

INNOFACTOR®

The Fastest Growing ICT Company in Finnish Stock Exchange

Sami Ensio, CEO. February 28th, 2012, www.innofactor.fi



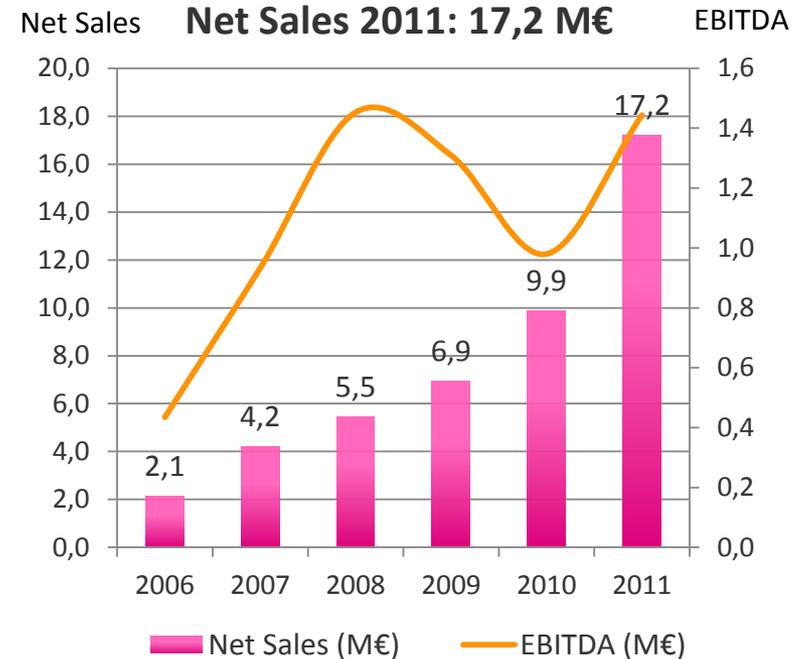
Microsoft Partner

- Gold Application Integration
- Gold Business Intelligence
- Gold Content Management
- Gold Customer Relationship Management
- Gold Data Platform
- Gold Digital Marketing
- Gold Independent Software Vendor (ISV)
- Gold Portals and Collaboration



Innofactor in Brief

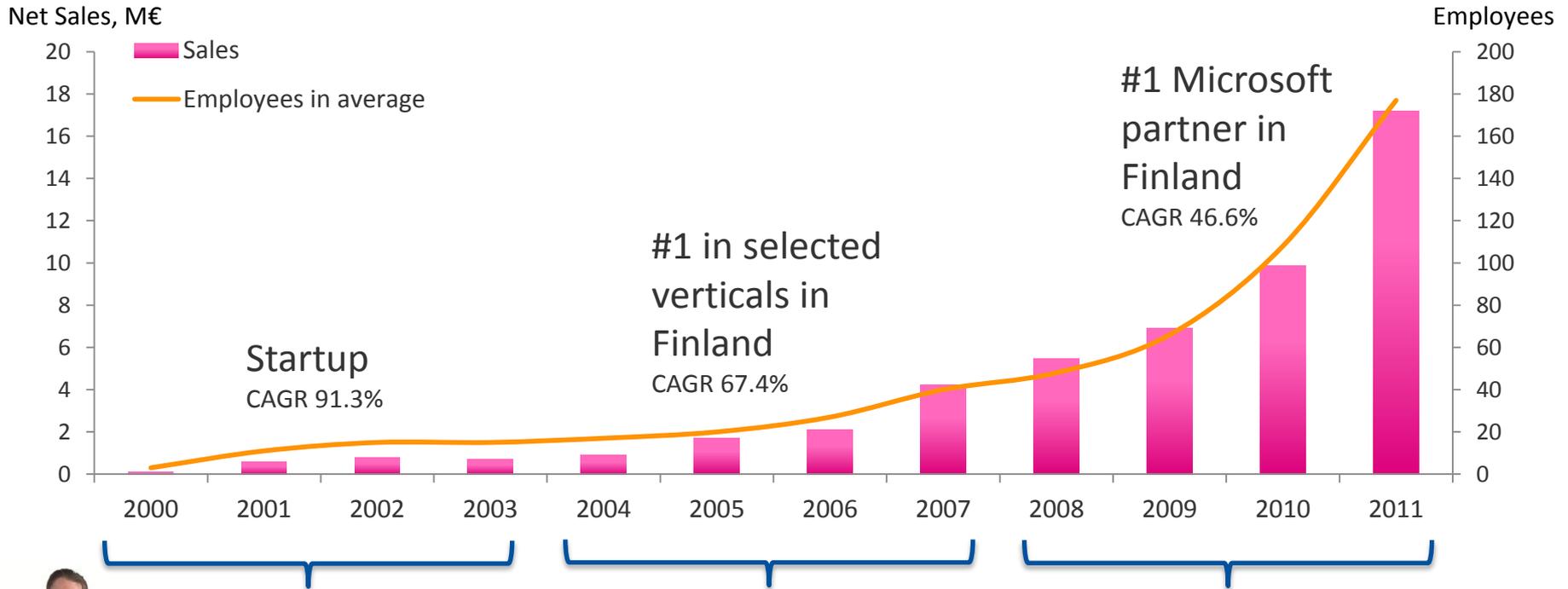
- Largest Microsoft-focused IT service provider in Finland
 - System integrator
 - Independent software vendor
- Microsoft Partner of the Year 2011 in Finland and software entrepreneur of the year 2011.
- Excellent track record on being able to grow fast and profitably
 - Net sales growth 2006–2011: 52.0 % p.a.
 - EBIT margin 2006–2011: 12.8 % in average
 - EBIT growth 2006–2011: 31.2 % p.a.
- Over 180 employees, 6 locations, 1,500 customers
- Listed in NASDAQ OMX Helsinki, over 12,000 shareholders



