

Innofactor Plc Interim Report July 22, 2014, at 8:30 Finnish time

Innofactor Plc's Interim Report for January 1–June 30, 2014 (IFRS)

Summary

	mo. 4–6/ 2014	mo. 4–6/ 2013	Change	mo. 1–6/ 2014	mo. 1–6/ 2013	Change	mo. 1–12/ 2013
Net sales, EUR thousand	11,226	7,737	+45.1%	21,944	13,278	+65.3%	32,685
Growth of net sales	+45.1%	+94.3%		+65.3%	+66.9%		+73.7%
Operating profit before depreciation and amortization (EBITDA), EUR thousand*	708	665	+6.5%	1,421	1,249	+13.8%	3,284
percentage of net sales*	6.3%	8.6%		6.5%	9.4%		10.0%
Operating profit/loss (EBIT), EUR thousand*	358	442	-19.0%	731	866	-15.6%	2,255
percentage of net sales*	3.2%	5.7%		3.3%	6.5%		6.9%
Earnings before taxes, EUR thousand**	456	156	+192.3%	1,026	568	+80.6%	1,863
percentage of net sales**	4.1%	2.0%		4.7%	4.3%		5.7%
Earnings, EUR thousand**	365	117	+212.0%	821	427	+92.3%	1,407
percentage of net sales**	3.3%	1.5%		3.7%	3.2%		4.3%
Net gearing	52.2%	61.2%		52.2%	61.2%		55.9%
Equity ratio	47.6%	41.3%		47.6%	41.3%		43.1%
Personnel on average during the review period	420	261	+60.9%	417	229	+82.1%	307
Earnings per share (EUR)	0.0114	0.0039	+192.3%	0.0256	0.0142	+80.3%	0.0432

*) The second quarter of 2014 included a one-off cancellation of a cost reserve related to the integration, amounting to about EUR 135 thousand. The second quarter of 2013 included one-off costs related to the atBusiness Oy acquisition for about EUR 164 thousand, and also cost reserves related to the integration for about EUR 200 thousand, a total of about EUR 364 thousand.

***) The second quarter of 2014 included a one-off cancellation of a cost reserve related to the integration of about EUR 135 thousand and a financial income of EUR 216 thousand from the additional purchase price related to the acquisition, a total of about EUR 351 thousand. The second quarter of 2013 included one-off costs related to the atBusiness Oy acquisition for about EUR 370 thousand (of which EUR 206 thousand were costs related to organizing the loans), and also cost reserves related to the integration for about EUR 200 thousand, a total of about EUR 570 thousand.

Innofactor's net sales in 2014 are expected to be about EUR 43–48 million (2013: EUR 32.7 million). The operating margin (EBITDA) in 2014 is expected to be about EUR 4–6 million (2013: EUR 3.3 million).

The figures in this interim report have not been audited.

Reporting

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

CEO Sami Ensio's review

In the second quarter of 2014, Innofactor continued profitable growth in accordance with its strategy. The growth of net sales was 45.1 percent (net sales EUR 11.2 million) and operating margin (EBITDA) was EUR 0.7 million (6.3 percent of the net sales).

During the review period, Innofactor published stock exchange releases on two major deals, to AEL and Finland's Slot Machine Association, with a total value of about EUR 3.8 million. In addition to these deals, Innofactor received several other orders.

In June, Innofactor started measures on the group level to improve its operations. These include, for example, making sales more efficient, improving the billing rate and cutting costs. The goal is to make the business operations and organization more streamlined. The measures are estimated to have significant effects on the operating profit. The plan is to complete the measures for the most part by the end of August 2014.

Janne Martola was appointed as the new CFO and deputy CEO of Innofactor as of July 9, 2014. Janne Martola has extensive knowledge in business and long experience on Innofactor's operation, which will help the financial management to support the business better.

Due to the positive development of the order book and improvement measures during the review period and the earlier acquisitions and centralizing of operations, we think that Innofactor has good prerequisites to continue growing its operations profitably in 2014. Innofactor's strategy supports well the change in the markets and we believe that we can also benefit from any future growth in the IT market.

Innofactor is still actively looking for new strategic partnerships in the Nordic Countries. The group will seek growth, which can be organic or based on mergers or acquisitions.

Market outlook and business environment

Due to long-standing uncertainties in the economic situation, it is challenging to make a reliable estimate on the development of the IT market in the near future. According to research

companies monitoring the IT market, the IT service markets grew globally about 2–3 percent in 2013 and the growth is expected to increase to about 4–5 percent in 2014. The growth in business software market was estimated to be about 5 percent globally in 2013 and it is estimated to grow about 6–7 percent in 2014.

The IT market is changing. Five global mega trends can be observed. First, using information technology and information systems is increasingly transferring into a cloud. The cloud will connect people, data, services and hardware into one global whole. The benefits of the cloud are cost-efficiency and flexibility. It is estimated that 70 percent of companies either already use cloud solutions or are planning to start using them. In the future, customers will increasingly want to buy flexible services fitting their needs at the time, not so much large one-off delivery projects.

Second, the growth in the importance of social media that started with consumers is transferring to companies. Information systems are more and more expected to enable flexible communications between people and different systems, between employees, customers and partners. Approximately 57 percent of major companies are planning to invest in social media solutions in 2014.

Third, mobile devices and convergence of devices change how people behave at work and in their leisure time. People want their preferred common and personal services and same usability regardless of time, place and device used. IT is also consumerizing. Increasingly larger part of IT purchases in companies are made on the conditions of individuals, that is, consumer markets. It is estimated that the number of mobile workforce will increase to 1.3 billion by 2015, which is approximately 37 percent of the entire global workforce.

Fourth, the cloud, social media and mobile devices are estimated to increase the amount of data saved globally by about 30–50 percent every year. Analyzing this so-called Big Data will offer plenty of possibilities for developing the operations of companies and the public sector and also new business models.

Fifth, the importance of data security and the cyber crimes are growing fast. Approximately 12 persons every second become victims of cyber crimes, which means 400 million persons annually. Additionally, it is estimated that one in five small and medium-sized companies are targeted by cyber criminals.

