AIFORIA TECHNOLOGIES OYJ

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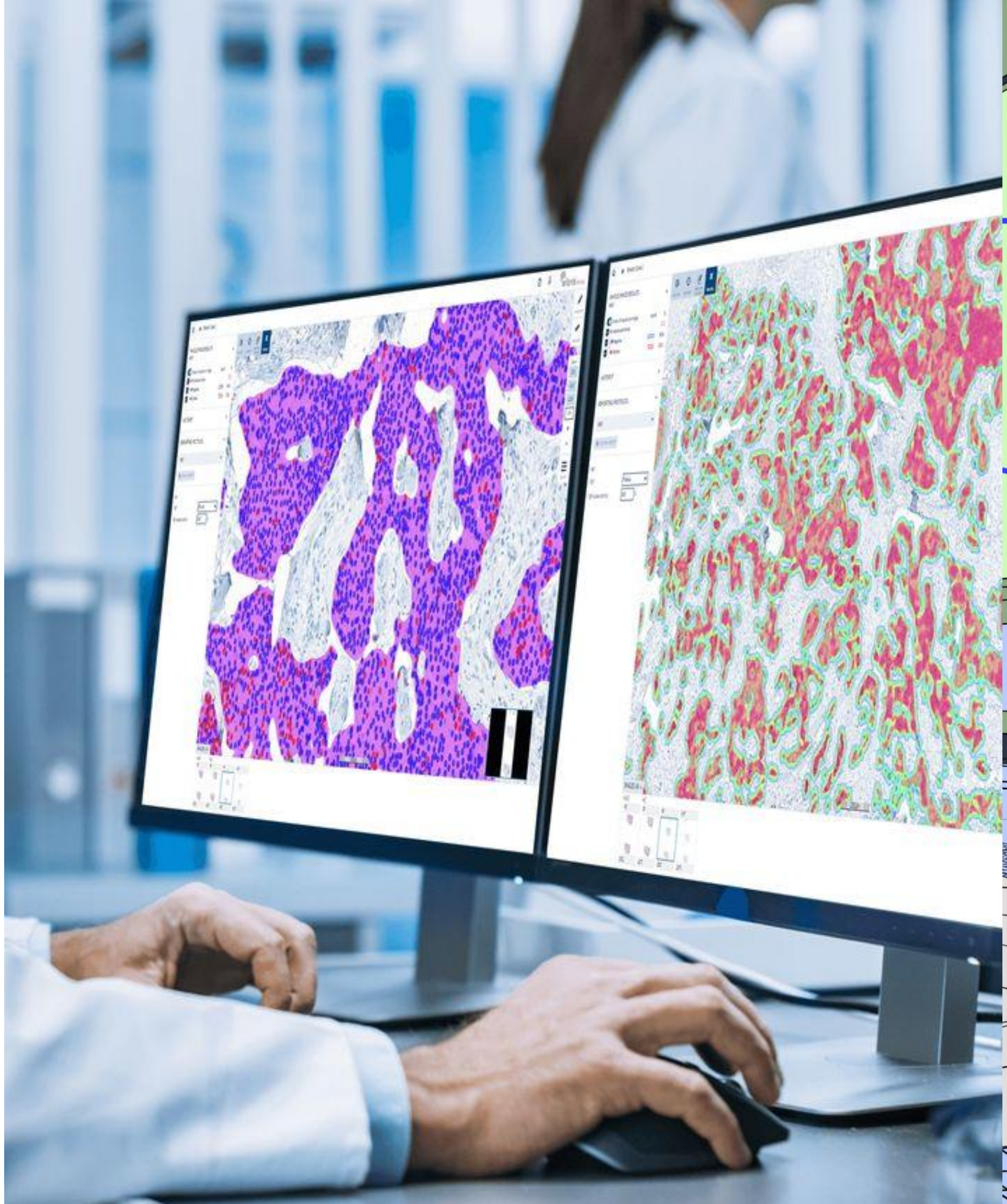
Antti Luiro
+358 50 571 4893
antti.luiro@inderes.fi

Frans-Mikael Rostedt
+358 44 327 0395
frans-mikael.rostedt@inderes.fi



INDERES CORPORATE CUSTOMER

COMPANY REPORT

Revenue growth takes longer to accelerate

Aiforia's H1 figures were a disappointment to us as revenue remained flat, even though revenue in the strategically most important clinical segment grew strongly from low comparison figures. The conversion of a strong customer base into revenue still requires more time than we previously anticipated, and we have lowered our estimates. The company's market position is constantly strengthening with new customer wins, and supported by the decreased valuation, the risk/reward ratio remains attractive for those with an appetite for risk. In line with our revised estimates, we lower our target price to EUR 3.4 (was EUR 4.2) and reiterate our Accumulate recommendation.

Revenue growth fell short in the first half of the year

H1 revenue was 1.4 MEUR (+2%, Inderes: 2.0 MEUR) due to a decline in revenue from non-clinical customers. At the same time, the clinical segment's revenue grew strongly (+60%, H1'25: 0.8 MEUR) from low base figures (H1'24: 0.5 MEUR). The order book, on the other hand, remained at 5.1 MEUR, as the recognition of contract revenue offset the impact of new sales (H1: 5 new clinical customers from Europe). EBIT was still heavily in the red (H1'25: -5.4 MEUR), and current cash and cash equivalents of 11.8 MEUR and cash burn (around 7-8 MEUR/6 months) will provide funding until early Q2/2026.

Aiforia is solidifying its position as a winner in the first wave of image analysis in clinical digital pathology

An investment wave in digital pathology is underway, as the need for pathological analysis is growing and there is already a shortage of pathologists, which drives demand for solutions that increase efficiency and capacity. The market for Aiforia's image recognition software is young, and its competitive landscape is still forming. Considering the competitive factors of the company's product (cell-level recognition, deep learning models, the sector's broadest product portfolio) and significant clinical references, it has been well-positioned to build its standing as one of the market's long-term winners. Aiforia is gaining a very strong market position, as, according to public information, it has won the majority of the sector's new clinical customers in recent years and has become a market leader.

Revenue growth takes longer to accelerate

The ramp-up of Aiforia's numerous customer wins has been slow. The trend of slower revenue recognition than our expectations continued in H1, and we cut our revenue estimates by around 20-30% and earnings estimates by 0-30% for the coming years. Aiforia's revenue growth is still set to accelerate in the coming years as the clinical segment's revenue growth breaks through to the group's figures, although we estimate this timing to be in 2026-27. We still forecast strong annual revenue growth of 30-60% for 2025-28. We expect EBIT to turn positive in 2030, supported by growth, and the company to carry out 10+10 MEUR share issues in 2026 and 2027. Given the strongest market position and customer wins in the sector, we believe that securing financing will be successful, albeit at an uncertain valuation. We expect revenue to reach 31 MEUR by 2030 (target: >100 MEUR ~2030), requiring very strong strategy execution, new customer wins, and successful implementations.