Net Sales 2011 division, approx.



Innofactor growth track



- Innofactor was founded by Mr. Sami Ensio in 2000
- Focus on Microsoft technologies
- Development of Innofactor's own ERP system for Public Sector customers: Innofactor® Prime™
- Two acquisitions: Business Units from TietoEnator and Enfo
- One of the pioneers in delivering SharePoint projects
- Strong and profitable growth despite financial crisis
- Three acquisitions and reverse IPO: Strengthened position in CRM, Business Intelligence (BI) and Document Management
- First cloud services launched
- Microsoft Partner of the Year 2011

Innofactor has a leading Microsoft-based solution portfolio...



Microsoft Partner

- Gold Application Integration
- Gold Business Intelligence
- Gold Content Management
- Gold Customer Relationship Management
- Gold Data Platform
- Gold Digital Marketing
- Gold Independent Software Vendor (ISV)
- Gold Portals and Collaboration

Certificated for High Quality and Security

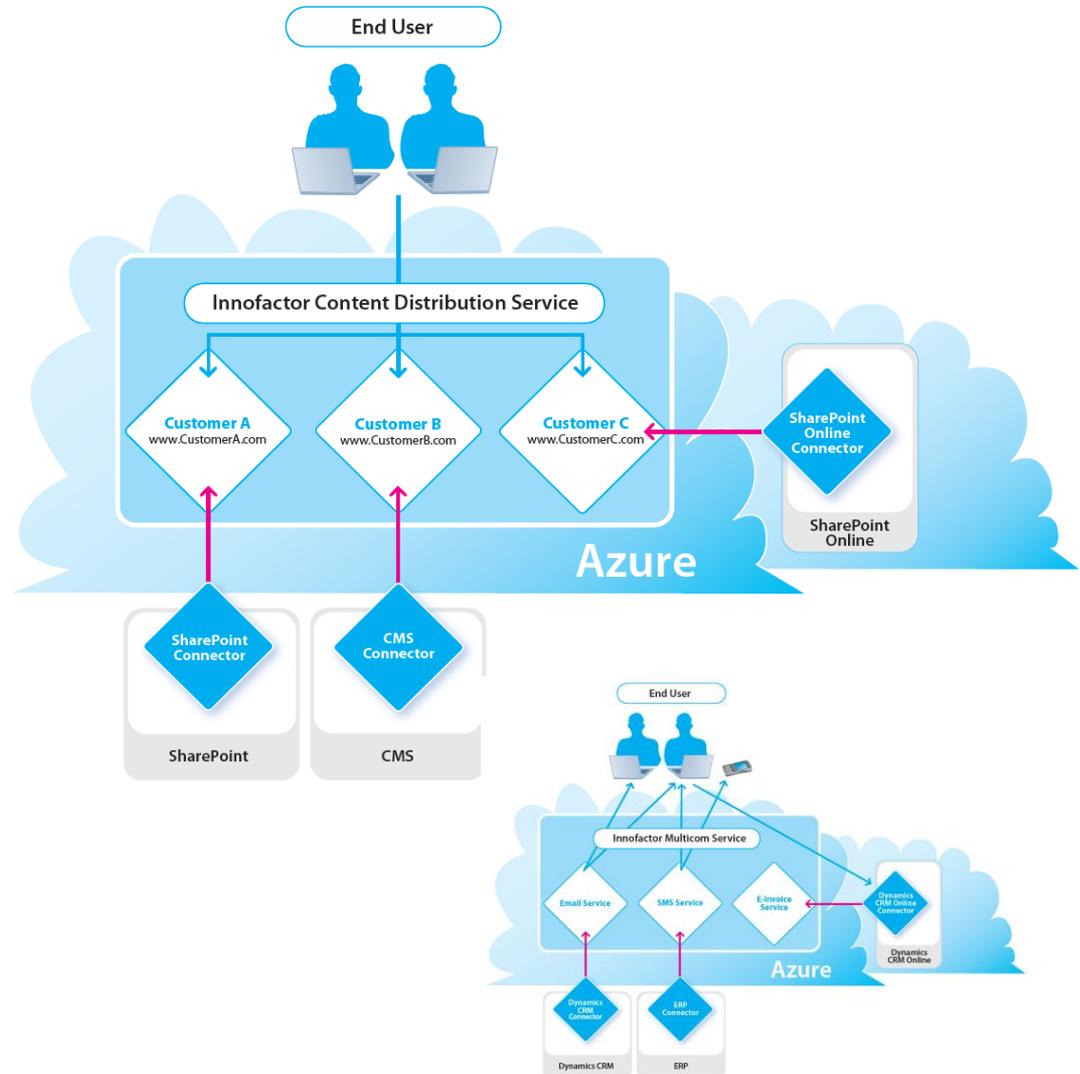


- ISO 9001
- ISO/IEC 27001
- AQAP-2120
- KATAKRI

... Including Value-Added Cloud & Mobile Services ...

Innofactor strives to develop value-adding components by offering:

- Better user experience
- More features
- Easier integration
- More cost-effective implementation project



Launched July 2011 at Microsoft Worldwide Partner Conference in Los Angeles



... and 1,500 customers in several industries

	Manufacturing	Services	Public & 3 rd Sector
<i>eServices and Web Stores</i>	  	  	     
<i>CRM, ERP and Vertical Solutions</i>	    	    	    
<i>Business Intelligence and Enterprise Search</i>	    	   	  
<i>Document and Quality Management</i>	   	  	     
<i>Web Communications</i>	   	  	   

Our **Vision** is ...

