

## **Innofactor A/S**

Øster Alle 48, 7th floor, 2100 København Ø

**CVR number 29 60 74 27**

## **Annual Report 2018**

Financial year 01.01.2018 - 31.12.2018

Approved at the annual general meeting on March 21 2019



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Chairman of the meeting, Sami Pekka Ensio

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## Management's Statement on the Annual Report

The Board of Directors and the Executive Board have today discussed and approved the Annual Report 2018 of Innofactor A/S.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements gives a true and fair view of the Company's financial position at 31 December 2018 and the results of operations for the financial year 1 January - 31 December 2018 of the Company.

In our opinion, the Management's review includes a fair view of the matters discussed in the Management review.

We recommend that the Annual Report be approved at the annual general meeting.

Copenhagen March 21 2019

### Executive Board

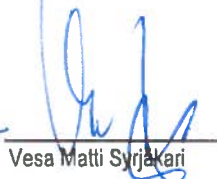


Per Bendix Olsen

### Board of Directors



Sami Pekka Ensio  
Chairman



Vesa Matti Syrjäkari



Per Bendix Olsen

## Independent auditors' report

To the shareholder of Innofactor A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January -31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Innofactor A/S for the financial year 1 January - 31 December 2018, which comprise Income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on Management's Review

Management is responsible for Management's Review

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Independent auditors' report

### Auditor's Responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

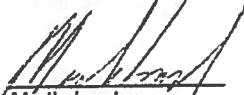
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup March 21 2019

### PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Martin Lunden

State Authorised Public Accountant

mne32209



Michael Blom

State Authorised Public Accountant

mne32797

## Company Information

<b>The Company</b>	Innofactor A/S Øster Alle 4B, 7th floor 2100 København Ø
<b>Executive Board</b>	Per Bendix Olsen
<b>Board of Directors</b>	Sami Pekka Ensio, Chairman Vesa Matti Syrjäkari Per Bendix Olsen
<b>Auditors</b>	Pricewaterhouse Coopers, Statsautoriseret Revisionspartnerselskab
<b>Financial year</b>	1 January - 31 December

## **Management's Review**

### **The Company's business review**

The company's objective is to sell consultancy services, etc. within business intelligence and data warehousing.

### **Significant changes in the company's activities and financial affairs**

Innofactor A/S and Lumagate A/S was merged in 2018 with Innofactor A/S as the continuing company.

There has been no other significant changes in the activities and financial position during the financial year.

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**Income Statement 1 January - 31 December**

Note	2018	2017
<b>Gross profit</b>	<b>18.836.761</b>	<b>22.229.393</b>
2 Employee expense	27.693.033	32.714.189
Depreciation, amortisation and impairment losses of property, plant and equipment	538.788	592.700
<b>Profit (loss) from ordinary operating activities</b>	<b>-9.395.060</b>	<b>-11.077.496</b>
3 Financial income	2.231	32.816
4 Financial expenses	777.281	565.481
<b>Profit (loss) from ordinary activities before tax</b>	<b>-10.170.110</b>	<b>-11.610.161</b>
5 Tax expense on ordinary activities	-73.986	0
<b>Profit (loss)</b>	<b>-10.096.124</b>	<b>-11.610.161</b>
 <b>Proposed distribution of results:</b>		
Retained earnings	-10.096.124	-11.610.161
<b>Profit for the year distributed</b>	<b>-10.096.124</b>	<b>-11.610.161</b>



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**Balance sheet 31 December**
**Assets**

