AIFORIA TECHNOLOGIES PLC

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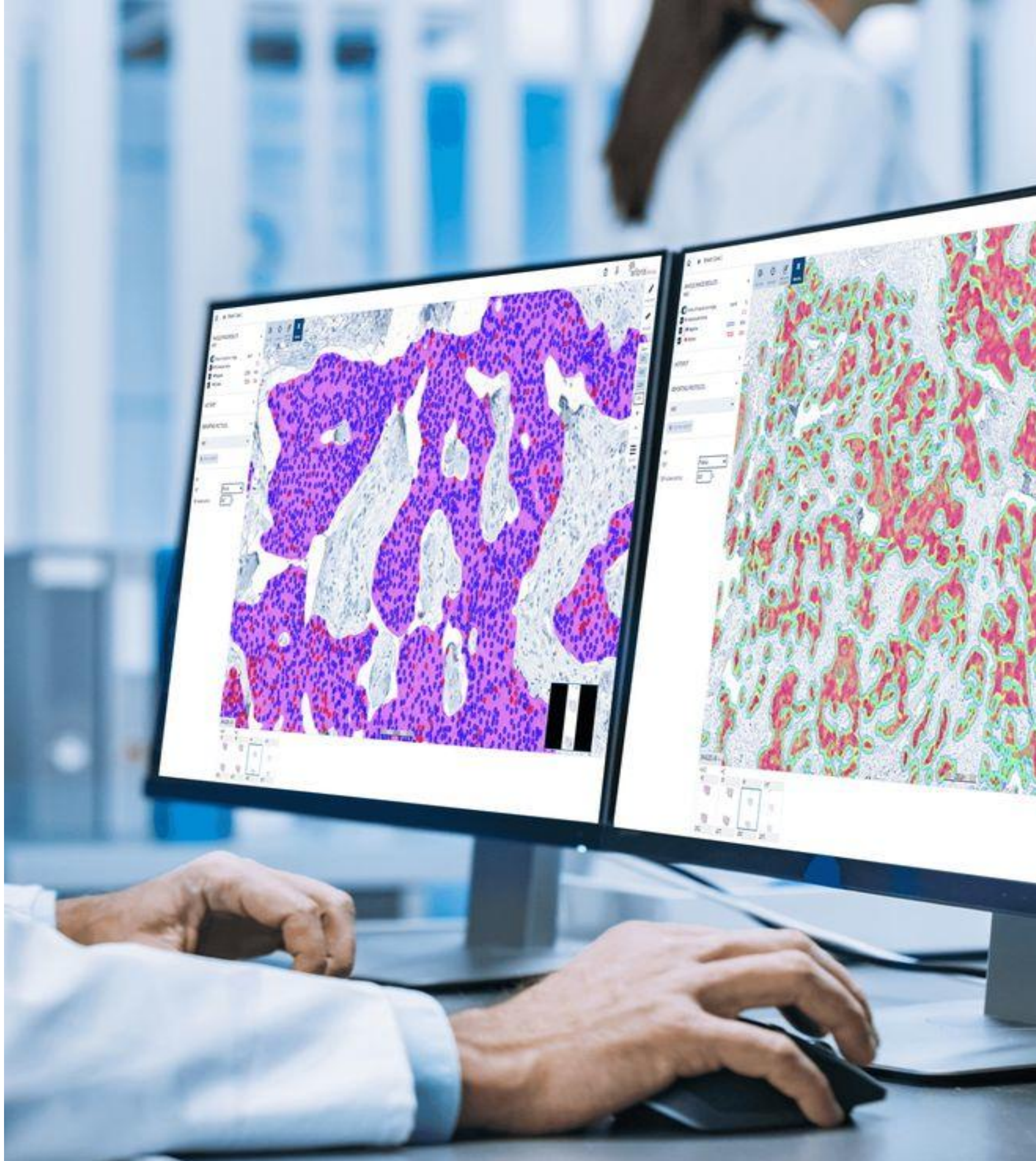
INDERES CORPORATE CUSTOMER

COMPANY REPORT



The fruits of customer wins are ripening

Aiforia continued to build its impressive market position in clinical pathology image analysis. In addition to several customer wins, the regulatory bottleneck that was in the way of expanding the product portfolio has now opened, enabling expansion in existing customers and larger deal sizes in future tenders. Although we lowered our forecasts due to slower-than-expected ramp-ups of current customer relationships, we estimate that the company is now moving into a phase of accelerating revenue growth, and that the stock's risk/reward ratio is at an attractive level with this support. We lower our target price to EUR 4.4 (was 4.6) and reiterate our Accumulate recommendation.

Revenue grows with a delay, but costs are managed

H2 revenue was disappointing compared to our expectations at 1.5 MEUR (+3%, Inderes: 2.0 MEUR) due to the decrease in research customer revenue and slower ramp-ups of clinical segment customers. At the end of H2, the order backlog increased strongly to 5.2 MEUR (H1'24: 3.2 MEUR) thanks to customer wins. At the same time, the EBITDA improved with cost discipline in line with our expectations to -4.0 MEUR (H2'23: -4.7 MEUR) and EBIT to -6.1 MEUR (H2'23: -6.5 MEUR). Net cash consumption was 6.5 MEUR excluding the impact of option/share subscriptions, and the company had liquid assets of 11.5 MEUR at the end of the period (net cash 4.9 MEUR).

Aiforia is emerging as the winner of the first wave of clinical digital pathology image analysis

Digitizing pathology is at a very early stage, with only 14% of pathology samples being digitized worldwide until 2020. However, the investment wave is ongoing. With an aging population, the need for pathology analysis is growing and there is already a shortage of pathologists, so there are clear demand drivers for solutions that increase efficiency and capacity. The competitive landscape in the young market is still being formed. Given the competitive strengths of Aiforia's product (customizability, cell-level detection, first commercialized predictive AI model) and significant clinical references, the company has been well positioned to build a position as one of the long-term winners in the market. Based on our research, Aiforia is almost the only player winning clinical customers and is taking a very strong position in the market.

Accelerating revenue growth is only a matter of (short) time

Due to lower-than-expected H2 revenue and slower ramp-ups of clinical customers, we cut our short-term revenue estimates by 15-25%. Due to the lower cost level, our EBIT forecasts decreased by 0-20% for the next few years. We believe Aiforia's revenue growth is accelerating, as the ramp-ups of won customers are being completed in increasing numbers and the company's broader product portfolio enables gradual expansion sales. We expect growth to be based on Europe in 2025-26, as FDA approvals will still take time. We forecast a very strong annual revenue growth of 60-66% for 2025-28. We expect EBIT to turn positive in 2029 with the support of growth, and the company to carry out 15 MEUR worth of share issues in 2025-26, although with the order backlog and the sector's strongest customer portfolio, we do not expect raising financing at the current price to cause problems. We expect revenue in 2030 to already be 46 MEUR (target: >100 MEUR ~2030). This will naturally require a very strong strategy implementation and continued new customer wins from Aiforia.