Revenue miss lowered valuation and kept risk/reward attractive; yet risk appetite is needed

Aiforia's valuation (2025-27e EV/S 25-15x) relies on expectations of very strong and scalable growth. By pricing growth with varying coefficients and confidence intervals, we can justify the company's value within a wide range of EUR 0.6-6.3 per share (was EUR 1.0-7.4), which decreased in line with our estimates. Overall, we see the stock's valuation as justified at the midpoint of the range. In our view, the uncertainty regarding the growth coefficient remains a key weakness and risk in Aiforia's investment story, which has already materialized due to the slower-than-expected revenue recognition from customer contracts. This also affects cash development and the amount of earnings-dilutive share dilution. Looking further ahead, the company still offers an attractive return expectation due to its strongly developing customer base, which in our view justifies taking on the high risks of the investment case at the current valuation.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 3.40

(was EUR 4.20)

Share price:

EUR 2.95

Business risk

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Valuation risk

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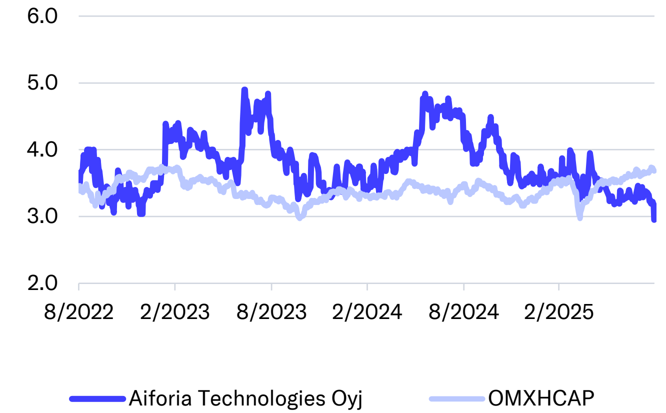
	2024	2025e	2026e	2027e
Revenue	2.9	3.7	5.3	8.3
growth-%	19%	29%	45%	55%
EBIT adj.	-12.2	-10.7	-12.6	-11.5
EBIT-% adj.	-428%	-290%	-236%	-139%
Net Income	-11.9	-12.1	-12.9	-11.8
EPS (adj.)	-0.41	-0.38	-0.40	-0.36
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	6.9	7.4	neg.	neg.
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
EV/S	38.1	25.4	20.2	14.8

Source: Inderes

Guidance

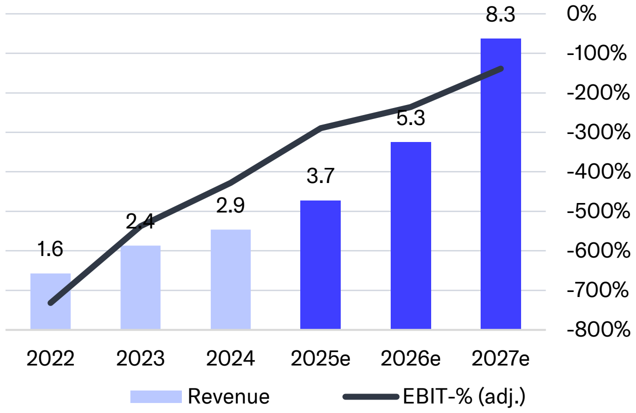
Aiforia has not provided guidance.

Share price



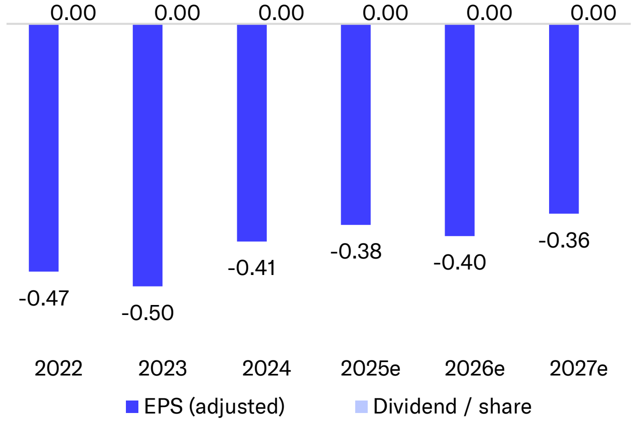
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Significant market potential in increasing automation in pathology
- Good preliminary 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
- 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	2.95	2.95	2.95
Number of shares, millions	31.6	32.0	32.7
Market cap	93	94	97
EV	94	108	122
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	7.4	neg.	neg.
P/S	25.3	17.6	11.7
EV/Sales	25.4	20.2	14.8
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

Revenue growth fell short in the first half of the year

Customers not reflected in top-line

Aiforia's H1 revenue was a disappointment compared to our expectations, remaining flat at 1.4 MEUR (Inderes: 2.0 MEUR). The most important driver of the company's revenue development is clinical customers, of which it already has about 11 based on public information, and almost all of these would have the potential for over 1 MEUR in annual revenue (some >10 MEUR/customer). Growth was hampered by the non-clinical segment's revenue (H1'25: 0.6 MEUR, H1'24: 0.9 MEUR). At the same time, the clinical segment's revenue grew quite sharply (+60%, H1'25: 0.8 MEUR) from low starting figures (H1'24: 0.5 MEUR), but still slower than our expectations.

Geographically, the company's key markets, Europe (0.73 MEUR, excluding Finland) and the United States (0.34 MEUR), were both clearly weaker than our expectations, whereas Finland (0.20 MEUR) and Other markets (0.13 MEUR) met our expectations. According to the company's comments, the weakness in Europe was due to the delayed revenue recognition of a large clinical deployment (around 0.5 MEUR) as the customer preferred an on-site deployment instead of a cloud implementation, which, if adjusted, would have brought revenue close to our expectations. However, in our view, this does not change the big picture of the report, meaning that the use of the company's solutions in its customer accounts is growing slower than we expected.

The company's order book did not grow and remained at 5.1 MEUR (H2'24: 5.2 MEUR, H1'24: 3.2 MEUR). In practice, the revenue recognition from the company's order book offset the impact of new sales (H1: 5 new clinical customers from Europe). Due to the company's contract structures, the order book only includes a portion of the revenue growth outlook, but we do not believe this changes the overall picture of the report.

