

Innofactor Plc Financial Statement Release February 28, 2012, at 8:30 Finnish time

Innofactor Plc financial statement 2011 (IFRS)

Summary

Innofactor group's key figures for October 1–December 31, 2011:

- Net sales EUR 5,136 thousand (2010: 3,312), increase of 55.1%
- Operating profit before depreciation and amortization (EBITDA), EUR 606 thousand (2010: 460), increase of 31.7%
- EBITDA percentage 11.8% (2010: 13.9%)
- Operating profit (EBIT) EUR 463 thousand (2010: 391), increase of 18.4%
- EBIT percentage 9.0% (2010: 11.8%)

Innofactor group's key figures for January 1–December 31, 2011:

- Net sales EUR 17,205 thousand (2010: 9,862), increase of 74.5%
- Operating profit before depreciation and amortization (EBITDA), EUR 1,443* thousand (2010: 980), increase of 47.2%
- EBITDA percentage 8.4%* (2010: 9.9%)
- Operating profit (EBIT) EUR 904* thousand (2010: 702), increase of 28.8%
- EBIT percentage 5.3%* (2010: 7.1%)

* The figures include one-off costs related to the relisting and the consolidation of shares for about EUR 300 thousand.

There are notable uncertainties related to the outlook for 2012 due to the instability of the global financial situation, so no detailed forecasts for 2012 can be provided. In 2012, the organic growth of Innofactor is estimated to continue (2011: net sales were EUR 17,205 thousand). The profitability of the business operations is expected to remain positive.

The figures in this financial statement have been audited.

Key figures of the group, IFRS

	mo. 10-12 /2011	mo. 10-12 /2010	Change	mo. 1- 12 /2011	mo. 1- 12 /2010	Change	mo. 1- 12 /2009
Net sales, EUR thousand	5,136	3,312	+55.1%	17,205	9,862	+74.5%	6,920
Operating profit before depreciation and amortization (EBITDA), EUR thousand*	606	460	+31.7%	1,443	980	+47.2%	1,309
percentage of net sales*	11.8%	13.9%		8.4%	9.9%		18.9%
Operating profit (EBIT), EUR thousand*	463	391	+18.4%	904	702	+28.8%	1,165
percentage of net sales*	9.0%	11.8%		5.3%	7.1%		16.8%
Earnings before taxes, EUR thousand*	457	387	+18.1%	886	696	+27.3%	1,182
percentage of net sales*	8.9%	11.7%		5.1%	7.1%		17.1%
Earnings, EUR thousand*	361	281	+28.5%	687	505	+32.5%	875
percentage of net sales*	7.0%	8.5%		4.0%	5.1%		12.6%
Equity, EUR thousand	12,905	12,218	+5.6%	12,905	12,218	+5.6%	2,597
Return on equity**	2.8%	3.9%		5.5%	6.8%		40.5%
Return on investment**	3.7%	5.7%		7.2%	9.7%		54.9%
Net gearing	-5.4%	-14.0%		-5.4%	-14.0%		-63.5%
Equity ratio	74.5%	68.2%		74.5%	68.2%		56.1%
Balance sheet total, EUR thousand	18,324	19,517	-6.1%	18,324	19,517	-6.1%	5,355
Research and development, EUR thousand***	369			2,086	1,173	+77.8%	680
percentage of net sales***	7.2%			12.1%	11.9%		9.8%
Personnel on average during the review period	184	133	+38.3%	177	108	+63.9%	66
Personnel at the end of the review period	189	171	+10.5%	189	171	+10.5%	89
Number of shares at the end of the review period****	29,261,800	29,261,849	-0.0%	29,261,800	29,261,849	-0.0%	16,756,659
Earnings per share (EUR)****	0.0123	0.0121	+1.1%	0.0235	0.0274	-14.2%	0.054
Shareholders' equity per share (EUR)****	0.441	0.418	+5.5%	0.441	0.418	+5.5%	0.15

* The figures include one-off costs related to the relisting and the combination of shares to the amount of about EUR 200 thousand during January 1–March 31, 2011, and to the amount of about EUR 100 thousand during April 1–June 30, 2011.

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

*** There are no comparison data for the corresponding review period in 2010 as Innofactor did not draft comparable interim reports in 2010 due to the reverse acquisition in accordance with IFRS 3.

**** The number of shares before December 27, 2010, presented in the table has been calculated from the number of Innofactor Oy shares due to the reverse acquisition in accordance with IFRS 3. In accordance with the decision of the Innofactor Plc's Annual General Meeting on April 28, 2011, twenty old shares were consolidated into one new share (registered in the Trade Register on May 7, 2011), which reduced the total number of shares to 1/20 of the previous number. The key figures presented in the table have been adjusted to correspond with the current number of shares.

Reporting

Innofactor operates on a single segment and mainly in Finland, offering software, systems and related services. No distribution of net sales or earnings by segment or geographical area is therefore presented.

CEO Sami Ensio's review

In 2011, Innofactor's net sales grew by 74.5 percent from the corresponding period last year. Organic growth was about 21.4 percent and inorganic growth about 53.1 percent.

In 2011, the research and development focused on new versions of old products and on Innofactor's first cloud solutions. Research and development costs recognized in the profit and loss statement were EUR 2,086 thousand (2010: EUR 1,173 thousand and 2009: EUR 680 thousand), showing growth of 77.8 percent.

Operating profit before depreciation and amortization (EBITDA) in 2011 were EUR 1,443 thousand (8.4%) and operating profit (EBIT) were EUR 904 thousand (5.3%). In 2011, special attention was paid to improving profitability, which was improved during the year (EBITDA Q1: 3.8%, Q2: 6.3%, Q3: 10.9% and Q4: 11.8%, but it should be noted that also in previous years, Innofactor's operations have typically been more profitable at the end of the year).

Innofactor continues to seek potential strategic partnerships in Finland and neighboring countries. The group will seek growth, which can be organic or based on mergers or acquisitions.

Market outlook and business environment

Due to the instability of the general financial situation, it is impossible to make reliable estimates on the development of the IT markets. During the previous recession, the IT

markets did not react as strongly to the change in the market situation as other sectors did, so in a possible new recession, the effects probably should not be too dramatic, but it is difficult to present any figures.