Innofactor believes that Microsoft—and thus, companies operating in the Microsoft environment—will have a strong position on the changing IT market. Microsoft has the leading position in consumer and business software, competitive offering and strong proof of very rapid growth in cloud solutions. Additionally, the acquisition of the Nokia mobile phone business will give Microsoft a strong position in device markets.

Innofactor believes that this development will create markets with long term growth for companies like Innofactor that are strongly committed to Microsoft.

As concerns Microsoft-based solutions, competition in the Nordic Countries is divided between different kinds of parties. The first group is formed by large companies that operate in all of the Nordic Countries. Typically, these companies offer a wide range of IT solutions for companies and organizations, using several competing technologies of which Microsoft technology is one option.

The second group is formed by companies that focus on a narrower solution area in the Nordic level. These companies also offer IT solutions for companies and organizations using several competing technologies of which Microsoft technology is typically one option.

The third group is formed by companies operating in just one country. These small or medium-sized companies often focus on one solution area, client and/or field. For example, in the association and parish sector, there are national software providers specialized in these fields. There are also specialized providers for these fields for the selected solutions, such as network services, case management and customer relationship management systems.

Innofactor has made a strategic choice by focusing on solutions implemented with and utilizing the Microsoft platforms and by selecting as its solution areas the ones in which Microsoft's growth, and thus its partners' and ecosystem's growth, has exceeded the general average growth of IT service and software markets many times over. Innofactor is primarily focused on large and medium-sized companies and government organizations, which have high standards in their IT solution acquisitions.

Innofactor's competitive edge is based on a strategy, which differs from its competitors' strategies and which focuses on providing a wide range of Microsoft-based solutions for companies and organizations and also utilizing its own software and products. Innofactor has a leading position in and understanding of the Microsoft ecosystem in the Nordic Countries. Innofactor has one of the largest solution, product and service offerings based on Microsoft platforms in Europe. Profound understanding and good reputation in several customer verticals in the private, public and third sectors makes it possible to develop business operations so that they will serve the customers even better. Innofactor considers itself able to provide solutions that are competitive when compared to its competitors.

Microsoft's partner network in the Nordic Countries, and also elsewhere in Europe, is quite fragmented and mainly consists of a large number of small and medium-sized local providers typically focused on one solution area. For Innofactor, this provides interesting potential for consolidation and globalization. Innofactor's good reputation, unique proofs of rapid and profitable growth and successful acquisitions together with business culture with entrepreneurial spirit make it a very attractive partner when making reorganizations in the field in the Nordic Countries.

Net sales

Innofactor's net sales on April 1–June 30, 2014, were EUR 11,266 thousand (2013: 7,737), which shows an increase of 45.1 percent, and on January 1–June 30, 2014, the net sales were EUR 21,944 thousand (2013: 13,278), which shows an increase of 65.3 percent.

Financial performance

Innofactor's operating margin (EBITDA) on April 1–June 30, 2014, was EUR 708 thousand* (2013: 665*), which shows an increase of 6.5 percent. EBITDA accounted for 6.3 percent* of the net sales (2013: 8.6%*). Innofactor's operating profit on April 1–June 30, 2014, was EUR 358 thousand* (2013: 442*), which shows a decrease of 19.0 percent. Operating profit accounted for 3.2 percent* of the net sales (2013: 5.7%*).

Innofactor's operating margin (EBITDA) on January 1–June 30, 2014, was EUR 1,421 thousand** (2013: 1,249**), which shows an increase of 13.8 percent. EBITDA accounted for 6.5 percent** of the net sales (2013: 9.4%**). Innofactor's operating profit on January 1–June 30, 2014, was EUR 731 thousand** (2013: 866**), which shows a decrease of 15.6 percent. Operating profit accounted for 3.3 percent** of the net sales (2013: 6.5%**).

*) The second quarter of 2014 included a one-off cancellation of a cost reserve related to the integration, amounting to about EUR 135 thousand. The second quarter of 2013 included one-off costs related to the atBusiness Oy acquisition for about EUR 164 thousand, and also cost reserves related to the integration for about EUR 200 thousand, a total of about EUR 364 thousand.

***) The first half of 2014 included a one-off cancellation of a cost reserve related to the integration, amounting to about EUR 135 thousand. The first half of 2013 included one-off costs related to the atBusiness Oy acquisition for about EUR 164 thousand, and also cost reserves related to the integration for about EUR 200 thousand, a total of about EUR 364 thousand.

Financing and investments

Innofactor's balance sheet total at the end of the review period was EUR 48,087 thousand (2013: 43,726). The group's liquid assets totaled EUR 492 thousand (2013: 1,971), consisting totally of cash funds.

The operating cash flow in the review period of January 1–June 30, 2014, was EUR -39 thousand (2013: 1,596). The investment cash flow was EUR -490 thousand (2013: -2,664).

The equity ratio at the end of the review period was 47.6 percent (2013: 41.3%) and net gearing was 52.2 percent (2013: 61.2%).

At the end of the review period, the company had EUR 3,273 thousand in current interest bearing liabilities (2013: 1,112) and EUR 8,714 thousand in non-current interest bearing liabilities (2013: 11,490).

The return on investment on January 1–June 30, 2014, was 7.8 percent (2013: 7.7%).

The return on equity on January 1–June 30, 2014, was 7.9 percent (2013: 5.5%).

The non-current assets in Innofactor's balance sheet at the end of the review period were EUR 31,540 thousand in total and consisted of the following items:

- Tangible assets EUR 860 thousand
- Goodwill EUR 19,557 thousand
- Other intangible assets EUR 3,749 thousand
- Deferred tax assets EUR 7,374 thousand

Innofactor's gross investments in tangible assets in the review period of January 1–June 30, 2014, were EUR 430 thousand (2013: 127), consisting of normal additional and replacement investments required by growth.

According to the impairment tests carried out, there are no impairments. The write-offs on intangible assets were EUR 305 thousand (2013: 223).

Research and product development

Innofactor's research and development costs recognized in profit or loss for April 1–June 30, 2014, were EUR 527 thousand (2013: 529), which accounts for 4.7 percent of the net sales (2013: 6.8%).

Innofactor's research and development costs recognized in profit or loss for January 1–June 30, 2014, were EUR 1,095 thousand (2013: 1,041), which accounts for 5.0 percent of the net sales (2013: 7.8%).