Cost discipline led to smaller losses

Despite weak revenue, Aiforia's H1'25 EBITDA clearly improved year-on-year to -3.0 MEUR (Inderes: -3.8 MEUR, H1'24: -4.2 MEUR) and EBIT to -5.4 MEUR. The improved profitability was due to a decrease in the company's headcount (H1'25 average: 69 people, H2'24: 77 people) and an increase in capitalized product development (H1'25: 3.7 MEUR, H2'24: 2.9 MEUR), which will later flow into the income statement through depreciation, thus partly deferring expense recognition to the future. Aiforia's result is at a loss, as the company has made significant front-loaded investments in growth to implement its strategy, particularly in sales, implementations, and R&D recruitments. We believe that adjusting the cost level is justified given the current weaker growth. However, a clear strengthening of profitability requires revenue growth, so the continuation of the profitability trend requires new tricks.

At the end of June, the company's cash and cash equivalents were 11.9 MEUR and net cash was 6.0 MEUR. The company strengthened its financial position by raising 8 MEUR in gross additional funding in spring 2025. Adjusted for this, the change in the company's net debt (~operating cash flow after investments) was -7.9 MEUR, meaning the company's cash burn was significantly higher than we expected.

Estimates	H1'24	H1'25	H1'25e	H1'25e	Consensus		Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	1.37	1.40	2.02				-31%	3.7
EBITDA	-4.2	-3.0	-3.8				21%	-5.5
EBIT	-6.1	-5.4	-6.1				12%	-10.7
EPS (reported)	-0.21	-0.23	-0.18				-27%	-0.38
Revenue growth-%	42.8 %	1.7 %	47.0 %				-45.3 pp	29.3 %
EBIT-% (adj.)	-442.6 %	-387.3 %	-303.2 %				-84.1 pp	-289.8 %

Source: Inderes

Our growth forecasts got on the chopping block

The company has liquidity through the Business Finland loan, but it is likely to raise funding next in early 2026 (funding is sufficient until early Q2/2026 with a burn rate of 7-8 MEUR/6 months).

Improving visibility to accelerating growth remains at the heart of the investment story

In our view, Aiforia's investment story is very promising, and several clinical segment customers, especially those won in Europe, have already brought concrete results to the company's growth path. At the same time, due to the company's currently small commercial scale, visibility, especially regarding the timing and strength of growth, is limited, and the H1 report once again highlighted the risks this entails. While the H1 revenue weakness was partly due to customer delivery timing factors that support a return to revenue growth during H2, in our view, our expectation of the slower growth phase being clearly behind us in 2025 is now less likely than before.

We lowered our top-line forecasts

Our revenue estimates declined by some 20-35% for the coming years. Aiforia's customer ramp-ups have proven slower than our expectations in both the United States and Europe. We do not yet identify a quick solution to the situation, so we estimate that Aiforia will simply have to grow and mature its customer base for longer before achieving stronger growth. We now predict a clearer pick-up in growth to occur in 2026-2027, when the conclusion of contract periods for several customer agreements will enable the recognition of contract revenues. Furthermore, in this situation, Aiforia will be able to sell broader image recognition models in the upcoming budget cycle, meaning that expanding customer accounts has the potential to significantly boost revenue growth with a shorter waiting period than initial deployments.

Our profitability forecasts declined in the wake of revenue forecasts

We lowered our earnings estimates by approximately 0-30% for the coming years. We expect the company to curb its cost base growth due to weaker revenue growth, so our profitability estimates fell less in absolute terms than our revenue estimates.

In practice, however, our forecast changes mean that the company also needs more funding to achieve cash flow neutrality. We expect the company to now raise 10+10 MEUR in 2026 and 2027, which we have accounted for in our valuation scenarios. Our DCF model and balance sheet forecasts only account for 2025 financing.

Estimate revisions MEUR / EUR	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	4.7	3.7	-22%	7.6	5.3	-29%	12.5	8.3	-34%
EBITDA	-7.1	-5.5	22%	-5.8	-6.0	-4%	-2.6	-4.4	-68%
EBIT (exc. NRIs)	-11.9	-10.7	11%	-12.0	-12.6	-6%	-8.9	-11.5	-29%
EBIT	-11.9	-10.7	11%	-12.0	-12.6	-6%	-8.9	-11.5	-29%
PTP	-12.0	-12.1	0%	-12.3	-12.9	-5%	-9.2	-11.8	-28%
EPS (excl. NRIs)	-0.36	-0.38	-7%	-0.36	-0.40	-11%	-0.27	-0.36	-32%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Aiforia, Webcast, Q2'25

The risk is adequately compensated

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 25-20x) 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 10+10 MEUR share issues (previously 1x12 MEUR) for 2026 and 2027, using the current share price as valuation with a typical 10% discount for a directed issue (EUR 2.66). The company may need even more financing if revenue growth is slower than we forecast. We also assume that external financing is an option as cash flow neutrality approaches. A multiples-based valuation for the next few years indicates a range of EUR 3.0-4.0/share in present value, against which the valuation of the stock (EUR 2.95) 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 0.6-6.3 per share (was EUR 1.4-7.8) and EUR 3.6 per share in the baseline scenario (was EUR 5.0), relative to which we still find the pricing attractive. Our required return (WACC) is 13.5%.

Despite the weak report, the decreased valuation keeps the risk/reward attractive

With methods that price growth at various rates and confidence intervals, we can justify the wide EUR 0.6-6.3 (was 1.0-7.4) per share range that depicts the high uncertainty of the company's value. Overall, we see the stock's valuation as justified at the midpoint of the range. With the estmates we lower our target price to EUR 3.4 (was EUR 4.2) and reiterate our Accumulate recommendation.

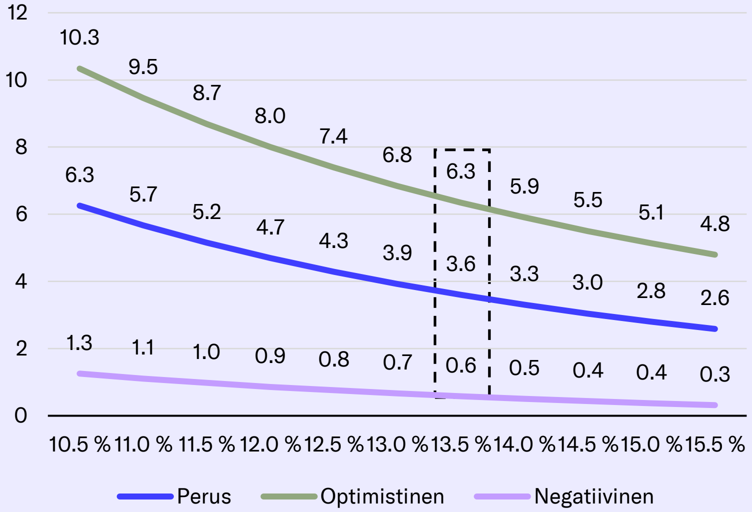
In our view, the uncertainty regarding the growth coefficient remains a key weakness and risk in Aiforia's investment story, which has already materialized due to the slower-than-expected revenue recognition from customer contracts. This also affects cash development and the amount of earnings-dilutive share dilution. Looking further ahead, the company still offers an attractive return expectation due to its strongly developing customer base, which in our view justifies taking on the high risks of the investment case at the current valuation.