A clear change is taking place in the IT markets. One of the central trends is the consumerization of information technology, leading to a situation where more and more of companies' information technology purchases are based on the conditions of consumer markets. Corporate customers aim to deploy software that can be used phones, tablets and personal computers. Another central trend consists of the new environments offered by cloud computing and the possibilities of offering software from a cloud to a wide user base and for all terminals, including phones. The company believes that Microsoft is well positioned for this change because its leading position in business applications and strong investment in mobile devices.

The company believes that, in the long term, this development will enable further growth for companies like Innofactor, which have a strong commitment with Microsoft, in both the traditional system integrator business locally and in delivering cloud and mobile applications globally. The company believes that strong commitment with Microsoft will bring companies a significant competitive edge. Companies that have a strong focus in Microsoft solutions are primarily relatively small, so Innofactor believes that it is probable that the market will consolidate through mergers and acquisitions, which offers Innofactor possibilities to grow inorganically.

In June 2011, Innofactor was awarded as the Microsoft Country Partner of the Year in Finland, which reinforced the company's position as one of Microsoft's key partners in Finland. This has also given the company positive publicity outside of Finland, especially in the Microsoft's organization. On July 10, 2011, Innofactor launched its new cloud services at the Microsoft Worldwide Partner Conference in Los Angeles, USA. In November 2011, the Finnish Software Entrepreneurs Association selected Sami Ensio, the founder and CEO of Innofactor, as the Software Entrepreneur of the Year, which has also provided positive publicity.

Net sales

Innofactor net sales on October 1–December 31, 2011, were EUR 5,136 thousand (2010: 3,312), which shows an increase of 55.1 percent, and on January 1–December 31, 2011, the net sales were EUR 17,205 thousand (2010: 9,862), which shows an increase of 74.5 percent.

Organic growth on January 1–December 31, 2011, was about 21.4 percent and inorganic growth about 53.1 percent due to the acquisition of Westend ICT and partly due to the acquisition of Visual Management Oy.

Result development

Innofactor's operating profit before depreciation and amortization (EBITDA) on October 1–December 31, 2011, were EUR 606 thousand (2010: 460), which shows an increase of 31.7 percent. EBITDA accounted for 11.8 percent of the net sales (2010: 13.9%).

Innofactor's operating profit (EBIT) on October 1–December 31, 2011, was EUR 463 thousand (2010: 391), which shows an increase of 18.4 percent. Operating profit accounted for 9.0 percent of the net sales (2010: 11.8%).

Innofactor's operating profit before depreciation and amortization (EBITDA) on January 1–December 31, 2011, were EUR 1,443* thousand (2010: 980), which shows an increase of 47.4 percent. EBITDA accounted for 8.4 percent of the net sales (2010: 9.9%).

Innofactor operating profit on January 1–December 31, 2011, was EUR 904* thousand (2010: 702), which shows an increase of 28.8 percent. Operating profit accounted for 5.3 percent of the net sales (2010: 7.1%).

* The figures include one-off costs related to the relisting and the consolidation of shares for about EUR 300 thousand.

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

Financing and investments

Innofactor's balance sheet total at the end of the review period was EUR 18,324* thousand (2010: 19,517). The group's liquid assets totaled EUR 696 thousand (2010: 1,714), which consisted totally of cash funds.

* The decrease of the balance sheet total from 2010 is due to a change in the invoicing process, which transferred certain maintenance fees of about EUR 1 million for 2012 to be invoiced in January 2012, whereas a year earlier, these maintenance fees were invoiced in December 2010.

The operating cash flow in the review period of January 1–December 31, 2011, was EUR -798 thousand (2010: 167). The investment cash flow was EUR -220 thousand (2010: 100).

The equity ratio at the end of the review period was 74.5 percent (2010: 68.2%) and net gearing was -5.4 percent (2010: -14.0%).

At the end of the review period, the company had EUR 0 thousand in interest-bearing debts (2010: EUR 0).

The return on investment on October 1–December 31, 2011, was 3.7 percent (2010: 5.7%) and on January 1–December 31, 2011, it was 7.2 percent (2010: 9.7%).

The return on equity on October 1–December 31, 2011, was 2.8 percent (2010: 3.9%) and on January 1–December 31, 2011, it was 5.5 percent (2010: 6.8%).

The long-term assets in Innofactor's balance sheet at the end of the review period were EUR 11,101 thousand in total and consisted of the following items:

- Tangible assets EUR 459 thousand
- Goodwill value EUR 1,207 thousand
- Other intangible assets EUR 1,534 thousand
- Deferred tax assets EUR 7,895 thousand

Innofactor's gross investments in tangible assets in the review period of January 1–December 31, 2011, were EUR 201 thousand (2010: 314) and they consisted of normal additional and replacement investments required by growth.

According to the depreciation tests performed, there are no depreciations in assets. The write-off for intangible assets was EUR 329* thousand (2010: 126).

* Write-offs have increased significantly compared to 2010 due to the acquisition of Westend ICT Plc on December 27, 2010.

Research and product development

Innofactor's research and development costs recognized in the profit and loss statement for October 1–December 31, 2011, were EUR 369 thousand (there are no comparison figures available for the same period in 2010 and 2009), which is 7.2 percent of the net sales.

Innofactor's research and development costs recognized in the profit and loss statement for January 1–December 31, 2011, were EUR 2,086 thousand (2010: EUR 1,173 thousand and 2009: EUR 680 thousand), which is 12.1 percent of the net sales (2010: 11.9% and 2009: 9.8%).

Personnel

The number of personnel at Innofactor during October 1–December 31, 2011, was on the average 184 (2010: 133), which shows an increase of 38.3 percent, and on January 1–December 31, 2011, on the average 177 (2010: 108), which shows an increase of 63.9 percent.

At the end of the review period, the number of personnel was 189 (2010: 171), which shows an increase of 10.5 percent.

At the end of the review period, the average age among personnel was 37.0 years. Of the personnel, 38.4 percent have a higher academic degree, 36.8 percent have a lower academic degree or are studying for a higher academic degree, and 24.8 percent have some other degree. Women accounted for 22 percent of the personnel and men for 78 percent.

