

Inside information: Onni Bidco Oy announces a voluntary recommended public cash tender offer for all the shares in Innofactor Plc

Onni Bidco Oy / Innofactor Plc

INSIDE INFORMATION

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Inside information: Onni Bidco Oy announces a voluntary recommended public cash tender offer for all the shares in Innofactor Plc

- A fund managed by the investment company CapMan Growth and Sami Ensio, through the holding company Ensio Investment Group Oy controlled by him, have formed a consortium for the purposes of the voluntary recommended public cash tender offer by Onni Bidco Oy for all the issued and outstanding shares in Innofactor Plc. Osprey Capital Oy is part of the consortium as a co-investor.
- The consortium believes that a private setting and the experience and diverse resources of the leading Finnish growth investor CapMan Growth, together with the founder, long-time CEO and board member of Innofactor Plc, Sami Ensio, will provide the target company with the best possible basis for further business development.
- The consortium believes that the now announced cash tender offer provides the shareholders of Innofactor Plc the opportunity to realize the future potential of their holdings at an attractive premium without the uncertainties and risks associated with growth and market conditions.
- Following the successful completion of the tender offer, Innofactor Plc would continue to operate as an unlisted company, allowing for a greater focus on customers, innovation and execution of the growth strategy, as well as more flexible financing and M&A possibilities.

Onni Bidco Oy (the "**Offeror**"), a private limited liability company incorporated and existing under the laws of Finland, that will be indirectly owned by a consortium formed for the purposes of the Tender Offer (as defined below) of CapMan Growth Equity Fund III Ky, a fund managed by the investment company CapMan Growth, ("**CapMan Growth**"), Sami Ensio, the founder, CEO and member of the Board of Directors of Innofactor Plc, through the holding company Ensio Investment Group Oy controlled by him, and the co-investor Osprey Capital Oy ("**Osprey Capital**") (CapMan Growth, Sami Ensio, through the holding company Ensio Investment Group Oy controlled by him, and Osprey Capital together, the "**Consortium**"), hereby announces a voluntary recommended public cash tender offer for all the issued and outstanding shares in Innofactor Plc ("**Innofactor**" or the "**Company**") that are not held by Innofactor or its subsidiaries (the "**Shares**" or, individually, a "**Share**") (the "**Tender Offer**").

The shareholders of Innofactor (other than Innofactor or its subsidiaries) will be offered a cash consideration of EUR 1.68 for each Share validly tendered in the Tender Offer (the "**Offer Price**").

The Board of Directors of Innofactor, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium and thus without the participation of Sami Ensio in the evaluation or decision-making process, has unanimously decided to recommend that the shareholders of Innofactor accept the Tender Offer.

KEY HIGHLIGHTS AND SUMMARY OF THE TENDER OFFER

- On July 22, 2024, the Offeror and Innofactor entered into a combination agreement (the “**Combination Agreement**”) pursuant to which the Offeror will make the Tender Offer for all the Shares in Innofactor. CapMan Growth and Sami Ensio (through the holding company controlled by him) together with Osprey Capital have formed the Consortium for the purposes of the Tender Offer, which will indirectly own the Offeror following the completion of the Tender Offer.
- The Offer Price is EUR 1.68 in cash for each Share validly tendered in the Tender Offer, subject to any adjustments as set out in the section “*The Tender Offer in Brief*” below.
- The Offer Price represents a premium of approximately:
 - 49.3 percent compared to the closing price of EUR 1.125 of the Share on Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”) on July 19, 2024, the last trading day immediately preceding the announcement of the Tender Offer;
 - 39.4 percent compared to EUR 1.21, i.e. the one-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer;
 - 31.5 percent compared to EUR 1.28, i.e. the three-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer;
 - 30.8 percent compared to EUR 1.28, i.e. the six-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer; and
 - 37.4 percent compared to EUR 1.22, i.e. the twelve-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer.
- The Tender Offer values Innofactor’s total equity at approximately EUR 60.1 million.
- The Board of Directors of Innofactor, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium, has unanimously decided to recommend that the shareholders of Innofactor accept the Tender Offer. The recommendation is supported by a fairness opinion provided by HLP Corporate Finance Oy. The decision-making rationale of the Board of Directors of Innofactor is described in more detail below under section “*Recommendation by the Board of Directors of Innofactor*”.
- The Consortium believes that the experience and versatile resources offered by CapMan Growth combined with Sami Ensio’s company and industry knowledge will provide the Consortium exceptional operational experience and expertise to further develop and ensure the continuity of the operations of Innofactor.
- The completion of the Tender Offer is not expected to have any immediate material impact on the operations, or the position of the management or employees, of Innofactor. However, as is customary, the Offeror intends to change the composition of the Board of Directors of Innofactor after the completion of the Tender Offer.
- Sami Ensio has irrevocably undertaken, subject to certain customary conditions, to accept the Tender Offer in respect of the Shares held and controlled by him (excluding certain Shares received as board