We also see Aiforia as a potential acquisition target. The company is strategically well-positioned due to its market leadership in the clinical segment. The company could thus be a logical acquisition target for players in the digital pathology value chain who want to enter the high-margin image analysis market. The option supports the share's valuation and offers some speculative protection as a parachute.

Valuation	2025e	2026e	2027e
Share price	2.95	2.95	2.95
Number of shares, millions	31.6	32.0	32.7
Market cap	93	94	97
EV	94	108	122
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	7.4	neg.	neg.
P/S	25.3	17.6	11.7
EV/Sales	25.4	20.2	14.8
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

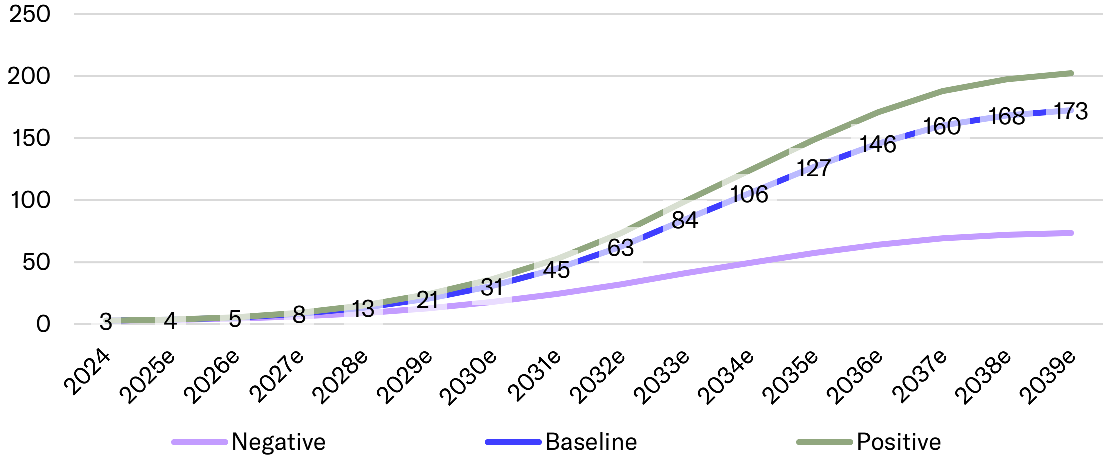
2026e, MEUR	Low	High
Revenue	5.3	5.3
EV/S, LTM	**26**	**32**
EV/S, NTM	16.8	20.6
EV	139	171
Net cash	-5.9	-5.9
Market cap	133	165
Per share	**3.5**	**4.4**
Per share currently	**3.0**	**3.7**

2029e, MEUR	Low	High
Revenue	20.6	20.6
EV/S, LTM	**12**	**15**
EV/S, NTM	8.0	10.0
EV	247	308
Net cash	-9	-9
Market cap	238	300
Per share	**5.6**	**7.0**
Per share currently	**3.2**	**4.0**

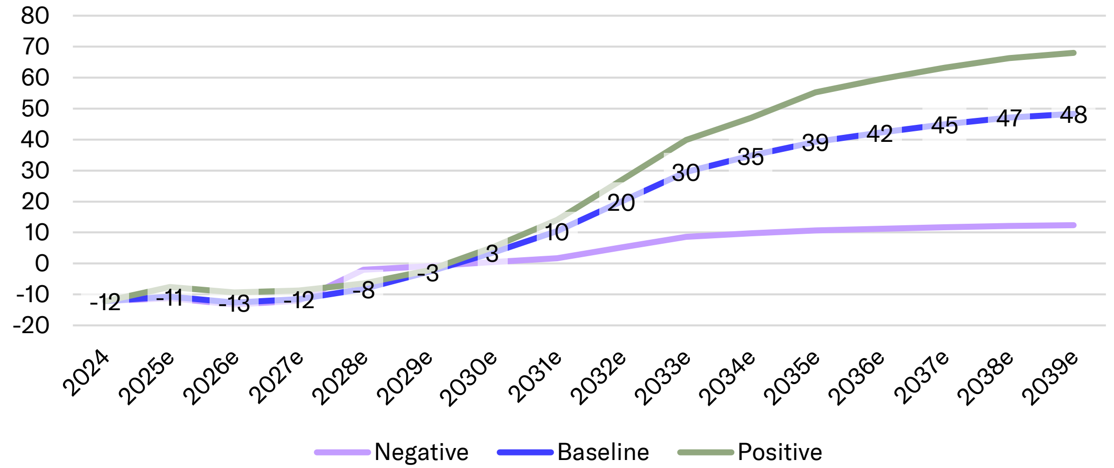
Source: Inderes
NTM = next 12 months
LTM = last 12 months

The scenarios include 10+10 MEUR directed share issues for 2025 and 2026, assuming a valuation of 2.66 €/share for the issues (share price at the time of report update -10%).

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



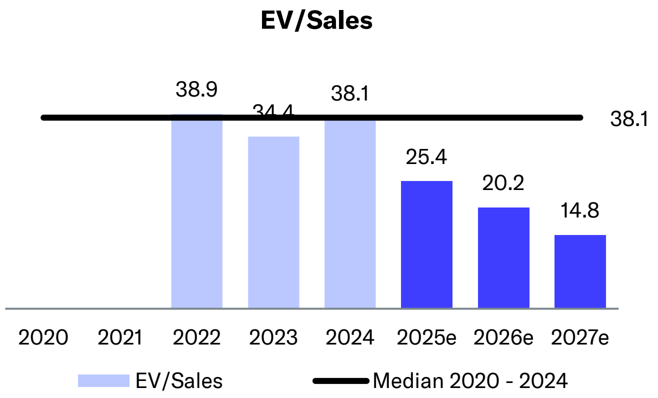
EBIT development in different scenarios,
2024-2039e, MEUR



Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	5.01	5.22	3.23	3.49	3.93	**2.95**	**2.95**	**2.95**	**2.95**
Number of shares, millions	20.0	25.8	25.8	26.0	28.9	**31.6**	**32.0**	**32.7**	**32.8**
Market cap	100	135	83	91	114	**93**	**94**	**97**	**97**
EV	101	99	62	82	109	**94**	**108**	**122**	**131**
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	**7.4**	**neg.**	**neg.**	**neg.**
P/S	>100	>100	51.9	37.8	39.9	**25.3**	**17.6**	**11.7**	**7.3**
EV/Sales			38.9	34.4	38.1	**25.4**	**20.2**	**14.8**	**9.8**
EV/EBITDA	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**neg.**
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



The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

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	6030	5917	98.7	98.1	79.5	83.3	20.2	17.6	16%	15%	20%	18%	33%
ContextVision AB	30	24	104.4	18.7	9.7	7.0	2.2	2.1	-7%	3%	2%	11%	14%
Roche Holding AG	229503	256723	11.3	10.8	9.7	9.3	3.8	3.7	3%	3%	34%	34%	37%
Feedback PLC	7	2					2.2	0.5	-24%	385%	-507%	-101%	284%
PainChek Ltd	45	43	36.6				5.1		72%		14%		
Renalytix PLC	23	21					2.4	1.3	104%	84%	-181%	-73%	11%
CellaVision AB	380	369	19.3	16.3	16.4	14.0	5.3	4.7	5%	12%	27%	29%	41%
Hamamatsu Photonics	2973	2750			10.3	9.0	2.2	2.0	5%	6%			
Thermo Fisher Scientific	158995	183952	21.6	20.1	19.4	18.1	4.9	4.6	3%	5%	23%	23%	28%
Tempus AI	10974	11411		326.8	2826.7	123.3	10.5	8.5	81%	24%	-5%	3%	27%
Aiforia Technologies Oyj (Inderes)	**93**	**94**	**-8.8**	**-8.6**	**-17.0**	**-18.1**	**25.4**	**20.2**	**29%**	**45%**	**-290%**	**-236%**	**-191%**
Average			**48.6**	**81.8**	**424.5**	**37.7**	**5.9**	**5.0**	**22%**	**49%**	**-52%**	**-6%**	
Median	**1676.6**	**1559.7**	**29.1**	**19.4**	**16.4**	**14.0**	**4.3**	**3.7**	**4%**	**6%**	**2%**	**7%**	**6%**
Diff-% to median	**-94%**	**-94%**	**-130%**	**-144%**	**-204%**	**-229%**	**487%**	**449%**	**633%**	**650%**			**-3288%**

Source: Refinitiv / Inderes

Income statement

Income statement	H1'23	H2'23	2023	H1'24	H2'24	2024	H1'25	H2'25e	2025e	2026e	2027e	2028e
Revenue	**1.0**	**1.4**	**2.4**	**1.4**	**1.5**	**2.9**	**1.4**	**2.3**	**3.7**	**5.3**	**8.3**	**13.3**
EBITDA	**-5.0**	**-4.7**	**-9.7**	**-4.2**	**-4.0**	**-8.2**	**-3.0**	**-2.5**	**-5.5**	**-6.0**	**-4.4**	**-0.7**
Depreciation	-1.4	-1.7	-3.2	-1.9	-2.1	-4.0	-2.4	-2.8	-5.2	-6.7	-7.1	-7.5
EBIT (excl. NRI)	**-6.4**	**-6.5**	**-12.9**	**-6.1**	**-6.1**	**-12.2**	**-5.4**	**-5.3**	**-10.7**	**-12.6**	**-11.5**	**-8.2**
EBIT	**-6.4**	**-6.5**	**-12.9**	**-6.1**	**-6.1**	**-12.2**	**-5.4**	**-5.3**	**-10.7**	**-12.6**	**-11.5**	**-8.2**
Net financial items	-0.1	0.1	0.0	0.1	0.1	0.2	-1.3	-0.1	-1.4	-0.3	-0.3	-0.3
PTP	**-6.5**	**-6.4**	**-12.9**	**-6.0**	**-6.0**	**-11.9**	**-6.7**	**-5.4**	**-12.1**	**-12.9**	**-11.8**	**-8.5**
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**	**-6.7**	**-5.4**	**-12.1**	**-12.9**	**-11.8**	**-8.5**
EPS (adj.)	**-0.25**	**-0.25**	**-0.50**	**-0.21**	**-0.21**	**-0.41**	**-0.21**	**-0.17**	**-0.38**	**-0.40**	**-0.36**	**-0.26**
EPS (rep.)	**-0.25**	**-0.25**	**-0.50**	**-0.21**	**-0.21**	**-0.41**	**-0.21**	**-0.17**	**-0.38**	**-0.40**	**-0.36**	**-0.26**

Key figures	H1'23	H2'23	2023	H1'24	H2'24	2024	H1'25	H2'25e	2025e	2026e	2027e	2028e
Revenue growth-%	67.4 %	39.2 %	49.3 %	42.8 %	2.9 %	18.9 %	1.7 %	55.0 %	29.3 %	45.0 %	55.0 %	60.0 %
Adjusted EBIT growth-%	31.1 %	-5.8 %	9.6 %	-5.2 %	-5.4 %	-5.3 %	-11.0 %	-13.7 %	-12.4 %	18.3 %	-9.0 %	-28.7 %
EBITDA-%	-517.3 %	-329.0 %	-404.5 %	-306.0 %	-271.9 %	-288.4 %	-216.1 %	-109.1 %	-149.6 %	-111.7 %	-53.0 %	-5.5 %
Adjusted EBIT-%	-666.4 %	-450.6 %	-537.1 %	-442.6 %	-414.0 %	-427.8 %	-387.3 %	-230.4 %	-289.8 %	-236.3 %	-138.8 %	-61.9 %
Net earnings-%	-679.8 %	-444.8 %	-539.0 %	-434.8 %	-404.5 %	-419.1 %	-478.5 %	-234.7 %	-327.0 %	-241.0 %	-142.4 %	-64.1 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**13.2**	**15.1**	**16.8**	**17.6**	**18.0**
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	11.8	13.8	16.2	17.3	18.0
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**	**9.9**	**10.2**	**11.1**
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	1.3	1.6	2.5
Cash and equivalents	14.0	11.5	8.0	8.0	8.0
Balance sheet total	**28.2**	**28.4**	**26.7**	**27.8**	**29.1**