Personnel

The average number of personnel at Innofactor during April 1–June 30, 2014, was 420 (2013: 261), an increase of 60.9 percent, and during January 1–June 30, 2014, it was 417 (2013: 229), which shows an increase of 82.1 percent.

At the end of the review period, the number of personnel was 426 (2013: 384), which shows an increase of 10.9 percent.

At the end of the review period, the average age among personnel was 38.5 years (2013: 38.0). Of the personnel, 38.2 percent (2013: 40.9%) had a Master's Degree, 29.1 percent (2013: 31.1%) had a Bachelor's Degree or were studying for a Master's Degree, and 32.7 percent (2013: 28%) had some other degree. Women accounted for 23 percent of the personnel and men for 77 percent (2013: 24% and 76%).

Business operations

Innofactor's business operations were focused on Finland and Denmark. On January 1–June 30, 2014, about 83 percent of the net sales came from Finland and about 17 percent from Denmark.

Of the net sales on January 1–June 30, 2014, about 51% came from commercial clients and about 49% from government and third sector clients.

Innofactor's net sales in the review period of January 1–June 30, 2014, came from the following sources:

- about 67% from system integrator services (including system delivery projects, consulting, and smaller changes and further development);
- about 10% from licenses, of which the share of third party licenses was about 3%;
- about 23% from recurring service contracts (incl. maintenance agreements, SaaS, cloud and hosting services).

Innofactor's 10 largest clients accounted for about 22 percent of the net sales during the review period January 1–June 30, 2014.

Other events in the review period

On January 9, 2014, Innofactor announced in a stock exchange release that the new Innofactor Plc shares had been registered in the Trade Register. After the registrations, the total number of Innofactor Plc shares is 32,153,737.

On January 24, 2014, Innofactor announced in a stock exchange release that Innofactor Plc's CFO Mikko Karvinen had resigned from the company at his own request on January 23, 2014. Karvinen continued in his role until April 30, 2014.

On March 7, 2014, Innofactor announced in a stock exchange release that Innofactor's Board of Directors had appointed Tiina Pulli as the new Chief Financial Officer (CFO) at Innofactor Plc as of May 1, 2014. Pulli joined the company already earlier to familiarize herself with Innofactor's operations. Tiina Pulli is a member of Innofactor's Executive Board and reports to Sami Ensio, the CEO of Innofactor Plc.

On March 20, 2014, the Annual General Meeting of Innofactor Plc resolved to adopt the accounts and the group's financial statement for the financial period that ended on December 31, 2013, and granted the members of the Board of Directors and the Chief Executive Officer discharge from liability for the financial period that ended on December 31, 2013.

The General Meeting decided, in accordance with the proposal of the Board of Directors, that no dividend will be paid for the financial period January 1–December 31, 2013.

The General Meeting decided that the Chairman of the Board of Directors shall be paid a fee totaling EUR 36,000 per year and the other members of the Board of Directors shall be paid a fee totaling EUR 24,000 per year. No separate fees for meetings shall be paid. Half of the fee (50%) shall be paid monthly in cash and the other half (50%) as shares of Innofactor Plc. The shares shall be handed over to the members of the Board of Directors and, if necessary, shall be acquired from public trading directly on behalf of the members within two weeks of publishing the interim report of Innofactor Plc for January 1–March 31, 2014. Innofactor Plc requires the members of the Board of Directors to keep the shares, which they have received as part of the fees, for the duration of their membership in the Board of Directors.

The General Meeting decided that the number of Board members is six. Of the current members of the Board of Directors, Sami Ensio, Jukka Mäkinen, Pyry Lautsuo and Ilari Nurmi were re-elected. Tiia Tuovinen and J.T. Bergqvist were elected as new members. At their organizing meeting held immediately after the General Meeting, the Board of Directors elected Pyry Lautsuo as the Chairman of the Board.

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

On April 25, 2014, Innofactor announced in a stock exchange release that Innofactor had been selected to provide a comprehensive TOIMIN system solution to AEL, a Finnish technical training provider. The integrated system combines solutions for eServices, CRM, ERP, Document Management, intranet, digital work environment as well as enterprise architecture. The full solution is planned to be deployed during 2014.

The value of the contract is EUR 574,539, excluding any options. The contract also includes the option of expanding the system with HRM and web publishing systems.

The transaction strengthens Innofactor's position as a key provider of Microsoft-based eServices solutions to the education sector in Finland.

AEL is Finland's leading provider of technical training. AEL has served Finnish businesses for more than 90 years. AEL is maintained by the Foundation for Occupational Advancement with representatives from the major labor market organizations and key industry players in Finland, along with members of public administration working in business development and education.

On May 12, 2014, Innofactor announced in a stock exchange release that Innofactor had won a public procurement tender to deliver a comprehensive funds management solution to Finland's Slot Machine Association (RAY). The total solution includes a case management system, payment request handling system, Windows Azure based eServices, document and information management system as well as integrations to a number of other systems. The system solution is

based entirely on Microsoft platforms. The phased delivery of the solution is estimated to take place during 2014–2016.

The value of Innofactor's offer that won the tender is 3,214,166 euros.

The transaction further strengthens Innofactor's position as a key provider of Microsoft-based eServices solutions in the Finnish public and third sectors.

The main purpose of Finland's Slot Machine Association (RAY) is to raise funds through gaming operations to promote Finnish health and welfare. RAY offers entertaining and exciting games in a responsible manner. RAY's entire proceeds are used for supporting Finnish health and social welfare organizations as well as for the benefit of the country's war veterans. The aim is to continue to secure funding for innumerable important projects and ventures. Around 800 organizations receive funding each year.

On June 19, 2014, Innofactor announced in a stock exchange release that Innofactor has appointed Katja Tammelin General Counsel as of August 18, 2014. Innofactor has not previously had a General Counsel.

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 32,153,737. The company does not have any treasury shares. Innofactor Plc has one series of shares. Each share is entitled to one vote.

On April 1–June 30, 2014, the highest price of the company share was EUR 1.37 (2013: EUR 1.00), the lowest price was EUR 1.13 (2013: EUR 0.46), and the average price was EUR 1.25 (2013: EUR 0.74).