Business operations

Innofactor's business operations focused on Finland, with about 98 percent of the net sales during January 1–December 31, 2011, generated in Finland. The rest or about 2 percent of the net sales, came from the emissions trading solutions for the European Union member countries, from Swedish parish customers, and from foreign operations of certain Finnish companies.

Innofactor's net sales on the review period of January 1–December 31, 2011, came from the following sources:

- about 61% from systems integrator services (including system delivery projects and smaller changes and further development);
- about 6% from licenses, of which the share of licensing income to third parties was about 3%;
- about 33% from ongoing service agreements (including maintenance agreements and SaaS, cloud and operating services).

The share of Innofactor's 10 largest customers from the net sales during January 1–December 31, 2011, was about 20 percent.

Other events in the review period

The change of the company name to Innofactor Plc came into effect on January 5, 2011, as the new trade name was registered in the Trade Register. The decision on changing the name had been made by the Extraordinary General Meeting on December 27, 2010.

Innofactor Plc published its new strategy on January 10, 2011, according to which the company strives to continue its growth as Finland's largest software provider focused on Microsoft solutions. In addition, Innofactor will seek growth in neighboring countries and through global cloud applications.

On March 11, 2011, Innofactor Plc submitted to the stock exchange a report on fulfilling the listing criteria and an application for admitting the new shares to public trading, and on March 16, 2011, the new prospectus to the Financial Supervisory Authority. The new shares subscribed for on December 27, 2010, in the directed issue of Innofactor Plc in connection with the merger of Westend ICT Plc and Innofactor Oy—a total of 409,665,891 shares—were admitted to public trading in Nasdaq OMX Helsinki Oy as of March 22, 2011, together with the total of 175,571,096 old shares. As of March 22, 2011, a total of 585,236,987 shares have been subject to public trading.

On April 4, 2011, Innofactor Plc acquired 987 of its own shares at the stock exchange at a total price of EUR 78.96. These purchased shares were canceled and the cancellation was registered in the Trade Register on April 15, 2011. The cancellation resulted in a divisible number for the consolidation of shares decided by the Annual General Meeting on April 28, 2011.

On April 21, 2011, the companies in the Innofactor group agreed on an arrangement where all business operations of Innofactor Software Oy, Innofactor Visual Management Oy and Innofactor Customer Solutions Oy would be transferred to Innofactor Documenta Oy on May 1, 2011. At the same time, it was agreed that the name of Innofactor Documenta Oy would be changed to Innofactor Software Oy. After this arrangement, the group's actual business operations have been taken on by Innofactor Software Oy. The purpose of this arrangement was to make the group structure more consistent with Innofactor's current strategy and operations and to achieve savings in general costs and costs related to financial administration. Innofactor is aiming at a group structure where the parent company will have a single company engaged in business operations in each country. Under the arrangement, the personnel were transferred to Innofactor Documenta Oy as old employees, and the arrangement had no negative effect on either the workforce or customers.

The Annual General Meeting of Innofactor Plc on April 28, 2011, elected a new Board of Directors. Sami Ensio, M.Sc. (Tech.), CEO of Innofactor Plc, and Pekka Puolakka, LL.M, were re-elected; Juha Koponen, D.Sc. (Tech.), and Pyry Lautsuo, M.Sc. (Tech.), were elected as new members. At their organizing meeting held immediately after the Annual General Meeting, the Board of Directors elected Pyry Lautsuo as Chairman of the Board. Ernst & Young Oy, an auditing firm authorized by the Central Chamber of Commerce, continue as the auditor for the company, with Juha Hilmola, CA, as the main responsible auditor.

Innofactor Plc's Annual General Meeting on April 28, 2011, approved the Board of Directors' proposal to decrease the company's number of shares without lowering the share capital by consolidating twenty (20) old shares into one (1) new share on May 6, 2011, for purposes provided by Chapter 15, Section 9 of the Limited Liability Companies

Act and in accordance with the procedure provided by the same Act. The purpose of the share consolidation was to improve the reliability of share price formation. At the same time, it was decided that the Board of Directors' authorization to decide on a share issue and granting of special rights entitling to shares and to repurchase the company's shares would be reduced in the same proportion.

Innofactor Plc's shares were consolidated in accordance with the decision on May 6, 2011, and the cancellation of shares related to the consolidation was registered in the Trade Register on May 7, 2011. Public trading with the 29,261,800 new shares began on May 9, 2011.

On May 18, 2011, Innofactor Documenta Oy was selected in a public procurement procedure to deliver a comprehensive document and case management system for the Kuopio city group. The delivery includes the implementation of a document and case management system and the services related to the implementation, support and maintenance. The value of the contract is EUR 808,100.

At its meeting on August 8, 2011, the Board of Directors of Innofactor Plc decided to increase the equity of Innofactor Software Ltd, a subsidiary of the group, by EUR 5,000,000. The equity was increased by having Innofactor Software Ltd offer new shares to Innofactor Plc for subscription at a total subscription price of EUR 5,000,000, of which EUR 4,997,600 was recorded in Innofactor Software Ltd's fund for invested unrestricted equity and EUR 2,400 in the share capital. The subscription price was fully paid through an offset of EUR 5,000,000 of Innofactor Plc's receivables from Innofactor Software Ltd. This equity increase was related to the arrangement reported earlier where the Innofactor group's business operations were taken on by Innofactor Software Ltd. The amount of Innofactor Software Ltd's equity will be significant particularly for certain public-sector procurement contracts, where it may be considered as one of the grounds for awarding a contract.

On August 25, 2011, Innofactor Plc's Board of Directors decided to update the Group's strategy and draw up a dividend distribution policy for Innofactor. Innofactor's updated strategy includes the production of value-added services for mobile devices as the partnership between Microsoft and Nokia opens up new opportunities for this. Innofactor's updated vision is to become Microsoft's most important partner in value-added cloud and mobile services in a global level and Microsoft's most important integrator in selected markets.

In addition to introducing these changes in strategy, Innofactor's Board of Directors decided to adopt a dividend distribution policy. Innofactor's aim is "to provide an opportunity for the shareholders to distribute, from the part of the operating profit before depreciation and write-downs (EBITDA) that exceeds 10 percent, the maximum dividend

allowed by the state of the business." Innofactor had no previous dividend distribution policy.