Source: Inderes

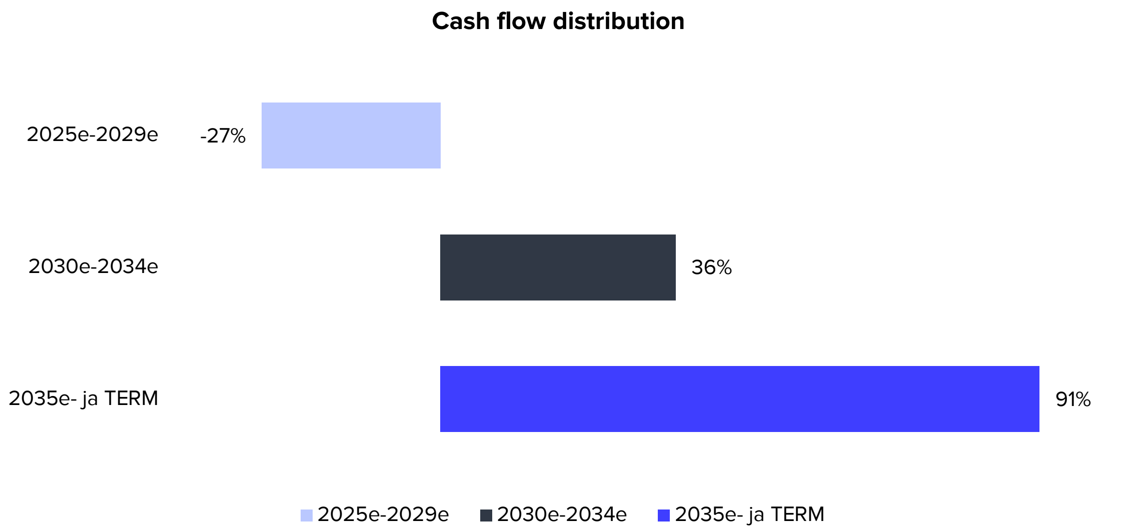
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**17.9**	**16.6**	**12.5**	**-0.4**	**-12.2**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-38.3	-49.0	-61.1	-74.0	-85.8
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	56.1	65.5	73.5	73.5	73.5
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**6.2**	**7.1**	**8.3**	**19.0**	**28.4**
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	6.9	17.5	27.0
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**	**5.9**	**9.2**	**12.9**
Interest bearing debt	0.7	0.9	1.7	4.4	6.7
Payables	3.4	3.8	4.2	4.8	6.1
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**28.2**	**28.4**	**26.7**	**27.8**	**29.1**

DCF calculation

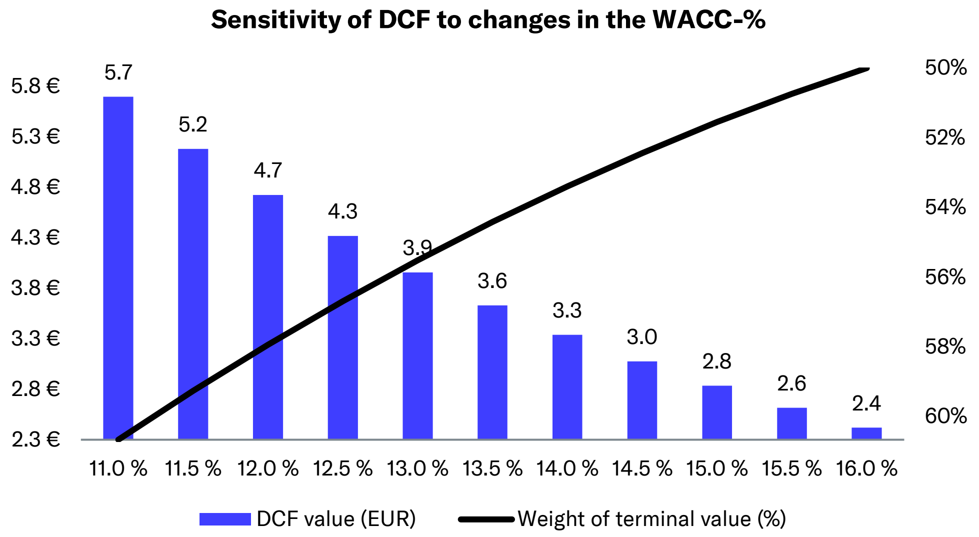
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	2038e	2039e	TERM
Revenue growth-%	18.9 %	29.3 %	45.0 %	55.0 %	60.0 %	55.0 %	50.0 %	45.0 %	40.0 %	35.0 %	25.0 %	20.0 %	15.0 %	10.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	-427.8 %	-289.8 %	-236.3 %	-138.8 %	-61.9 %	-13.5 %	11.1 %	23.4 %	32.0 %	35.0 %	33.0 %	31.0 %	29.0 %	28.0 %	28.0 %	28.0 %	28.0 %
EBIT (operating profit)	**-12.2**	**-10.7**	**-12.6**	**-11.5**	**-8.2**	**-2.8**	**3.4**	**10.5**	**20.0**	**29.6**	**34.9**	**39.3**	**42.3**	**44.9**	**47.1**	**48.3**	
+ Depreciation	4.0	5.2	6.7	7.1	7.5	7.7	8.0	8.3	10.6	12.3	14.1	15.5	16.7	17.8	18.5	18.5	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.6	1.0	1.0	0.0	0.0	-6.6	-8.4	-8.9	-9.4	-9.7	
- 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	0.2	0.3	0.4	0.6	0.8	0.9	1.5	1.6	1.5	2.7	2.7	2.4	1.8	1.0	0.5	
Operating cash flow	**-8.5**	**-5.3**	**-5.6**	**-4.0**	**-0.1**	**5.7**	**13.0**	**21.3**	**33.2**	**43.4**	**51.5**	**50.8**	**53.0**	**55.5**	**57.2**	**57.7**	
+ 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	-6.8	-7.4	-7.6	-7.7	-8.1	-8.5	-9.0	-10.6	-12.3	-14.1	-15.5	-16.7	-17.8	-18.5	-18.5	
Free operating cash flow	**-14.1**	**-12.2**	**-13.1**	**-11.5**	**-7.8**	**-2.4**	**4.4**	**12.4**	**22.6**	**31.1**	**37.5**	**35.3**	**36.2**	**37.7**	**38.7**	**39.2**	
+/- Other	9.7	8.4	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	
FCFF	-4.4	-3.7	-13.0	-11.5	-7.8	-2.4	4.4	12.4	22.6	31.1	37.5	35.3	36.2	37.7	38.7	39.2	366
Discounted FCFF		**-3.6**	**-11.0**	**-8.6**	**-5.1**	**-1.4**	**2.3**	**5.5**	**8.9**	**10.8**	**11.5**	**9.6**	**8.6**	**7.9**	**7.2**	**6.4**	**59.8**
Sum of FCFF present value		109	112	123	132	137	139	136	131	122	111	99.5	89.9	81.3	73.4	66.2	59.8
Enterprise value DCF		**109**															
- Interest bearing debt		-6.6															
+ Cash and cash equivalents		11.5															
-Minorities		0.0															
-Dividend/capital return		0.0															
Equity value DCF		**114**															
Equity value DCF per share		**3.6**															