Risk/reward ratio remains attractive

Aiforia's valuation (2025-26e EV/S 23-16x) relies on expectations of very strong and scalable growth. By pricing growth at various rates and confidence intervals, we can justify the company's value at a wide range of EUR 1.1-8.0 per share (was EUR 1.4-7.8). Our confidence in the company's growth is still strong in the light of the evidence received. The risk is elevated by the uncertainty of the growth rate, which affects cash development. customer wins have continuously provided more basis for growth, improved access to financing and lowered forecasting risks. We expect the positive news flow to continue and revenue growth to pick up during the current year. Considering this whole, we still find the risk/reward ratio attractive.

Recommendation
Accumulate
(was Accumulate)

Target price:
4.40 EUR
(was 4.60 EUR)

Share price:
3.51

Business risk
●●●●○

Valuation risk
●●●○○

	2024	2025e	2026e	2027e
Revenue	2.9	4.7	7.6	12.5
growth-%	19%	66%	60%	65%
EBIT adj.	-12.2	-11.9	-12.0	-8.9
EBIT-% adj.	-428%	-253%	-158%	-72%
Net Income	-11.9	-12.0	-12.3	-9.2
EPS (adj.)	-0.41	-0.36	-0.36	-0.27
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	6.9	6.1	16.3	neg.
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
EV/S	38.1	23.2	16.0	10.3

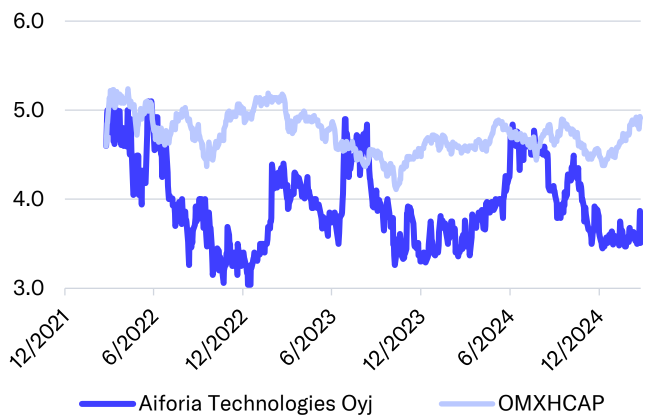
Source: Inderes

Guidance Aiforia has not provided guidance.

Short-term objectives (2024-2025)

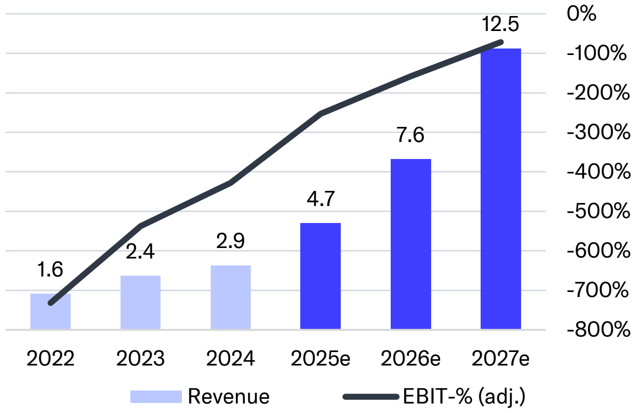
- Expand pre-clinical offering with new AI models and study-centric GLP (Good Laboratory Practice) workflow
- Expand clinical offering with 10 new regulatory-approved AI models
- Form at least three new strategic partnerships
- Achieve 15 key accounts (potential for over EUR 500,000 in annual recurring revenue)
- Achieve a positive cash flow from operating activities

Share price



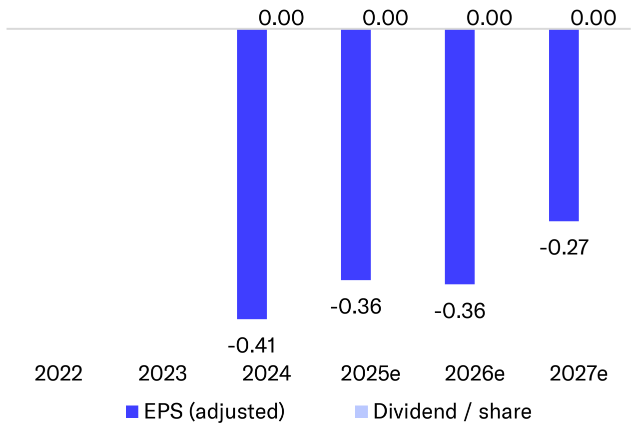
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Significant market potential in increasing automation in pathology
- Good evidence of the product's competitiveness
- Plenty of room for growth especially increasing the number of sample types supported by clinical customers and technology
- SaaS business model provides continuity and scalability as growth is successful
- Aiforia's attractiveness as an acquisition target in a highly valued sector

Risk factors

- The business is only being built and the company's valuation virtually relies on future promises
- Falling behind ambitious objectives and drop in valuation that relies on successful strong growth
- Slower than expected progress in the implementation of new technology in a conservative industry, tightening regulations
- Competing technologies, changes in the company's position in the value chain of digital pathology, key personnel risks
- Data breach including personal health data
- Cash flow still strongly negative, which increases financial risk

Valuation	2025e	2026e	2027e
Share price	3.51	3.51	3.51
Number of shares, millions	33.7	33.7	33.7
Market cap	118	118	118
EV	110	121	129
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	6.1	16.3	neg.
P/S	25.0	15.6	9.5
EV/Sales	23.2	16.0	10.3
EV/EBITDA	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Order book and expenses in good shape, revenue lagging

Orders have accumulated at a good pace, although customer ramp-ups take longer than expected

Contrary to our expectations, Aiforia's H2 revenue remained almost flat and was 1.48 MEUR (+3%, Inderes: +40%). The lower revenue level was due to a decline in research revenue that came as a surprise to us (2024 change: approximately -0.5 MEUR). In 2024, the revenue of the clinical segment, which is strategically important for the company's growth, accounted for about half of the company's revenue and more than doubled year-on-year. We estimate that the segment's growth was particularly driven by the Veneto and NHS accounts, and partly by the smaller Catania account.

The company's order book grew strongly to 5.2 MEUR (H1'24: 3.2 MEUR) supported by three clients won during the period (Paris Hospital District/France, Castilla y Leon/Spain and Memorial Hospitals/Turkey). The order book did not yet include the Lombardy and Sardinia customer wins. We calculate that Aiforia has already won 13 significant clinical use (or intended for clinical use) customers, almost all of which have the potential to generate annual revenue of over 1 MEUR (in some cases >10 MEUR/customer). The speed of deployment, therefore, has a significant impact on the company's near-term revenue.

We had interpreted that the company's clinical customer revenue was more significant already in 2023, but in light of the additional information now obtained, research revenue turned out to be the growth driver for that year. Thus, we had previously interpreted the ramp-up situation of clinical customers too optimistically, which created downward pressure on our forecasts in this respect.

Cost levels cut more than expected

Aiforia's H2'24 EBITDA improved as we expected to -4.0 MEUR (H2'23: -4.7 MEUR) and EBIT to -6.1 MEUR (H2'23: -6.5 MEUR). The result is in the red because the company made significant front-loaded investments in growth to implement its strategy, particularly in the form of sales, deployments and product development recruitment. However, Aiforia managed to reduce its cost level more than we expected, which compensated for the impact of the lower-than-expected revenue on profitability.