On January 1–June 30, 2014, the highest price of the company share was EUR 1.59 (2013: EUR 1.00), the lowest price was EUR 1.13 (2013: EUR 0.46), and the average* price was EUR 1.35 (2013: EUR 0.69).

The closing price for the review period on June 30, 2014, was EUR 1.20 (2013: EUR 0.75).

*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 April 1–June 30, 2014, a total of 1,187,653 shares were traded (2013: 2,944,527 shares), which corresponds to 3.7 percent (2013: 9.7%) of the average number of shares on the said period. On April 1–June 30, 2014, there were 32,153,737 shares on the average (2013: 30,377,061*). The share trade decreased by 59.7 percent compared to the corresponding period in 2013.

In public trading on January 1–June 30, 2014, a total of 4,430,165 shares were traded (2013: 3,727,725 shares), which corresponds to 13.8 percent (2013: 12.4%) of the average number of shares on the said period. On January 1–June 30, 2014, there were 32,098,723 shares on the average (2013: 30,094,787*). The share trade increased by 18.8 percent compared to the corresponding period in 2013.

* The average number of shares does not include treasury shares.

The market value of the share capital at the closing price of the review period, EUR 1.20, on June 30, 2014, was EUR 38,584 thousand (2013: 25,931), which shows an increase of 48.8 percent.

On June 30, 2014, the company had 11,768 shareowners (2013: 11,737), including administrative registers.

The Board of Directors has the following authorizations:

- Until June 30, 2015, to decide on a share issue and granting of special rights entitling to shares for a maximum of 15,000,000 new shares with the total number of shares not exceeding 45,000,000 (decided in the General Meeting of September 17, 2013); based on which 1,015,372 new shares were issued on September 17, 2013, and 1,244,685 new shares were issued on December 31, 2013, leaving the number of shares remaining in the authorization at 12,739,943.
- Until June 30, 2015, to decide on a transfer of a maximum of 1,000,000 treasury shares (decided by the General Meeting of September 17, 2013); the authorization has not been used.

Innofactor Plc issued no flagging announcements during the review period.

Share owning by the Board of Directors:

- Pyyry Lautsuo, 93,900 shares, 0.29%
- J.T. Bergqvist, 309,204 shares, 0.96%
- Sami Ensio, 7,431,291 shares, 23.1%
 - Sami Ensio, 5,257,531 shares, 16.35%
 - minor under guardianship, 724 588 shares, 2.25%
 - minor under guardianship, 724 586 shares, 2.25%
 - minor under guardianship, 724 586 shares, 2.25%
- Jukka Mäkinen, 59,474 shares, 0.18%
- Ilari Nurmi, 39,311 shares, 0.12%
- Tiia Tuovinen, 9,204 shares, 0.03%

Share owning by the CEO:

- Sami Ensio, 7,431,291 shares, 23.1%

- Sami Ensio, 5,257,531 shares, 16.35%
- minor under guardianship, 724 588 shares, 2.25%
- minor under guardianship, 724 586 shares, 2.25%
- minor under guardianship, 724 586 shares, 2.25%

Share owning by other members of the Executive Board:

- Christian Andersen, 203,157 shares, 0.63%
 - CHRA Holding ApS, 203,157 shares, 0.63%
- Heikki Jekunen, 6,000 shares, 0.02%
- Elina Jokinen 0 shares, 0.0%
- Mikko Karvinen, 100,000 shares, 0.31% (until April 30, 2014)
- Mikko Lampi, 996,758 shares, 3.1%
- Janne Martola, 100,000 shares, 0.31%
- Ingrid Peura, 0 shares, 0.0%
- Tiina Pulli, 0 shares, 0.0% (as of May 1, 2014)
- Juha Rokkanen, 103,873 shares, 0.32%

Share owning by auditors:

- Juha Hilmola, 0 shares, 0.0%

Treasury shares

The General Meeting of September 17, 2013, authorized the Board of Directors to decide on acquiring of a maximum of 8,000,000 treasury shares in one or several parts with the company's unrestricted equity. The authorization entitles the Board to deviate from the shareholders' proportional shareholdings (directed acquisition). Shares will be acquired from the sellers of atBusiness Oy according to the terms of the contract signed on June 6, 2013, concerning the acquisition of the atBusiness shares, and at the price agreed on in the contract, and/or on Nasdaq OMX Helsinki Ltd with the public trading on the market. The number of treasury shares at a time may be, at the maximum, one tenth of the total number of shares in the company. The shares may be used to develop the capital structure, to widen the ownership base, in making a payment for an acquisition, or when the company buys property related to its business operations or as part of the incentive compensation plan, or to be otherwise invalidated or conveyed. In connection with the share repurchase, ordinary derivative, stock lending and other agreements may be made in the market in accordance with the laws and regulations. The authorization includes the right of the Board of Directors to decide on all other matters related to the acquisition of shares. The authorization will be valid until March 17, 2015. On the basis of the authorization, Innofactor Plc acquired treasury shares during the review period as follows: on December 23, 2013, and December 27, 2013, a total of 4,681,499 shares. After this, the authorization is valid for 3,318,501 shares.

Innofactor Plc canceled these treasury shares during the financial period of 2013 and had no treasury shares on June 30, 2014.

Management of the company

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

At the General Meeting on March 20, 2014, the number of the members of the Board of Directors was confirmed to be six. The General Meeting decided to accept the proposal of re-electing current Board members Sami Ensio, Jukka Mäkinen, Pyry Lautsuo and Ilari Nurmi and to elect Tiia Tuovinen and J.T. Bergqvist as new Board members. At their organizing meeting held immediately after the General Meeting, the Board of Directors elected Pyry Lautsuo as the Chairman of the Board.

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

Innofactor has drawn up a separate Corporate Governance Statement for the financial period of 2013.

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

Major risks and uncertainties

Innofactor's operations, finances and shares involve risks that may be significant for the company and its share value. These risks are assessed by the Board of Directors four times a year as part of the strategy and business planning process. The risks are published in their entirety in the financial statement and in the annual report of the Board of Directors. The interim reports only present the changes in short-term risks.

Risks related to operations

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

Financial risks

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

Risks related to shares

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

Acquisitions and changes in the group structure

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

Corporate responsibility

Innofactor's operations are guided by the company's strategy, values, corporate governance, quality system, personnel policy, general principles of corporate responsibility, environmental policy, and legislation.