As stated in the stock exchange release of November 25, 2011, Innofactor Plc's subsidiary Innofactor Software Oy was selected in a public procurement procedure to deliver a comprehensive document and case management system for the Parish Union of Helsinki. The delivery includes the licenses and delivery of a document and case management system and the services related to its implementation, support, maintenance and development. The value of the contract is about EUR 660,000. According to the implementation plan, the procurement is divided into two main stages with the first stage ending at the end of 2012 and the second at the end of 2014. The transaction strengthens Innofactor's position as a provider for the parish sector in Finland. The solution is based on the Microsoft SharePoint platform, which belongs to Innofactor's core competence.

On December 15, 2011, Innofactor decreased its profit estimate for 2011. Innofactor had previously estimated that the operating profit before depreciation and amortization (EBITDA) would be higher both in euros and in percentage than in 2010. In its new estimate, Innofactor estimated that the operating profit before depreciation and amortization (EBITDA) would be higher in euros than in 2010, but that the operating profit before depreciation and amortization (EBITDA) in percentage would be lower than in 2010. The re-evaluation of Innofactor's profit guidance for 2011 was based on lower operating profit in November than was previously estimated. Based on this, there was a reason to expect that the operating profit for the fourth quarter would overall be lower than was previously estimated.

On December 22, 2011, Innofactor Plc's subsidiary Innofactor Software Ltd signed a contract concerning the delivery of a comprehensive customer management and enterprise resource planning system for The Agricultural Data Processing Centre Ltd (ProAgria) in Finland. The solution also contains a document management and a member register system. The delivery includes the licenses and delivery of the system, and the services related to its implementation, support, maintenance and development. The value of the contract during the following three years is approximately EUR 1 million. The transaction strengthens Innofactor's position as a provider of customer management, document and case management, and enterprise resource planning systems for expert organizations in Finland. The solution is based on Microsoft technology – Innofactor® Prime™ and Innofactor Dynasty 360° data management software.

Share and shareowners

At the end of the review period, Innofactor Plc's share capital was EUR 2,100,000.00 and the total number of shares was 29,261,800. Innofactor Plc has one series of shares. Each share is entitled to one vote.

On October 1–December 31, 2011, the highest price of the company share was EUR 0.77 (2010: EUR 1.80*), the lowest price was EUR 0.56 (2010: EUR 0.80*), and the average** price was EUR 0.63 (2010: EUR 1.39*).

On January 1–December 31, 2011, the highest price of the company share was EUR 3.20* (2010: EUR 1.80*), the lowest price was EUR 0.56* (2010: EUR 0.80*), and the average** price was EUR 1.35* (2010: EUR 1.25*).

The closing price for the review period on December 31, 2011, was EUR 0.60 (2010: EUR 1.60*).

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

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

In public trading on October 1–December 31, 2011, a total of 281,705 shares were traded (2010: 389,919 shares*), which corresponds with 1.0 percent (2010: 4.3%) of the average number of shares on the said period. On October 1–December 31, 2011, there were 29,261,800 shares on the average (9,001,199* shares in 2010). The share trade decreased by 27.8 percent compared to the corresponding period in 2010. For 2010, it should be noted that the merger between Innofactor Oy and Westend ICT Plc was published on December 3, 2010, and for this reason, the trading on the share in December 2010 (344,619 shares) was very active.

In public trading on January 1–December 31, 2011, a total of 2,092,354 shares were traded (2010: 654,049 shares), which corresponds with 7.2 percent (2010: 8.2%) of the average number of shares on the said period. On January 1–December 31, 2011, there were 29,261,814* shares on the average (7,951,147* shares in 2010). The share trade increased by 219.9 percent compared to the corresponding period in 2010.

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

presented in the table have been adjusted to the current number of shares historically as well by dividing the number of shares by 20.

The market value of the share capital at the closing rate of the review period, EUR 0.60, on December 31, 2011, was EUR 17,557 thousand (2010: 46,818,959), which shows a decrease of 62.5 percent.

On December 31, 2011, the company had 12,257 shareowners (2010: 12,617) including the administrative registers. The share of nominee registered ownership was 0.4 percent of the total number of shares. Of the owners, 6.2 percent were companies operating in Finland, 0.4 percent financing and insurance companies, 92.2 percent Finnish households, and 1.3 percent foreign owners.

The Board of Directors of Innofactor Plc has the authorization, given by the General Meeting on December 27, 2010, to purchase 50,000,000 shares of the company. On April 4, 2011, Innofactor Plc acquired 987 company shares in public trading for the total price of EUR 78.96. These purchased shares were canceled and the cancellation was registered in the Trade Register on April 15, 2011. The cancellation resulted in a divisible number for the consolidation of shares decided by the Annual General Meeting on April 28, 2011. Innofactor Plc or the companies belonging to the same group held no other Innofactor Plc shares during the review period. By the decision of the General Meeting on April 28, 2011, which combined 20 shares into 1, the number of shares related to the authorization issued to the Board of Directors on December 27, 2010, for the repurchase of company's own shares was changed to a maximum of 2,500,000 shares.

The General Meeting of Innofactor Plc on June 18, 2009, authorized the Board of Directors to decide, by December 31, 2012, on a share issue and granting of special rights entitling to shares. A maximum of 60,000,000 new shares may be issued on the basis of the authorization. By the decision of the General Meeting on April 28, 2011, which combined 20 shares into 1, the number of shares related to the authorization issued to the Board of Directors on June 18, 2009, for a share issue and the granting of special rights entitling to shares was changed to a maximum of 3,000,000 shares. This authorization has not been used.

Innofactor Plc issued no flagging announcements during the review period.