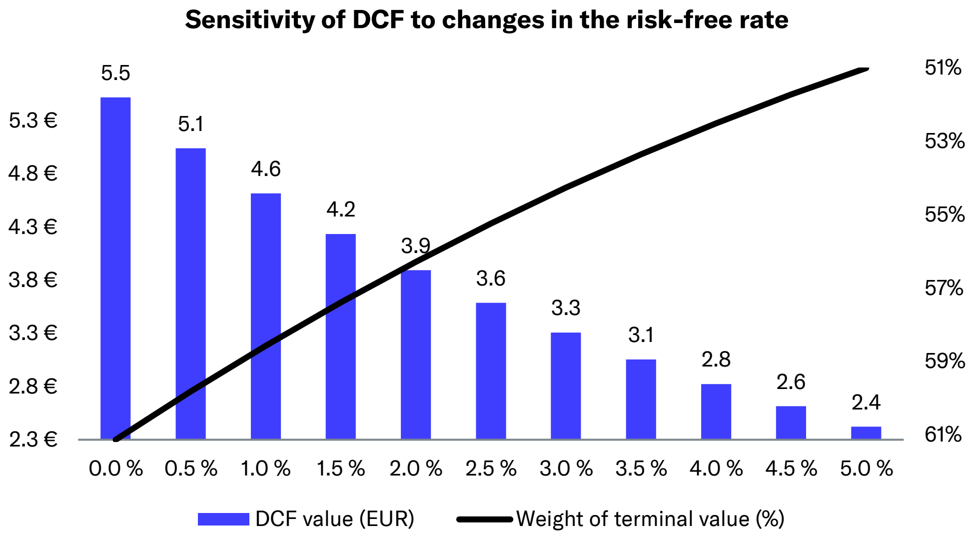
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	5.0 %
Cost of debt	6.0 %
Equity Beta	1.88
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
Cost of equity	**13.9 %**
Weighted average cost of capital (WACC)	**13.5 %**

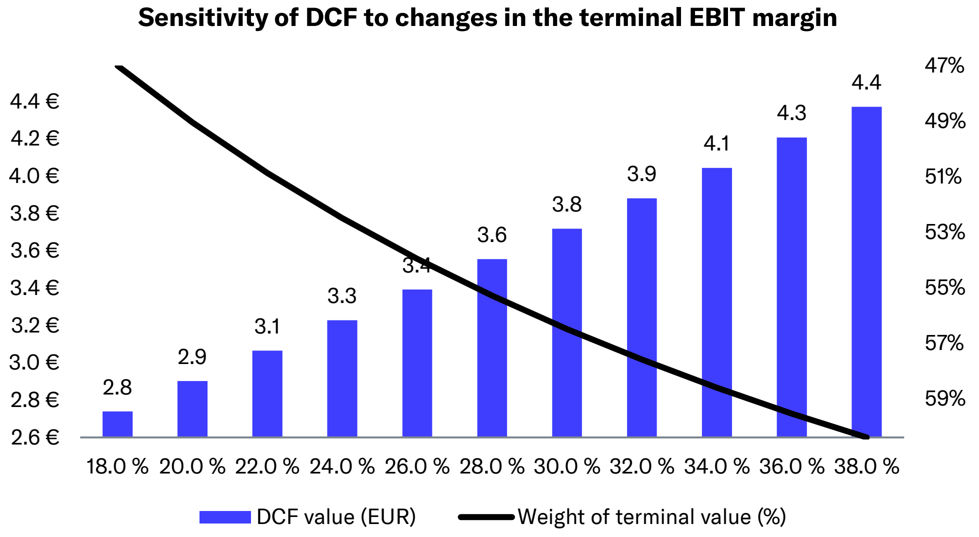
Source: Inderes

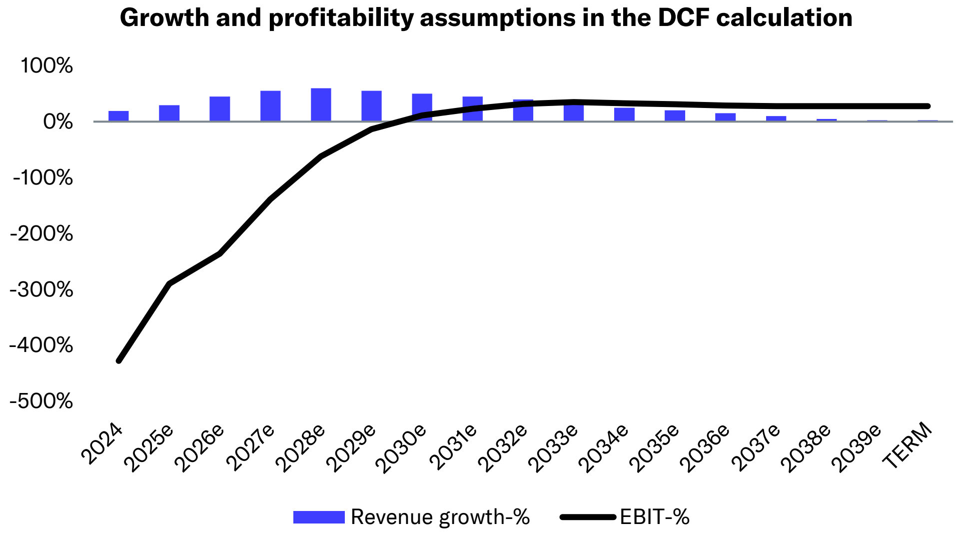


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e
Revenue	1.6	2.4	2.9	**3.7**	**5.3**
EBITDA	-9.5	-9.7	-8.2	**-5.5**	**-6.0**
EBIT	-11.8	-12.9	-12.2	**-10.7**	**-12.6**
PTP	-12.2	-12.9	-11.9	**-12.1**	**-12.9**
Net Income	-12.2	-12.9	-11.9	**-12.1**	**-12.9**
Extraordinary items	0.0	0.0	0.0	**0.0**	**0.0**