The group is committed to operating profitably and increasing its net sales while taking into account the societal 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. Innofactor invests in developing its personnel through training, learning while working and work rotation.

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. Innofactor delivers electronic solutions and web services that decrease the environmental effects of its customers' operations.

Innofactor strives to establish long-term cooperation with its clients and partners and thereby create networks in which complementary expertise produces innovative solutions.

Strategy

Innofactor strengthens its customers' competitiveness by providing outstanding IT solutions, products and services. Innofactor focuses on Microsoft-based solutions and Microsoft's ecosystem. Innofactor's clients comprise of private and public sector organizations. Innofactor currently operates in Finland, Denmark, Sweden and Russia. Innofactor's strategy is to actively

expand its operations in the Nordic Countries, which may happen either organically or through acquisitions.

Innofactor's Mission: We strengthen our customers' competitiveness with outstanding IT solutions, products and services.

Innofactor's Vision: We are the number one Microsoft-based solution provider in the Nordic Countries.

Innofactor's strategy is to build competitive advantage as the leading provider focused on Microsoft-based solutions and Microsoft's ecosystem. The most important strategic choices related to this objective are the following:

- private and public sector customers
- comprehensive IT solution offering
- state-of-the-art products and services
- high-level customer service
- long-term customer partnerships
- fast and profitable growth

Innofactor's long-term financial goal is to grow profitably:

- by achieving over 10 percent operating margin (EBITDA) every year in 2014–2017
- by achieving an average annual growth of 25–35 percent in 2014–2017 through organic growth as well as acquisitions
- by keeping the cash flow positive and by securing solid financial standing in all situations

Implementation of the strategy during the review period

The growth of Innofactor's net sales during the review period, 65.3 percent, exceeded the annual growth of 30–40 percent stated in the previous strategy and also the annual growth of 25–35 percent stated in the new strategy. Innofactor's operating margin (EBITDA) in relation to net sales was 6.5 percent. According to the strategy, the annual EBITDA must be over 10 percent. However, in the previous years, Innofactor has typically been able to gain better profitability in the second half of the year than in the first. Innofactor's cash flow in the review period was slightly negative,

mainly due to advance payment of installments for 2014 (the cash flow from operating activities was EUR 0.0 million) and the financial standing was secure (Net Gearing 52.2 percent).

Innofactor did not make any acquisitions during the review period.

Events after the review period

On July 9, 2014, Innofactor announced in a stock exchange release that Innofactor's Board of Directors had appointed Janne Martola as Innofactor Plc's new Chief Financial Officer (CFO) and Deputy to the CEO as of July 9, 2014. Since 2011, Martola has worked as Vice President responsible for Innofactor's International Business and Acquisitions. In his new role, Martola, M.Sc. (Tech.), will continue as member of Innofactor's Executive Board reporting to CEO Sami Ensio.

With this action, Innofactor streamlines its organization, increases the business focus of its financial management, and ensures the high level of its mergers and acquisitions competence also in the future. Innofactor discontinued the role of a separate Vice President for International Business. From now on, the Country Managers will report directly to the corporation's CEO Sami Ensio. In the future, Martola will continue to be responsible for mergers and acquisitions in addition to his CFO role. He will also act as Deputy to the CEO. Innofactor immediately initiated the recruitment for a person to focus on mergers and acquisitions as well as international business and to strengthen the respective team under the CFO. With these arrangements, the number of Executive Board members decreased from nine to eight. Innofactor's former CFO Tiina Pulli will not continue at the service of the company.

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

Future outlook

Innofactor's net sales in 2014 are expected to be about EUR 43–48 million (2013: EUR 32.7 million). The operating margin (EBITDA) in 2014 is expected to be about EUR 4–6 million (2013: EUR 3.3 million).

Espoo, July 22, 2014

INNOFACTOR PLC

Board of Directors

Additional information:

CEO Sami Ensio, Innofactor Plc
Tel. +358 50 584 2029
sami.ensio@innofactor.com

Briefings concerning the Interim Report January 1–June 30, 2014

On July 22, 2014, at 9:00 Finnish time, Innofactor will hold a briefing concerning the Interim Report in Finnish for the media, investors and analysts at the company's premises at Keilaranta 9, Espoo. The report will be presented by CEO Sami Ensio and CFO Janne Martola. The presentations of the briefing will be available on Innofactor's web site after the briefing.

We ask you to register for the briefing beforehand either by sending email to ir@innofactor.com or by phoning to +358 50 307 0026 (Ingrid Peura).

Innofactor will also hold a conference call in English for analysts, media and investors on July 22, 2014, at 16:00 Finnish time. Registrations to ir@innofactor.com before 12:00 Finnish time on July 22, 2014.

Financial releases in 2014

The schedule for financial releases in 2014 is as follows:

October 7–October 20, 2014: Silent period

October 21, 2014: Interim report January–September

Distribution:
NASDAQ OMX Helsinki
Main media
www.innofactor.com

Financial statement summary and appendixes January 1–June 30, 2014 (IFRS)

Drafting principles

This Interim Report has been drafted in accordance with the IAS 34 Interim financial reporting standard. The Interim Report 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 report 2013.

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

The figures in the Interim Report have not been audited.

Consolidated Profit and Loss Statement, IFRS

EUR thousand	Apr 1–Jun 30, 2014	Apr 1–Jun 30, 2013	Jan 1–Jun 30, 2014	Jan 1–Jun 30, 2013	Jan 1–Dec 31, 2013
Net sales	11,226	7,737	21,944	13,278	32,685
Other operating income	51	55	191	67	321
Materials (–)	-1,262	-670	-2,285	-1,029	-2,542
Employee benefits/expenses (–)	-7,872	-5,102	-15,734	-8,955	-22,576
Depreciation (–)	-350	-223	-690	-383	-1,029
Other operating expenses (–)	-1,435	-1,355	-2,695	-2,112	-4,604
Operating profit/loss	358	442	731	866	2,255
Financial income	217	3	542	5	769
Financial expenses (–)	-119	-289	-247	-303	-1,161
Profit/loss before taxes	456	156	1,026	568	1,863
Income taxes	-91	-39	-205	-141	-456
Profit/loss for the financial period	365	117	821	427	1,407
Items that may be later recognized in profit or loss					
Exchange differences	-2	-2	-4	-2	-3
Total comprehensive income	363	115	817	425	1,404