According to the share register maintained by Euroclear Finland Oy, the persons belonging to the public insider register on December 31, 2011, held company shares as follows:

Board of Directors:

- Pyry Lautsuo, 13,760 shares, 0.05%

- Sami Ensio, 7,370,000 shares, 25.20%
 - Sami Ensio, 5,196,240 shares, 17.76%
 - minor under guardianship, 724,588 shares, 2.48%
 - minor under guardianship, 724,586 shares, 2.48%
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- Juha Koponen, 9,173 shares, 0.03%
- Pekka Puolakka, 84,843 shares, 0.29%
 - Hillside Ou, 75,670 shares, 0.26%
 - Pekka Puolakka, 9,173 shares, 0.03%

CEO:

- Sami Ensio, 7,370,000 shares, 25.20%
 - Sami Ensio, 5,196,240 shares, 17.76%
 - minor under guardianship, 724,588 shares, 2.48%
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Management Team:

- Aino-Maija Gerdt, 0 shares, 0.00%
- Henrikki Hervonen, 133,880 shares, 0.46%
- Mikko Lampi 995,543 shares, 3.40%
- Janne Martola, 0 shares, 0.00%
- Mika Nurmi, 139,553 shares, 0.48%
- Tuomas Riski 995,543 shares, 3.40%
- Anneli Saarikoski, 116 shares, 0.0004%
- Vesa Tiirikainen, 125,750 shares, 0.43%

Auditors:

- Juha Hilmola, 0 shares, 0.0%

Management of the company

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

At the General Meeting on April 28, 2011, the number of the members of the Board of Directors was confirmed to be four. The General Meeting decided to approve the proposal to appoint Sami Ensio, Juha Koponen, Pyry Lautsuo and Pekka Puolakka as the members of the Board of Directors. The Board of Directors elected Pyry Lautsuo as their Chairman.

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

Innofactor has drawn up a separate Corporate Governance Statement for the financial period of 2011.

Innofactor Plc's entire Corporate Governance and statements are available on the company's web site at: http://www.innofactor.com/investors/corporate_governance

Short term risks and uncertainty factors

The operation, finances and shares of Innofactor include risks that may be essential for the company and its share value. These risks are assessed by the Board of Directors four times a year as part of the strategy and business planning process.

Risks related to operation

The risks related to the operation of the Innofactor group are primarily business risks related to its subsidiary, Innofactor Software Oy, that carries on its business operations.

Profitability of projects: A large part of Innofactor's net sales comes from project business. Profitable implementation of Innofactor's delivery projects requires that project calculation and planning before submitting a tender are done successfully as regards the amount of work and the delivery schedule, and also that the deliveries can be made in a cost-effective manner. It is possible that Innofactor fails at correctly estimating the profitability of a project and, thus, the delivery could cause losses to the company. Correspondingly, it is possible that projects may have to be sold cheaper because of competition, which leads to lower profit margins. Innofactor will pay special attention to the profitability of project business in 2012.

Knowledgeable personnel and its availability: The development of Innofactor's operations and deliveries depend greatly on the group having knowledgeable personnel and being able to replace persons, who are leaving, with proper resources. In Innofactor's field of business, there is a lack of and competition for certain personnel resources. If Innofactor fails at motivating its personnel, keeping the personnel's skills on a high level and keeping the personnel in its service, that could cause problems for the group's business operations. The success of the group depends heavily on the employed key personnel and their success in their work. In 2012, Innofactor will invest especially in developing the personnel's skills.

Increase in personnel costs: The main part of Innofactor's costs consists of personnel costs (in 2011, about 67%). Currently, all of Innofactor's own employees work in Finland, whereas some competitors rely heavily on foreign workforce. If the personnel costs continue rising in Finland at the same rate as before (for example, due to framework agreements), it will create a risk for Innofactor, if the prices paid for IT services will not rise correspondingly. Innofactor is monitoring the situation and aims at increasing the share of work done by subcontractors and abroad.

Competition: Innofactor's main competitors are companies offering traditional information technology services and software in Finland. Some competitors have larger financial resources, wider product selection, cheaper workforce and larger existing customer base than Innofactor does, and they can use these when competing with Innofactor for the same deliveries. The price competition on the field is expected to remain tough. If the competition becomes tougher, it may have an adverse effect on Innofactor's business, operating result and financial position. Innofactor continuously strives to improve its competitiveness.

Research and product development: In Innofactor's operation, research and product development play a central role. In 2011, about 12% of the net sales were used for it. Each research and product development project carries the risk that the end results are not as financially successful as planned and that the investment in the project does not pay itself back. In reorganizing its operations, Innofactor aims at minimizing the risks inherent in research and product development.

Globalization: In accordance with its strategy, Innofactor is seeking for more growth also in the global markets. Global operations typically always involve higher risks than operations at home markets. Especially at the beginning, it is difficult to operate global business profitably. The global business would probably make a loss at the beginning. Innofactor strives to make sure that the investments in becoming a global player will not be so great that it would jeopardize the group's ability to make profit and to grow.

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

Reaching the growth goals: Realizing the desired organic growth requires a growth rate that is clearly faster than the growth in the markets. This creates a risk that it cannot be realized in the future, although it has been done before. Realizing the growth has a central part in planning Innofactor's operations and settings its goals.

Uncertainties related to acquisitions: The growth estimates are partly based on acquisitions. With acquisitions, there are uncertainties about finding suitable companies to acquire and in making the acquisitions on the desired price level and schedule. If acquisitions cannot be made as planned, the growth goal may be jeopardized. Innofactor invests in high-level acquisition related know-how.

Risks related to acquisitions: Each acquisition, after it has been made, carries some risks, which include the success of the integration, formation of the business value and possible related needs for depreciations. Innofactor's strategy is primarily based on integrating the acquired companies in a fast schedule as part of the whole in the country in question. Innofactor invests in the integration process.

Financial risks

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

Financing risks: In its normal business operations, the Innofactor group is susceptible to normal financing risks. The goal of managing the financing risks is to minimize the negative effects of the changes in the financial markets to the result of the group. Risk management has been centralized to the financial department, which is responsible for the group's financing and regularly reports to the company's Management Team and Board of Directors. It is possible that, in the future, the group will not get the financing it needs and this will have a negative effect on the group business and its development, especially on making acquisitions.

Risks related to the cash position: The Innofactor group handles management of liquid assets with the help of centralized payments and cash management. The group strives for continuous monitoring and assessment of business financing in order to ensure that the group has enough liquid assets in its use. Excess cash balance is placed on savings accounts or funds with capital guarantee.

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

Risks related to shares

Trading of the Innofactor Plc share during the review period continued to be fairly low. Low volume in trading typically results in a liquidity risk for the share and its price formation. Innofactor Plc strives to improve the liquidity of the share and decrease the related liquidity risk by its strategy of increasing the value for the shareowners and by its active investor communications. However, trading with the shares in relation to the average number of shares increased in 2011 compared to the previous year, which has decreased the liquidity risk related to the share.