Aiforia's cash assets at the end of the year amounted to 11.5 MEUR (net cash: 4.9 MEUR) and 6.5 MEUR of net cash was consumed excluding the effect of option/share subscriptions. As expected, the company commented in the report that it is exploring options to strengthen its balance sheet. In our view, the company still has good prospects for raising additional funding, as the construction of its customer base has progressed convincingly. Naturally, the company will not pay a dividend for 2024.

Accelerating revenue growth expected in coming years

We feel that Aiforia's investment story is very promising, although due to the company's early commercial development phase, visibility on the success and intensity of growth is still limited. The company did not provide guidance for 2025 either, although the reporting of the

Estimates MEUR / EUR	H2'23 Comparison	H2'24 Actualized	H2'24e Inderes	H2'24e Consensus	Consensus Low	 High	Difference (%) Act. vs. inderes	2024 Actualized
Revenue	1.44	1.48	2.01				-27%	2.9
EBITDA	-4.7	-4.0	-4.0				-1%	-8.2
EBIT	-6.5	-6.1	-6.1				-1%	-12.2
PTP	-6.4	-6.0	-6.0				0%	-11.9
EPS (reported)	-0.25	-0.22	-0.21				-5%	-0.43
DPS	0.00	0.00	0.00					0.00
Revenue growth-%	39.2 %	2.9 %	40.1 %				-37.2 pp	18.9 %
EBIT-% (adj.)	-450.6 %	-413.9 %	-301.0 %				-113 pp	-427.6 %

Source: Inderes

We pushed the expectations concerning the progress of customer ramp-ups further

order backlog partly serves this purpose. Estimating the timing of the company's customer ramp-ups and the revenue impact is challenging, and our expectations have so far proven too optimistic in this regard.

At the same time, several clinical segment customers won, especially in Europe, (including Mayo Clinic/USA, NHS/UK, Veneto, Lombardy and Catania Health Authorities / Italy, Paris Health Authority, Fimlab / Finland, Castilla y León Health Authority / Spain and Memorial Hospitals Group / Turkey) have already made the company's growth base quite broad. The return to growth of the range of CE-marked image recognition models will also enable Aiforia to increasingly grow existing customers, which will create more leverage for the company to drive revenue growth.

Regarding new customers, Aiforia commented that it has more customers in its sales pipeline than a year ago, and in the last 12 months, the company announced seven new clinical customers (incl. one in veterinary medicine). In light of the company's comments, it has not yet lost any competitive tendering in the clinical segment, and the competitiveness of its product seems to be holding its own. Considering these factors, we still expect the company to announce several customer wins in 2025, especially from Europe.

In the US, growth is being slowed down by the lack of FDA approvals. Aiforia reported that it is still promoting the issue and we believe it is considering submitting an application with its scanner manufacturer partners. Depending on the duration of applications submitted later, we believe new customer acquisition in the market will pick up in 2026 at the earliest. However, the company has plenty to sell in Europe, so we do not believe that this will create a significant slowdown for the growth story.

Considering this big picture, the growth drivers of the company's business continue to be very strong in the coming years.

We postponed our expectations of revenue growth

Considering the figures in the report and the comments received, revenue in the clinical segment, which is critical to Aiforia's growth, has grown more slowly than we expected. The revenue is based on already won and signed multi-year contracts, so we are not concerned about the actual revenue materializing. However, we lowered our revenue growth expectations for the coming years as a result. Our longer-term forecasts, in turn, rose slightly with the support of a rapidly expanding customer base.

Nevertheless, our profitability forecasts for 2025 remained almost unchanged due to greater-than-expected cost savings made by Aiforia. However, our profitability forecasts for 2026 decreased as the impact of lower revenue forecasts trickles down to the lower lines of the income statement. As a result of the forecast changes, we also raised our forecast of financing raised by the company in 2025 to 15 MEUR (was 10 MEUR) and we now also factor in the assumed share issue in our cash flow model in addition to the valuation scenarios.

Estimate revisions	2024	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	3.4	2.9	-16%	5.8	4.7	-18%	9.9	7.6	-24%
EBITDA	-8.2	-8.2	0%	-7.0	-7.1	-2%	-3.9	-5.8	-49%
EBIT (exc. NRIs)	-12.1	-12.2	-1%	-11.8	-11.9	-1%	-10.1	-12.0	-18%
EBIT	-12.1	-12.2	-1%	-11.8	-11.9	-1%	-10.1	-12.0	-18%
PTP	-12.0	-11.9	0%	-11.9	-12.0	-1%	-10.4	-12.3	-18%
EPS (excl. NRIs)	-0.42	-0.41	1%	-0.41	-0.36	14%	-0.36	-0.36	-1%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Aiforia, Webcast, Q4'24

Valuation

Valuation methods rely on the long game

We believe Aiforia's valuation relies on an expectation of scalable growth especially over the next decade. Only inaccurate methods are available, so it is practically impossible to estimate the fair value of the company accurately. Aiforia's sales successes have already brought some visibility to the estimates and support to the valuation, but the low predictability of the growth of won customers keeps the forecast risks high.

Short-term sales multiples provide some support for the company's valuation, although they are very high in absolute terms (2025-26e EV/S 23-16x) due to the low revenue level. We approach multiple-based valuation through our 2026 and 2029 EV/S multiples and our estimates (see next page). In our scenarios, we assume a share issue of 15 MEUR for 2025 (previously 10 MEUR) using the current share price with a 10% discount (EUR 3.16), typical for a directed issue, as valuation. The company may need even more financing if revenue growth is slower than we forecast. Debt may also be an option as cash-flow neutrality approaches. A multiples-based valuation for the next few years indicates a range of EUR 4.1-5.9/share in present value, against which the valuation of the stock seems attractive.

We use the discounted cash flow (DCF) model as a second benchmark of company value. Our DCF model exceptionally continues for 15 years due to Aiforia's long growth path. The DCF is very sensitive to the assumptions used, so it also acts as a guiding indicator. We approach the DCF model through three scenarios (see next page), which include varying degrees of strong growth. A weaker scenario is also possible, but the implementation of the company's growth strategy has progressed promisingly and the likelihood of a nosedive is unlikely in our opinion. The DCF scenarios indicate a present value of EUR 1.1-8.0 per share (previous EUR 1.4-7.8) and EUR 4.7 per share in the baseline scenario (previous EUR 5.0), relative to which we still find the pricing attractive. Our required return (WACC) is 12.7%.