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

Basic earnings per share (EUR)	0.0114	0.0039	0.0256	0.0142	0.0432
Diluted earnings per share (EUR)	*	*			

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

Consolidated Balance Sheet, IFRS
ASSETS

EUR thousand	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
Non-current assets			
Tangible assets	860	992	868
Goodwill	19,557	17,275	19,335
Other intangible assets	3,749	4,002	3,916
Deferred tax assets	7,374	7,690	7,604
Non-current assets	31,540	29,959	31,723
Current assets			
Trade and other receivables	16,055	11,796	13,957
Cash and cash equivalents	492	1,971	991
Current assets	16,547	13,767	14,948
TOTAL ASSETS	48,087	43,726	46,671

**SHAREHOLDERS' EQUITY AND
LIABILITIES**

EUR thousand	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
Shareholders' equity			
Share capital	2,100	2,100	2,100
Share premium reserve	72	72	72
Other reserves (+/-)	59	59	59
Fund for invested unrestricted equity	14,995	12,189	13,427
Fund for other shareholders' equity	3,200	0	3,200
Treasury shares	0	-305	0
Retained earnings	1,586	3,249	767
Total shareholders' equity	22,012	17,364	19,626
Non-current liabilities			
Loans from financial institutions	8,714	11,490	10,035
Deferred tax liabilities	900	1,092	887
Long term liabilities total	9,614	12,582	10,922
Current liabilities			
Loans from financial institutions	3,273	1,112	1,920
Trade and other payables	13,188	12,668	14,203
Current liabilities total	16,461	13,780	16,123
Total liabilities	26,075	26,362	27,045
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	48,087	43,726	46,671

Statement of change in shareholders' equity, IFRS

EUR thousand	Share capital	Share premium reserve	Reserve fund	Fund for invested unrestricted equity	Treasury shares	Retained earnings	Hybrid bond	Total shareholders' equity
Shareholders' equity Jan 1, 2014	2,100	72	59	13,427	0	767	3,200	19,626
Comprehensive income								
Profit for the financial period						821		821
Other comprehensive income:								
Exchange differences						-4		-4
Total comprehensive income	0	0	0	0	0	817		817
Share issue				1,568				1,568
Purchase of treasury shares								0
Cancellation of treasury shares								0
Transactions with shareholders in total	0	0	0	1,568	0	0	0	1,568
Issuing a hybrid bond								0
Shareholders' equity Jun 30, 2013	2,100	72	59	14,995	0	1,586	3,200	22,012

Statement of change in shareholders' equity, IFRS

EUR thousand	Share capital	Share premium reserve	Reserve fund	Fund for invested unrestricted equity	Treasury shares	Retained earnings	Total shareholders' equity
Shareholders' equity Jan 1, 2013	2,100	72	59	8,834	-129	2,824	13,760
Comprehensive income							
Profit for the financial period						427	427
Other comprehensive income:							
Exchange differences						-2	-2
Total comprehensive income	0	0	0	0	0	425	425
Share issue				3,355			3,355
Purchase of treasury shares					-176		-176
Transactions with shareholders in total				3,355	-176		3,179
Shareholders' equity Jun 30, 2013	2,100	72	59	12,189	-305	3,249	17,364

Consolidated Cash Flow Statement, IFRS

EUR thousand	Jan 1– Jun 30, 2014	Jan 1– Jun 30, 2013	Jan 1– Dec 31, 2013
Cash flow from operating activities			
Operating profit	731	866	2,255
Adjustments:			
Depreciation	690	383	1,029
Non-cash transactions	542	0	-278
Changes in working capital:			
Change in trade or other receivables (+/-)	-2,099	27	-1,495
Change in trade and other payables (+/-)	343	618	529
Interests paid (-)	-247	-303	-681
Interests received	1	5	10
Total cash flow from operating activities	-39	1,596	1,369
Investment cash flow			
Acquisition of subsidiaries	0	-2,537	-2,450
Investments in intangible and tangible assets (-)	-490	-127	-365
Total cash flow from investments	-490	-2,664	-2,815
Cash flow from financing			
Loans withdrawn	1,351	3,952	4,554
Issuing a hybrid bond	0	0	3,200
Loans paid	-1,321	-1,393	-2,642
Purchase of treasury shares (-)	0	-176	-3,331
Total cash flow from financing	30	2,383	1,781
Change in cash and cash equivalents (+/-)	-499	1,315	335
Cash and cash equivalents, opening balance	991	656	656
Cash and cash equivalents, closing balance	492	1,971	991

Consolidated Profit and Loss Statement by Quarter, IFRS

EUR thousand	Jan 1– Mar 31 2014	Apr 1– Jun 30 2014	Jul 1– Sep 30 2014	Oct 1– Dec 31 2014	Jan 1– Mar 31 2013	Apr 1– Jun 30 2013	Jul 1– Sep 30 2013	Oct 1– Dec 31 2013
Net sales	10,718	11,226			5,541	7,737	8,317	11,090
Other operating income	140	51			12	55	28	226
Materials (–)	-1,023	-1,262			-359	-670	-628	-885
Employee benefits/expenses (–)	-7,862	-7,872			-3,853	-5,102	-6,015	-7,606
Depreciation (–)	-340	-350			-160	-223	-311	-335
Other operating expenses (–)	-1,260	-1,435			-757	-1,355	-988	-1,504
Operating profit/loss	373	358			424	442	403	986
Financial income	325	217			2	3	2	762
Financial expenses (–)	-128	-119			-14	-289	-135	-723
Profit/loss before taxes	570	456			412	156	270	1,025
Income taxes	-114	-91			-102	-39	-66	-249
Profit/loss for the financial period	456	365			310	117	204	776

Commitments and contingent liabilities

EUR thousand	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
Collateral given for own commitments			
Collateral for rent	530	221	490
Mortgages on company assets*	16,250	16,250	16,250
Bank guarantees	283	18	283
Other own guarantees			
Lease liabilities			
Current lease liabilities	382	466	393
Lease liabilities maturing in 1-5 years	145	346	313
Total	527	812	706
Rental liabilities			
Current rental liabilities	1,354	924	1,608
Rental liabilities maturing in 1-5 years	4,197	85	4,702
Total	5,551	1,009	6,310
Other own guarantees total	6,078	1,821	7,016

Of the mortgages on company assets, EUR 1,250 thousand was in the company's possession on June 30, 2014.