Acquisitions and changes in the group structure

On April 21, 2011, the companies in the Innofactor group agreed on an arrangement where all business operations of Innofactor Software Oy, Innofactor Visual Management Oy, and Innofactor Customer Solutions Oy would be transferred to Innofactor Documenta Oy on May 1, 2011. At the same time, it was agreed that the name of Innofactor Documenta Oy would be changed to Innofactor Software Oy. After this arrangement, the group's actual business operations have been taken on by Innofactor Software Oy. The purpose of this arrangement was to make the group structure more consistent with Innofactor's current strategy and operations and to achieve savings in general costs and costs related to financial administration. Innofactor is aiming at a group structure where the parent company will have a single company engaged in business operations in each country. Under the arrangement, the personnel were transferred to Innofactor Documenta Oy as old employees, and the arrangement had no negative effect on either the workforce or customers.

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

Responsibility for the environment and to the society

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

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

In its operations, Innofactor adheres to the principles of sustainable development and the environmental guidelines of the Federation of Finnish Technology Industries. Through the solutions it has developed, the group has helped its customers to reach their environmental goals and contributed to the sustainable development of the society. The

electronic case and document management solutions and client transaction solutions are examples of solutions created by the group that reduce effects on the environment. Emissions trading systems for several European countries help in the work against the climate change.

Innofactor strives to establish long-term cooperation with its clients and partners to bring know-how on different fields together to produce new kinds of solutions. According to its mission, the group aims at offering its employees and partners an innovative and supportive environment in which they can continue their development.

Strategy

Innofactor published its renewed strategy on August 26, 2011, in a separate stock exchange release. The key points of Innofactor's updated strategy are as follows:

Innofactor offers its customers software and systems as well as services related to them. Innofactor focuses on delivering solutions for the Microsoft environment. Innofactor's customers consist of enterprises and organizations. Currently, Innofactor operates mainly in Finland, offering solutions also for the global market. Innofactor strives to expand its operations to neighboring countries, which may take place through mergers or acquisitions. Innofactor is offering its value-added cloud solutions to the global market, striving to utilize several distribution channels.

Innofactor's mission is

- to help customers to offer their customers even better services and to improve their own operations
 - o by providing globally significant value-added services for the Microsoft cloud and mobile environments, and
 - o by creating packaged solutions for customers in Finland and the neighboring countries; and
- to offer both its staff and its partners an innovative and supportive environment in which they can continue to develop themselves.

Innofactor's vision is to become

- Microsoft's #1 ISV partner in value-added cloud and mobile services in a global level, and

- Microsoft's #1 system integrator partner in selected markets, at first in the Nordic Countries.

Innofactor's strategy is to differentiate the company from its competitors by being a leading provider specifically focused on Microsoft solutions, and the most important strategic choices in this respect are:

- continuing to produce the best innovative solutions in the market;
- using a strongly customer-oriented operating model;
- offering customers a one-stop service for the best selection of Microsoft solutions;
- operating in a cost-effective manner, where software created by Innofactor, Microsoft and third parties and available resources are utilized in an optimal way.

Implementation of the strategy will focus on ensuring that Innofactor's offering and operations will remain clear and simple to manage, irrespective of any mergers or acquisitions that may take place.

Innofactor's goal is to grow profitably:

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

Events after the review period

Innofactor reformed its organization as of January 2, 2012. Innofactor group's operations were previously organized mainly in four business units: business clients, public administration and third sector clients, software and systems, and services. In the new organization, the system integrator function (SI) and the software business (Independent Software Vendor, ISV) are separated into different units. The system integration activities are organized at the national level in country-specific units, of which there is currently only a unit in Finland. The software business is organized in the global Cloud and Mobile Solutions unit. In the new organization, the system integrator unit in Finland was divided

into four business units: Web communications and eCommerce, Productivity and Operational Solutions, Document and Case Management, and Third Sector Solutions. The organization change did not include any lay-offs or other similar personnel arrangements.

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

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

The company will publish the final results of the Personnel Issue as a stock exchange release around March 20, 2012.

After the end of the review period, the business operations have continued as expected and there have been no other significant one-off events.

Future outlook

There are notable uncertainties related to the outlook for 2012 due to the instability of the global financial situation, so no detailed forecast for 2012 can be provided. In 2012, the organic growth of Innofactor is estimated to continue (2011: net sales were EUR 17,205 thousand). The profitability of the business operations is expected to remain positive.

Board of Directors' proposal on the dividend

Innofactor is a growing company and intends to use its operating profit on actions promoting growth, for example, on realizing mergers. Innofactor has defined a dividend distribution policy according to which the aim of the Board of Directors is to provide an opportunity for the shareholders to distribute, from the part of the operating profit before depreciation and write-downs (EBITDA) that exceeds 10 percent, the maximum dividend allowed by the state of the business. For 2011, the EBITDA was under 10 percent. In making the proposal on the dividend, the Board of Directors takes into account the company's financial situation, profitability and near-term outlook.

At the end of the financial period of 2011, the distributable assets of the group's parent company were EUR 28,535,337.36.

The Board of Directors proposes that Innofactor Plc should not pay any dividend for the financial period of 2011.

Espoo, February 28, 2012

INNOFACTOR PLC
Board of Directors

Additional information:
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Briefings on the Financial Review for 2011

Innofactor’s President and CEO Sami Ensio will present the Financial Review for 2011 in a briefing in Finnish for analysts and media, on 28 February at 09:00 Finnish time (11:00 GMT) at Scandic Continental, Mannerheimintie 46, Helsinki. Mr. Ensio will comment achievements 2011 and outlook for the current year.

Innofactor’s President and CEO Sami Ensio will present the Financial Review for 2011 in a web conference for analysts, media and investors, held in English language, on 28 February at 16:00 Finnish time (14:00 GMT). Registration: ir@innofactor.com

Financial releases in 2012

The schedule for financial releases in 2012 is as follows:

Week 10/2012: Annual Report*

March 27, 2012, at 10:00 Finnish time: Annual General Meeting

April 16–April 29, 2012: Silent period

April 30, 2012, at 8:30 Finnish time: Interim report for January–March

July 16–July 30, 2012: Silent period

July 31, 2012, at 8:30 Finnish time: Interim report for January–June

October 16–October 30, 2012: Silent period

December 31, 2012, at 8:30 Finnish time: Interim report for January–September

* Differing from what was stated previously, it has been decided that the Annual Report for 2011 will be published on week 10/2012.