remuneration, which are subject to a lock-up resolved by the General Meeting and shall only become subject to the sale commitment if the lock-up restriction is waived or is no longer applicable) which represent approximately 21.8 percent of the Shares and votes in Innofactor (approximately 22.2 percent of the Shares including the Shares subject to the lock-up restriction).

- Sami Ensio may withdraw from the Tender Offer following a competing offer, provided that such competing offer has an offer price at least 100 percent higher than the Offer Price, and provided further that such competing offer (i) is not subject to any outstanding due diligence, (ii) benefits from financing on certain funds basis, and (iii) has been approved by the Finnish Financial Supervisory Authority, as applicable. This withdrawal right shall be available to Sami Ensio only if he has complied with, inter alia, certain exclusivity obligations binding upon him and given his consent to increase the Offer Price to match or exceed such higher offer price, but CapMan Growth has not confirmed to Sami Ensio within a certain period of time that CapMan Growth agrees to increase the Offer Price.
- The Offeror has secured the financing required to finance the Tender Offer at completion in accordance with its terms and conditions, compulsory redemption proceedings, if any, in accordance with the Finnish Companies Act (624/2006, as amended, the “**Finnish Companies Act**”), and the possible payment of a termination fee by the Offeror. The Offeror’s obligation to complete the Tender Offer is not conditional upon availability of financing.
- The Offeror expects to publish a tender offer document (the “**Tender Offer Document**”) with detailed information on the Tender Offer on or about August 5, 2024. The offer period under the Tender Offer is expected to commence on or about August 5, 2024, and to expire on or about September 16, 2024, unless the Offeror extends the offer period in order to satisfy the conditions to completion of the Tender Offer. The Tender Offer is currently expected to be completed at the end of the third quarter or in the beginning of the fourth quarter of 2024.
- The completion of the Tender Offer is subject to the satisfaction or waiver by the Offeror of certain customary conditions on or prior to the Offeror’s announcement of the final results of the Tender Offer including, among others, that approvals by all necessary competition authorities and other regulatory authorities have been received (or regulatory waiting periods have expired, as the case may be) and the Offeror having gained control of more than 90 percent of the Shares and votes in Innofactor on a fully diluted basis calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act.

Commenting on the Tender Offer, Antti Kummu, Founding Partner of CapMan Growth:

“We are pleased to be able to launch the Tender Offer for Innofactor and, once completed, to strengthen the Company’s position as a leading Nordic promoter of the modern digital organization. Sami Ensio, together with his skilled team, has done a remarkable job for Innofactor’s growth, internationalization and brand awareness. We look forward to working with Sami’s team, under whose leadership the Company has achieved its position as the key provider of solutions and expertise in the Microsoft ecosystem in the Nordic region. As a strategic partner, CapMan Growth provides the Company with extensive experience in developing IT service companies and a range of resources to accelerate Innofactor’s growth strategy, particularly through acquisitions, as well as a stable and secure domestic owner for the demanding Nordic customer base.”

Commenting on the Tender Offer, Sami Ensio, main shareholder of Innofactor and member of the Consortium:

“Since the Company was founded, we have focused on developing digital services, first in Finland and in recent years in all Nordic countries. We have also managed to attract nearly 600 IT professionals to join Innofactor. With the completion of the Tender Offer announced today, Innofactor would continue to operate as an unlisted company, allowing for greater focus on customers, innovation and execution of the growth strategy,

as well as more flexible financing possibilities. I have acted as the CEO of Innofactor during its almost 15 years as a listed company and, in my view, while being a listed company has brought about many positive things to Innofactor, it has also limited Innofactor's growth and profit potential due to, among others, increased reporting obligations and low liquidity in Shares. After careful consideration and exploring a wide range of options, I believe that the current Tender Offer, supported by CapMan Growth, is the best option for Innofactor's future and its existing shareholders. I am very committed to continuing to lead the Company and to executing its growth strategy."