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)		-0.50	-0.41	**-0.38**	**-0.40**
EPS (adj.)		-0.50	-0.41	**-0.38**	**-0.40**
OCF / share		-0.36	-0.29	**-0.17**	**-0.18**
OFCF / share		-0.53	-0.15	**-0.12**	**-0.41**
Book value / share		0.69	0.57	**0.40**	**-0.01**
Dividend / share		0.00	0.00	**0.00**	**0.00**

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	36.5	28.2	28.4	**26.7**	**27.8**
Equity capital	29.3	17.9	16.6	**12.5**	**-0.4**
Goodwill	0.0	0.0	0.0	**0.0**	**0.0**
Net debt	-21.0	-8.1	-4.9	**0.6**	**13.9**

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	65%	49%	19%	**29%**	**45%**
EBITDA growth-%	176%	2%	-15%	**-33%**	**8%**
EBIT (adj.) growth-%	151%	10%	-5%	**-12%**	**18%**
EPS (adj.) growth-%	60%	6%	-17%	**-8%**	**6%**
EBITDA-%	-593.3 %	-404.5 %	-288.4 %	**-149.6 %**	**-111.7 %**
EBIT (adj.)-%	-731.9 %	-537.1 %	-427.8 %	**-289.8 %**	**-236.3 %**
EBIT-%	-731.9 %	-537.1 %	-427.8 %	**-289.8 %**	**-236.3 %**
ROE-%	-36.2 %	-54.8 %	-69.3 %	**-82.9 %**	**-212.1 %**
ROI-%	-31.8 %	-45.4 %	-52.0 %	**-48.3 %**	**-59.2 %**
Equity ratio	80.3 %	63.5 %	58.4 %	**46.8 %**	**-1.3 %**
Gearing	-71.6 %	-45.4 %	-29.8 %	**4.8 %**	**-3776.0 %**

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	-9.5	-9.7	-8.2	**-5.5**	**-6.0**
Change in working capital	-0.1	0.4	-0.3	**0.2**	**0.3**
Operating cash flow	-9.7	-9.3	-8.5	**-5.3**	**-5.6**
CAPEX	-7.6	-6.2	-5.9	**-6.8**	**-7.4**
Free cash flow	-15.2	-13.8	-4.4	**-3.7**	**-13.0**

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S		34.4	38.1	**25.4**	**20.2**
EV/EBITDA		neg.	neg.	**neg.**	**neg.**
EV/EBIT (adj.)		neg.	neg.	**neg.**	**neg.**
P/E (adj.)		neg.	neg.	**neg.**	**neg.**
P/B	2.8	5.1	6.9	**7.4**	**neg.**
Dividend-%		0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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

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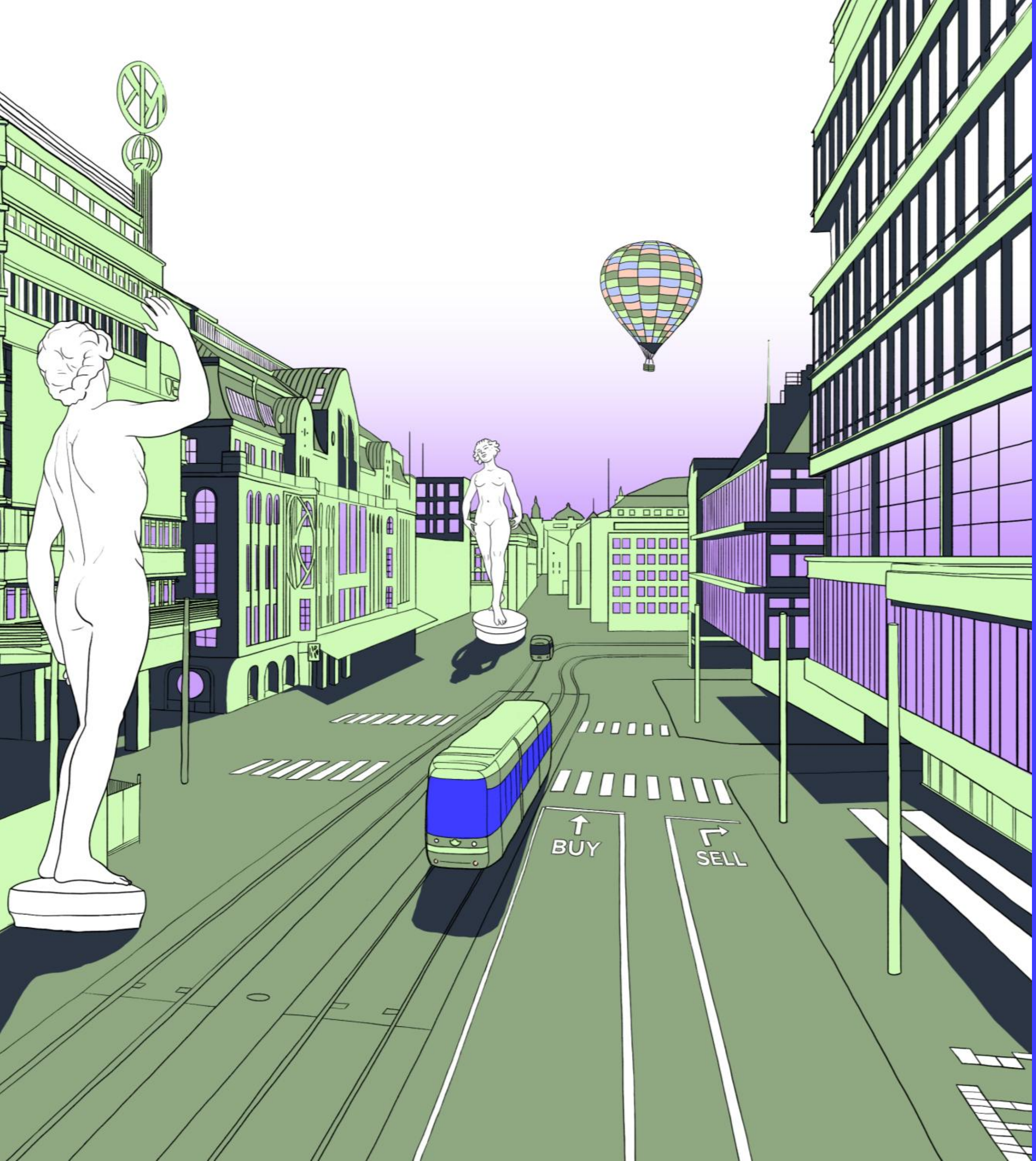
Recommendation history (>12 mo)

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 €
4/24/2025	Accumulate	4.20 €	3.48 €
8/29/2025	Accumulate	3.40 €	2.95 €



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Inderes Ab
Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi