficiency is achieved. Typically, operations reach at least the previous level of efficiency within a few months of the new organization's launch. If the improvement in operational efficiency does not occur in some respects on the planned schedule, there is a risk that it will not occur at all, or that its delay may cause additional costs or loss of net sales. This may result, for example, from incorrectly planned placement of units and personnel. Innofactor seeks to pay attention to the management of organizational changes and to prepare for them also in financial terms.

Financial Risks

General economic uncertainty and changes in customers' financial situations affect customers' investment decisions and purchasing policy. It is possible that changes in the general economic situation are reflected in Innofactor's customers' software purchases by postponing purchasing decisions or the timing of purchases.

Financing risks: In its normal business operations, the Innofactor Group is exposed to risks typically related to financing. At the end of the review period, Innofactor had a total of approximately EUR 2.7 million in loans from financial institutions, as well as a credit limit of approximately EUR 5.0 million, of which approximately EUR 1.4 million was drawn. Innofactor has committed to the following covenants: the Group's net debt divided by adjusted EBITDA, calculated quarterly, shall not exceed 4.0, and the quarterly calculated adjusted EBITDA divided by the Group's net financial expenses shall be at least 2.5, as well as certain other customary loan terms.

The objective of financial risk management is to minimize the adverse effects of changes in the financial markets on the Group's result. Financial risk management is centralized with the Chief Financial Officer responsible for the Group's financing, who reports regularly to the company's Executive Board, the CEO, and the Board of Directors. It is possible that the Group will not obtain the financing it needs going forward, which would have an adverse effect on the Group's business and its development, particularly on the completion of corporate transactions.

Interest risk: Interest rate risk arises mainly from the Group's short- and long-term loans and the derivatives hedging them. Loans with fluctuating rates expose the Group's cash flow to interest rate risk, which is reduced, among other things, through interest rate swaps.

Exchange rate risk: The Innofactor Group operates internationally and is exposed to risks arising from the currencies of its countries of operation. Changes in exchange rates, particularly the Swedish and Norwegian krona, affect the Group's net sales and profitability, as Innofactor has significant business based on the Swedish and Norwegian krona. Exchange rate risk arises mainly from assets and liabilities recognized on the balance sheet and from net investments made in foreign subsidiaries. Exchange rate risk also arises from subsidiaries' commercial contracts, although contracts are mainly made in the business units' own operating currency. The objective of exchange rate risk management in the Group is to reduce the uncertainty caused by changes in exchange rates on the result through cash flows and the valuation of business receivables and liabilities.

Risks related to the cash position: In the Innofactor Group, the management of liquid assets is handled through centralized payment transactions and cash management. The Group continuously strives to monitor and assess the amount of financing required by the business so that the Group has a sufficient amount of liquid assets available. In addition, the Group has overdraft facilities in place to cover possible seasonal fluctuations in liquid assets. Surplus cash funds are invested in deposit accounts or capital-protected funds.

Risks related to receivables from projects: A large portion of Innofactor's net sales comes from project business. A significant share of projects are long-term projects, in which scheduled payments and related terms may be agreed with the customer in advance. When Innofactor performs work on customer projects that can only be invoiced afterward in accordance with the scheduled payments, project receivables accumulate for Innofactor. Particularly in public sector projects, scheduled payments are often weighted toward the end of the project, which increases project receivables and the associated risks. Innofactor pays particular attention to the timing and size of scheduled payments in customer negotiations, as well as to the management and control of customer projects in accordance with the scheduled payments. Project receivables are monitored regularly monthly.

Credit risk: Credit decisions related to trade receivables are monitored centrally within Group administration. A large share of Innofactor's cash flow comes through established customer relationships as payments from the public sector and financially sound companies, which have not historically involved material credit risks, and the Group has not had significant credit losses. The realization of credit risks would weaken the Group's financial position and liquidity. Trade receivables are monitored regularly.

Research and Development

During the review period, the focus areas in product development were the renewal of existing products and services and their continuous further development to support the growth of the product-based business. The majority of product development efforts were directed at the Innofactor Dynasty product.

Innofactor's research and development costs 1.1.–31.12.2025 were approximately EUR 5,278 thousand (2024: 5,558), representing 7.8 percent of net sales (2024: 7.2%). Development costs capitalized during the financial year amounted to EUR 2,311 thousand (2024: 0).

Share and Shareholders

At the end of the review period, the share capital of Innofactor Plc was EUR 2,100,000.00 and the total number of shares was 35,789,319. Innofactor Plc has one series of shares. Each share carries one vote.

Onni Bidco Oy owns 100 percent of the company's shares.

Board of Directors and Company Management

Board of Directors

The following members served on the Board of Directors of Innofactor Plc in 2025:

- Sami Ensio
- Antti Kummu, Chairman of the Board
- Timo Larjomaa
- Risto Linturi, until 13.5.2025

The chairman of the boards of directors of Innofactor Plc's group companies was Sami Ensio, CEO of the Group, and the ordinary board member in all companies was Anni Wahlroos, Deputy CEO. In addition, depending on the company, Senior Legal Counsel Teemu Pitkäniemi and/or Jørn Ellefsen, former Managing Director of the Platforms unit, served as members and/or deputy members.

Chief Executive Officer

Sami Ensio served as Chief Executive Officer of Innofactor Plc.

Executive Board

In 2025, the following served on the Executive Board of the Innofactor Group:

- Sami Ensio, Chief Executive Officer
- Anni Wahlroos, Chief People Officer and Deputy CEO
- Aki Rahunen, Chief Financial Officer (appointed 7.2.2025, commenced 24.3.2025.)
- Martin Söderlind, Chief Strategy Implementation Officer (until 31.3.2025)
- Jørn Ellefsen, Managing Director, Innofactor Platforms (until 31.5.2026)
- Jyrki Vepsäläinen, Managing Director, Innofactor Solutions
- Marko Lybeck, Managing Director, Innofactor Code
- Vesa Niinistö, Managing Director, Innofactor Dynasty

Loans of Related Parties

Innofactor Plc has loan receivables from its subsidiaries totalling EUR 3.6 million.

Members of the company's management belonging to the company's related parties have a debt to the company of EUR 910 thousand accrued from ownership arrangements. The loan term is 15 or 30 years, and the loan is repaid monthly in equal instalments. The interest rate on the loans is the 12-month Euribor 360 rate plus a margin of 1 percent. Accrued interest is paid to the company annually.

The company has no other loans of related parties.

Auditor

The auditing firm BDO Oy served as the auditor of Innofactor Plc, with Authorised Public Accountant (KHT) Taneli Mustonen as the principal auditor.

Board of Directors Proposal on the Distribution of Profits

For the year 2025, the Group's result for the financial year was EUR 2,447,199.66. At the end of the financial year, the distributable equity of Innofactor Plc was EUR 7,906,615. The Board of Directors proposes that Innofactor Plc does not distribute a dividend for the financial year 1.1.–31.12.2025 and that the result for the financial year be recognized in retained earnings.

Consolidated Financial Statements

Comprehensive Consolidated Profit and Loss Statement, IFRS

EUR thousand	Note	2025	2024
Net sales	3	67,580	77,576
Other operating income	3	956	95
Materials and services		-11,021	-13,114
Employee benefits/expenses	6	-41,639	-49,514
Depreciation	5	-3,014	-2,952
Other operating expenses	4	-7,424	-8,706
Operating profit		**5,437**	**3,386**
Financial income	8	36	70
Financial expenses	9	-711	-516
Profit before taxes		**4,763**	**2,940**
Income taxes	10	-2,315	-2,677
Profit/loss for the period		**2,447**	**263**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Exchange differences		120	-39
Total comprehensive income for the period		**2,567**	**224**
Distribution of profit and total comprehensive income for the period:			
To owners of the parent company		2,602	224
To non-controlling interests		35	0

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet, IFRS

EUR thousand	Note	Dec 31, 2025	Dec 31, 2024
ASSETS			
Non-current assets			
Tangible assets	11	719	849
Right-of-use assets	11	2,375	4,041
Goodwill	12	25,807	26,640
Other intangible assets	12	3,372	1,619
Shares and holdings		98	98
Non-current receivables		1,396	0
Deferred tax assets	13	49	293
Total non-current assets		**33,817**	**33,540**
Current assets			
Trade and other receivables	14, 18	17,982	15,661
Cash and cash equivalents	15	666	1,502
Total current assets		**18,648**	**17,163**
TOTAL ASSETS		**52,465**	**50,703**

Consolidated Balance Sheet, IFRS

EUR thousand	Note	Dec 31, 2025	Dec 31, 2024
SHAREHOLDERS EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company			
Share capital	16	2,100	2,100
Share premium reserve	16	72	72
Reserve fund	16	59	59
Fund for invested unrestricted equity	16	12,567	12,567
Non-controlling interests	16	1,440	0
Retained earnings		12,833	10,386
Exchange differences		-1,870	-1,989
Total shareholders' equity		**27,202**	**23,195**
Non-current liabilities			
Loans from financial institutions	17, 21	2,380	2,800
Lease liabilities	19	1,408	2,357
Deferred tax liabilities	13	1,644	1,733
Total non-current liabilities		**5,432**	**6,890**
Current liabilities			
Loans from financial institutions	17, 21	2,058	1,542
Lease liabilities	19	1,095	1,782
Trade and other payables	18	17,602	17,294
Total current liabilities		**20,755**	**20,618**
TOTAL LIABILITIES		**26,187**	**27,508**
Total shareholders' equity and liabilities		**52,465**	**50,703**

Consolidated Cash Flow Statement, IFRS

EUR thousand	Note	2025	2024
Cash flow from operating activities			
Profit before taxes		4,763	2,940
Adjustments:			
Depreciation	5	3,014	2,952
Other non-cash transactions		-611	426
Changes in working capital:			
Change in interest-free current receivables		689	2,746
Change in interest-free current liabilities		309	-279
Interest paid		-459	-221
Interest received		34	66
Taxes paid		-2,423	-536
Net cash flow from operating activities		**5,991**	**8,094**
Cash flow from investing activities			
Investments in intangible and tangible assets		-302	-472
Change in loan receivables		-4,519	86
Net cash flow from investing activities		**-4,821**	**-386**
Cash flow from financing activities			
Proceeds from loans		231	0
Repayments of loans		-140	-1,983
Payments of lease liabilities		-2,097	-2,146
Payment of dividend and repayment of capital		0	-2,502
Net cash flow from financing activities		**-2,006**	**-6,631**
Change in cash and cash equivalents		**-836**	**1,078**
Cash and cash equivalents at the beginning of the financial year		1,502	425
Cash and cash equivalents at the end of the financial year		**666**	**1,502**

Statement of Changes in Consolidated Equity, IFRS

Equity attributable to owners of the parent company

EUR thousand	Note 16	Share capital	Share premium reserve	Reserve fund	Fund for invested unrestricted equity	Retained earnings	Exchange differences	Non-controlling interests	Total shareholders' equity	Total equity of the parent company	Total equity of non-controlling interests
Shareholders' equity Jan 1, 2025		2,100	72	59	12,567	10,385	-1,989	0	23,194	23,194	0
Comprehensive income											
Result for the financial year						2,447			2,447	2,482	-35
Other comprehensive income items:											
Exchange differences							129		129	121	8
Total comprehensive income for the period						2,447	129	0	2,576	2,603	-27
Transactions with owners						-10		1,440			1,440
Shareholders' equity Dec 31, 2025		**2,100**	**72**	**59**	**12,567**	**12,832**	**-1,861**	**1,440**	**27,211**	**25,798**	**1,413**

Equity attributable to owners of the parent company

EUR thousand	Note 16	Share capital	Share premium reserve	Reserve fund	Fund for invested unrestricted equity	Retained earnings	Exchange differences	Non-controlling interests	Total shareholders' equity	Total equity of the parent company	Total equity of non-controlling interests
Shareholders' equity Jan 1, 2024		2,100	72	59	15,069	10,122	-1,950	0	25,483	28,125	0
Comprehensive income											
Result for the financial year						263		0	263	263	0
Other comprehensive income items:											
Exchange differences							-39	0	-39	-39	
Total comprehensive income for the period						262	-39	0	224	223	0
Shareholders' equity Dec 31, 2024		**2,100**	**72**	**59**	**12,567**	**10,385**	**-1,989**	**0**	**23,195**	**25,836**	**0**

Accounting Policies (IFRS)

1. Basic Information on the Group

Innofactor Plc is a Finnish public company incorporated under the laws of Finland. The parent company's domicile is Espoo, and its registered address is Keilaranta 9, 02150 Espoo. The Innofactor Group is one of the leading Nordic software providers focused on Microsoft solutions. Innofactor delivers IT projects to its customers as a systems integrator and develops its own software products and services. A copy of the consolidated financial statements is available at www.innofactor.fi or from the head office of the Group's parent company at Keilaranta 9, 02150 Espoo. The Board of Directors of Innofactor Plc approved these financial statements for publication at its meeting. Under the Finnish Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting held after their publication. The General Meeting also has the option to decide to amend the financial statements.

2. Accounting Policies

Basis of Preparation of the Financial Statements

The consolidated financial statements of Innofactor Plc have been prepared in accordance with International Financial Reporting Standards (IFRS), and in preparing them, the IAS and IFRS standards and SIC and IFRIC interpretations in force at 31.12.2025 have been complied with. International financial reporting standards refers to the standards and related interpretations approved for application in the EU in accordance with the procedure laid down in the Finnish Accounting Act and the regulations issued thereunder and in EU regulation (EC) No 1606/2002. The notes to the consolidated financial statements also comply with the requirements of the Finnish accounting and corporate legislation that supplement the IFRS regulations. The consolidated financial statements have been prepared on a historical cost basis, unless otherwise stated in the accounting policies. The financial statement figures are presented in thousands of euros unless otherwise stated. Because the figures are presented in thousands of euros, rounding differences may occur.

Application of New and Amended IFRS Standards

The Innofactor Group has applied the amendments and annual improvements made to the IFRS standards that entered into force in 1.1.2025. The amendments and annual improvements made to the standards have not had a significant impact on the financial statements.

The Group will begin to apply new and amended standards from their effective date. Based on information available at the time of preparing the financial statements, the IFRS standards or IFRIC interpretations that will come into force in the future are not expected to have a material impact on the Group's financial statements.

Earnings per Share (IAS 33)

IAS 33 Earnings per Share is not applied in the Group's financial statements, because the Group does not have publicly quoted shares and is not preparing to list its shares. Accordingly, earnings per share (basic or diluted) is not presented.

Segment Structure

The Innofactor Group provides comprehensive solutions in the Microsoft environment. The Group has one reportable segment. The business is reviewed as a whole, both for the purposes of performance assessment and resource management, and no separate operating segments have been defined in accordance with IFRS 8.

Subsidiaries

Subsidiaries are companies over which the Group has control. Control arises when the Group owns more than half of the voting rights or otherwise has control. The existence of potential voting rights has also been considered when assessing the conditions for the creation of control, where instruments giving entitlement to potential voting rights are exercisable at the time of assessment.

Control refers to the right to govern the financial and operating policies of an entity to obtain benefits from its activities.

The Group's mutual shareholdings have been eliminated using the acquisition cost method. The consideration transferred and the identifiable assets acquired and liabilities assumed of the acquired company have been measured at fair value at the acquisition date. Costs related to the acquisition, other than costs arising from the issuance of debt or equity securities, have been recognized as an expense. The consideration transferred does not include transactions treated separately from the acquisition. The effect of these has been taken into account through profit or loss in connection with the acquisition. Any contingent additional consideration has been measured at fair value at the acquisition date and classified as either a liability or equity. Additional consideration classified as a liability is measured at fair value at the end of each reporting period, and the resulting gain or loss is recognized through profit or loss. Additional consideration classified as equity is not remeasured.

Acquired subsidiaries are consolidated into the consolidated financial statements from the date on which the Group obtains control, and divested subsidiaries until the date on which control ceases. All intra-group transactions, receivables, liabilities, and unrealized gains, as well as internal profit distribution, are eliminated in the preparation of the consolidated financial statements. In connection with a step acquisition, the previous ownership interest is measured at fair value, and the resulting gain or loss is recognized through profit or loss. When the Group loses control of a subsidiary, the remaining investment is measured at its fair value on the date control is lost, and the resulting difference is recognized through profit or loss.

Property, Plant and Equipment

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses. If an item of property, plant and equipment consists of several parts with different useful lives, each part is treated as a separate asset. In such cases, the expenditure related to the replacement of a part is capitalized, and any remaining carrying amount of the replaced part is derecognized from the balance sheet. Otherwise, subsequently incurred costs are included in the carrying amount of the item of property, plant and equipment only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other repair and maintenance expenses are recognized in profit or loss as incurred. Assets are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives are as follows:

Machinery and equipment 2–10 years

The residual value and useful life of an asset are reviewed at least at the end of each financial year and adjusted if necessary to reflect changes in expectations regarding future economic benefits. Gains and losses on the retirement and disposal of property, plant and equipment are recognized in profit or loss and are presented in other operating income or expenses. A capital gain is determined as the difference between the sales price and the remaining historical cost.

Government Grants

Government grants received as compensation for expenses already incurred are recognized in profit or loss in the period in which the right to receive the grant arises. Such grants are presented in other operating income.

Intangible Assets

Goodwill

Goodwill arising from business combinations is recognized as the amount by which the Group's share of the acquired company's net assets at fair value at the acquisition date is exceeded.

Goodwill is not amortized but is tested annually for potential impairment. If the present value of expected future cash flows discounted to the assessment date were to fall below the residual carrying amount of the Group's goodwill, the difference would be recognized as an impairment. Goodwill is measured at original historical cost less impairment.

Research and Development Costs

Research costs are expensed in profit or loss as incurred.

Development costs arising from the design of new or more advanced products are capitalized on the balance sheet as intangible assets from the point at which the product is technically feasible and intended to be completed, can be exploited commercially, and is expected to generate future economic benefits. Capitalized development costs include the material, labour, and testing costs that are directly attributable to bringing the asset to its intended use. Development costs previously recognized as an expense are not capitalized in a later period.

An asset is amortized from the point at which it is available for use. An asset that is not yet available for use is tested annually for impairment. After initial recognition, capitalized development costs are measured at historical cost less accumulated amortization and impairment. The useful life of capitalized development costs is 3–5 years, over which the capitalized costs are recognized as expenses on a straight-line basis.

