Innofactor Holding ApS

Øster Alle 48, 7th floor, 2100 København Ø

CVR number 32 32 44 52

Annual Report 2018

Financial year 01.01.2018 - 31.12.2018

Approved at the annual general meeting on March 21 2019

Chairman of the meeting, Sami Pekka Ensio

Contents

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 Holding ApS.

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

Sami Pekka Ensio

Board of Directors

Sami Pekka Ensio Chairman	Vesa Matti Syrjäkar	Anna-Maria Palmroos

Independent auditors' report

To the shareholder of Innofactor Holding ApS

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 Financials 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 in-tends 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 in-ternal control that we identify during our audit.

Hellerup March 21 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Lunden	Michael Blom
State Authorised Public Accountant	State Authorised Public Accountant
mne32209	mne32797

Company Information

The Company	Innofactor Holding ApS Øster Alle 48, 7th floor 2100 København Ø
Executive Board	Sami Pekka Ensio
Board of Directors	Sami Pekka Ensio, Chairman Anna-Maria Palmroos Vesa Matti Syrjäkari
Auditors	Pricewaterhouse Coopers, Statsautoriseret Revisionspartnerselskab
Financial year	1 January - 31 December

Management's Review

The Company's business review

The Company's objective is to own shares in group entities.

Significant changes in the company's activities and financial affairs

The subsidiaries 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.

Income Statement 1 January - 31 December

Note		2018	2017
	Other external expenses	**10.702**	**76.920**
	Profit (loss) from ordinary operating activities	**-10.702**	**-76.920**
	Result from investments in group companies	0	-31.892.001
2	Financial income	687.621	0
3	Financial expenses	3.402.282	3.143.335
	Profit (loss) from ordinary activities before tax	**-2.725.363**	**-35.112.256**
4	Tax	-274.653	0
	Profit (loss)	**-2.450.710**	**-35.112.256**
	Proposed distribution of results:		
	Retained earnings	-2.450.710	-35.112.256
	Profit for the year distributed	**-2.450.710**	**-35.112.256**

Balance sheet 31 December

Assets

Note		31.12.2018	31.12.2017
5	Investments in group entities	0	0
	Investments	**0**	**0**
	Non-current assets	**0**	**0**
	Receivables from group enterprises	15.170.527	8.508.004
	Other receivables	0	11.467
	Receivables	**15.170.527**	**8.519.471**
	Cash and cash equivalents	**69**	**9.656**
	Current assets	**15.170.596**	**8.529.127**
	Total assets	**15.170.596**	**8.529.127**

Balance sheet 31 December

Liabilities

Note		31.12.2018	31.12.2017
	Share capital	80.000	80.000
	Retained earnings	-49.445.109	-46.994.399
6	**Equity**	**-49.365.109**	**-46.914.399**
	Long-term payables to group enterprises	38.570.617	38.570.617
7	**Long-term debt**	**38.570.617**	**38.570.617**
	Short-term payables to group enterprise	25.965.088	16.872.909
	Other short-term payables	0	0
	Short-term debt	**25.965.088**	**16.872.909**
	Total debt	**64.535.705**	**55.443.526**
	Total liabilities and equity	**15.170.596**	**8.529.127**
1	Going concern		
8	Collaterals		
9	Contingent liabilities		

Notes to the annual accounts

	2018	2017

1 Going concern

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, 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 the Company and its subsidiaries so that the Company may be regarded as a going concern.

2 Financial income

	2018	2017
Interest income, group entities	687.621	0
	687.621	**0**

2 Financial expenses

	2018	2017
Interest expenses, group entities	3.402.097	3.142.803
Adjustment, exchange rate loss	0	0
Other interest expenses	185	532
	3.402.282	**3.143.335**

3 Tax on ordinary activities

	2018	2017
Tax on the taxable income of the year	0	0
Increase/decrease in provision for deferred tax	0	0
Tax related to prior years (income)	-274.653	0
	-274.653	**0**

Notes to the annual accounts

4 Investments

	Investments in group entities
Cost at 1 January	56.806.512
Additions merger	0
Additions in the year	0
Disposals in the year	0
Cost at 31 December	**56.806.512**
Value adjustments at 1 January	-56.806.512
Value adjustments in the year	0
Value adjustment at 31 December	**-56.806.512**
Carrying amout at 31 December	**0**

5 Equity

	Share capital	Retained earnings
Equity capital 1 January	80.000	-46.994.399
Merger	0	0
Profit of the year	0	-2.450.710
Equity capital 31 December	**80.000**	**-49.445.109**

6 Disclosure of long-term liabilities other than provisions

Out of the total long-term liabilities, an amount of DKK 0 is due for payment after more than 5 years after the balance sheet date.

7 Collaterals

No assets were pledged as collateral or otherwise charged at the balance sheet date.

Notes to the annual accounts

8 Contingent liabilities

As management company, the company is jointly taxed with other Danish group entities and 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

9 - Accounting policies

Basis of accounting

The Annual Report of Innofactor Holding ApS 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 choosen to follow certain rules from reporting class C.

With reference to the Danish Financial Statements Act § 110 the company has not prepare a consolidated financial statements. 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.

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 liablities 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 amorisation 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 occuring 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 posistions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foeriegn 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.

Notes to the annual accounts - accounting policies

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.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the finan- cial 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 transactons 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).

Investments in group entities

Investments in group entities are measured at cost. Dividends, which exceed the accumulated earnings in the subsidiary in the period of ownership are accounted for as a cost reduction. Where the cost exceeds the net realisable value, the carrying amount is reduced to such lower value.

Impairment of fixed assets

Investments in subsidiaries are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets.

Notes to the annual accounts - accounting policies

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities, which are subject to an insignificant risk of chances 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 be- tween 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 liablity, 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 jurisdicton. 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 capi- talised 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.