The accrued interest on the hybrid bond was EUR 157 thousand on June 30, 2014.

	mo. 4–6/ 2014	mo. 4–6/ 2013	Change	mo. 1–6/ 2014	mo. 1–6/ 2013	Change	mo. 1–12/ 2013
Net sales, EUR thousand	11,226	7,737	+45.1%	21,944	13,278	+65.3%	32,685
Growth of net sales	45.1%	+94.3%		65.3%	+66.9%		+73.7%
Operating profit before depreciation and amortization (EBITDA), EUR thousand*	708	665	+6.5%	1,421	1,249	+13.8%	3,284
percentage of net sales*	6.3%	8.6%		6.5%	9.4%		10.0%
Operating profit/loss (EBIT), EUR thousand*	358	442	-19.0%	731	866	-15.6%	2,255
percentage of net sales*	3.2%	5.7%		3.3%	6.5%		6.9%
Earnings before taxes, EUR thousand**	456	156	+192.3%	1,026	568	+80.6%	1,863
percentage of net sales**	4.1%	2.0%		4.7%	4.3%		5.7%
Earnings, EUR thousand**	365	117	+212.0%	821	427	+92.3%	1,407
percentage of net sales**	3.3%	1.5%		3.7%	3.2%		4.3%
Shareholders' equity, EUR thousand	22,012	17,364	+26.8%	22,012	17,364	+26.8%	19,626
Return on equity***	6.7%	3.0%		7.9%	5.5%		8.4%
Return on investment***	6.9%	7.9%		7.8%	7.7%		12.9%
Net gearing	52.2%	61.2%		52.2%	61.2%		55.9%
Equity ratio	47.6%	41.3%		47.6%	41.3%		43.1%
Balance sheet total, EUR thousand	48,087	43,726	+10.0%	48,087	43,726	+10.0%	46,671
Research and development, EUR thousand	527	529	-0.4%	1,095	1,041	+5.2%	2,067
percentage of net sales	4.7	6.8%		5.0%	7.8%		6.3%
Personnel on average during the review period	420	261	+60.9%	417	229	+82.1%	307
Personnel at the end of the review period	426	384	+10.9%	426	384	+10.9%	416
Number of shares at the end of the review period	32,153,737	35,144,179	-8.5%	32,153,737	35,144,179	-8.5%	30,909,052
Earnings per share (EUR)	0.0114	0.0039	+192.3%	0.0256	0.0142	+80.3%	0.0432
Shareholders' equity per share (EUR)	0.685	0.502	+36.5%	0.685	0.502	+36.5%	0.635

*) The second quarter of 2014 included a one-off cancellation of a cost reserve related to the integration, amounting to about EUR 135 thousand. The second quarter of 2013 included one-off costs related to the atBusiness Oy acquisition for about EUR 164 thousand, and also cost reserves related to the integration for about EUR 200 thousand, a total of about EUR 364 thousand.

***) The second quarter of 2014 included a one-off cancellation of a cost reserve related to the integration of about EUR 135 thousand and a financial income of EUR 216 thousand from the additional purchase price related to the acquisition, a total of about EUR 351 thousand. The second quarter of 2013 included one-off costs related to the atBusiness Oy acquisition for about EUR 370 thousand.

thousand (of which EUR 206 thousand were costs related to organizing the loans), and also cost reserves related to the integration for about EUR 200 thousand, a total of about EUR 570 thousand.

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

The preliminary acquisition cost calculation for Enabling ApS (current Innofactor Business Solutions ApS)

On December 13, 2013, Innofactor Plc signed an agreement on acquiring the entire share capital of Enabling Holding ApS and its subsidiaries Enabling ApS and Enabling Sweden AB (collectively Enabling Group) from the company's management. According to the agreement published by the company on December 13, 2013, the purchase price will be defined based on Enabling Group's realized EBITDA in 2014. The minimum purchase price is about EUR 1.6 million and the maximum about EUR 4.0 million. The purchase price will be paid mainly in Innofactor Plc shares and a minority portion in cash. The name of Enabling ApS has been changed to Innofactor Business Solutions ApS and the name of Enabling Sweden AB to Innofactor AB.

The closing of the deal took place on December 31, 2013, and the figures for the acquired companies have been consolidated in the Innofactor Group's balance sheet on that same date. As the value of the Innofactor shares used for paying the first part of the purchase price, the closing price of the share on December 30, 2013, EUR 1.26, was used.

The rest of the purchase price is intended to be paid with Innofactor shares during the first half of 2015. All Innofactor shares used as payment in this transaction are subject to transfer restrictions, which will be gradually released during 2014–2017.

The acquisition cost according to IFRS is the estimated purchase price of the shares, which in the preliminary acquisition cost calculation is EUR 3,134 thousand, and has been presented in more detail in the following calculation. The acquisition cost calculation is preliminary.

	Values registered for consolidation (EUR thousand)
Tangible assets	28
Intangible assets	220
Trade and other receivables	638
Cash and cash equivalents	127
Total assets	1,014
Financial liabilities at market value	422
Other payables	490 (includes a deferred tax liability of 44)
Total liabilities	912
Net assets	102 (total assets - total debts)
Acquisition cost	3,134 (cash 40, new shares 1,569, conditional compensation 1,526)
Goodwill	3,032 (acquisition cost - net assets)
Purchase price paid in cash	40
Cash funds of the acquired subsidiary	127
Cash flow effect	+87

The value of the customer contracts and the related customer relationships included in the intangible assets (EUR 220 thousand) has been defined on the basis of the estimated life time of customer relationships and the discounted net cash flows resulting from current customer relationships.

The acquisition created goodwill of EUR 3,032 thousand. The goodwill is based on the expected synergy benefits arising from the acquisition of Innofactor Business Solutions ApS and on making

use of the common sales and marketing network in the group and expanding customer relationships.