Commenting on the Tender Offer, Anna Lindén, Chair of the Board of Directors of Innofactor and Chair of the composition formed by the quorate and non-conflicted members of the Board Of Directors:

"We have carefully considered a number of factors when evaluating the Tender Offer and have decided to enter into a customary combination agreement with the Consortium. We believe that it is in the best interests of shareholders to launch the Tender Offer. In addition, in our view, the role of Innofactor's founder and CEO Sami Ensio in the Consortium will ensure Innofactor's cultural continuity under the support of CapMan Growth."

ABOUT THE CONSORTIUM

CapMan Growth is a leading Finnish growth investor making significant investments in entrepreneur-led growth companies, with the aim of further developing them together with the entrepreneurs and the operative management. CapMan Growth brings expertise in a wide range of areas, including growth management, organizational development, mergers and acquisitions and international networks. CapMan Growth's investor base consists mainly of Finnish institutional investors and successful Finnish entrepreneurs including several founders of CapMan Growth's portfolio companies. CapMan Plc, listed on Nasdaq Helsinki, is one of the oldest private equity investors in the Nordic countries, with over EUR 5 billion in assets under management. CapMan Growth Equity III Ky is CapMan Growth's third fund and was established in March 2024.

Sami Ensio founded Innofactor in 2000 and has since then acted as the CEO and on the Board of Directors of the Company. He has thus accumulated exceptional experience and knowledge in the operations and target market of Innofactor. The Shares held and controlled by Sami Ensio represent in aggregate approximately 22.2 percent of the Shares and votes in Innofactor. Ensio Investment Group Oy, through which Sami Ensio indirectly participates in the Tender Offer, is a holding company controlled by him and his family members.

Osprey Capital is an investment company owned by Timo Larjomaa, Senior Advisor at CapMan Growth, and his family, founded in 2014 and investing in software, IT and healthcare companies and private equity funds.

CapMan Growth and Sami Ensio (through the holding company controlled by him) together with Osprey Capital form the Consortium for the purposes of the Tender Offer. As at the date of this announcement, the Offeror is indirectly owned by Onni Topco Oy, a private limited liability company incorporated under the laws of Finland. Onni Topco Oy was incorporated to be the holding company in the acquisition structure and is currently owned by CapMan Growth. Following the completion of the Tender Offer, CapMan Growth is expected to own approximately 52.4 percent, Ensio Investment Group Oy approximately 42.6 percent and Osprey Capital approximately 5.0 percent of the shares in Onni Topco Oy.

ABOUT INNOFACTOR

Innofactor is the leading promoter of the modern digital organization in the Nordic countries for its approximately 1,000 customers in the commercial and public sectors. Innofactor has the widest solution offering and leading know-how in the Microsoft ecosystem in the Nordics. Innofactor's offering includes planning services for business-critical IT solutions, project deliveries, implementation support and maintenance

services, as well as own software and services. Innofactor employs nearly 600 experts in Finland, Sweden, Denmark and Norway.

BACKGROUND AND STRATEGIC RATIONALE

The Consortium believes that Innofactor's current status as a listed company limits its growth potential. Among other things, the increasing reporting obligations do not allow the Company and its management to focus sufficiently on business development in addition to which operating as a listed company ties up resources and incurs significant additional costs. The Company also has low liquidity in shares, which limits effective price formation thus making it difficult to raise equity financing from the market to support growth.

Operating as an unlisted company would provide Innofactor with several significant advantages, including more flexible access to financing and M&A opportunities, a stronger focus on customers, innovation and execution of the growth strategy, and more competitive incentives for management and employees, facilitating the recruitment of key personnel.

CapMan Growth, focusing on domestic growth investments, offers its extensive experience and resources as a strategic partner to Innofactor. In particular, CapMan Growth can support the Company in developing its Nordic operations, improving profitability outside of Finland and accelerating its growth strategy through acquisitions. Furthermore, together with Osprey Capital, it will provide a good and stable owner for a demanding Nordic customer base.

The completion of the Tender Offer is not expected to have any immediate material impact on the operations, or the position of the management or employees, of Innofactor. However, as is customary, the Offeror intends to change the composition of the Board of Directors of Innofactor after the completion of the Tender Offer. Sami Ensio is intended to continue as the CEO of Innofactor also after the completion of the Tender Offer.

