TALENOM

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INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT

Finland stands firm, international turnaround is key

We reiterate our Buy recommendation for Talenom and revise our target price to EUR 1.7 (previous EUR 1.8). Following the Easor spin-off, Talenom has become a software-independent accounting firm that generates its earnings and cash flow in Finland. The core of the investment case lies in the turnaround in profitability of international operations: Growth is strong and profitability is on the rise in Spain, while problematic operations in Sweden pose the biggest risk. High leverage increases both risk and potential return, but the sum-of-the-parts calculation suggests a clear upside from the current price.

Easor's departure changed the company's fundamental nature

Following the separation of Talenom and Easor (software business) in February 2026, Talenom became a software-independent accounting services company. Currently, the company purchases most of its accounting software from Easor; however, other software options have emerged alongside it, and the potential customer base has grown. In Sweden, in particular, this strategic shift is critical because Easor had effectively become a competitive disadvantage in a market dominated by Fortnox. Talenom still has significant technological expertise, which the company now applies, among other things, to automation built on top of various software programs. Eliminating heavy software investments will at the same time ease investment needs and significantly strengthen cash flow. In the future, Talenom's competitive advantage will rely particularly on efficient processes, scale, and active new customer acquisition. In Finland, we believe that the company has proven its competitive advantage with productivity and profitability among the best in the industry. However, abroad, Talenom still has a lot to prove.

Finland stands firm, Spain grows, and Sweden stabilizes

Talenom's core business in Finland remains strong and generates all of the group's earnings and cash flow. The outlook for Finland is positive despite the weak market situation, but growth will inevitably be relatively slow. We expect Finnish revenue to be around 72 MEUR and the EBIT margin to be around 14% in 2026. Profitability is presumably at its lowest point right now, as the separate public listing is driving up group expenses and the company is investing heavily in sales.

Talenom's growth engine is Spain, where its acquisition-driven growth story has progressed quite impressively. Launched in 2021, the Spanish business is expected to generate approximately 21 MEUR in revenue this year, surpassing its Swedish counterpart (2026e ~20 MEUR) this year. Although Spain's profitability remains weak, the company has been moving in the right direction, and the potential for a leap in productivity is enticing as digitalization progresses. While the historical mistakes made in Sweden served as valuable lessons for Spain, Sweden's business profile is firmly that of a turnaround company. The situation has stabilized following the change in strategy, and, for example, employee satisfaction already exceeds the Finnish average. However, there is still a long way to go. Sweden's profitability must be turned around, not least because of its significant goodwill, the write-down of which could be devastating given the group's high debt leverage.

Valuation attractiveness depends on perspective

Talenom's international business is currently weakly profitable in Spain and performing poorly in Sweden, but both operations still hold value. For this reason, we primarily use a sum-of-the-parts analysis for valuation, which yields a value of around EUR 1.8 (72% Finland, 20% Spain, and 8% Sweden). High financial leverage leads to a wide range between positive and negative scenarios, but if the new strategy and management succeed, Talenom, which is out of favor, also has significant upside potential. Additionally, when looking at cash flow, we believe the valuation is already attractive, even with 2026 forecasts, despite high earnings-based valuation multiples. We set our target price (EUR 1.7) slightly below the sum-of-the-parts average (EUR 1.8) and the DCF valuation (EUR 2.0) to reflect the lower forecasts for the coming years, the risks related to Sweden, and the weak sentiment toward the stock.

Recommendation
Buy
(was Buy)

Target price:
EUR 1.70
(was EUR 1.80)

Share price:
EUR 1.16

Business risk
●●●○○

Valuation risk
●●●○○

	2025	2026e	2027e	2028e
Revenue	108	113	120	128
growth-%	2%	5%	6%	7%
EBIT adj.	5.9	6.2	8.1	10.6
EBIT-% adj.	5.5 %	5.5 %	6.7 %	8.3 %
Net Income	2.0	2.1	3.8	6.0
EPS (adj.)	0.06	0.05	0.08	0.13

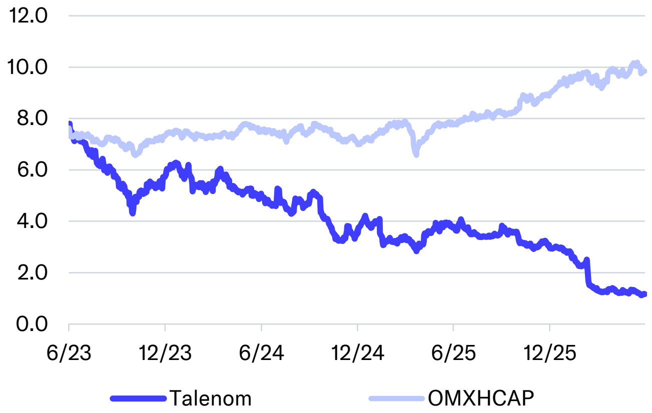
P/E (adj.)	53.5	25.6	13.9	8.8
P/B	3.7	1.4	1.4	1.2
Dividend yield-%	1.7 %	4.3 %	4.3 %	5.1 %
EV/EBIT (adj.)	36.6	20.6	15.2	10.9
EV/EBITDA	11.4	6.3	5.5	4.7
EV/S	2.0	1.1	1.0	0.9

Source: Inderes

Guidance (Unchanged)

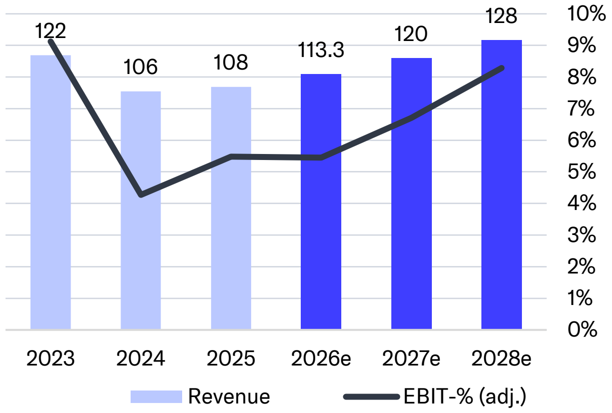
Talenom estimates that accounting firm revenue in 2026 will be around 110-120 MEUR and comparable EBITDA around 18-22 MEUR.

Share price



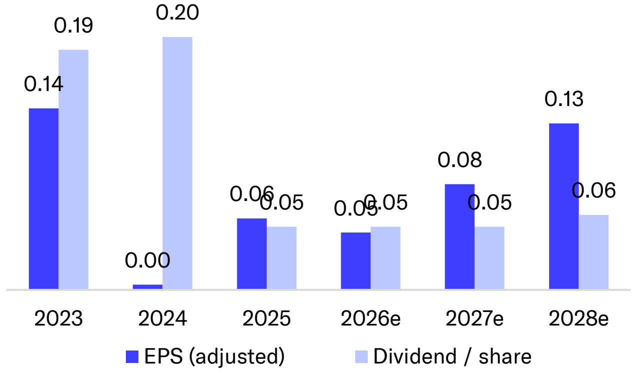
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growth in Finnish operations outside of Easor and abundant cash flow
- Strong growth in Spain and improving productivity towards Finnish levels
- Turnaround in profitability of the Swedish business
- Significant earnings growth as losses from international operations end
- We believe that the software-independent Talenom is well positioned for transformation

Risk factors

- Failure to turn around the Swedish business and significant goodwill associated with the country
- Risks related to the balance sheet and debt leverage
- Difficult predictability of the AI disruption
- Managing rapid growth in Spain and ensuring profitability
- Tightening competition in digital financial administration

Valuation	2026e	2027e	2028e
Share price	1.16	1.16	1.16
Number of shares, millions	45.6	45.6	45.6
Market cap	53	53	53
EV	127	122	116
P/E (adj.)	25.6	13.9	8.8
P/E	25.6	13.9	8.8
P/B	1.4	1.4	1.2
P/S	0.5	0.4	0.4
EV/Sales	1.1	1.0	0.9
EV/EBITDA	6.3	5.5	4.7
EV/EBIT (adj.)	20.6	15.2	10.9
Payout ratio (%)	110%	59.9 %	45.0 %
Dividend yield-%	4.3 %	4.3 %	5.1 %

Source: Inderes

Contents

Talenom in brief

Talenom is one of the largest accounting firms in Finland. It offers financial management services to SMEs in Finland, Sweden, and Spain. The company aims to simplify entrepreneurs' daily lives by combining highly automated processes with personalized expert services.

1972 and 2015

Group is established and listed

107.6 MEUR (+1.8% vs. 2024)

Revenue 2025, continuing operations

65%, 20%, and 15%

Revenue breakdown (FI, SWE, and ES 2025)