Distribution:

NASDAQ OMX Helsinki

Main media

www.innofactor.com

Financial statement summary and appendixes January 1–December 31, 2011 (IFRS)

Drafting principles

This financial statement has been drafted in accordance with the IAS 34 Interim financial reporting standard. The financial statement adheres to the same drafting principles and calculation methods as the last annual financial statement. The principles for calculating the key figures and the calculation formulas have not been changed and they have been presented in the financial statement 2010.

Drafting a financial statement in accordance with the IFRS standards requires the management of Innofactor to use estimates and presuppositions, which affect the amounts of assets and debts at the time of drafting the balance sheet and the amounts of earnings and costs for the review period. Additionally, deliberation is needed in applying the drafting principles for a financial statement. As estimates and presuppositions are based on the views held at the time of drafting the statement, they contain risks and uncertainty factors. The actual figures may deviate from the estimates and presuppositions. The figures of the profit and loss statement and the balance sheet are figures for the group. The figures of the statement have been rounded, so the sum of individual figures may differ from the sum presented.

The figures in this financial statement have been audited.

Consolidated profit and loss statement, IFRS

EUR thousand	Oct 1– Dec 31, 2011	Oct 1– Dec 31, 2010	Jan 1–Dec 31, 2011	Jan 1–Dec 31, 2010
Net sales	5,136	3,312	17,205	9,862
Other operating income	49	0	109	4
Materials (–)	-571	-187	-1,516	-557
Employee benefits expenses (–)	-3,153	-2,027	-10,936	-6,230
Depreciations (–)	-143	-69	-539	-278
Other operating expenses (–)	-854	-638	-3,418	-2,099
Operating profit	463	391	904	702
Financial income	3	16	5	17
Financial expenses (–)	-9	-20	-23	-22
Profit before taxes	457	387	886	696
Income taxes	-96	-106	-199	-191
Profit for the period	361	281	687	505
Total comprehensive income	361	281	687	505

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

Earnings per share (undiluted) (EUR)	0.0123	0.0121	0.0235	0.0274
Earnings per share (diluted) (EUR)	*	*	*	*

* Diluted earnings per share have not been calculated, because it has been agreed that the old stock option programs related to Innofactor Oy will be compensated in connection with the Westend ICT acquisition.

Consolidated balance sheet, IFRS
ASSETS

EUR thousand	Dec 31, 2011	Dec 31, 2010
Non-current assets		
Tangible assets	459	472
Goodwill	1,207	1,322
Other capitalized expenditure	1,534	1,840
Deferred tax assets	7,895	8,132
Non-current assets	11,095	11,766
Current assets		
Trade receivables	6,533	6,037
Cash and cash equivalent	696	1,714
Current assets	7,229	7,751
TOTAL ASSETS	18,324	19,517

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR thousand	Dec 31, 2011	Dec 31, 2010
Equity attributable to equity holders of the parent		
Share capital	2,100	2,100
Share premium reserve	72	72
Other reserves (+/-)	59	59
Fund for invested unrestricted equity	8,344	8,344
Retained earnings	2,330	1,643
Total shareholders' equity	12,905	12,218
Long-term liabilities		
Deferred tax liabilities	420	459
Long term liabilities total	420	459
Current liabilities		
Trade payables	5,000	6,841
Current liabilities total	5,000	6,841
Liabilities total	5,420	7,300
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	18,324	19,517

Statement of change in shareholders' equity, IFRS

EUR thousand	Share capital	Share premium	Other reserve	Fund for invested unrestricted equity	Own shares	Retained earnings	Total shareholders' equity
Shareholders' equity Jan 1, 2011	2,100	72	59	8,344	-20	1,663	12,218
Comprehensive income							
Profit for the period						687	687
Total comprehensive income	0	0	0	0	0	687	687
Shareholders' equity Dec 31, 2011	2,100	72	59	8,344	-20	2,350	12,905
Shareholders' equity Jan 1, 2010	12	72	59	275	0	2,179	2,597
Comprehensive income							
Profit for the period						505	505
Total comprehensive income	0	0	0	0	0	505	505
Distributed dividend						-1,022	-1,022
Exercised share options	1			307		1	
Reverse acquisition entries	2,088			6,995			9,083

Acquisition of own shares					-20		9,083
Shareholders' equity Dec 31, 2010	2,100	72	59	8,344	-20	1,663	12,218

Consolidated cash flow statement, IFRS

EUR thousand	Jan 1– Dec 31, 2010	Jan 1– Dec 31, 2010
Cash flow from operating activities		
Operating profit	904	702
Amendments:		
Depreciations	539	278
Change in working capital:		
Change in trade or other receivables (+/-)	-338	-1,242
Change in trade and other payables (+/-)	-1,807	626
Interests paid (-)	-23	-22
Interests received	5	17
Taxes paid (-)	-78	-191
Cash flow from operating activities total	-798	167
Cash flow/investments		
Investment in daughter companies	0	558
Investments in intangible and tangible assets (-)	-220	-458
Cash flow/investments total	-220	100
Cash flow/financing		
Payments received from share issue	0	441
Purchase of own shares (-)	0	-20
Paid dividends (-)	0	-623
Cash flow/financing total	0	-202
Change in liquid funds (+/-)	-1,018	65