Reward/risk ratio is attractive also in the short term

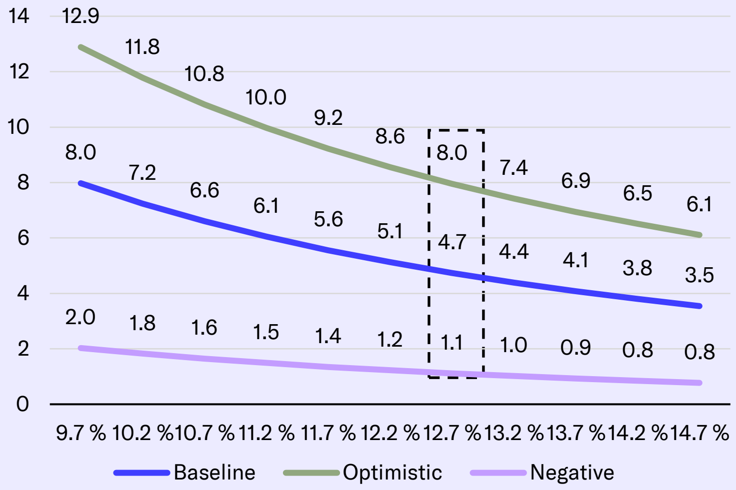
With methods that price growth at various rates and confidence intervals, we can justify the wide EUR 1.1-8.0 (previous 1.4-7.8) per share range, which depicts the high uncertainty of the company's value. The implementation of Aiforia's strategy has progressed convincingly and, given the promising evidence, we see the company as an interesting long-term investment for investors with a high risk tolerance. We expect the positive news flow to continue (customer wins, new CE markings and revenue growth). With the support of the drivers this offers, we see positive drivers for the stock and consider the risk/reward ratio attractive also in the short term. With the estimates we lower our target price to EUR 4.4 (was EUR 4.6) and reiterate our Accumulate recommendation.

We also see Aiforia as a potential acquisition target. The company is strategically well-positioned thanks to having gained significant customers in the clinical segment. In our view, the company has proven to be a leading player in its market and could be a logical acquisition target for players in the digital pathology value chain. A buyout option supports share pricing and also provides a degree of speculative safety as downside protection.

Valuation	2025e	2026e	2027e
Share price	3.51	3.51	3.51
Number of shares, millions	33.7	33.7	33.7
Market cap	118	118	118
EV	110	121	129
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	6.1	16.3	neg.
P/S	25.0	15.6	9.5
EV/Sales	23.2	16.0	10.3
EV/EBITDA	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Sensitivity of the DCF value to the required return, EUR per share, WACC-%



Source: Inderes

Additional information on valuation scenarios

Estimated future valuation ranges,
2026e and 2029e

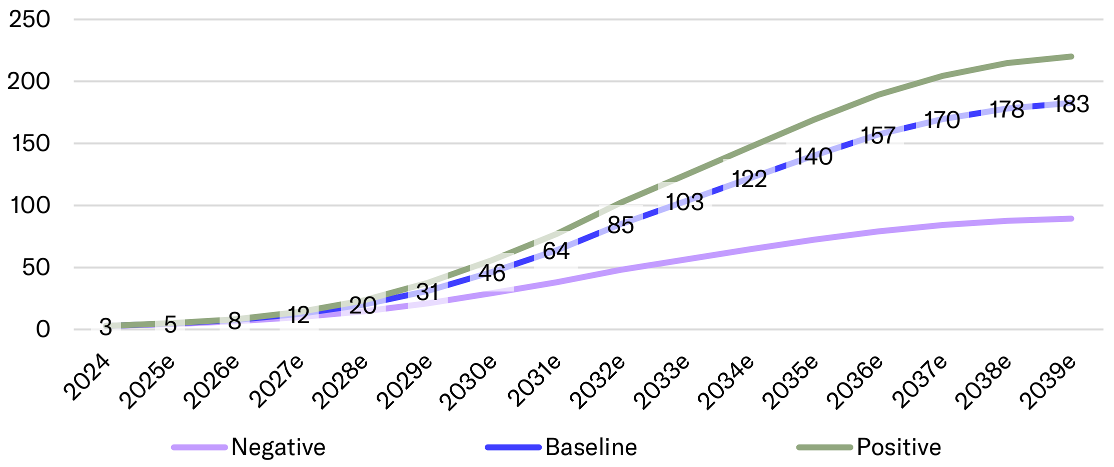
2026e, MEUR	**Low**	**High**
Revenue	7.6	7.6
EV/S, LTM	**22**	**28**
EV/S, NTM	13.3	17.0
EV	166	212
Net cash	12.4	12.4
Market cap	179	224
Per share	**4.7**	**5.8**
Per share currently	**3.7**	**4.7**

2029e, MEUR	**Low**	**High**
Revenue	31.1	31.1
EV/S, LTM	**10**	**15**
EV/S, NTM	6.7	10.1
EV	311	466
Net cash	4	4
Market cap	314	470
Per share	**8.2**	**12.2**
Per share currently	**4.5**	**6.8**

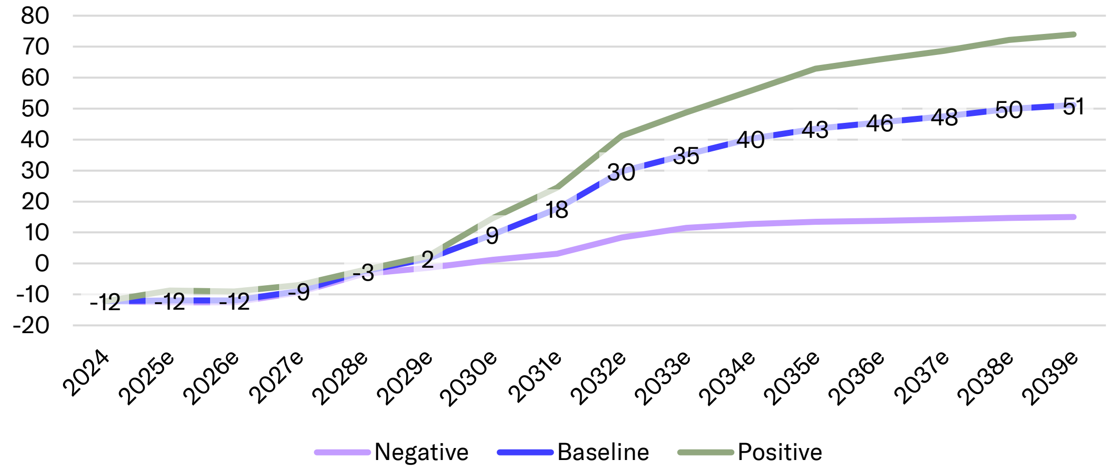
Source: Inderes
NTM = next 12 months
LTM = last 12 months

The scenarios include a directed share issue of 15 MEUR in 2025 assuming a valuation level of EUR 3.54 per share (share price at the time of the update -10%).