The final acquisition cost calculation for atBusiness Oy (current Innofactor Business Solutions)

On June 6, 2013, Innofactor acquired the entire share capital (the part giving 100% full control) and all capital loans of atBusiness Oy. The agreed purchase price in total was about EUR 6.3–7.6 million and the Enterprise Value (EV) about EUR 14.4–15.7 million.

Of the purchase price, about EUR 6,257 thousand was paid at the time of closing the deal. The capital loan was paid in total and it was EUR 5,057 thousand (EUR 2,702 thousand in cash and EUR 2,355 thousand in Innofactor shares). The shares were paid for the part of the fixed price, which was EUR 1,200 thousand (EUR 200 thousand in cash and EUR 1,000 thousand in Innofactor shares). The shares were new Innofactor Plc shares and they were issued in accordance with the authorizations granted to the Board of Directors. In both transactions, the subscription price of the shares was the volume weighted average price of the Innofactor share on the period of January 2, 2013–June 5, 2013, which was EUR 0.6739 per share. In order to pay the purchase price, a total of 4,978,279 new shares were issued.

The final purchase price of atBusiness Oy shares was determined by the realized operating margin (EBITDA) of the Innofactor group for the 12 months following the acquisition (June 1, 2013–May 31, 2014). The agreed minimum purchase price of the shares was the EUR 1,200 thousand already paid and the maximum was EUR 2,500 thousand. Of the rest of the purchase price, EUR 0–1,300 thousand, 45% was intended to be paid in cash and 55% in Innofactor shares. Prerequisites entitling to an additional purchase price did not realize, so the remaining part of the purchase price, based on the realized operating margin (EBITDA) of June 1, 2013–May 31, 2014, is EUR 0.

The figures of Innofactor Business Solutions Oy have been consolidated into the Innofactor Group as of June 1, 2013.

The acquisition cost according to IFRS is EUR 2,500 thousand (the purchase price of the shares) and has been presented in more detail in the following calculation.

Values registered for consolidation (EUR thousand)	
Tangible assets	16
Intangible assets	2,458 (of which technology 310 and customer relationships 2,144)
Deferred tax asset	348
Trade and other receivables	3,054
Cash and cash equivalents	365
Total assets	6,241
Financial liabilities at market value	13,707 (includes a capital loan of 5,057 at cost price)
Other payables	3,538 (includes a deferred tax liability of 601)
Total liabilities	17,245
Net assets	-11,004 (total assets - total debts)
Acquisition cost	2,500 (cash 2,902; instruments equivalent to own capital 3,355; conditional compensation 1,300; capital loan -5,057)
Adjustment of the additional purchase price	1,300
Goodwill	13,504 (acquisition cost - net assets)
Purchase price paid in cash	2,902
Cash funds of the acquired subsidiary	365
Cash flow effect	-2,537

In the acquisition, the value of atBusiness Oy customer relationships and software has been set to EUR 2,454 thousand. These intangible assets are included in the other intangible assets in the group balance sheet.

According to IFRS 3, the purchasing party recognizes, if necessary, some assets and liabilities that the target of the acquisition has not previously recognized as assets and liabilities in its financial

statement. For example, the purchasing party recognizes acquired intangible assets that can be identified individually, such as brand, patent or customer relationship, which the target has not recognized as assets in its financial statement, because it has created them internally and has recognized the related costs as expenses.

In the acquired company, the customer relationships and technology as well as deferred tax assets have been identified as such assets. A separate value definition has defined the market value of the customer relationships and software at the time of acquisition to be EUR 2,454 thousand. Defining the value is based on a MEEM calculation (Multi Period Excess Earnings Method). The value of the customer relationships and software will be depreciated according to the plan during 9 years. The deferred tax assets are EUR 348 thousand.

According to IFRS 3.32, the purchasing party must register goodwill at the time of acquisition and it is defined as the difference of the following:

- a) consideration transferred and
- b) the net amount of the acquired individually identifiable assets and the taken liabilities at the time of acquisition, valued in accordance with the IFRS 3 standard.

The goodwill of the acquisition, after taking into account the deferred taxes, is EUR 13,504 thousand. The goodwill is based on synergy benefits expected from the acquisition of Innofactor Business Solutions Oy, utilizing the common sales and marketing network, expanding customer relationships in the group, and the transferred personnel.

atBusiness Oy's confirmed losses have been taken into account in the acquisition cost calculation. The amendment of the additional purchase price related to the acquisition, EUR 1,300 thousand, has been taken into account in the calculation.

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 June 30, 2014, was as follows:

Name	Number of shares	% of share capital
1. Ensio Sami	7,431,291	23.11%
<i>Ensio Sami</i>	5,257,531	16.35%
<i>Minor under guardianship</i>	724,588	2.25%
<i>Minor under guardianship</i>	724,586	2.25%
<i>Minor under guardianship</i>	724,586	2.25%
2. Tilman Tuomo Tapani	2,797,169	8.70%
<i>Tilman Tuomo Tapani</i>	2,747,492	8.54%
<i>Mpire Capital Oy</i>	49,677	0.15%
3. Salminen Jyrki Kalle Tapio	2,611,149	8.12%
4. Laiho Rami Tapani	1,419,215	4.41%
5. Linturi Kaija and Risto	1,280,411	3.98%
<i>R. Linturi Oyj</i>	513,107	1.60%
<i>Linturi Kaija Anneli</i>	430,000	1.34%
<i>Linturi Risto Erkki Olavi</i>	337,304	1.05%
6. Lampi Mikko Olavi	996,758	3.10%
7. Danske Bank Oyj	951,733	2.96%
8. Ärje Matias Juhanpoika	946,278	2.94%
9. Mäki Antti-Jussi	930,201	2.89%
10. Luostarinen Juha Markku	929,438	2.89%
11. Nordea Pankki Suomi Oyj	728,566	2.27%
12. Muukkonen Teemu Heikki	501,468	1.56%
13. Kukkonen Heikki-Harri	355,021	1.10%
14. Järvenpää Janne-Olli	322,804	1.00%
15. Bergqvist J.T.	309,204	0.96%
16. Jokinen Klaus Antero	300,001	0.93%
17. Laiho Jari Olavi	270,000	0.84%
18. Ementor Norge As	269,299	0.84%
19. Nordnet Bank AB	213,379	0.66%
20. Karppinen Antti Sakari	190,000	0.59%