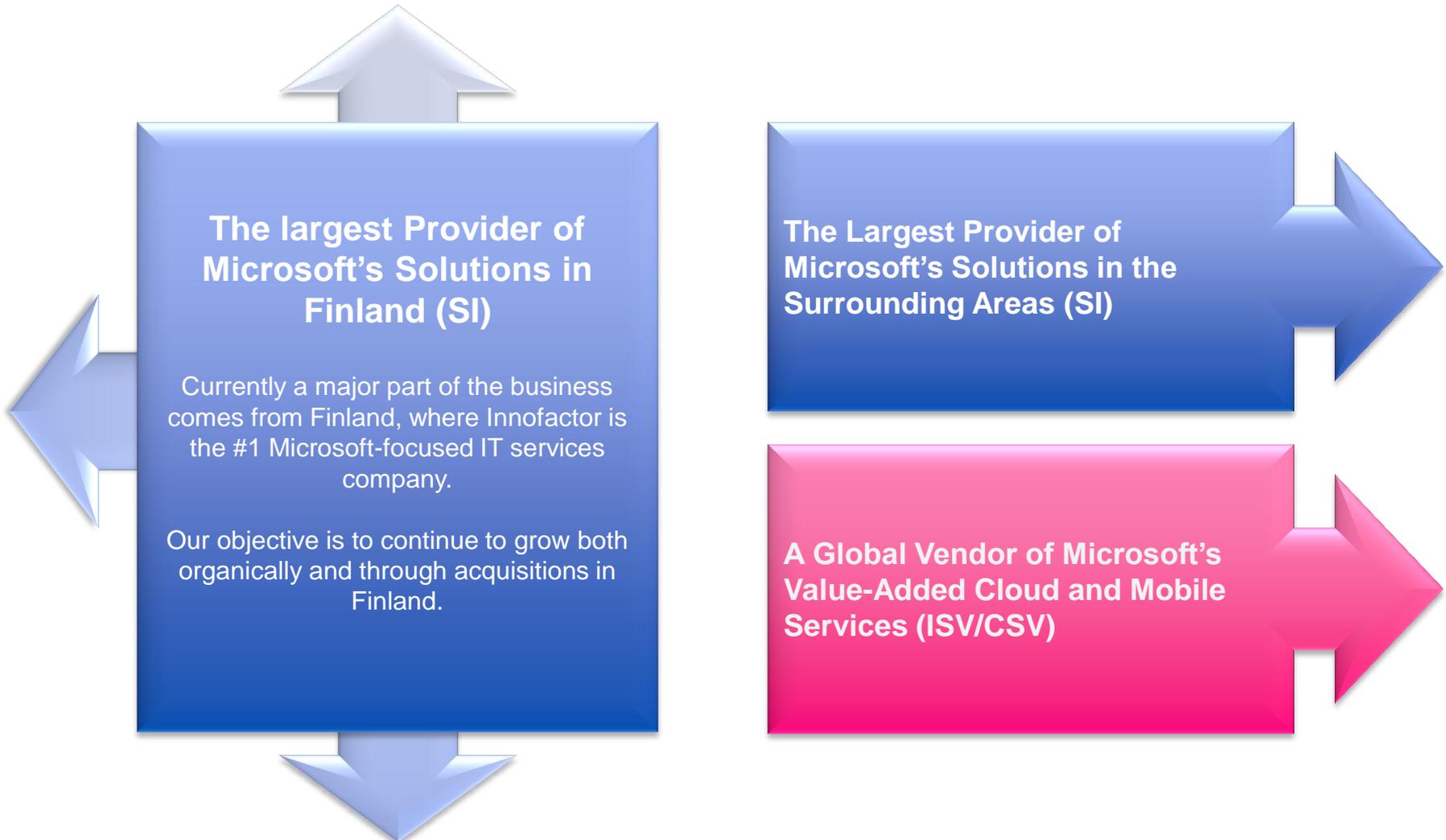
to become

Microsoft's **#1** Partner as an Independent Software Vendor (ISV) in value-added cloud and mobile services globally