Revenue development in different scenarios,
2024-2039e, MEUR



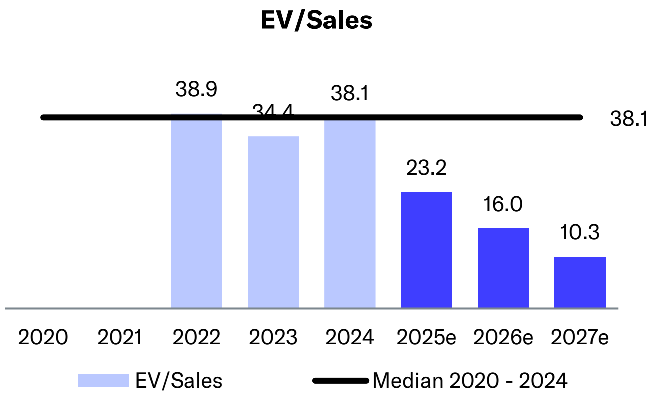
EBIT development in different scenarios,
2024-2039e, MEUR



Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	5.01	5.22	3.23	3.49	3.93	**3.51**	**3.51**	**3.51**	**3.51**
Number of shares, millions	20.0	25.8	25.8	26.0	28.9	**33.7**	**33.7**	**33.7**	**33.7**
Market cap	100	135	83	91	114	**118**	**118**	**118**	**118**
EV	101	99	62	82	109	**110**	**121**	**129**	**132**
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**neg.**
P/E	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**neg.**
P/B	>100	3.5	2.8	5.1	6.9	**6.1**	**16.3**	**neg.**	**neg.**
P/S	>100	>100	51.9	37.8	39.9	**25.0**	**15.6**	**9.5**	**5.9**
EV/Sales			38.9	34.4	38.1	**23.2**	**16.0**	**10.3**	**6.6**
EV/EBITDA	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**45.3**
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**neg.**
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

Source: Inderes



Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		Revenue growth-%		EBIT-%		Rule of 40
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2026e**
Sectra AB	4110	4061	73.1	58.3	61.9	50.3	13.2	11.1	20%	18%	18%	19%	37%
ContextVision AB	40	34	9.9	9.1	7.8	7.3	2.7	2.6	2%	5%	28%	29%	34%
Roche Holding AG	261948	286374	12.3	11.6	10.6	10.2	4.2	4.0	6%	4%	34%	35%	39%
Feedback PLC	9	5					2.1	0.7	58%	225%	-224%	-57%	168%
PainChek Ltd	32	30	24.2				3.4		72%		14%		
Renalytix PLC	37	39					4.1	2.3	104%	84%	-181%	-73%	11%
Diagnos Inc	20	21					104.2		3%				
CellaVision AB	373	361	17.7	14.5	14.9	12.4	4.9	4.3	9%	14%	28%	30%	44%
RaySearch Laboratories AB	737	738	25.9	19.3	13.3	11.6	6.0	5.3	12%	14%	23%	28%	42%
Aiforia Technologies Oyj (Inderes)	**118**	**110**	**-9.2**	**-10.1**	**-15.5**	**-21.0**	**23.2**	**16.0**	**66%**	**60%**	**-253%**	**-158%**	**-98%**
Average			**27.2**	**22.6**	**21.7**	**18.3**	**16.1**	**4.3**	**26%**	**40%**	**-26%**	**1%**	**0%**
Median	**38.8**	**36.5**	**20.9**	**14.5**	**13.3**	**11.6**	**4.2**	**4.0**	**9%**	**14%**	**16%**	**19%**	**25%**
Diff-% to median	***205%***	***200%***	***-144%***	***-170%***	***-217%***	***-281%***	***452%***	***297%***	***630%***	***329%***			***-493%***

Source: Refinitiv / Inderes

Income statement

Income statement	H1'23	H2'23	2023	H1'24	H2'24	2024	H1'25e	H2'25e	2025e	2026e	2027e	2028e
Revenue	**1.0**	**1.4**	**2.4**	**1.4**	**1.5**	**2.9**	**2.0**	**2.7**	**4.7**	**7.6**	**12.5**	**20.0**
EBITDA	**-5.0**	**-4.7**	**-9.7**	**-4.2**	**-4.0**	**-8.2**	**-3.8**	**-3.2**	**-7.1**	**-5.8**	**-2.6**	**2.9**
Depreciation	-1.4	-1.7	-3.2	-1.9	-2.1	-4.0	-2.3	-2.6	-4.9	-6.2	-6.3	-5.5
EBIT (excl. NRI)	**-6.4**	**-6.5**	**-12.9**	**-6.1**	**-6.1**	**-12.2**	**-6.1**	**-5.8**	**-11.9**	**-12.0**	**-8.9**	**-2.6**
EBIT	**-6.4**	**-6.5**	**-12.9**	**-6.1**	**-6.1**	**-12.2**	**-6.1**	**-5.8**	**-11.9**	**-12.0**	**-8.9**	**-2.6**
Net financial items	-0.1	0.1	0.0	0.1	0.1	0.2	0.0	-0.1	-0.1	-0.3	-0.3	-0.3
PTP	**-6.5**	**-6.4**	**-12.9**	**-6.0**	**-6.0**	**-11.9**	**-6.1**	**-5.9**	**-12.0**	**-12.3**	**-9.2**	**-2.9**
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**-6.5**	**-6.4**	**-12.9**	**-6.0**	**-6.0**	**-11.9**	**-6.1**	**-5.9**	**-12.0**	**-12.3**	**-9.2**	**-2.9**
EPS (adj.)	**-0.25**	**-0.25**	**-0.50**	**-0.21**	**-0.21**	**-0.41**	**-0.18**	**-0.18**	**-0.36**	**-0.36**	**-0.27**	**-0.09**
EPS (rep.)	**-0.25**	**-0.25**	**-0.50**	**-0.21**	**-0.21**	**-0.41**	**-0.18**	**-0.18**	**-0.36**	**-0.36**	**-0.27**	**-0.09**

Key figures	H1'23	H2'23	2023	H1'24	H2'24	2024	H1'25e	H2'25e	2025e	2026e	2027e	2028e
Revenue growth-%	67.4 %	39.2 %	49.3 %	42.8 %	2.9 %	18.9 %	47.0 %	83.0 %	65.7 %	60.0 %	65.0 %	60.8 %
Adjusted EBIT growth-%	31.1 %	-5.8 %	9.6 %	-5.2 %	-5.4 %	-5.3 %	0.7 %	-4.8 %	-2.1 %	0.1 %	-25.3 %	-71.1 %
EBITDA-%	-517.3 %	-329.0 %	-404.5 %	-306.0 %	-271.9 %	-288.4 %	-190.2 %	-120.1 %	-150.0 %	-76.3 %	-21.0 %	14.5 %
Adjusted EBIT-%	-666.4 %	-450.6 %	-537.1 %	-442.6 %	-414.0 %	-427.8 %	-303.2 %	-215.4 %	-252.9 %	-158.1 %	-71.6 %	-12.9 %
Net earnings-%	-679.8 %	-444.8 %	-539.0 %	-434.8 %	-404.5 %	-419.1 %	-303.2 %	-219.1 %	-255.0 %	-162.1 %	-74.0 %	-14.4 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**13.2**	**15.1**	**15.0**	**14.3**	**13.6**
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	11.8	13.8	14.4	13.9	13.5
Tangible assets	1.3	1.0	0.7	0.3	0.1
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.1	0.4	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	**15.0**	**13.2**	**10.6**	**10.6**	**11.9**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.6	0.6	0.6	0.6
Receivables	1.0	1.2	1.5	2.0	3.3
Cash and equivalents	14.0	11.5	8.4	8.0	8.0
Balance sheet total	**28.2**	**28.4**	**25.6**	**24.8**	**25.5**

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**17.9**	**16.6**	**19.5**	**7.3**	**-2.0**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-38.3	-49.0	-61.1	-73.3	-82.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	56.1	65.5	80.5	80.5	80.5
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**6.2**	**7.1**	**1.4**	**9.9**	**16.3**
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	5.1	5.6	0.0	8.5	14.9
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	1.1	1.4	1.4	1.4	1.4
Current liabilities	**4.1**	**4.7**	**4.6**	**7.7**	**11.1**
Interest bearing debt	0.7	0.9	0.0	2.1	3.7
Payables	3.4	3.8	4.6	5.6	7.4
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**28.2**	**28.4**	**25.6**	**24.8**	**25.5**

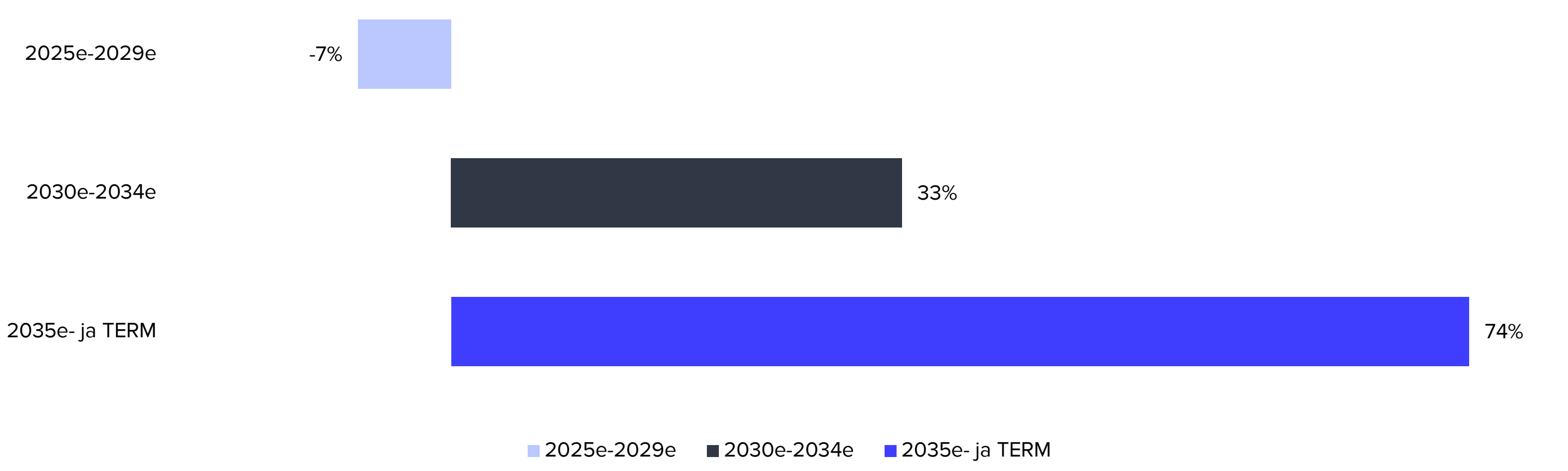
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	2038e	2039e	TERM
Revenue growth-%	18.9 %	65.7 %	60.0 %	65.0 %	60.8 %	55.0 %	49.0 %	38.0 %	33.0 %	21.7 %	18.0 %	15.0 %	12.0 %	8.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	-427.8 %	-252.9 %	-158.1 %	-71.6 %	-12.9 %	5.0 %	20.2 %	27.7 %	35.0 %	34.0 %	33.0 %	31.0 %	29.0 %	28.0 %	28.0 %	28.0 %	28.0 %
EBIT (operating profit)	**-12.2**	**-11.9**	**-12.0**	**-8.9**	**-2.6**	**1.5**	**9.3**	**17.7**	**29.7**	**35.2**	**40.3**	**43.5**	**45.6**	**47.5**	**49.9**	**51.1**	
+ Depreciation	4.0	4.9	6.2	6.3	5.5	6.5	6.9	7.2	8.5	9.7	10.5	11.3	12.0	12.6	13.0	13.0	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	0.3	1.8	1.7	1.5	-0.2	-8.0	-8.6	-9.1	-9.4	-9.9	-10.2	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-0.3	0.5	0.5	0.5	0.6	0.7	0.8	1.2	1.1	0.7	1.7	1.6	1.5	1.1	0.8	0.4	
Operating cash flow	**-8.5**	**-6.6**	**-5.3**	**-2.1**	**3.5**	**9.1**	**18.8**	**27.8**	**40.8**	**45.3**	**44.4**	**47.7**	**49.9**	**51.7**	**53.6**	**54.3**	
+ Change in other long-term liabilities	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-5.9	-4.8	-5.4	-5.7	-5.8	-6.7	-7.0	-7.4	-8.5	-9.7	-10.5	-11.3	-12.0	-12.6	-13.0	-12.8	
Free operating cash flow	**-14.1**	**-11.4**	**-10.7**	**-7.8**	**-2.2**	**2.4**	**11.8**	**20.5**	**32.3**	**35.6**	**33.9**	**36.4**	**38.0**	**39.1**	**40.7**	**41.5**	
+/- Other	9.9	15.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-4.2	4.2	-10.6	-7.8	-2.2	2.4	11.8	20.5	32.3	35.6	33.9	36.4	38.0	39.1	40.7	41.5	419
Discounted FCFF		**3.8**	**-8.6**	**-5.6**	**-1.4**	**1.4**	**5.9**	**9.1**	**12.7**	**12.5**	**10.5**	**10.0**	**9.3**	**8.5**	**7.8**	**7.1**	**71.6**
Sum of FCFF present value		155	151	159	165	166	165	159	150	137	125	114	104	95.0	86.5	78.7	71.6
Enterprise value DCF		**155**															
- Interest bearing debt		-6.6															
+ Cash and cash equivalents		11.5															
-Minorities		0.0															
-Dividend/capital return		0.0															
Equity value DCF		**159**															
Equity value DCF per share		**4.7**															

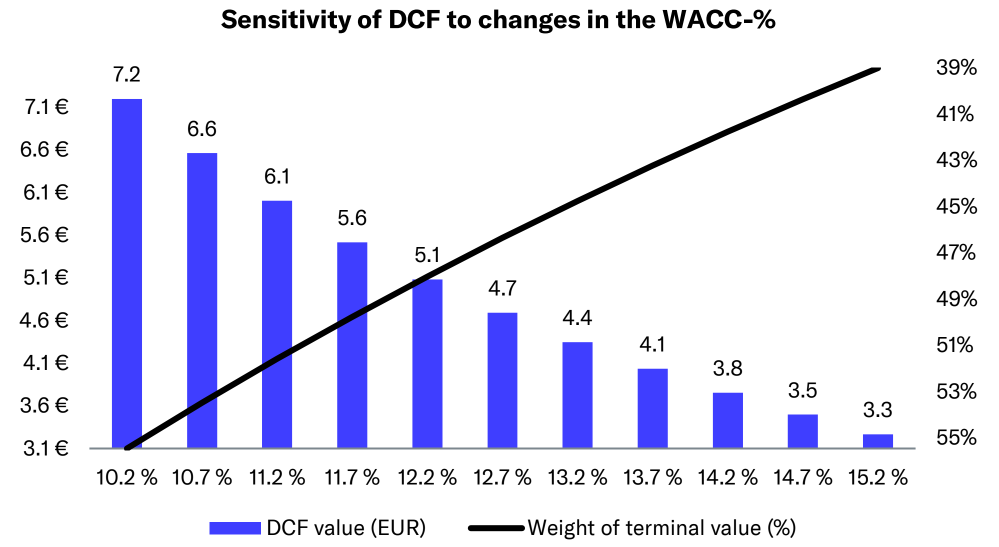
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	5.0 %
Cost of debt	6.0 %
Equity Beta	1.70
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
Cost of equity	**13.1 %**
Weighted average cost of capital (WACC)	**12.7 %**