THE TENDER OFFER IN BRIEF

The Offeror and Innofactor have on July 22, 2024 entered into the Combination Agreement pursuant to which the Offeror will launch the Tender Offer. A summary of the Combination Agreement has been provided below under the section "*The Combination Agreement*".

The Consortium, the Offeror and Innofactor have undertaken to comply with the Helsinki Takeover Code issued by the Finnish Securities Market Association (the "**Helsinki Takeover Code**").

As at the date of this announcement, Innofactor has 36,343,691 issued shares, of which 35,789,319 are outstanding Shares and 554,372 are held in treasury.

As at the date of this announcement, the 7,936,804 Shares held and controlled by Sami Ensio represent approximately 22.2 percent of the Shares and votes in Innofactor. As at the date of this announcement, neither the Offeror, CapMan Growth nor Osprey Capital holds any Shares in Innofactor.

The Offeror reserves the right to acquire Shares before, during and/or after the offer period (including any extension thereof and any subsequent offer period) in public trading on Nasdaq Helsinki or otherwise.

The Offer Price

The Offer Price is EUR 1.68 in cash for each Share validly tendered in the Tender Offer, subject to any adjustments as set out below.

The Offer Price represents a premium of approximately:

- 49.3 percent compared to the closing price of EUR 1.125 of the Share on Nasdaq Helsinki on July 19, 2024, the last trading day immediately preceding the announcement of the Tender Offer;
- 39.4 percent compared to EUR 1.21, i.e. the one-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer;
- 31.5 percent compared to EUR 1.28, i.e. the three-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer;
- 30.8 percent compared to EUR 1.28, i.e. the six-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer; and
- 37.4 percent compared to EUR 1.22, i.e. the twelve-month volume-weighted average trading price of the Share on Nasdaq Helsinki immediately preceding the announcement of the Tender Offer.

The Offer Price has been determined based on 35,789,319 Shares. Should the Company change the number of its Shares as a result of a new issue, reclassification, stock split (including a reverse split) or any other measure with dilutive effect, or should the Company declare or distribute any dividends or in any other manner distribute or transfer value to its shareholders, or if a record date with respect to any of the foregoing occurs after the date hereof and prior to any settlement of the Tender Offer, the Offer Price payable by the Offeror shall be adjusted accordingly on a euro-for-euro basis.

The Offer Period

The offer period under the Tender Offer is expected to commence on or about August 5, 2024, and to expire on or about September 16, 2024. The Offeror reserves the right to extend the offer period from time to time in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws and regulations, in order to satisfy the conditions to completion of the Tender Offer, including, among others, the receipt of all necessary regulatory approvals, permits, clearances, consents or other actions (or, where applicable, the expiry of relevant waiting periods) required under applicable competition laws or other regulatory laws in any relevant jurisdiction for the completion of the Tender Offer. The Tender Offer is currently expected to be completed at the end of the third quarter or in the beginning of the fourth quarter of 2024.

The detailed terms and conditions of the Tender Offer as well as instructions on how to accept the Tender Offer will be included in the Tender Offer Document, which the Offeror expects to publish on or about August 5, 2024.

Recommendation by the Board of Directors of Innofactor

The Board of Directors of Innofactor, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium and thus without the participation of Sami Ensio in the evaluation or decision-making process, has unanimously decided to recommend that the shareholders of Innofactor accept the Tender Offer. The Board of Directors will issue its statement on the Tender Offer in accordance with the Finnish Securities Markets Act (746/2012, as amended, the “**Finnish Securities Markets Act**”) before the commencement of the offer period and it will be appended to the Tender Offer Document. The Board of Directors of Innofactor has received a fairness opinion, dated July 21, 2024, from HLP Corporate Finance Oy to the effect that, the consideration to be offered to shareholders in the Tender Offer was, at the date of the fairness opinion, fair from a financial point of view to the holders of Shares (excluding Sami Ensio and members of the Consortium), which fairness opinion was based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in such opinion. The fairness opinion of HLP Corporate Finance Oy was provided in support of

the Board of Directors' assessment of the Tender Offer. The complete fairness opinion will be attached to the statement of the Board of Directors of Innofactor.

Sami Ensio is participating in the Tender Offer as a member of the Consortium and, thus, has not participated in any consideration of the implications or decision-making of the Tender Offer by the Board of Directors or in any decision-making concerning the recommendation of the Board of Directors or the Combination Agreement.

Prior to issuing its recommendation, the Board of Directors of Innofactor has, in accordance with Chapter 1, Section 8 of the Finnish Companies Act, confidentially investigated strategic opportunities for the Company together with its exclusive financial advisor Advium Corporate Finance Ltd., by, inter alia, approaching several other parties to enquire about their interest in Innofactor and to evaluate possible alternatives that would be better than the Tender Offer. These alternatives have included, for instance, remaining as an independent company, other strategic arrangements affecting the business operations of the Company, such as divestment of business operations and discovery of parties possibly interested in the Company. In connection with this confidential investigation, the Board of Directors of Innofactor has, together with the exclusive financial advisor, approached several other parties considered to be potential and, prior to the half-yearly report for January – June (Q2/2024) being released, received three non-binding offers or preliminary indications of interest regarding the Company or certain of its business operations, where in one of the non-binding indicative offers, EUR 1.86 per Share has been indicatively offered for the Shares in the Company, conditional to, inter alia, a customary due diligence review. The Board of Directors of Innofactor has also received a non-binding offer for one significant part of its business operations. The above-mentioned non-binding offers and preliminary indications of interest, including the non-binding indicative offer with the higher offer price, required, inter alia, the largest shareholder to commit to support such transaction and take part in such transaction, which commitment, to the understanding of the Board of Directors of Innofactor, would not be available (also taking into consideration the conditions restricting the largest shareholder from withdrawing from the Tender Offer following a competing offer), thereby making, to the understanding of the Board of Directors of Innofactor, the above-mentioned non-binding indicative offers and preliminary indications of interest, including the non-binding indicative offer with the higher offer price, unfeasible due to their terms. After evaluating other strategic opportunities of the Company and the feasibility of the received non-binding offers and preliminary indications of interests, including the above-mentioned non-binding indicative offer with the higher offer price, the Board of Directors of Innofactor, represented by a quorum comprising the non-conflicted members of the Board of Directors of Innofactor who are not members of the Consortium, considers that alternative arrangements better than the Tender Offer are currently not available. When evaluating other non-binding offers and preliminary indications of interest, the Board of Directors of Innofactor has considered, inter alia, the feasibility of these non-binding offers and preliminary indications of interest, including, inter alia, any conditions requiring the support of the Company's largest shareholder. The Board of Directors of Innofactor has carefully evaluated the conditions to completion, risks and uncertainties associated with such alternatives and has concluded that the other non-binding offers and preliminary indications of interest received by the Company are not such that the Board of Directors of Innofactor would consider them likely to be able proceed to completion, considering in particular the requirement for the support of the largest shareholder. In addition to these factors, the Board of Directors of Innofactor has in its assessment taken into consideration that especially the aforementioned non-binding indicative offer with the higher offer price was submitted to the Company prior to the half-yearly report for January – June (Q2/2024) being released, thereby, in the view of the Board of Directors of Innofactor, rendering such offer incomparable due to its differing premise.

Conditions to Completion of the Tender Offer

The obligation of the Offeror to accept for payment the validly tendered Shares, which have not been withdrawn in accordance with the terms and conditions of the Tender Offer, and to complete the Tender Offer, shall be subject to the fulfillment or, to the extent permitted by applicable law, waiver by the Offeror of the following conditions (jointly the “**Conditions to Completion**”) on or prior to the date of the Offeror's announcement of

the final result of the Tender Offer in accordance with Chapter 11, Section 18 of the Finnish Securities Markets Act:

- (a) the Tender Offer has been validly accepted with respect to the Shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the offer period, more than ninety (90) percent of the Shares and voting rights in the Company calculated on a fully diluted basis and otherwise in accordance with Chapter 18 Section 1 of the Finnish Companies Act;
- (b) the receipt of all necessary regulatory approvals, such approval will be considered obtained where the relevant regulatory authority has:
 - (i) declined jurisdiction over or communicated their intent not to investigate the Tender Offer; or
 - (ii) explicitly granted clearance, either unconditionally or subject to such conditions, commitments, undertakings or modifications as the decision may specify, provided that the terms of any conditions, commitments, undertakings or modifications are in all respects satisfactory to the Offeror; or
 - (iii) become time barred from reviewing the transaction by virtue of the expiry of any applicable waiting period under applicable regulatory laws;
- (c) no material adverse change has occurred on or after the date of the Combination Agreement;
- (d) the Offeror has not received information after the date of the Combination Agreement previously undisclosed to it that constitutes or results in a material adverse change;
- (e) no legislation or other regulation has been issued and no court or regulatory authority of competent jurisdiction has given a decision or issued any regulatory action that would wholly or in any material part prevent or postpone the completion of the Tender Offer;
- (f) the Board of Directors of the Company, represented by a quorum comprising the non-conflicted members of the Board of Directors, has issued its unanimous recommendation that the holders of the Shares accept the Tender Offer and tender their Shares in the Tender Offer and the recommendation remains in full force and effect and has not been withdrawn, modified, cancelled, or amended (excluding, however, any technical modifications or change of the recommendation required under applicable laws or the Helsinki Takeover Code as a result of a competing offer or otherwise, so long as the recommendation to accept the Tender Offer is upheld); and
- (g) the Combination Agreement has not been terminated and remains in full force and effect and no event has occurred that, with the passage of time, would give the Offeror the right to terminate the Combination Agreement.

The Conditions to Completion set out herein are exhaustive. The Offeror may only invoke any of the Conditions to Completion so as to cause the Tender Offer not to proceed, to lapse or to be withdrawn, if the circumstances which give rise to the right to invoke the relevant Condition to Completion have a significant meaning to the Offeror in view of the Tender Offer, as referred to in the Regulations and Guidelines 9/2013 (Takeover bids and mandatory bids), issued by the Finnish Financial Supervisory Authority and the Helsinki Takeover Code. The Offeror reserves the right to waive, to the extent permitted by applicable laws and regulations, any of the Conditions to Completion that have not been fulfilled, including the implementation of the Tender Offer at a lower acceptance level or otherwise despite some other Conditions to Completion having not been fulfilled. The Offeror will announce such waiver through a stock exchange release as required by the terms and conditions of the Tender Offer and applicable laws and regulations. If all Conditions to Completion have been fulfilled or the Offeror has waived the requirements for the fulfilment of all or some of them no later than at the

time of announcement of the final results of the Tender Offer, the Offeror will consummate the Tender Offer in accordance with its terms and conditions after the expiration of the offer period by purchasing the Shares validly tendered in the Tender Offer and paying the Offer Price to the shareholders that have validly accepted the Tender Offer in accordance with the terms and conditions of the Tender Offer.

Regulatory Approvals

The Offeror will, as soon as possible, make all submissions, notifications and filings (and draft filings where customary or appropriate) necessary to obtain all necessary regulatory approvals, permits, clearances, consents or other actions, including without limitation competition clearances, (or, where applicable, the expiry of relevant waiting periods) required under applicable competition laws or other regulatory laws in any relevant jurisdiction for the completion of the Tender Offer.

Based on currently available information, the Offeror expects to obtain such necessary regulatory approvals, permits, clearances, consents and other actions during the offer period. The Offeror will use its reasonable efforts to obtain such regulatory approvals. However, the length and outcome of the competition clearance and other regulatory approval processes is not within the control of the Offeror, and there can be no assurances that clearance will be obtained within the estimated timeframe, if at all.

Financing

The Offeror has received equity commitments, as evidenced in equity commitment letters addressed to the Offeror. The Offeror has also entered into a debt financing arrangement made available under a facilities agreement with a reputable Nordic bank. The financing agreed under the facilities agreement has been obtained on standard European “certain funds” basis, and the availability of debt financing is subject only to the following limited conditions: (i) no event of default relating to non-payment, breach of certain major undertakings or statements, cross default, certain insolvency proceedings (or certain similar proceedings), unlawfulness or repudiation and rescission of certain agreements is continuing or would result from the drawdown of the loan; (ii) no event of illegality in respect of granting the loan, no major changes in the ownership of the Offeror having occurred; and (iii) the delivery to the lender of certain customary documents and certifications that are prerequisites to the drawdown and are within the control of the Offeror. The Offeror’s obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the Conditions to Completion are otherwise satisfied or waived by the Offeror).