Note	2018	2017
6		
Fixtures, fittings, tools and equipment	684.347	1.034.052
<b>Property, plant and equipment</b>	<b>684.347</b>	<b>1.034.052</b>
Deposits, investments	647.937	434.702
<b>Investments</b>	<b>647.937</b>	<b>434.702</b>
<b>Non-current assets</b>	<b>1.332.284</b>	<b>1.468.754</b>
Trade receivables	4.596.775	7.804.952
Contract work in progress	558.498	68.912
Receivables from group enterprises	718.174	0
Deferred tax assets	0	13.953
Tax receivables	0	0
Other receivables	5.000	1.691.786
Prepayments	582.605	497.827
<b>Receivables</b>	<b>6.461.052</b>	<b>10.077.430</b>
<b>Cash and cash equivalents</b>	<b>0</b>	<b>18.429</b>
<b>Current assets</b>	<b>6.461.052</b>	<b>10.095.859</b>
<b>Total assets</b>	<b>7.793.336</b>	<b>11.564.613</b>

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**Balance sheet 31 December**
**Liabilities**

<u>Note</u>	<u>2018</u>	<u>2017</u>
Share capital	501.000	501.000
Retained earnings	-27.102.077	-16.288.708
<b>7 Equity</b>	<b>-26.601.077</b>	<b>-15.787.708</b>
Short-term debt to credit institutions	2.752.702	3.014.391
Trade payables	1.565.114	2.166.028
Contract work in progress, liabilities	891.718	1.108.320
Payables to group enterprises	24.356.977	14.858.918
Tax payables	0	87.253
Other payables	4.347.792	4.983.419
Short-term deferred income	480.110	1.133.992
<b>Short-term debt</b>	<b>34.394.413</b>	<b>27.352.321</b>
<b>Total debt</b>	<b>34.394.413</b>	<b>27.352.321</b>
<b>Total liabilities and equity</b>	<b>7.793.336</b>	<b>11.564.613</b>
1 Going Concern		
8 Collaterals		
9 Contractual obligation		
10 Contingent liabilities		
11 Accounting policies		

## Notes to the annual accounts

	2018	2017
<b>1 Going Concern</b>		
<p>In 2018, the Company realized a loss. The Company is mainly financed through loans from the Company's Parent Company. In Management's assessment, the Parent Company will be able to continue to support the Group's subsidiaries. The ultimate parent company, Innofactor Oyj, has issued a letter of support valid at least until the annual general meeting approving the 2019 financial statements, which promises to secure the liquidity necessary for the planned activities in Innofactor A/S so that the Company may be regarded as a going concern.</p>		
<b>2 Employee expense</b>		
Wages/salaries	23.454.596	27.804.281
Pensions	3.266.021	3.420.969
Other social security costs	273.370	296.339
Other staff costs	699.046	1.192.600
	<u>27.693.033</u>	<u>32.714.189</u>
<b>Average number of employees</b>	<u>35</u>	<u>42</u>
<b>3 Financial income</b>		
Adjustment, exchange rate	2.231	32.816
	<u>2.231</u>	<u>32.816</u>
<b>4 Financial expences</b>		
Interest expences, group entities	687.621	523.525
Adjustment, exchange rate loss	29.905	-1.923
Other financial expenses	59.755	43.879
	<u>777.281</u>	<u>565.481</u>

## Notes to the annual accounts

	2018	2017
<b>5 Tax expense on ordinary activities</b>		
Tax on the taxable income of the year	0	0
Increase/decrease in provision for deferred tax	0	0
Prior years tax	73.986	0
	<b>73.986</b>	<b>0</b>
<b>6 Property, plant and equipment</b>		Fixtures and fittings, tools and equipment
Cost at 1 January		3.645.114
Additions according to merging		0
Additions in the year		189.083
Desposals in the year		0
<b>Cost at 31 January</b>		<b>3.834.197</b>
Impairment losses and depreciation at 1 January		2.611.062
Impairment losses and depreciation according to merging		0
Amortisation/depreciation in the year		538.788
Reversal of amortisation/depreciation and impairment of disposals		0
<b>Impairment losses and depreciation at 31 December</b>		<b>3.149.850</b>
<b>Carrying amount at 31 December</b>		<b>684.347</b>
<b>7 Equity</b>		
	Share capital	Retained earnings
Equity capital 1 January	501.000	-16.288.708
Capital increase (merge)	0	-717.245
Profit of the year	0	-10.096.124
<b>Equity capital 31 December</b>	<b>501.000</b>	<b>-27.102.077</b>

## Notes to the annual accounts

### **8 Collaterals**

A company charge of a nominal value of DKK 3.000.000 on the Company's unsecured claims, inventories and property, plant and equipment has been put up as security for the company's payables to credit institutions

### **9 Contractual obligation**

Rent and lease liabilities include a rent obligation totalling DKK 3.549.966 until 30 June 2021.