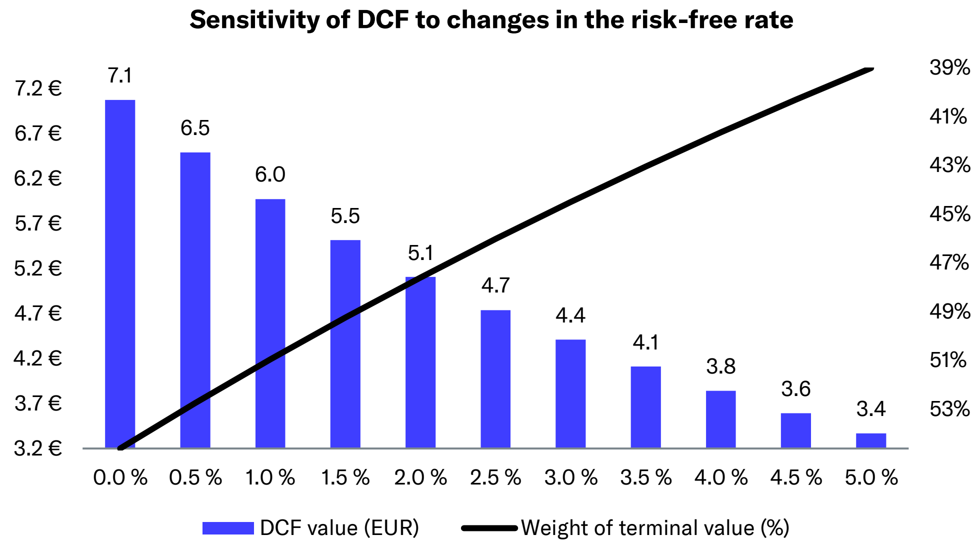
Source: Inderes

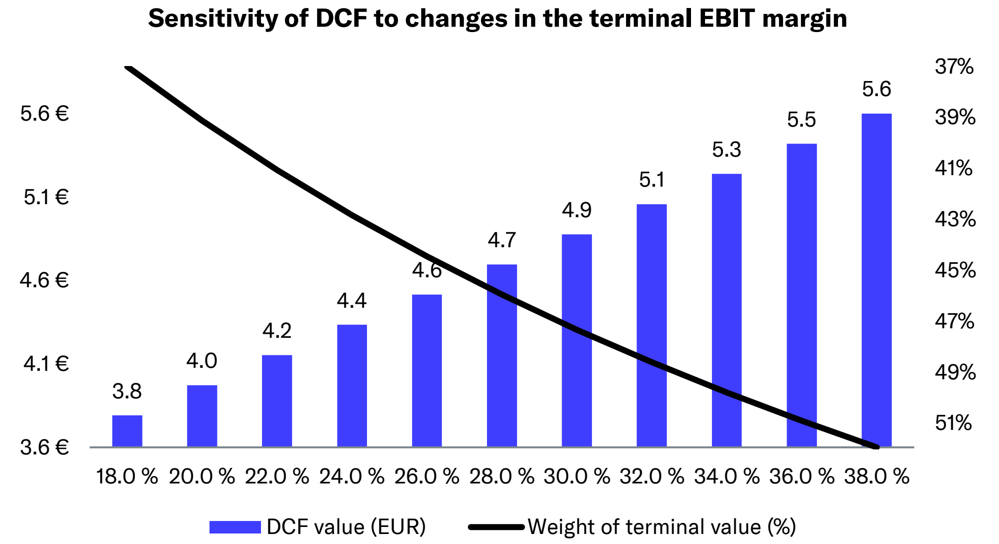
Cash flow distribution

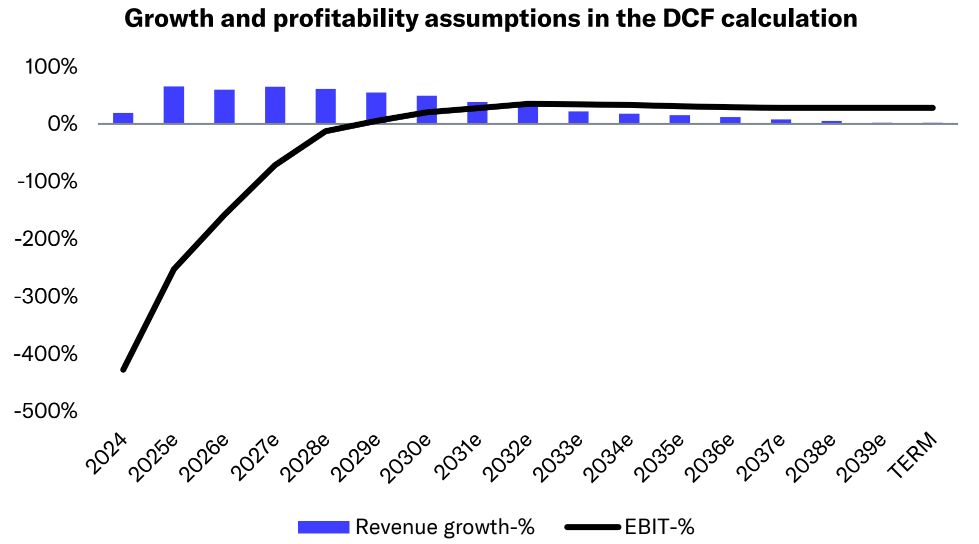


DCF sensitivity calculations and key assumptions in graphs









Lähde: Inderes. Huomaa, että terminaaliarvon paino (%) on esitetty käänteisellä asteikolla selkeyden vuoksi.