Future plans concerning the Shares

The Offeror intends to acquire all the Shares. If, as a result of the completion of the Tender Offer, the Offeror’s ownership has exceeded ninety (90) percent of all the Shares and votes in Innofactor, when calculated together with any Shares otherwise held by the Offeror prior to the date of the announcement of the final result of the Tender Offer, the Offeror will commence as soon as reasonably practicable compulsory redemption proceedings in accordance with the Finnish Companies Act for all the Shares not purchased pursuant to the Tender Offer. Thereafter, the Offeror will apply for the shares in Innofactor to be delisted from Nasdaq Helsinki, as soon as permitted and reasonably practicable under the applicable laws and regulations and the rules of Nasdaq Helsinki.

The Combination Agreement

The Combination Agreement between Innofactor and the Offeror sets forth the principal terms under which the Offeror will make the Tender Offer.

Under the Combination Agreement, the Board of Directors of Innofactor may, at any time prior to the completion of the Tender Offer, withdraw, modify, cancel, change or amend its recommendation and take actions contradictory to the recommendation, including by way of deciding not to issue its recommendation for the

shareholders of Innofactor to accept the Tender Offer, but only if the Board of Directors of Innofactor determines in good faith due to any event, condition, circumstance, development, occurrence, change, effect or fact (any such item an “**Effect**”) occurring after the date of the Combination Agreement or an Effect occurring prior to the date of the Combination Agreement of which the Board of Directors of the Company was not aware as at the date of the Combination Agreement, after receiving advice from reputable external legal counsel and financial advisor(s) and after consultation with the Offeror, that such action with respect to its recommendation is required for the Board of Directors of the Company to comply with its mandatory fiduciary duties towards the holders of the Shares under Finnish laws and regulations (including the Helsinki Takeover Code) (such duties referred to as the “**Fiduciary Duties**”), provided that the Board of Directors of the Company has (i) promptly notified the Offeror of its intention to take such contemplated actions, (ii) in good faith provided the Offeror with an opportunity to negotiate with the Board of Directors about matters arising from the changed circumstances in view of the Tender Offer, (iii) given the Offeror at least seven (7) business days from the date of informing the Offeror of the intention to take such contemplated actions to enhance the terms and conditions of the Tender Offer or to take other actions to remedy or mitigate the circumstances giving rise to such contemplated actions, and (iv) taken such enhanced terms and conditions of the Tender Offer, if any, into consideration when resolving upon such contemplated actions with respect to the recommendation.

If such an action by the Board of Directors of the Company is connected to another tender offer or an offer for a merger or other strategic arrangement which the Board of Directors of the Company has determined in good faith to constitute a superior offer if made public, the Board of Directors of the Company may withdraw, modify, cancel, change or amend or take actions contradictory to its recommendation provided that the Board of Directors of the Company has (i) complied with its obligations in the Combination Agreement to not solicit competing transactions, (ii) informed the Offeror that the Board of Directors has determined that such competing offer would, if announced, constitute a superior offer, and otherwise has notified the Offeror of the Company’s receipt of the competing offer with reasonably detailed information, (iii) in good faith given the Offeror an opportunity to negotiate with the Board of Directors of the Company about matters arising from the competing offer, (iv) given the Offeror at least five (5) business days from (x) the Offeror having in writing been informed of the competing offer and its material terms or (y) such competing offer having been publicly announced such that it becomes a superior Offer, to allow the improvement of the terms of the Tender Offer.

The Company has committed that it shall, and shall cause its subsidiaries, officers, directors, employees and representatives, (a) not to, directly or indirectly, actively solicit any inquiries or any proposal or offer that constitutes, or would reasonably be expected to lead to, any competing offer or otherwise harm or hinder the completion of the Tender Offer, (b) not to support, agree to, provide information for, or endorse any competing offer, or enter into any discussion or agreements concerning any competing offer, unless such competing offer satisfies certain conditions required under the Combination Agreement for a superior competing offer; (c) to cease and cause to be terminated any possible discussions, negotiations or other activities related to any competing offer conducted prior to the signing date of the Combination Agreement; (d) not to, upon receipt of a competing offer, directly or indirectly, facilitate or promote the progress of such competing offer, unless the Board of Directors of the Company determines in good faith, after taking advice from reputable external legal counsel and financial advisor(s), that such measures are required in order for the Board of Directors of the Company to comply with its fiduciary duties (and only to the extent necessary for the fulfilment of the fiduciary duties).