and

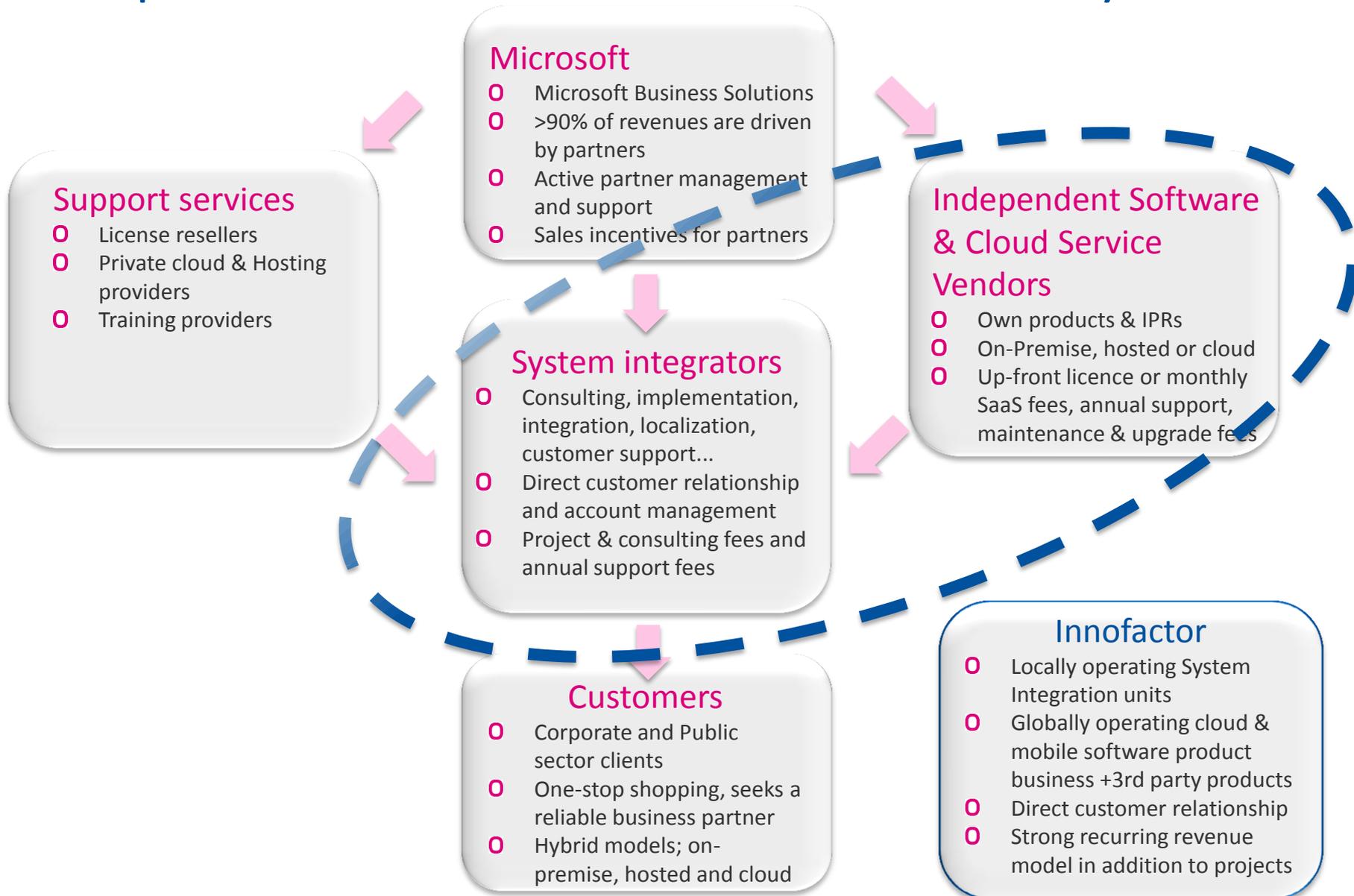
Microsoft's **#1** Partner as an System Integrator (SI) in selected markets, first in Scandinavia

We plan to grow in Three Dimensions ...



Based on strategy outlined in 2011

...as part of Microsoft Business solutions ecosystem



Microsoft

- Microsoft Business Solutions
- >90% of revenues are driven by partners
- Active partner management and support
- Sales incentives for partners

Support services

- License resellers
- Private cloud & Hosting providers
- Training providers

Independent Software & Cloud Service Vendors

- Own products & IPRs
- On-Premise, hosted or cloud
- Up-front licence or monthly SaaS fees, annual support, maintenance & upgrade fees

System integrators

- Consulting, implementation, integration, localization, customer support...
- Direct customer relationship and account management
- Project & consulting fees and annual support fees

Customers

- Corporate and Public sector clients
- One-stop shopping, seeks a reliable business partner
- Hybrid models; on-premise, hosted and cloud

Innofactor

- Locally operating System Integration units
- Globally operating cloud & mobile software product business +3rd party products
- Direct customer relationship
- Strong recurring revenue model in addition to projects

The Enterprise IT Service Market is changing ...

Consumerization of IT & Unification of Devices

- Consumer applications give guidance on what kind of services, connectivity, software and hardware business users want to use today
- The IT ecosystem is becoming more unified and users want same applications and user experiences across different hardware and software platforms (desktop PCs, laptops, tablets, readers, smartphones, entertainment devices and TVs) with new natural user interfaces



... affecting the way IT solutions are being used ...

Increasing Adoption of Cloud & Mobile Services

- Enterprises and consumers are changing their view of IT services and are looking for better scalability, usability and new business models
- We believe that in order to have a competitive offering, the IT services providers need to be able to provide hybrid solutions from the cloud and (more traditionally) on the premise



... and we believe that Microsoft is well positioned for this change...

We trust that Microsoft is the leading IT company with compelling offering and market share in corporate-, public sector and consumer segments

- Strong offering in growing Enterprise Applications space (Communication, ERP, CRM, BI, Office) which being offered hybrid on-premise and from the cloud (e.g. Azure)
- Windows 8 will provide unified user experience across devices
- Microsoft cooperation with mobile device manufacturers



...enhancing Innofactor's competitive advantage

We trust that Innofactor has a competitive advantage to leverage Microsoft product portfolio and to create value-added solutions to its customers

- The #1 player in Microsoft business in Finland
 - Purely focused on Microsoft platforms; betting on a winner
 - Sufficient critical mass and delivery capabilities to attract even blue-chip customers
 - Breadth of Microsoft's product expertise ,services and track-record
 - Extensive customer base of both Corporate and Public Sector customers
- Unique business model and organizational capabilities in executing both System Integration and Value Adding Cloud & Mobile strategies
- Unique track record on fast and profitable growth as well as successful M&As

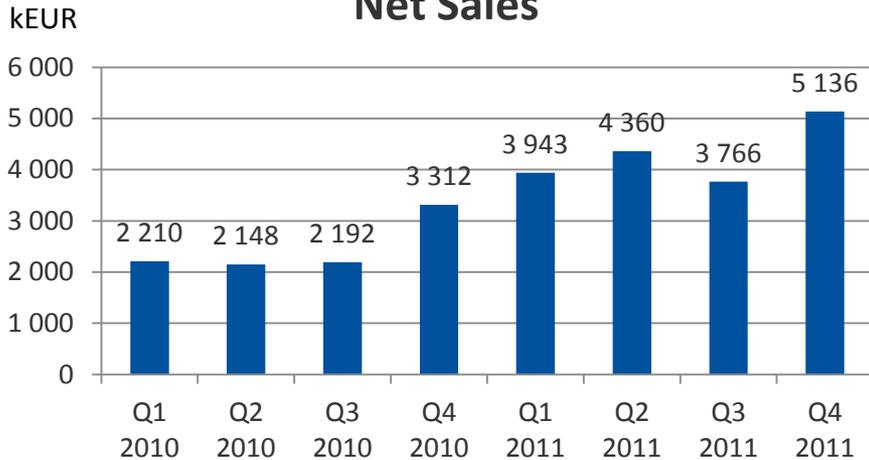
Key Achievements in 2011

- Solid business execution after acquisitions in 2010, growth 74.5%
- Finalized the reverse IPO and consolidation of shares (20:1) to facilitate the financing of new acquisitions with Innofactor's shares
 - In December 2010 Innofactor acquired Westend ICT and its Document Management business
 - Innofactor 2010 pro-forma revenues: EUR 10.5 million* (70%)
 - Westend ICT 2010 pro-forma revenues: EUR 4.6 million* (30%)
 - Combined 2010 pro-forma revenues: EUR 15.1 million*
 - In March 2011, Innofactor published its prospectus was approved to be listed by the Nasdaq OMX Hex listing committee
- Innofactor cloud services launched in Microsoft Worldwide Partner Conference in Los Angeles in July 2011.
- New executive team-level recruitments and new organization to support the growth strategy

** The 2010 pro-forma figures are non-audited*

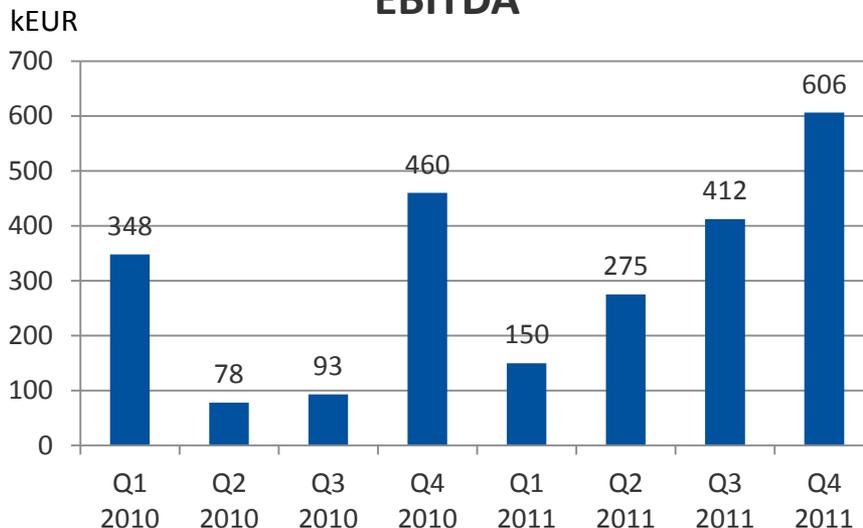
Profitable Growth has continued...

Net Sales



- Innofactor has been able to grow 12.8 % per quarter in average (CAGR Q1/2010–Q4/2011)
- The Q3 is often worse than Q4 due to the summer vacations in July–August.

EBITDA



- The EBITDA figures for year 2011 include following extraordinary cost items:
 - Q1 2011: Reverse IPO costs of EUR ~100 thousand
 - Q2 2011: Reverse share split costs of EUR ~200 thousand
 - Q3-Q4 2011: no significant extraordinary costs

Q4 2011 results

**Net Sales
Q4 2011**

5.1 M€

**Growth 55.1%
from Q4 2010**

**EBITDA
Q4 2011**

**11.8%
0.61 M€**

**Growth 31.7%
from Q4 2010**

- The Q4 2011 net sales were EUR 5.1 million, an increase of 55.1% from Q4 2010
- The organic growth in Q4 2011 was approx. 16.8% and inorganic growth was approx. 38.3%* as a result of Westend ICT acquisition
- The Q4 2011 EBITDA was EUR 0,61 million, an increase of 31.7 % from Q4 2010
- The R&D expenses in Q4 2011 (recognized in the P&L) were EUR 369 thousand, i.e. 7.2 % of the net sales
- There were no significant one-off costs in Q4 2011.

** The organic and inorganic growth figures are based on Q4 2010 non-audited pro-forma figures*

Full Year 2011 results

**Net Sales
2011**

17.2 M€

**Growth 74.5%
from 2010**

**EBITDA
2011**

**8.4%
1.44 M€**

**Growth 47.3%
from 2010**

- The 2011 net sales were EUR 17.2 million, an increase of 74.5% from 2010
- The organic growth in 2011 was approx. 21.4% and inorganic growth was approx. 53.1%*
- The 2011 EBITDA was EUR 1,44 million, an increase of 47.3 % from 2010
- The adjusted EBITDA excluding extraordinary items was approx. EUR 1.7 million, i.e. 10.1%
- The R&D expenses in 2011 (recognized in the P&L) were EUR 2.1 million, i.e. 12.1% of net sales
- The extraordinary cost items in 2011 related to reverse IPO and consolidation of shares were approx. EUR 300 thousand

* The organic and inorganic growth figures are based on year 2010 non-audited pro-forma figures

Our Financial Targets for 2015

- Innofactor aims to grow profitably. The target is:
 - To achieve an average annual growth of 30-40% in 2011-2015 through both organic growth and acquisitions
 - 2011: growth 74.5%
 - To achieve an average annual operating profit of 10-15% before depreciation and amortization (EBITDA) in relation to the net sales in 2011-2015
 - 2011: EBITDA-margin 8.4%
 - To keep the cash flow positive and secure good financial standing in all situations

Guidance for 2012 and Dividend policy

Guidance for 2012

- 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. The profitability of the business operations is expected to remain positive

Dividend Policy

- Innofactor is a growing company and intends to use its operating profit on actions promoting growth, for example, on realizing mergers.
- To provide an opportunity for the shareholders to distribute, from the part of the operating profit exceeding 10 % before depreciation and amortization (EBITDA), the maximum dividend allowed by the state of the business
- The Board of Directors proposes that Innofactor Plc should not pay any dividend for the financial period of 2011

Appendices

Our Mission

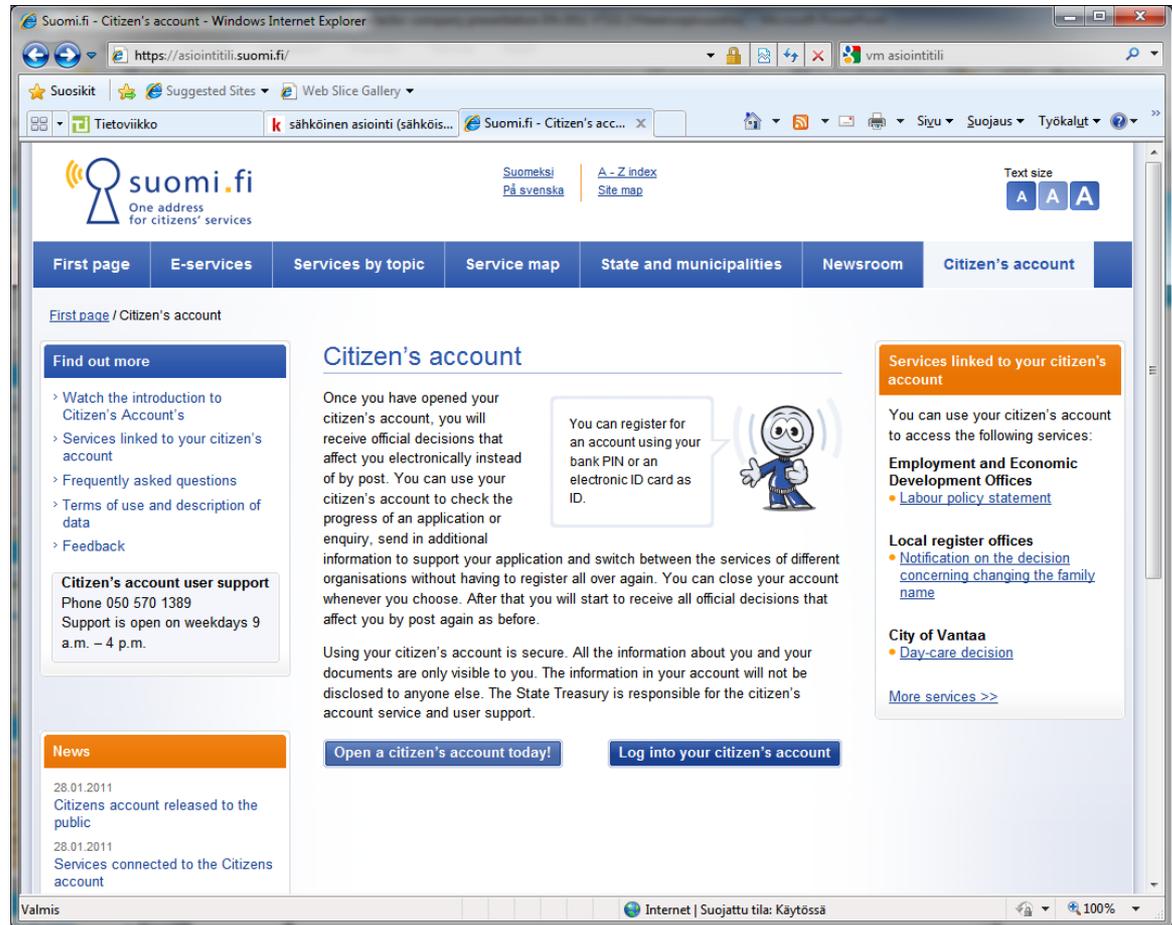


Sami Ensio,
Founder,
CEO

- We will help our customers offer their customers increasingly better services and strengthen their own activities
 - by providing globally significant value-added services for the Microsoft cloud and mobile environments
 - by creating packaged solutions for our customers in Finland and its neighboring countries
- We will provide our employees and partners with an innovative and supportive environment in which they can continue to develop themselves

Case: State Treasury – Citizen’s Account

- “One address for all citizen’s services”
- All decisions by public authorities easily to all citizens either from portal, e-mail or SMS
- Personal service history available for the citizen
- A secure way to communicate with all authorities
- 24/7 service



Case: Metso

- Electronic services for Metso brand management
- Enables managing all brand related materials, information and communication
- Includes several dynamic templates for versatile material production

The screenshot displays the Metso Brand Center website. At the top, there are search bars for 'Phonebook search' and 'Intranet search', along with navigation links like 'Home', 'My settings', 'My profile', 'Admin controls', and 'Statistics'. The main content area is divided into several sections:

- Interaction:** A sidebar with icons for 'Most active', 'Discussion', 'Wikis', 'Groups', 'Blogs', and 'My page'.
- Most active blogs:** A table listing recent blog posts with columns for 'Author', 'Latest posting', 'Latest comments', and 'At time'.
- Search:** A search bar with 'Advanced search' and 'Search' buttons.
- metso Expect results:** The main header with the Metso logo and tagline.
- Metso Brand Center:** A central section with a navigation menu including 'Reception', 'Lounge', 'Design studio', 'News room', 'Library', 'Info desk', and 'Admin'.
- Latest News:** A news article titled 'Dear colleagues, brochure guidelines have now been updated to reflect one Metso. In addition, we have made some small modifications to the guidelines based on user feedback.' with a 'Get the news' link.
- Brochure guidelines updated:** A notification box.
- Organizational terminology finetuned:** A notification box.
- All InDesign files in one place:** A notification box.
- Talk about email signatures:** A notification box.
- Expect results in action:** A photo of a bus with the Metso logo, captioned 'Shanghai, September 2008'.
- From the CEO's table:** A section featuring a photo of Jorma Eloranta and the text: 'Expect results reflects what we do, says Jorma Eloranta.' with a 'Read more' link.
- Our customer promise:** A section with the text: 'Expect results is our promise to our customers and the essence of our strategy. It is the attitude we share globally. Our business is to deliver results to our customers, to help them reach their goals. Our customer promise builds on three themes: proven results, leading technology and keeping promises. Expect results poster. Background material on Expect results'.
- Check this out:** A list of items: 'Brand presentations', 'Dynamic template, business card'.
- New and updated:** A list of items: 'Business card (Chinese)', 'Brochures', 'Other applications', 'Events'.
- Most popular:** A list of items: 'Business card', 'Downloadable logos', 'InDesign files', 'Invitation'.

At the bottom, it says 'Page last updated: 02.02.2009 15:03'.

Case: Energy Market Authority

- Tools for bidding electricity providers
- Electricity prices and comparisons
- Timely information about electricity sellers' campaigns

The screenshot shows a web browser window displaying the Energy Market Authority (EMV) website. The page is titled "Jämförelse av elpriser" (Comparison of electricity prices) and shows search results for electricity providers. The search criteria include an annual consumption of 15,000 kWh, unlimited origin, 3x25A safety class, and a permanent residence. The results table lists several providers with their respective prices and product details.

Säljare	Produktnamn	Totalt C/år	Medelpris cent/kWh	Ursprunget till leverantörernas el	Produkts ursprung	Erbjudandets utgångsdatum
Market Energia Sähkönmyynti Oy	Market Basic	866,88	5,78			Tillsvidare ikraft varande
Vaasan Sähkö Oy	Yleissähkö tarjous	970,20	6,47			Tillsvidare ikraft varande
Kokkolan Energia	Yleissähkö U	994,86	6,63			Tillsvidare ikraft varande
Kokkolan Energia	Ekovleissähkö U	1006,98	6,71			Tillsvidare ikraft varande
Jyväskylän Energia Oy	Yleissähkö toistaiseksi voimassa	1010,94	6,74			Tillsvidare ikraft varande
Kokkolan Energia	Tuulivleissähkö U	1019,10	6,79			Tillsvidare ikraft varande
Korpelan Voima Kuntayhtymä	Yleiskorpela	1027,50	6,85			Tillsvidare ikraft varande
VAPO Oy	Vapo Kotimainen yksiaika 2	1034,40	6,90			Tillsvidare ikraft varande
Haminan Energia	Yksiaika	1035,00	6,90			Tillsvidare ikraft varande

INNOFACTOR[®]

Your Partner. Your Solution.[™]