Summary

Income statement	2022	2023	2024	2025e	2026e
Revenue	1.6	2.4	2.9	**4.7**	**7.6**
EBITDA	-9.5	-9.7	-8.2	**-7.1**	**-5.8**
EBIT	-11.8	-12.9	-12.2	**-11.9**	**-12.0**
PTP	-12.2	-12.9	-11.9	**-12.0**	**-12.3**
Net Income	-12.2	-12.9	-11.9	**-12.0**	**-12.3**
Extraordinary items	0.0	0.0	0.0	**0.0**	**0.0**

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	36.5	28.2	28.4	**25.6**	**24.8**
Equity capital	29.3	17.9	16.6	**19.5**	**7.3**
Goodwill	0.0	0.0	0.0	**0.0**	**0.0**
Net debt	-21.0	-8.1	-4.9	**-8.4**	**2.6**

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	-9.5	-9.7	-8.2	**-7.1**	**-5.8**
Change in working capital	-0.1	0.4	-0.3	**0.5**	**0.5**
Operating cash flow	-9.7	-9.3	-8.5	**-6.6**	**-5.3**
CAPEX	-7.6	-6.2	-5.9	**-4.8**	**-5.4**
Free cash flow	-15.2	-13.5	-4.2	**4.2**	**-10.6**

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S		34.4	38.1	**23.2**	**16.0**
EV/EBITDA		neg.	neg.	**neg.**	**neg.**
EV/EBIT (adj.)		neg.	neg.	**neg.**	**neg.**
P/E (adj.)		neg.	neg.	**neg.**	**neg.**
P/B		5.1	6.9	**6.1**	**16.3**
Dividend-%		0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)		-0.50	-0.41	**-0.36**	**-0.36**
EPS (adj.)		-0.50	-0.41	**-0.36**	**-0.36**
OCF / share		-0.36	-0.29	**-0.20**	**-0.16**
FCF / share		-0.52	-0.14	**0.12**	**-0.32**
Book value / share		0.69	0.57	**0.58**	**0.22**
Dividend / share		0.00	0.00	**0.00**	**0.00**

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	65%	49%	19%	**66%**	**60%**
EBITDA growth-%	176%	2%	-15%	**-14%**	**-19%**
EBIT (adj.) growth-%	151%	10%	-5%	**-2%**	**0%**
EPS (adj.) growth-%				**-13%**	**2%**
EBITDA-%	-593.3 %	-404.5 %	-288.4 %	**-150.0 %**	**-76.3 %**
EBIT (adj.)-%	-731.9 %	-537.1 %	-427.8 %	**-252.9 %**	**-158.1 %**
EBIT-%	-731.9 %	-537.1 %	-427.8 %	**-252.9 %**	**-158.1 %**
ROE-%	-36.2 %	-54.8 %	-69.3 %	**-66.7 %**	**-91.4 %**
ROI-%	-31.8 %	-45.4 %	-52.0 %	**-56.0 %**	**-64.0 %**
Equity ratio	80.3 %	63.5 %	58.4 %	**76.3 %**	**29.3 %**
Gearing	-71.6 %	-45.4 %	-29.8 %	**-43.2 %**	**35.2 %**

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Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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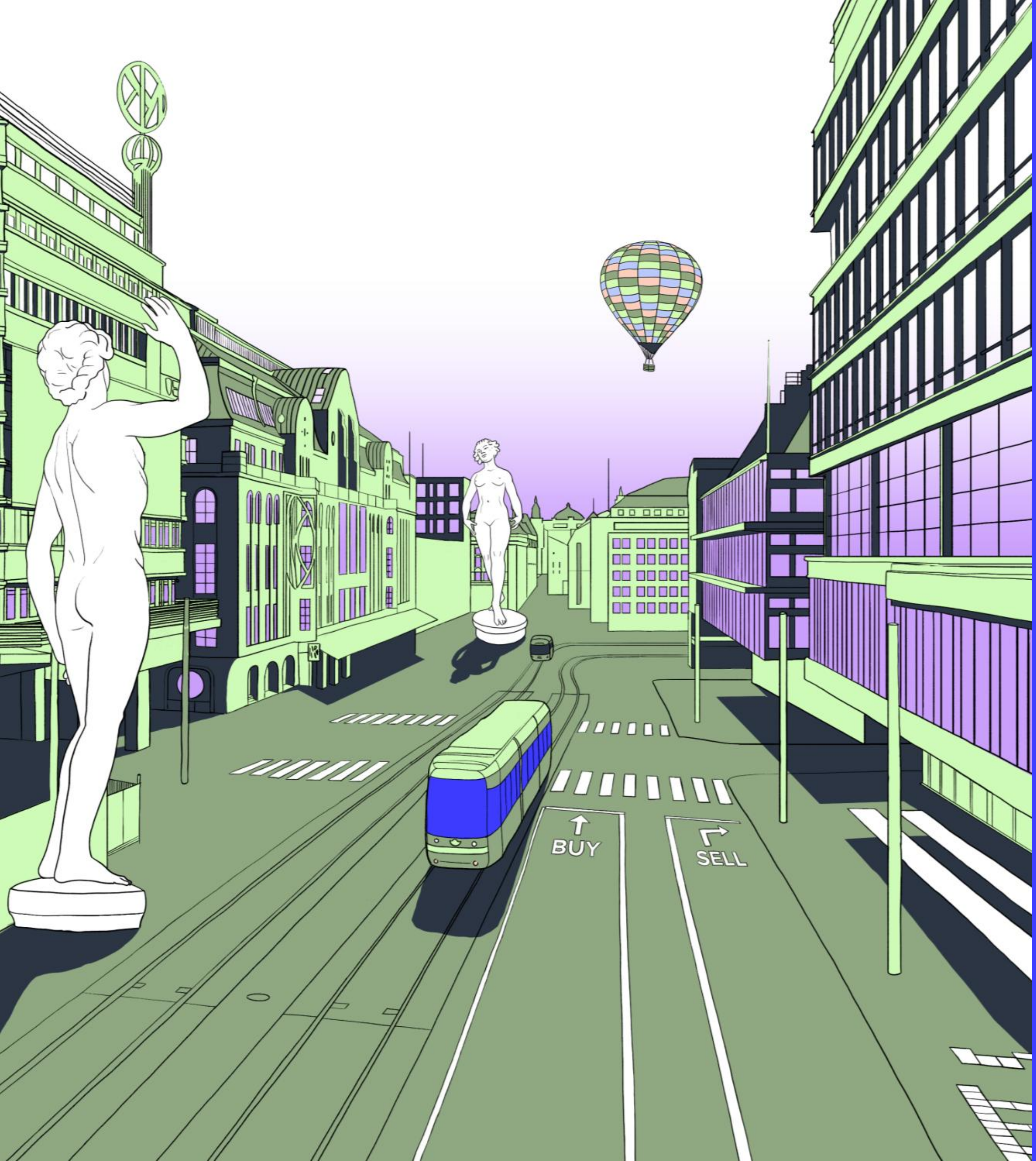
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
6/24/2022	Sell	4.00 €	4.58 €
8/26/2022	Reduce	4.00 €	3.52 €
12/3/2022	Reduce	4.00 €	3.50 €
3/3/2023	Accumulate	4.80 €	4.15 €
8/28/2023	Reduce	4.50 €	4.54 €
12/7/2023	Accumulate	4.20 €	3.45 €
2/29/2024	Accumulate	4.20 €	3.45 €
3/8/2024	Accumulate	4.20 €	3.44 €
5/30/2024	Accumulate	4.60 €	3.79 €
8/30/2024	Reduce	4.60 €	4.45 €
10/3/2024	Accumulate	4.60 €	3.93 €
3/10/2025	Accumulate	4.40 €	3.51 €



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