The Combination Agreement further includes certain customary representations, warranties and undertakings by both parties, such as conduct of Innofactor’s and each of its subsidiaries’ business in all material respects in the ordinary course of business until the earlier of the date of the settlements of the completion trades with respect to the Shares tendered in the Tender Offer or the termination of the Combination Agreement in accordance with its terms and use of reasonable best efforts by the parties to do, or cause to be done, and to assist and cooperate with the other party in doing, all things necessary or advisable to consummate the Tender Offer and the transactions contemplated by the Combination Agreement.

The Combination Agreement may be terminated and the transactions contemplated in the Combination Agreement abandoned by the Company or the Offeror in certain circumstances, including, among others, if a final, non-appealable injunction or other order issued by any court of competent jurisdiction or other final, non-appealable legal restraint or prohibition preventing the consummation of the Tender Offer has taken effect after the date of the Combination Agreement and continues to be in effect or upon a material breach of any warranty or undertaking given by the Company or the Offeror. If the Combination Agreement is terminated due to certain reasons specified in the Combination Agreement, the Offeror has in certain situations agreed to reimburse expenses incurred by the Company up to the maximum amount of EUR 1,250,000 and the Company has in certain situations agreed to reimburse expenses incurred by the Offeror up to the maximum amount of EUR 1,250,000.

ADVISERS

The Offeror has appointed Carnegie Investment Bank AB (publ), Finland Branch as financial adviser, Roschier, Attorneys Ltd. as legal adviser and Milton Ltd as communication adviser. Innofactor has appointed Advium Corporate Finance Ltd. as an exclusive financial adviser, Krogerus Attorneys Ltd as legal adviser and Kreab Oy as communication adviser.

INVITATION TO A WEBCAST HELD BY THE CONSORTIUM ON JULY 22, 2024 AT 11:00 A.M. (EEST)

The Consortium invites shareholders of Innofactor, analysts and media to attend a webcast briefing on the Tender Offer, including a Q&A session, today, July 22, 2024, at 11:00 a.m. (EEST). The presentation will be in Finnish. Link to webcast: <https://miltton.fluxmedia.live>. Participants may submit questions in writing during the event through a message platform available in the webcast.

More information is available on website at: <https://innofactor.tenderoffer.fi/en/>

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Information for shareholders of Innofactor in the United States

Shareholders of Innofactor in the United States are advised that the Shares are not listed on a U.S. securities exchange and that Innofactor is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder.

The Tender Offer will be made for the issued and outstanding shares of Innofactor, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, subject to the exemption provided under Rule 14d-1(c) under the Exchange Act, for a Tier I tender offer, and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in this announcement has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Tender Offer is made to Innofactor’s shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Innofactor to whom an offer is made. Any informational documents, including this announcement, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Innofactor’s other shareholders.

To the extent permissible under applicable law or regulations, the Offeror and its affiliates or its brokers and its brokers' affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of this stock exchange release and during the pendency of the Tender Offer, and other than pursuant to the Tender Offer, directly or indirectly purchase or arrange to purchase Shares or any securities that are convertible into, exchangeable for or exercisable for Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Innofactor of such information. In addition, the financial adviser to the Offeror may also engage in ordinary course trading activities in securities of Innofactor, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

Neither the SEC nor any U.S. state securities commission has approved or disapproved the Tender Offer, passed upon the merits or fairness of the Tender Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in relation to the Tender Offer. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Shares is urged to consult its independent professional advisers immediately regarding the tax and other consequences of accepting the Tender Offer.

To the extent the Tender Offer is subject to U.S. securities laws, those laws only apply to U.S. holders of Shares and will not give rise to claims on the part of any other person. It may be difficult for Innofactor's shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since the Offeror and Innofactor are located in non-U.S. jurisdictions and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Innofactor shareholders may not be able to sue the Offeror or Innofactor or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel the Offeror and Innofactor and their respective affiliates to subject themselves to a U.S. court's judgment.

Forward-looking statements

This announcement contains statements that, to the extent they are not historical facts, constitute "forward-looking statements". Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes", "intends", "may", "will" or "should" or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this announcement.

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Advium Corporate Finance Ltd. is acting exclusively on behalf of Innofactor and no one else in connection with the Tender Offer or other matters referred to in this document, does not consider any other person (whether the recipient of this release or not) as a client in connection to the Tender Offer, and is not responsible to anyone other than Innofactor for providing protection or providing advice in connection with the Tender Offer or any other transaction or arrangement referred to in this document.