Other Intangible Assets

An intangible asset is initially recognized on the balance sheet at historical cost provided that the cost can be measured reliably and it is probable that the expected future economic benefits attributable to the asset will flow to the Group. Intangible assets with a finite useful life are amortized on a straight-line basis through profit or loss over their known or estimated useful life. Most other intangible assets have arisen in connection with business combinations, consisting of customer relationships and technology. The amortization period is determined on an acquisition-specific basis and is 5–9 years. The amortization period for software is 3–5 years.

Leases

The Group as Lessee

Leases that meet the requirements of IFRS 16 are recognized on the balance sheet as a right-of-use asset and a corresponding lease liability. Lease liabilities are initially measured at the commencement date of the contract at the present value of the lease payments, discounted using the interest rate implicit in the lease if that rate can be readily determined. If the interest rate cannot be readily determined, as is the case with property leases, the incremental borrowing rate is used. The incremental borrowing rate reflects the rate of interest that the Group would have to pay to borrow, for a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The lease term covers the period during which the contract is non-cancellable and during which the Group has the right to use the underlying asset. For leases valid until further notice, the probable minimum lease term of the leased item is estimated. Lease liabilities are subsequently measured at amortized cost, increasing or decreasing the carrying amount to reflect interest on the lease liability or lease payments made. The lease liability is remeasured to reflect the reassessment of lease payments, modifications to the lease, or revised, effectively fixed lease payments. Interest expenses are recognized in the income statement. Right-of-use assets are depreciated over the lease term or the useful life of the asset, whichever is shorter.

Impairment

Impairment of Property, Plant and Equipment and Intangible Assets
The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is also estimated annually for the following assets, regardless of whether there is any indication of impairment: goodwill and intangible assets with an indefinite useful life.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Value in use refers to the estimated future net cash flows obtainable from the asset or cash-generating unit in question, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. An impairment loss is recognized immediately in profit or loss. If an impairment loss relates to a cash-generating unit, it is first allocated to reduce the goodwill allocated to the cash-generating unit and thereafter allocated to the other assets of the unit on a pro rata basis. When an impairment loss is recognized, the useful life of the depreciable or amortizable asset in question is reassessed. An impairment loss recognized for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the asset's recoverable amount. However, an impairment loss is not reversed to an extent greater than the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset. An impairment loss recognized for goodwill is never reversed. No impairment losses were recognized in 2025 and 2024.

Employee Benefits

Pension Obligations
Pension plans are classified as either defined benefit or defined contribution plans. Under defined contribution plans, the Group makes fixed payments to a separate entity. The Group has no legal or constructive obligation to make further payments if the recipient is unable to pay the pension benefits in question. All plans that do not meet these conditions are defined benefit pension plans. The Group's pension plans are arranged through a pension insurance company and are defined contribution plans. Payments under defined contribution pension plans are recognized in the income statement in the period to which the charge relates.

Taxes Based on Taxable Income and Deferred Taxes

Tax expense consists of tax based on the taxable income for the period and deferred tax. Taxes are recognized in profit or loss, except when they relate directly to items recognized in equity or in other comprehensive income, in which case the tax is also recognized in those items. Tax based on the taxable income for the period is calculated on taxable profit using the tax rate enacted in each country. Deferred taxes are calculated on temporary differences between the carrying amount and the tax base. However, a deferred tax liability is not recognized for taxable temporary differences arising from the initial recognition of goodwill, or if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable income (or tax loss). The most significant temporary differences arise from depreciation of property, plant and equipment, unused tax losses, and fair value adjustments made in connection with business combinations. Deferred taxes are calculated using tax rates that have been enacted, or substantively enacted, by the end of the reporting period. A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. The criteria for recognizing a deferred tax asset are reassessed at the end of each reporting period.

Revenue Recognition Principles

Net sales comprise revenue from the sale of products and services measured at fair value, adjusted for indirect taxes, discounts, and exchange rate differences on sales denominated in foreign currency. The amount of net sales is based on the consideration to which the company expects to be entitled from the customer and does not include amounts collected on behalf of third parties. The Group recognizes net sales when control of the products and services has transferred to the customer.

Services Sold

Revenue from services is recognized when the service has been performed and it is probable that economic benefit from the service rendered will be obtained. Personnel work is recognized monthly according to the progress of performance.

Projects

Projects comprise design, implementation, project management, and deployment services for software and solutions delivered to the customer. Fixed-price projects are recognized based on the percentage of completion when the outcome of the project can be estimated reliably. For contracts involving fixed-price projects, net sales are recognized based on the services delivered by the reporting date in proportion to the total services to be provided. This is determined based on labour costs incurred in relation to total expected labour costs, as this best reflects the transfer of control to the customer. Estimates of revenue, costs, and the stage of completion are revised as circumstances change, and any resulting income or expense is recognized in profit or loss in the reporting period in which the change is identified. For fixed-price projects, invoicing and customer payments follow the payment schedule agreed in the customer contract. If the services delivered by the Group exceed the payment received, a contract asset is recognized. If payments exceed the amount of services delivered, a contract liability is recognized. If the estimate of a project changes, recognized net sales are adjusted in the period in which the change first becomes estimable and known. An expected loss on a project is recognized as an expense immediately when identified. The Group has no contracts in which more than one-year elapses between the delivery of promised products or services to the customer and the customer's payment. Consequently, the Group does not adjust transaction prices for the time value of money in any respect. Management exercises judgment in assessing the recognition of revenue from fixed-price projects and the amount of retroactive discounts.

SaaS

Maintenance fees are recognized as revenue on a straight-line basis over the contract term.

Licenses

License revenue is recognized at the point in time when the license has been delivered, title has transferred, the customer has accepted the license, and the customer has the right to use the licensed software in its business. Distinct licenses that grant a right of access to the software are recognized as revenue over the contract term. The business activities described above generally do not give rise to contract assets or contract liabilities.

Financial Items

Financial Assets

Innofactor's financial assets are classified in accordance with IFRS 9 into the following categories: financial assets at amortized cost and financial assets at fair value through profit or loss. The classification of financial assets is performed at the initial recognition of the financial assets and is based on the business model applied by the company for holding financial assets, as well as the nature of the contractual cash flows. Measuring an instrument included in financial assets at amortized cost requires that the contractual cash flows consist solely of payments of principal and interest (the so-called SPPI criterion). The fulfilment of the SPPI criterion is assessed on a per-financial-instrument basis. If the SPPI criterion is not met, the financial assets are measured at fair value through profit or loss. Financial assets are presented as current assets if their maturity is shorter than 12 months, or if the investment is intended to be disposed of within 12 months. Otherwise, the item is presented as a non-current asset. Transaction costs are included in the original carrying amounts of financial assets when the item is one that is measured at amortized cost. Purchases and sales of financial instruments are recognized on the settlement date. The fair values of financial instruments have been determined using discounted cash flows.

Cash and Cash Equivalents
Cash and cash equivalents consist of funds held in bank accounts. Bank overdrafts are included in current liabilities in the balance sheet.

Impairment of Financial Assets
In assessing impairment losses on trade receivables, customer classification is used, whereby the amount of the credit loss allowance is calculated based on experience of the expected credit losses of different customer groups. The Group's realized credit losses have historically been very small, due in part to the large share of net sales accounted for by the public sector, the third sector, and large enterprises. Trade receivables and contract assets are derecognized from the balance sheet through profit or loss as final credit losses when payment cannot reasonably be expected to be received. If the amount of an impairment loss decreases in a later period and the decrease can be objectively related to an event occurring after the impairment was recognized, the recognized loss is reversed through profit or loss.

Financial Liabilities
Financial liabilities are initially recognized at fair value. Transaction costs are included in the original carrying amount of financial liabilities measured at amortized cost. Financial liabilities are classified as current when they fall due for payment within twelve months of the end of the reporting period.

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that they will generate future economic benefits and when the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred. Fees on the establishment of loan facilities are recognized as transaction costs to the extent that it is probable that all or part of the loan facility will be drawn down. In that case, the fee is recognized in the balance sheet until the loan is drawn down. When the loan is drawn down, the fee on the establishment of the loan facility is recognized as part of transaction costs. To the extent that it is probable that the loan facility will not be drawn down, the fee is recognized as a prepayment for a liquidity service and is amortized as an expense over the period of the loan facility.

Shareholders' Equity

Ordinary shares are presented as share capital. Costs relating to the issuance or acquisition of the company's own equity instruments are presented as a deduction from equity.

Operating Profit (EBIT)

IAS 1 Presentation of Financial Statements does not define the concept of operating profit. The Group has defined it as follows: operating profit is the net amount arrived at by adding other operating income to net sales, and deducting materials and services, deducting expenses arising from employee benefits, depreciation and any impairment losses, and other operating expenses.

All income statement items other than those mentioned above are presented below operating profit. Exchange rate differences are included in operating profit if they arise from items related to business operations; otherwise, they are recognized in financial items.