Liquid funds opening balance	1,714	1,650
Liquid funds closing balance	696	1,714

Profit and loss statement by quarter, IFRS

EUR thousand	Jan 1– Mar 31, 2011	Apr 1– Jun 30, 2011	Jul 1– Sep 30, 2011	Oct 1–Dec 31, 2011	Jan 1–Mar 31, 2010	Apr 1– Jun 30, 2010	Jul 1– Sep 30, 2010	Oct 1– Dec 31, 2010
Net sales	3,943	4,360	3,766	5,136	2,210	2,148	2,192	3,312
Other operating income	10	11	39	49	0	3	0	0
Materials (–)	-231	-389	-325	-571	-122	-137	-112	-187
Employee benefits expenses (–)	-2,704	-2,686	-2,393	-3,153	-1,289	-1,374	-1,540	-2,027
Depreciations (–)	-131	-133	-132	-143	-69	-70	-70	-69
Other operating expenses (–)	-868	-1,021	-675	-854	-451	-562	-447	-638
Operating profit	19	142	280	463	279	8	23	391
Financial income	1	1	0	3	0	0	1	16
Financial expenses (–)	-4	-4	-6	-9	-1	-1	-1	-20
Profit before taxes	16	139	274	457	278	7	24	387
Income taxes	-3	-31	-69	-96	-76	-2	-6	-106
Profit for the period	13	108	205	361	202	5	17	281

Commitments and contingent liabilities

EUR thousand	Dec 31, 2011	Dec 31, 2010
Own guarantees		
Rental guarantees	152	123
Business mortgages of own debts	1,000	300
Bank guarantees	18	18
Other own guarantees		
Lease liabilities		
Current lease liabilities	104	108
Lease liabilities maturing in 1-5 years	96	184
Total	200	292
Rental liabilities		
Current rental liabilities	604	551
Rental liabilities maturing in 1-5 years	836	649
Total	1,440	1,200
Other own guarantees total	1,640	1,492

Key figures, IFRS

	mo. 10-12 /2011	mo. 10-12 /2010	Change	mo. 1- 12 /2011	mo. 1- 12 /2010	Change	mo. 1- 12 /2009
Net sales, EUR thousand	5,136	3,312	+55.1%	17,205	9,862	+74.5%	6,920
Operating profit before depreciation and amortization (EBITDA), EUR thousand*	606	460	+31.7%	1,443	980	+47.2%	1,309
percentage of net sales*	11.8%	13.9%		8.4%	9.9%		18.9%
Operating profit (EBIT), EUR thousand*	463	391	+18.4%	904	702	+28.8%	1,165
percentage of net sales*	9.0%	11.8%		5.3%	7.1%		16.8%
Earnings before taxes, EUR thousand*	457	387	+18.1%	886	696	+27.3%	1,182
percentage of net sales*	8.9%	11.7%		5.1%	7.1%		17.1%
Earnings, EUR thousand*	361	281	+28.5%	687	505	+32.5%	875
percentage of net sales*	7.0%	8.5%		4.0%	5.1%		12.6%
Equity, EUR thousand	12,905	12,218	+5.6%	12,905	12,218	+5.6%	2,597
Return on equity**	2.8%	3.9%		5.5%	6.8%		40.5%
Return on investment**	3.7%	5.7%		7.2%	9.7%		54.9%
Net gearing	-5.4%	-14.0%		-5.4%	-14.0%		-63.5%
Equity ratio	74.5%	68.2%		74.5%	68.2%		56.1%
Balance sheet total, EUR thousand	18,324	19,517	-6.1%	18,324	19,517	-6.1%	5,355
Research and development, EUR thousand***	369			2,086	1,173	+77.8%	680
percentage of net sales***	7.2%			12.1%	11.9%		9.8%
Personnel on average during the review period	184	133	+38.3%	177	108	+63.9%	66
Personnel at the end of the review period	189	171	+10.5%	189	171	+10.5%	89
Number of shares at the end of the review period****	29,261,800	29,261,849	-0.0%	29,261,800	29,261,849	-0.0%	16,756,659
Earnings per share (EUR)****	0.0123	0.0121	+1.1%	0.0235	0.0274	-14.2%	0.054
Shareholders' equity per share (EUR)****	0.441	0.418	+5.5%	0.441	0.418	+5.5%	0.15

* The figures include one-off costs related to the relisting and the combination of shares to the amount of about EUR 200 thousand during January 1–March 31, 2011, and to the amount of about EUR 100 thousand during April 1–June 30, 2011.

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

*** There are no comparison data for the corresponding review period in 2010 as Innofactor did not draft comparable interim reports in 2010 due to the reverse acquisition in accordance with IFRS 3.

**** The number of shares before December 27, 2010, presented in the table has been calculated from the number of Innofactor Oy shares due to the reverse acquisition in accordance with IFRS 3. In accordance with the decision of the Innofactor Plc's Annual General Meeting on April 28, 2011, twenty old shares were consolidated into one new share (registered in the Trade Register on May 7, 2011), which reduced the total number of shares to 1/20 of the previous number. The key figures presented in the table have been adjusted to correspond with the current number of shares.

Largest shareholders

According to the share register maintained by Euroclear Finland Oy, the share ownership of the 20 largest Innofactor Plc shareowners at the end of the review period on December 31, 2011, was as follows:

Name	Number of shares	% of share capital
1. Ensio Sami	7,370,000	25.20%
Ensio Sami	5,196,240	17.76%
minor under guardianship	724,588	2.48%
minor under guardianship	724,586	2.48%
minor under guardianship	724,586	2.48%
2. Tilman Tuomo Tapani	2,886,777	9.87%
Tilman Tuomo Tapani	2,747,492	9.39%
Mpire Capital Oy	139,285	0.48%
3. Salminen Jyrki Kalle Tapio	2,747,492	9.39%
4. Laiho Rami Tapani	1,474,713	5.04%
5. Linturi Risto	1,397,011	4.77%
R. Linturi Oyj	1,369,707	4.68%
Linturi Risto	27,304	0.09%
6. Mäki Antti-Jussi	1,310,201	4.48%
7. Lampi Mikko Olavi	995,543	3.40%
8. Riski Tuomas Mikael	995,543	3.40%
9. Luostarinen Juha Markku T	929,438	3.18%
10. Ärje Matias Juhanpoika	896,378	3.06%
11. Jokinen Klaus Antero	667,156	2.28%
12. Muukkonen Teemu Heikki	507,468	1.73%
13. Järvenpää Janne-Olli	372,804	1.27%
14. Kukkonen Heikki-Harri	362,281	1.24%
15. Ementor Norge As	269,299	0.92%
16. Laiho Jari Olavi	266,851	0.91%
17. Salminen Petri Juhani	166,795	0.57%
18. Estate of Santala Ilpo	139,553	0.48%
19. Nurmi Mika	139,553	0.48%
20. Mattila Aleks Mikael	135,621	0.46%