### **10 Contingent liabilities**

The company is jointly taxed with its parent, Innofactor Holding ApS, which acts as management company. The company is jointly and severally liable with the other jointly taxed Group companies for payment of withholding taxes payable and for corporate taxes.

## Notes to the annual accounts - accounting policies

### 11 - Accounting policies

#### Basis of accounting

The Annual Report of Innofactor A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. Management has chosen to follow certain rules from reporting class C.

The company is included in the consolidated financial statements for Innofactor Plc, Espoo, Finland. The accounting policies applied by the company are consistent with those of last year.

The company has merged with Lumagate A/S on June 1st 2018. Lumagate A/S has ceased as a consequence of the merger. Comparative figures in the profit and loss account and balance sheet has not been adjusted.

#### Reporting currency

The financial statements are presented in Danish Kroner.

#### Recognition and measurement

Revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities. Furthermore, all expenses incurred, including depreciation, amortisation and impairment losses, are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report, which confirm or invalidate affairs and conditions existing at the balance sheet date.

#### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction dates rates and the rates at dates of payment, are recognised in financial income and expenses in the income statement. If foreign exchange positions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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## Notes to the annual accounts - accounting policies

### Translation policies, continued

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rate at the balance sheet date and the rate at the time of origin of the receivable or debt is recognised in financial income and expenses in the income statement.

Fixed assets purchased in foreign currencies are measured at the rate of exchange at the date of transaction.

### Gross profit

With reference to section 32 of the Danish financial statements act, the items "Revenue", "Other external expenses" and "Other operating income" are consolidated into one item designated "Gross profit".

### Revenue

Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (percentage-of-completion method). Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### Other operating income

Other operating income comprise items of a secondary nature compared to the core activities of the Company, such as profit from the Fairmount Agreement and received contribution to expenses for exploration.

### Employee expenses

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The items is net of refunds made by public authorities.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised exchange gains and losses concerning debt and transactions in foreign currencies as well as extra payments and repayment under the on-account taxation scheme.

### Corporation Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

## Notes to the annual accounts - accounting policies

### Property, plant and equipment

Other fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and amortization.

Depreciation is based on cost reduced by any expected residual value after the period of use.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

\* Other fixtures, fittings, tools and equipment                      3-5 Years

Gains or losses on sale of property, plant and equipment are calculated as the difference between the sales price less sales expenses and the carrying amount at the time of the sale.

### Investments

Deposits, investments are measured at cost.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts because of objective evidence that a receivable or a group of receivables are impaired. Write-downs are made to the lower of the net realisable value and the carrying amount.

### Contract work in progress

Ongoing service supplies and work in progress for third parties are measured at the market value of the work performed less advances received. The market value is calculated based on the percentage of completion at the balance sheet date and the total expected income for the relevant contract. The percentage of completion is made up based on costs incurred relative to the expected, total expenses on each individual work in progress.

Where the outcome of the contract work in progress cannot be made up reliably, the market value is measured at the costs incurred as far as they are expected to be paid by the purchaser. Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "provisions" and is expensed in the Income statement.

The value of each contract in progress less prepayment is classified as assets when the market value exceeds prepayments and as liabilities when prepayments exceeds the market value.

### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.



## Notes to the annual accounts - accounting policies

### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities, which are subject to an insignificant risk of changes in value.

### Corporation tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the balance sheet as calculated tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for taxes paid on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, of concerning shares, where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be either realised, by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

### Debt

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

### Deferred income

Deferred income recognised as a liability comprises payment received concerning income in subsequent financial reporting years.