Exchange Differences

In the consolidated financial statements, exchange rate differences arising from the equity of foreign subsidiaries and from loans treated as net investments in foreign operations are recognized through other comprehensive income of the Group in exchange differences. The Group's management has classified certain intra-group loans as loans treated as net investments, and the exchange rate differences arising from these loans have been recognized in exchange differences.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In preparing the financial statements, management is required to make estimates and assumptions concerning the future, the outcomes of which may differ from the estimates and assumptions made. In addition, judgment must be exercised in applying the accounting policies. The estimates made in connection with the preparation of the financial statements are based on management's best view as of the end of the reporting period. The estimates are based on past experience and management's best assumptions at the reporting date regarding future developments, including expected changes in the Group's operating environment, sales, and cost levels. The Group monitors the realization of estimates and assumptions, as well as changes in the factors underlying them, on a regular basis using a number of both internal and external sources of information. Any changes in estimates and assumptions are recognized in the financial year during which the estimate or assumption is revised, and in all financial years thereafter. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that involve a significant risk of causing a material change to the carrying amounts of the Group's assets and liabilities within the next financial year are presented below. The Group's management has considered these areas of the financial statements to be the most significant, as the accounting policies relating to them are the most complex from the Group's perspective and their application requires the greatest use of significant estimates and assumptions, for example in the valuation of assets. In addition, the effects of any changes in the assumptions and estimates used in these areas of the financial statements have been assessed as being the most significant.

Determining the Fair Value of Assets Acquired in Business Combinations

The determination of the fair value of intangible assets is based on estimates of the cash flows related to the assets, as no information has been available from the market on transactions involving similar assets. Management believes that the estimates and assumptions used are sufficiently accurate as a basis for determining fair value. In addition, at least at the end of each reporting period, the Group reviews for any indications of impairment of both tangible and intangible assets.

Determining the Valuation of Goodwill

Management makes significant estimates and judgment-based decisions in assessing the development of the Group's net sales and costs, the applicable tax rates, and the impact of changes in market conditions on the Group's earnings performance. Cash flow forecasts are based on the Group's realized results and management's best estimates of future financial performance. The cash flow forecasts include the budgeted amount for the following financial year and forecasted amounts for the following three years. Growth rates are based on management's estimate of growth in future years.

Partial Recognition of Revenue

A project recognized over time is recorded as income and expenses based on the percentage of completion when the outcome of the project can be reliably estimated. Revenue recognition is based on estimates of the expected income and expenses from the project, as well as on the reliable measurement and assessment of the project's progress. If the estimates of the project's outcome change, the recognized sales and profit/margin are adjusted in the period in which the change first becomes known and can be estimated. A loss-making contract is expensed without delay.

3. Net Sales

EUR thousand	2025	2024
Projects	17,963	23,072
Services	25,051	28,766
SaaS	22,202	22,895
Licenses	2,364	2,843
Total	**67,580**	**77,576**

In 2025, projects included a total of EUR 2.4 million in projects recognized according to the percentage of completion (EUR 3.7 million in 2024). For incomplete projects in progress at the balance sheet date, income totalling EUR 1.9 million had been recognized according to the percentage of completion (EUR 3.3 million in 2024).

During the reporting period, the items that were included in full in contract liabilities in the previous financial statements have been recognized as sales revenue.

The warranty period for system deliveries is 6–12 months, and warranty work is generally performed during the maintenance period.

Unfulfilled Long-Term Customer Contracts

EUR thousand	2025	2024
Total amount of the transaction price allocated to long-term customer contracts that are partially or wholly unfulfilled	57,770	75,431
Estimated Revenue Recognition Timing		
Estimated to be recognized during the following year	50,606	40,701
Estimated to be recognized later	7,164	34,730
Total	**57,770**	**75,431**

For continuing service agreements, the value of long-term customer contracts has been calculated as the value of one year’s net sales, which in 31.12.2025 was EUR 21,103 thousand and in 31.12.2024 was EUR 26,661 thousand.

Net Sales by Customer Location

EUR thousand	2025	2024
Finland	52,359	56,675
Rest of Europe	15,222	20,901
Total net sales	**67,580**	**77,576**

Other Operating Income

EUR thousand	2025	2024
Rent	54	79
Other	902	16
Total other operating income	**956**	**95**

4. Other Operating Expenses

EUR thousand	2025	2024
ICT expenses	1,709	1,653
Voluntary indirect employee costs	1,301	1,203
Travel expenses	937	801
Expenses for business premises	647	642
Total (four most significant items)	**4,594**	**4,299**
Other unspecified operating expenses	2,830	4,909
Total other operating expenses	**7,424**	**9,208**

Remuneration of the Auditors

EUR thousand	2025	2024
Auditing	126	170
Assurance of sustainability report	0	25
Other services	31	0
Total	**157**	**195**

5. Depreciation and Impairment

EUR thousand	2025	2024
Intangible assets	561	310
Total (intangible assets)	**561**	**310**
Tangible assets		
Real estate	1,893	1,985
Machinery and equipment	560	656
Total (tangible assets)	**2,453**	**2,641**
Total depreciation	**3,014**	**2,952**

6. Employee Benefits/Expenses

EUR thousand	2025	2024
Wages and salaries	33,382	40,303
Pension expenses – defined contribution plans	5,844	6,267
Other indirect employee costs	2,414	2,943
Total	**41,639**	**49,514**

Group personnel	2025	2024
Average during the financial year	535	571
Total	507	546

Information on the employee benefits of management is presented in note 23. Related Party Transactions.

7. Research and Development Costs

Research and development costs recognized as expenses totalled EUR 5,278 thousand in 2025 (EUR 5,558 thousand in 2024).

Development costs capitalized during the financial year 2025 are presented in note 12.

8. Financial Income

EUR thousand	2025	2024
Interest income	1	4
Other financial income	34	66
Total financial income	**36**	**70**

9. Financial Expenses

EUR thousand	2025	2024
Interest expenses and other financial expenses	477	365
Interest expenses on lease liabilities	233	152
Total financial expenses	**711**	**516**

10. Income Taxes

EUR thousand	2025	2024
Tax based on taxable income for the financial year	-953	-607
Other taxes	-340	-47
Deferred tax relating to the origination or reversal of temporary differences	-1,022	-2,023
Total	**-2,315**	**-2,677**

Reconciliation between the tax expense and taxes calculated at the Group's domestic tax rate of 20.0 percent:

EUR thousand	2025	2024
Earnings before taxes	4,763	2,940
Taxes calculated at the domestic tax rate	-953	-588
Non-deductible expenses	-566	-59
Tax-exempt income	796	0
Change in deferred taxes		
Group eliminations recognized through profit or loss, for which no deferred tax assets or liabilities have been recognized, and write-downs of deferred tax assets	-939	-2,176
Other	-653	146
Taxes in the income statement	**-2,315**	**-2,677**

11. Tangible Assets

EUR thousand	Machinery and equipment	Buildings and structures	Total
Historical cost 1.1.2025	7,315	15,233	22,548
Additions 2025	430	277	657
Deductions 2025	0	0	0
Historical costs 31.12.2025	**7,745**	**15,460**	**23,205**
Accumulated depreciation and impairment 1.1.2025	-6,466	-11,203	-17,669
Depreciation related to deductions / exchange rate differences on fixed assets	0	11	11
Depreciation 2025	-560	-1,893	-2,453
Carrying amount 1.1.2025	849	4,041	4,890
Carrying amount 31.12.2025	**719**	**2,375**	**3,093**
Historical cost 1.1.2024	6,913	12,384	19,297
Additions 2024	402	2,850	3,251
Deductions 2024	0	0	0
Historical costs 31.12.2024	**7,315**	**15,233**	**22,548**
Accumulated depreciation and impairment 1.1.2024	-5,810	-9,218	-15,028
Depreciation related to deductions / exchange rate differences on fixed assets	0	11	11
Depreciation 2024	-656	-1,985	-2,641
Carrying amount 1.1.2024	1,080	3,177	4,257
Carrying amount 31.12.2024	**849**	**4,041**	**4,890**

EUR thousand	1.1.2025	31.12.2025
Tangible Assets	849	719
Right-of-use assets	4,041	2,375
Total	**4,890**	**3,093**

EUR thousand	1.1.2024	31.12.2024
Tangible Assets	1,080	849
Right-of-use assets	3,177	4,041
Total	**4,257**	**4,890**

Right-of-Use Assets

EUR thousand	Machinery and equipment	Buildings and structures	Total
Historical cost 1.1.2025	0	4,041	4,041
Additions 2025	0	227	227
Depreciation 2025	0	-1,893	-1,893
Carrying amount 31.12.2025	**0**	**2,375**	**2,375**
Historical cost 1.1.2024	0	3,178	3,178
Additions 2024	0	2,850	2,850
Depreciation 2024	0	-1,985	-1,985
Carrying amount 31.12.2024	**0**	**4,041**	**4,041**

12. Intangible Assets

EUR thousand	Goodwill	Other intangible assets	Total
Historical cost Jan 1, 2025	27,857	18,822	46,678
Additions 2025	0	2,321	2,321
Change in value from exchange rate changes	91	-6	-85
Historical cost Dec 31, 2025	**27,948**	**21,137**	**49,085**
Accumulated depreciation and impairment Jan 1, 2025	-1,216	-17,204	-18,420
Depreciation 2025	0	-561	-561
Accumulated depreciation and impairment Dec 31, 2025	-1,216	-17,765	-18,981
Carrying amount Jan 1, 2025	26,641	1,618	28,259
Carrying amount Dec 31, 2025	**26,732**	**3,372**	**30,104**

EUR thousand	Goodwill	Other intangible assets	Total
Historical cost Jan 1, 2024	28,051	18,822	46,873
Additions 2024	0	0	0
Change in value from exchange rate changes	-195	0	-195
Historical cost Dec 31, 2024	**27,857**	**18,822**	**46,678**
Accumulated depreciation and impairment Jan 1, 2024	-1,216	-16,894	-18,110
Depreciation 2024	0	-310	-310
Accumulated depreciation and impairment Dec 31, 2024	-1,216	-17,204	-18,420
Carrying amount Jan 1, 2024	26,835	1,929	28,764
Carrying amount Dec 31, 2024	**26,641**	**1,618**	**28,259**

Capitalized Development Costs (IAS 38)

During the financial year, the Group capitalized development costs in accordance with IAS 38. Capitalization is based on the assessment that the development projects meet the capitalization criteria of IAS 38: technical feasibility, management's intention to complete the asset and either use or sell it, the ability to use or sell the asset, the probability of future economic benefit, the availability of adequate resources, and the reliable measurability of expenditure.

EUR thousand	2025	2024
Historical cost at the beginning of the period	0	0
Development costs capitalized during the financial year	2,311	0
Depreciation recognized during the financial year	305	0
Impairment losses	0	0
Carrying amount at the end of the period	**2,006**	**0**

Depreciation and Useful Life

Capitalized development costs are depreciated on a straight-line basis over their useful life, which is 3-5 years, in accordance with the practice applied by Innofactor to its intangible assets.

Impairment Testing

Development costs are tested for impairment in accordance with IAS 36 whenever there is an indication that the asset may be impaired. Development projects in progress are tested annually.

Impairment Testing

The Group has one cash-generating unit (CGU), the software business, to which all goodwill arising from business combinations is therefore allocated.

In impairment testing, the Group's recoverable amounts have been determined based on value in use. The cash flow forecasts are based on forecasts approved by management, covering a three-year period. Cash flows beyond the period approved by management have been extrapolated using a growth factor of 1.0 percent.

The key variables used in calculating value in use were as follows:

1. Budgeted operating margin (EBITDA) - The value of this variable is based on the budget approved by the Board of Directors and management's forecast of the development of the operating margin (EBITDA) over the following three years. No material changes in the operating margin (EBITDA) are anticipated during the forecast period.
2. Change in working capital - The value of this variable is based on the average working capital tied up in relation to net sales and management's forecast of changes in working capital over the following three years. No material changes in working capital are anticipated during the forecast period.
3. Discount rate - Determined using the weighted average cost of capital (WACC), which reflects the total cost of equity and debt, taking into account the specific risks associated with the assets. The discount rate is determined before taxes. The discount rate used in the calculations is 10.93 percent (10.98 percent in 2024). The discount rate after taxes is 8.99 percent (8.99 percent in 2024).
4. Growth percentage over the forecast period - the net sales figure used is, in the company's view, conservative, taking into account the industry and Innofactor's historical long-term realized business growth.

Based on the impairment test, the recoverable amounts exceed the corresponding carrying amounts by approximately EUR 83 million. No impairment losses were recognized in 2025 or 2024.

The Group has prepared a sensitivity analysis of goodwill, based on which it has been determined that a 55 percent decline in net sales compared with the estimated net sales for 2026-2028, or a 64 percent decline in profitability compared with the estimate for 2026-2028, would, based on the sensitivity analysis performed, give rise to a need for impairment. According to the sensitivity analysis, an increase of 22.6 percent in the discount rate would give rise to a need for impairment.

EUR thousand	2025	2024
IT services industry	26,732	26,640
Goodwill	**26,732**	**26,640**

13. Deferred Tax Assets and Liabilities

EUR thousand	Dec 31, 2024	Recognized in profit or loss	Translation differences	Increase in deferred tax assets and liabilities**	Dec 31, 2025
Deferred tax assets					
From business combinations*	240	0	-208	0	32
Total	**240**	**0**	**-208**	**0**	**32**
Deferred tax liabilities					
Measurement of intangible and tangible assets at fair value value in business combinations	1,733	0	-89	0	1,644
Total	**1,733**	**0**	**-89**	**0**	**1,644**

The Group did not have any deferred tax assets recognized in 31.12.2025 relating to historically confirmed losses.

The amount of unused tax losses for which, in accordance with the principle of prudence, no deferred tax asset has been recognized, totalled EUR 21.0 million at the end of 2025. These losses originate from other Nordic countries outside Finland. Losses in the other Nordic countries do not expire, but their utilization must be supported by strong evidence in the near future. The figures do not include losses to be used for tax purposes in 2025, which have not yet been confirmed.

In order to assess whether convincing evidence exists in accordance with IAS 12, the company has prepared earnings and tax forecasts for future years, taking into account the tax rules in effect at the time the calculation was prepared. Management has not recognized deferred tax assets based on the taxable income forecast in these calculations.

14. Trade and Other Receivables

EUR thousand	2025	2024
Trade receivables	8,268	9,039
Receivables from customers for long-term projects	1,457	3,801
Loan receivables	4,615	-4
Accrued income	3,625	1,467
Other receivables	18	1,358
Total	**17,982**	**15,661**

EUR thousand	2025 (after credit loss provision)	Credit loss provision for receivables 2025	2025 (before credit loss provision)	2024
Breakdown of trade receivables by age				
Not past due	7,818	8	7,826	10,232
Past due				
Past due 1-90 days	396	1	397	1,714
Past due more than 90 days	131	7	138	404
Total	**8,346**	**16**	**8,361**	**12,350**

Trade receivables have been adjusted with a credit loss provision in accordance with IFRS 9. The carrying amounts best correspond to the maximum amount of credit risk, without taking into account the fair value of any collateral, if the counterparties are unable to fulfil their obligations related to financial instruments. It is not the Group's practice to obtain collateral in respect of trade and other receivables. The credit risk management principles are presented in Note 17.

Assets Based on Customer Contracts

EUR thousand	2025	2024
Receivables based on project contracts	1,457	3,801
Total	**1,457**	**3,801**

EUR thousand	2025	2024
Liabilities based on project contracts	1,206	1,094
Total	**1,206**	**1,094**

Liabilities and receivables based on project contracts are included in accrued income and accrued expenses on the balance sheet. Innofactor does not expect to enter into contracts in which the period between the transfer of promised projects or services to the customer and the customer's payment would exceed one year. Accordingly, transaction prices are not adjusted to reflect the time value of money.

15. Cash and Cash Equivalents

EUR thousand	2025	2024
Bank accounts	666	1,502
Total	**666**	**1,502**

Short-term deposits have a maturity of no more than three months. Cash and cash equivalents are presented at nominal value, which corresponds to their fair value.

16. Notes Concerning Shareholders' Equity

The following presents descriptions of the equity reserves:

Share Premium Reserve
In cases where stock options were decided upon under the former Finnish Companies Act (29.9.1978/734), cash payments received from share subscriptions based on options have been recorded in share capital and the share premium reserve in accordance with the terms of the arrangement, net of transaction costs.

Reserve Fund
The reserve fund is a fund of unrestricted equity established by a resolution of the General Meeting.

Fund for Invested Unrestricted Equity
The fund for invested unrestricted equity (SVOP) includes other investments of an equity nature as well as the subscription price of shares to the extent that, under an explicit resolution, it is not recorded in share capital. Following the entry into force of the Finnish Companies Act (21.7.2006/624) (September 1, 2006), payments received from share subscriptions based on option programs decided upon thereafter are recorded in full in the SVOP fund.

Dividends and Repayment of Capital
No dividend or repayment of capital was distributed in 2025. The Board of Directors has proposed that Innofactor Plc will not distribute a repayment of capital or dividend for the financial year 2025.

17. Financial Risk Management

In its normal business operations, the Group is exposed to several financial risks. The objective of the Group's risk management is to minimize the adverse effects of changes in the financial markets on the Group's result. The main financial risks are credit risk, exchange rate risk, and interest rate risk. The Board of Directors approves the general principles of the Group's risk management, and the Group's finance department is responsible for the practical implementation of financial risk management.

Interest Rate Risk

At the balance sheet date, the company had a total of EUR 4.4 million in floating-rate bank loans (EUR 4.3 million in 31.12.2024). The company is exposed to cash flow interest rate risk through its loan portfolio. The objective of the company's risk management with respect to interest rate risk is to minimize the adverse effects of changes in interest rates on the company's result. The average interest rate on the loans was 10.8 percent (3.7 percent in 2024).

The sensitivity analysis uses the average balances of floating-rate loans realized during the financial year. At the balance sheet date, the effect of floating-rate interest-bearing liabilities on the result before taxes would have been +/- EUR 36 thousand (2024: +/- EUR 22 thousand) had the interest rate risen or fallen by 1 percentage points.

Exchange Rate Risk

The Innofactor Group operates internationally and is exposed to risks arising from the currencies of its countries of operation. Changes in exchange rates, in particular the Swedish krona and the Norwegian krone, affect the Group's net sales and profitability. Innofactor has significant business based on the Swedish krona and the Norwegian krone. Exchange rate risk arises mainly from assets and liabilities recognized on the balance sheet and from net investments made in foreign subsidiaries. Exchange rate risk also arises from the commercial contracts of subsidiaries, although contracts are mainly denominated in the units' own operating currency. The objective of exchange rate risk management within the Group is to reduce the uncertainty that changes in exchange rates cause to the result through cash flows and the valuation of operating receivables and liabilities.

The sensitivity analysis of exchange rate risk presents the effect on the income statement at the end of 2025 if the exchange rate against the euro were to change by 10 percent. The sensitivity analysis of currency risk, calculated as required by IFRS 7, would have resulted in a -0.4 + 0.5 million euro effect on the result before taxes at the balance sheet date.

Credit Risk

Credit decisions relating to trade receivables are monitored centrally by Group administration. A large proportion of Innofactor's cash flow comes from established customer relationships in the form of payments from the public sector and financially sound companies, which have historically not involved material credit risks, and the Group has not incurred significant credit losses. The realization of credit risks would weaken the Group's financial position and liquidity. Trade receivables are monitored regularly.

The breakdown of trade receivables by age is presented in Note 14. Trade and Other Receivables.

Risk Related to Project Receivables

A large share of Innofactor's net sales comes from project business. Some projects are long-term projects in which payment instalments and related terms are typically agreed with the customer in advance. When Innofactor performs work on customer projects that can only be invoiced afterward in accordance with the payment instalments, project receivables accumulate for Innofactor. In public sector projects in particular, payment instalments are often weighted toward the latter part of the project, which increases project receivables and the associated risks. In customer negotiations, Innofactor pays particular attention to the timing and size of payment instalments, as well as to the management and control of customer projects in accordance with the payment instalments. Project receivables are monitored regularly.

Risks Related to the Cash Position

The Group continuously seeks to assess and monitor the amount of financing required by its business operations, including through monthly analysis of cash flow forecasts, to ensure that the Group has sufficient liquid assets to finance its operations. The Group analyses and reviews liquidity forecasts on a regular basis and assesses the impact of potential acquisitions on liquidity.

The Group has not identified any significant concentrations of liquidity risk within its financial assets.

Maturity Distribution of Financial Liabilities

EUR thousand	Carrying amount	0–6 months	6 months –1 year	more than 1 year	2–4 years
Dec 31, 2025					
Loans from financial institutions	4,438	140	1,918	280	2,100
Trade and other payables	2,690	2,690	0	0	0
Estimate of future interest payments	26	13	13	52	160
Dec 31, 2024					
Loans from financial institutions	4,342	0	1,542	0	2,800
Trade and other payables	1,595	1,595	0	0	0
Estimate of future interest payments	160	80	80	160	160

Lease liabilities are presented in Note 19.

Capital Management

The Shareholders' equity shown in the consolidated balance sheet is managed as capital. The objective of capital management is to secure the operating conditions of the Group and to increase shareholder value over the long term. The capital structure can be managed through decisions concerning, among other things, dividend distribution, the acquisition and disposal of own shares, and share issues. The Shareholders' equity shown in the consolidated balance sheet is managed as capital. The Group is not subject to any external capital requirements. The development of the Group's capital structure is continuously monitored using the Net Gearing ratio.

EUR thousand	2025	2024
Interest-bearing loans from financial institutions	4,438	4,342
Lease liabilities	2,503	4,140
Cash and cash equivalents	666	1,502
Total shareholders' equity	**27,202**	**23,195**
Net Gearing	**23.1%**	**30.1%**

Financial Risk Management

In its normal business operations, the Innofactor Group is exposed to risks typically associated with financing. At the end of the reporting period, Innofactor had a total of approximately EUR 4.4 million of interest-bearing debt to financial institutions, which had been taken out to finance acquisitions and working capital. Of this debt, approximately EUR 2.4 million is long-term and EUR 2.0 million is short-term. In addition, the company had lease liabilities in accordance with IFRS 16 (leases based on the duration of fixed-term lease agreements) of EUR 2.5 million, of which EUR 1.1 million was short-term and EUR 1.4 million was long-term. Total interest-bearing liabilities amounted to EUR 6.9 million.

Innofactor has committed to the following covenants: the Group's net debt divided by adjusted EBITDA, calculated quarterly, shall not exceed 4.0, and adjusted EBITDA divided by the Group's net financial expenses, calculated quarterly, shall be at least 2.5, as well as certain other customary loan terms.

The objective of financial risk management is to minimize the adverse effects of changes in the financial markets on the Group's result. Financial risk management is centralized with the Chief Financial Officer, who is responsible for the Group's financing and who reports regularly to the company's Executive Board, the CEO, and the Board of Directors. It is possible that the Group will not obtain the financing it needs in the future, which would have an adverse effect on the Group's business operations and their development, in particular on the completion of acquisitions.

18. Fair Values of Financial Assets and Liabilities

The table presents the fair values and carrying amounts of each item of financial assets and liabilities, which correspond to the values in the consolidated balance sheet.

EUR thousand	Note	Dec 31, 2025	Dec 31, 2024
Trade and other receivables	14	8,268	15,661
Cash and cash equivalents	15	666	1,502
Total		**8,933**	**17,163**
Loans from financial institutions		4,438	4,342
Lease liabilities		2,503	4,140
Total		**6,941**	**8,481**
Trade and other payables:			
Trade payables		2,690	1,595
Other liabilities		5,509	6,142
Total		**8,199**	**7,737**

Trade and Other Receivables

The initial carrying amount of receivables corresponds to their fair value, as the effect of discounting is not material given the maturity of the receivables.

Loans from Financial Institutions

The carrying amount of the loans corresponds to their fair value.

Trade and Other Payables

The initial carrying amount of trade and other payables corresponds to their fair value, as the effect of discounting is not material given the maturity of the liabilities.

19. Lease Liabilities

Maturity

EUR thousand	Total	Less than 1 year	1–5 years	Over 5 years
Dec 31, 2025				
Lease liabilities (IFRS 16)	2,503	1,095	1,408	0
Other lease liabilities	10	10	0	0
Interest on lease liabilities	415	189	226	0
Total	**2,928**	**1,294**	**1,634**	**0**

Balance Sheet

EUR thousand	2025	2024
Long-term lease liabilities	1,408	2,357
Short-term lease liabilities	1,095	1,782
Total	**2,503**	**4,140**

Effect on Result

EUR thousand	2025	2024
Decrease in other operating expenses (rental expenses)	2,097	2,146
Increase in depreciation of right-of-use assets	-1,893	-1,985
Increase in operating profit (EBIT)	**204**	**160**
Increase in financial expenses	-233	-155
Effect on the result for the financial year	**-29**	**6**

Short-term lease expenses have been recognized	156	104
Low-value lease expenses have been recognized	18	18

The cash flow impact of the company's leases was EUR -2,135 thousand in 2025 (EUR -2,146 thousand in 2024). Interest related to lease liabilities is disclosed in Note 9. Financial expenses. Right-of-use assets are presented in Note 11. Tangible assets.

20. Contingent Liabilities and Assets and Commitments

EUR thousand	2025	2024
Collateral given on own behalf		
Rental deposits	141	168
Corporate mortgages	324,950	17,450
Bank guarantees	340	312
Other own commitments		
Leasing and rental commitments		
Commitments falling due within one year	10	38
Commitments falling due within 1–5 years	0	59
Total own commitments	**10**	**97**

21. Changes in Interest-Bearing Liabilities

EUR thousand	Long-term	Short-term	Total
Liabilities Jan 1, 2025	**5,158**	**3,324**	**8,481**
Loan drawdowns	0	516	516
Loan repayments	-420	0	-420
Change in lease liabilities*	-949	-688	-1,637
Liabilities Dec 31, 2025	**3,788**	**3,152**	**6,941**

* IFRS 16 lease liabilities (Note 19)

Liabilities 1.1.2024	**3,065**	**6,550**	**9,616**
Loan drawdowns	2,800	0	2,800
Loan repayments	-1,770	-3,013	-4,783
Change in lease liabilities*	1,062	-213	849
Liabilities Dec 31, 2024	**5,158**	**3,324**	**8,481**

* IFRS 16 lease liabilities (Note 19)

22. Related Party Transactions

Innofactor's related parties comprise its subsidiaries, management (the Board of Directors, the CEO, and the Executive Board), their close family members, and companies controlled by them or their close family members, associated companies, and joint ventures. The company's financial management maintains a register of the company's related parties. The company's financial management determines which entities are included in Innofactor's related parties to the extent that the related-party status of the entity in question does not arise from the personal IAS definition of a related party.

Once a calendar year, the company sends a questionnaire to the company's key personnel under IAS 24, requesting information on the persons and entities that are part of their related parties.

The company's management personnel who are related parties of the company have a total of EUR 910 thousand (EUR 0 thousand 2024) in outstanding debt to the company arising from the company's personnel share issues. The loan term is 15 or 30 years, and the loan is repaid monthly in equal instalments. The interest rate on the loans is the 12-month Euribor 360 rate plus a margin of 1 percent. Accrued interest is paid to the company annually.

The company has no other material related party transactions.

Management Employee Benefits

EUR thousand	2025	2024
During the financial year, the Group's management was paid salaries and remuneration, including fringe benefits, as follows:		
Group management	1,210	1,586
Total	**1,210**	**1,586**

Management Employee Benefits	2025	2024
Short-term employee benefits	1,210	1,586
Total	**1,210**	**1,586**

Members and Deputy Members of the Board of Directors	2025	2024
Kummu Antti, Chairman of the Board	0	0
Ensio Sami, Member of the Board of Directors	30	30
Larjomaa Timo, Member of the Board of Directors	30	7
Total	**60**	**37**

23. Group Companies

At the end of the financial year, the Innofactor Group comprised the following companies:

- Innofactor Plc, Finland (parent company)
- Innofactor Software Oy, Finland, Espoo, 100%
- Innofactor Dynasty Oy, Finland, Espoo, 98.74%
- Innofactor Solutions Oy, Finland, Espoo, 93.49%
- Innofactor Platforms Oy, Finland, Espoo, 97.29%
- Innofactor Code Oy, Finland, Espoo, 97.68%
- Innofactor Invenco Oy, Finland, Espoo, 100%
- Innofactor Holding AB, Sweden, 100%
- Innofactor AB, Sweden, 97.29%
- Innofactor Solutions AB, Sweden, 93.49%
- Innofactor Dynasty AB, Sweden, 98.74%
- Innofactor MMS AB, Sweden, 100%
- Innofactor Holding ApS, Denmark, 100%
- Innofactor A/S, Denmark, 97.29%
- Innofactor Holding AS, Norway, 100%
- Innofactor AS, Norway, 97.29%
- Innofactor Code AS, Norway, 97.68%
- Innofactor Solutions AS, Norway, 93.49%

24. Events After the Reporting Period

Events After the Reporting Period

On March 31, 2026, Innofactor Plc's shares were removed from the book-entry securities system.

Innofactor has had no other significant events after the reporting period.

Parent Company Financial Statement, FAS

EUR

PARENT COMPANY INCOME STATEMENT	**Note**	**Jan 1–Dec 31, 2025**	**Jan 1–Dec 31, 2024**
NET SALES	1	14,850,509	16,041,074
Other operating income	2	54,329	79,358
Materials and services			
Purchases during the financial year	3	-6,376,530	-6,524,050
Personnel expenses	4	-3,543,140	-3,533,694
Depreciation and amortization	5		
Depreciation and amortization according to plan		-114,960	-72,822
Other operating expenses	6	-4,611,226	-5,431,925
OPERATING RESULT		**258,982**	**557,940**
Financial income and expenses	7		
Interest income and other financial income		354,510	1,170,301
Interest expenses and other financial expenses*		-576,870	-12,239,795
Total financial income and expenses		-222,360	-11,069,494
RESULT BEFORE APPROPRIATIONS AND TAXES		**36,623**	**-10,511,553**
Group contribution		0	0
RESULT BEFORE TAXES		**36,623**	**-10,511,553**
Income taxes		-79,243	-304,049
RESULT FOR THE FINANCIAL YEAR		**-42,620**	**-10,815,602**

* For 2024, interest expenses and other financial expenses include an impairment of EUR 12.0 million on investments held as non-current assets.

Parent Company Financial Statement, FAS

EUR ASSETS	Note	Dec 31, 2025	Dec 31, 2024
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights	8	14,622	21,524
Tangible assets			
Machinery and equipment	8	189,894	152,647
Investments			
Shares in group companies	9	41,449,063	32,697,165
TOTAL NON-CURRENT ASSETS		**41,653,579**	**32,871,336**
CURRENT ASSETS			
Receivables	10		
Long-term			
Loan receivables		1,396,067	0
Other receivables		17,244,244	19,350,070
Short-term			
Trade receivables		17,244,244	19,973,644
Loan receivables		3,712,062	0
Accrued income		386,338	576,452
Other receivables		26	0
Cash and bank receivables		155,417	111,001
TOTAL CURRENT ASSETS		**42,965,437**	**40,011,167**
TOTAL ASSETS		**84,619,016**	**72,882,503**

EUR EQUITY AND LIABILITIES	Note	Dec 31, 2025	Dec 31, 2024
SHAREHOLDERS' EQUITY	12		
Share capital		2,100,000	2,100,000
Revaluation reserve		2,000,000	2,000,000
Fund for invested unrestricted equity		18,434,568	18,434,568
Retained earnings from previous financial years		-10,485,332	330,270
Profit/loss for the period		-42,620	-10,815,602
Total shareholders' equity		**12,006,615**	**12,049,235**
LIABILITIES	13		
Long-term			
Loans from financial institutions		2,380,000	2,800,000
Total long-term		**2,380,000**	**2,800,000**
Short-term			
Loans from financial institutions		2,057,641	1,541,725
Trade payables		379,511	405,838
Other liabilities		65,698,220	53,687,890
Accrued expenses	14	2,097,029	2,397,815
Total short-term		70,232,401	58,033,268
TOTAL LIABILITIES		**72,612,401**	**60,833,268**
EQUITY AND LIABILITIES		**84,619,016**	**72,882,503**

Parent Company Cash Flow Statement

EUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Operating cash flow		
Operating profit/loss (EBIT)	258,982	557,940
Adjustments		
Depreciation and amortization	114,960	72,822
Transactions not involving cash flow	0	1
Change in working capital		
Change in trade and other receivables	-9,483,454	2,802,751
Change in trade and other payables	11,683,217	1,064,586
Interest received	1,130	2,555
Interest paid and other financial expenses paid	-223,489	−136,268
Taxes paid	-79,243	0
Total operating cash flow	**2,272,103**	**4,364,386**
Cash flow from investing activities		
Investments in subsidiary shares	-715,297	0
Investments in fixed assets	-145,304	−71,338
Repayments of loan receivables	0	83,075
Loans granted	-1,463,000	0
Total cash flow from investing activities	**-2,323,602**	**11,737**
Cash flow before financing	**-51,499**	**4,376,123**
Cash flow from financing activities		
Loan drawdowns	515,916	2,800,000
Loan repayments	-420,000	-4,481,728
Drawdowns on group account liability	0	1,546,786
Repayments of group account liability	0	-1,848,103
Acquisition of own shares	0	-10,278
Dividends and repayments of capital paid	0	-2,502,058
Total cash flow from financing activities	**95,916**	**-4,495,380**
Change in cash and cash equivalents according to the cash flow statement	**44,417**	**-119,257**
Change in cash and cash equivalents during the financial year	44,417	-119,257
Cash and cash equivalents at the beginning of the period	111,001	230,258
Cash and cash equivalents at the end of the period	**155,417**	**111,001**

Notes to the Parent Company Financial Statement

Accounting Policies

Innofactor Plc's financial statements for the financial year 2025 have been prepared in accordance with the accounting regulations applicable in Finland.

Intangible and Tangible Assets

Intangible and tangible assets are recognized at original historical cost less depreciation and amortization according to plan. Depreciation and amortization according to plan have been calculated based on the economic useful life of the assets, as follows:

- intangible rights	3–5 years
- goodwill	5 years
- tangible assets	2–5 years

The acquisition costs of non-current assets with a probable economic useful life of less than three years, as well as minor acquisitions (under EUR 850), have been recognized in full as an expense of the financial year of acquisition.

Financial Assets

Financial securities are measured at historical cost or, if lower, market value.

Items Denominated in Foreign Currency

Items denominated in foreign currency have been translated using the average exchange rate quoted by the European Central Bank on the balance sheet date.

Notes to the Income Statement (EUR)

1. Net sales by market area	2025	2024
Finland	13,630,134	14,405,055
Other Europe	1,230,375	1,636,019
Net sales, total	**14,850,509**	**16,041,074**

2. Other operating income	2025	2024
Rental income	54,329	79,358
Other operating income, total	**54,329**	**79,358**

3. Materials and services	2025	2024
Purchases during the financial year	6,376,530	6,524,050
Total	**6,376,530**	**6,524,050**

4. Personnel expenses	2025	2024
Wages and salaries	2,985,099	3,025,792
Pension expenses	494,534	463,095
Other indirect employee costs	63,507	44,807
Personnel expenses, total	**3,543,140**	**3,533,694**

Salaries and remuneration of management		
Members and deputy members of the Board of Directors	389,175	447,000
Total	**389,175**	**447,000**
Average number of personnel	41	37

5. Depreciation according to plan	2025	2024
From intangible rights	6,628	6,628
From machinery and equipment	108,331	66,194
Total	**114,960**	**72,822**

6. Other operating expenses	2025	2024
Rent and other property expenses	1,115,850	1,046,812
IT equipment, licenses, and telecommunications	1,075,306	896,304
Travel expenses	92,299	81,388
Training expenses	81,612	44,792
Other operating expenses	2,206,159	3,362,629
Total	**4,611,226**	**5,431,925**

Remuneration of the Auditors	2025	2024
Auditing	48,288	127,904
Assurance of sustainability report	0	25,000
Other services	31,350	0
Remuneration, total	**79,638**	**152,904**

7. Financial income and expenses	2025	2024
Interest income and other financial income		
From companies within the same group	353,381	1,162,065
From others	1,130	8,237
Interest income and other financial income, total	**354,510**	**1,170,301**
Interest expenses and other financial expenses		
To companies within the same group	-167,103	-8,957
Interest expenses to others*	-409,766	-230,838
Impairment of investments held as non-current assets	0	-12,000,000
Interest expenses and other financial expenses, total	**-576,870**	**-12,239,795**

* Other interest and financial expenses in 2025 included EUR 15 thousand (in 2024 EUR 95 thousand) of foreign exchange losses.

Financial income and expenses, total	**-222,360**	**-11,069,494**

Notes to the Balance Sheet (EUR)

8. Intangible and tangible assets

	Intangible	Goodwill	Tangible	Total
Historical cost Jan 1, 2025	1,080,353	603,840	370,204	2,054,396
Additions	0	0	145,577	145,577
Historical cost Dec 31, 2025	1,080,353	603,840	515,781	2,199,974
Accumulated depreciation and impairment Jan 1, 2025	1,058,829	603,840	217,556	1,880,225
Depreciation for the financial year	6,628	0	108,331	114,960
Accumulated depreciation Dec 31, 2025	1,065,457	603,840	325,887	1,995,184
Carrying amount Dec 31, 2025	**14,896**	**0**	**189,894**	**204,790**

	Intangible	Goodwill	Tangible	Total
Historical cost Jan 1, 2024	1,080,353	603,840	298,866	1,983,058
Additions	0	0	71,338	71,338
Historical cost Dec 31, 2024	1,080,353	603,840	370,204	2,054,396
Accumulated depreciation and impairment Jan 1, 2024	1,052,201	603,840	151,362	1,807,403
Depreciation for the financial year	6,628	0	66,194	72,822
Accumulated depreciation Dec 31, 2024	1,058,829	603,840	217,556	1,880,225
Carrying amount Dec 31, 2024	**21,524**	**0**	**152,647**	**174,172**

9. Investments	2025	2024
Historical cost January 1	32,697,165	37,490,528
Historical cost December 31	41,449,063	32,697,165
Carrying amount December 31	**41,449,063**	**32,697,165**

10. Receivables	2025	2024
Non-current receivables		
Loan receivables	1,396,067	0
Other receivables from group companies	20,889,373	19,087,198
Non-current receivables, total	**22,285,439**	**19,087,198**

Current receivables		
Trade receivables	10,754	10,506
Trade receivables from group companies	20,060,529	19,963,138
Current receivables, total	**20,071,283**	**19,973,644**
Receivables from group companies, total	**40,949,902**	**39,050,336**

11. Accrued income	2025	2024
Prepaid licenses	251,654	517,072
Accrued personnel expenses	91,746	20,780
Other	42,939	38,600
Accrued income, total	**386,338**	**576,452**

12. Shareholders' equity	2025	2024
Restricted equity		
Share capital at the beginning of the period	2,100,000	2,100,000
Share capital at the end of the period	**2,100,000**	**2,100,000**
Revaluation reserve at the beginning of the period	2,000,000	2,000,000
Revaluation reserve at the end of the period	**2,000,000**	**2,000,000**
Unrestricted shareholders' equity		
Fund for invested unrestricted equity at the beginning of the period	20,661,107	23,163,165
Return of capital	0	-2,502,058
Fund for invested unrestricted equity at the end of the period	**20,661,107**	**20,661,107**
Profit/loss from previous financial years at the beginning of the period	-12,711,872	-1,885,995
Acquisition of own shares	0	-10,275
Profit/loss from previous financial years at the end of the period	**-12 711 872**	**-1 896 270**
Result for the financial year	**-42,620**	**-10,815 602**
Unrestricted equity, total	**7,906,615**	**7,949,235**
Shareholders' equity, total	**12,006,615**	**12,049,235**

Calculation of distributable funds	2025	2024
Result from previous financial years	-12,711,872	-1,896,270
Result for the financial year	-42,620	-10,815,602
Fund for invested unrestricted equity	20,661,107	20,661,107
Total	**7,906,615**	**7,949,235**

13. Liabilities	2025	2024
Non-current liabilities		
Loans from financial institutions	2,380,000	2,800,000
Non-current liabilities, total	**2,380,000**	**2,800,000**
Current liabilities		
Loans from financial institutions	2,057,641	1,541,725
Trade payables	379,511	405,838
Trade payables, total	**379,511**	**405,838**
Other liabilities	3,379,581	3,659,817
Other liabilities to group companies	62,318,639	50,028,073
Other liabilities, total	**65,698,220**	**53,687,889**
Accrued liabilities	2,097,029	2,397,815
Liabilities to companies within the same group	**62,318,639**	**50,028,073**
Current liabilities, total	**70,232,401**	**58,033,268**
Liabilities, total	**72,612,401**	**60,833,268**

14. Accrued liabilities	2025	2024
Accrued personnel expenses	410,389	457,221
Rental guarantees	11,242	14,242
Other	1,675,398	1,926,352
Accrued liabilities, total	**2,097,029**	**2,397,815**

15. Commitments and contingent liabilities	2025	2024
Bank guarantees		
Bank guarantee as collateral for lease agreement	301,771	292,306
Rental commitments		
Payable in the following financial year	1,260,883	1,245,813
Payable later	1,776,252	2,925,036
Rental commitments, total	**3,037,135**	**4,170,849**
Corporate mortgages as collateral for liabilities		
Corporate mortgages as collateral for liabilities	53,000,000	4,000,000

Related Party Transactions

The company's related parties include members of the company's management, who have EUR 910 thousand (0 euros in 2024) of debt to the company accrued from the company's personnel share issues. The loan term is 15 or 30 years, and the loan is repaid monthly in equal instalments. The interest rate on the loans is the 12-month Euribor 360 rate plus a margin of 1 percent. Accrued interest is paid to the company annually.

The company has no other material related party transactions.

Board of Directors Proposal on the Distribution of Profits

At the end of the financial year 2025, Innofactor Plc's distributable equity was EUR 7,906,615. The Board of Directors proposes that Innofactor Plc does not distribute a dividend for the financial year 2025..

Shares of the Company

Innofactor Plc has one series of shares. The company has 35,789,319 shares outstanding. The shares have no nominal value. Each share entitles the holder to one vote at the General Meeting. All shares carry equal entitlement to dividends. Innofactor Plc's fully paid share capital, as registered in the trade register, is EUR 2,100,000.00. The company did not hold any treasury shares as of 31.12.2025.

Innofactor Plc, Keilaranta 9, 02150 Espoo

SIGNATURES TO THE FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

In Espoo, on the date of the electronic signature

Sami Ensio
Chief Executive Officer,
Member of the Board of Directors

Antti Kummu
Chairman of the Board

Timo Larjomaa
Member of the Board of Directors

AUDITOR'S NOTE

A report has been issued on the audit performed, dated as of the electronic signature.

BDO Oy
Audit firm

Taneli Mustonen
APA

Auditor's Report

To the Annual General Meeting of Innofactor Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Innofactor Oyj (business identity code 0686163-7) for the year ended 31.12.2025. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information we obtained prior to the date of this auditor's report comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of that information, we are required to report that fact. We have nothing to report in this regard.

BDO Oy, Authorised Public Accountants

Taneli Mustonen
Authorised Public Accountant

Calculation of Key Figures

Percentage of Return on Equity:

$$\frac{\text{Profit or loss before taxes - Taxes}}{\text{Shareholders' equity}}$$

Percentage of Return on Investment:

$$\frac{\text{Profit or loss before taxes + Interest and other financial expenses}}{\text{Shareholders' equity + Interest bearing financial liabilities}}$$

Net Gearing:

$$\frac{\text{Interest bearing liabilities - Cash funds}}{\text{Shareholders' equity}}$$

Equity Ratio, %:

$$\frac{\text{Shareholders' equity}}{\text{Balance sheet total - Advances received}}$$

Result / Share:

$$\frac{\text{Profit before taxes attributable to equity holders of the parent - Taxes}}{\text{Average number of shares on the financial period adjusted after the share issue}}$$

Shareholders' Equity / Share:

$$\frac{\text{Shareholders' equity attributable to equity holders of the parent}}{\text{Undiluted number of shares on the date of the financial statement}}$$

Dividend Payout and Return of Capital, Total of Result, %

$$\frac{\text{(Dividend/share) + (return of capital/share)}}{\text{Earnings / share}}$$

Effective Dividend Yield, %

$$\frac{\text{(Dividend + return of capital) / share}}{\text{Share price at balance sheet date}}$$

Price/Earnings Ratio (P/E)

$$\frac{\text{Share price at balance sheet date}}{\text{Earnings per share, basic}}$$

Operating Margin (EBITDA):

Operating profit/loss - Depreciations

INNOFACTOR

FINLAND
Innofactor Oyj
Keilaranta 9
FI-02150 Espoo

+358 10 272 9000
www.innofactor.fi

SWEDEN
Innofactor AB
Mäster Samuelsgatan 42
SE-111 57 Stockholm

+46 8 20 97 30
www.innofactor.se

DENMARK
Innofactor A/S
Parken, Øster Allé 42, 6
DK-2100 København Ø

+45 70 26 36 70
www.innofactor.dk

NORWAY
Innofactor AS
Kristian Augusts Gate 13
NO-0164 Oslo

+47 22 44 33 23
www.innofactor.no

www.innofactor.com

linkedin.com/company/innofactor-plc
facebook.com/innofactor
instagram.com/innofactor
youtube.com/user/Innofactor