19.0 MEUR (17.6% of revenue)

Comparable EBITDA 2025

~90%

of invoicing is recurring

Over 1,200

employees in three operating countries

2021-2023

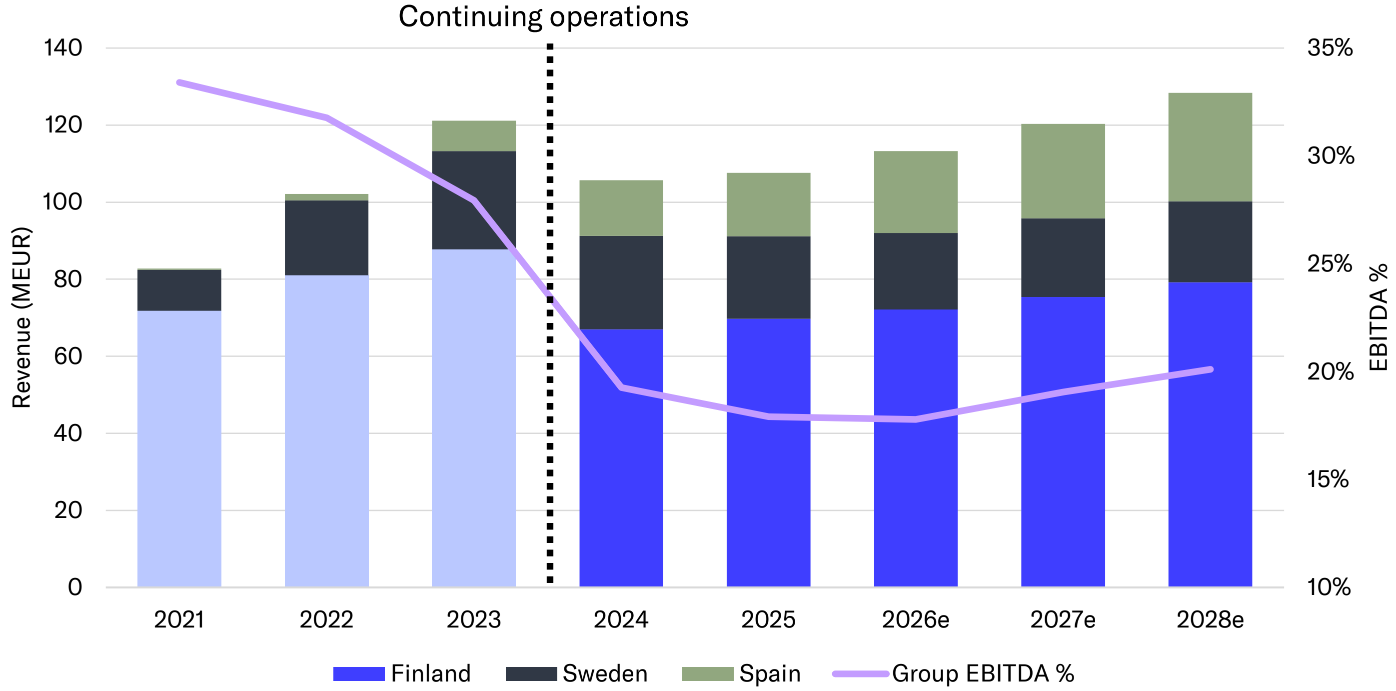
- Expansion into Spain (2021); rapid acquisition pace in Sweden and Spain
- Strong revenue growth for the group
- The seeds of Sweden's collapse: "forcing" customers to use the proprietary Easor software → customer churn begins
- The group's profitability declines sharply

2024-2025

- Figures excluding Easor from 2024 onwards → the actual spin-off completed in Q1'26
- Sweden's collapse becomes visible: revenue decreases, losses grow, and goodwill buffer shrinks → personnel adjustments initiated
- Finland endures, but it is difficult in a challenging market
- Spain continues to grow

2026->

- Software-independent Talenom on the stock exchange; Easor spun off
- Sweden faces a decisive moment: either a turnaround (benefits from ONE Talenom and workforce adjustments) or divestment and a write-down
- Strengthening the leveraged balance sheet (net debt/EBITDA ~4x)
- Finland generates cash flow, Spain acts as a clear growth driver
- Despite the problems, the overall outlook is encouraging



Company description and business model 1/3

International accounting firm

Talenom is an accounting firm founded in 1972 and listed on the stock exchange since 2015, and it has grown to become one of the largest providers of financial administration services in Finland. The company serves small and medium-sized enterprises in particular and offers a range of services that goes well beyond basic statutory accounting. In the spin-off completed in February 2026, the company's software business, Easor, became a separate publicly traded company (trading began on March 2, 2026), leaving Talenom as a pure accounting and services firm. The company operates in Finland, Sweden, and Spain, whereas its accounting operations in Italy have been shut down.

According to Talenom, approximately 90% of its revenue is recurring. We estimate that around 70% of the group's revenue comes from monthly recurring billing and around 20% comes from primarily volume-based recurring billing (e.g., payroll). The remaining around 10% consists of individual assignments, i.e., exceptional accounting tasks or broader additional services for clients. Together with the industry's typical long customer relationships, this makes the business model defensive. Accounting is statutory and required as long as the client's own business continues. However, the exceptionally high number of bankruptcies in recent years has caused additional churn. In Finland, Talenom's business has also been very predictable, but the same has not yet been achieved abroad.

We estimate that Talenom has approximately 20,000 customers who are relatively evenly distributed across different industries and, consequently, across three countries. The ten largest customers account for less than 5% of revenue, so the company is not dependent on individual customers. We consider the broad, diversified, and largely long-term customer base to be a clear strength that brings continuity to the business. Talenom's market share in Finland is around 5%, but it is higher in its core segment of small and medium-sized enterprises.

Comprehensive range of financial management services

Talenom's core services include accounting, financial statements, reporting, payroll management, processing purchase and sales invoices, and internal accounting — a standard suite of offerings in the industry. In addition to these services, the company has developed a growing layer of advisory and expert services, including tax and legal services and support services for entrepreneurs. In Finland, Talenom has also expanded to include banking and payment services (payment accounts and cards) to accelerate new customer acquisition, particularly among the small customer segment. Talenom currently does not have its own bank accounts; the package is created through partners instead. Talenom's advertised corporate account partner is Alisa (formerly Fellow Finance). We generally expect the importance of various additional services to grow as routine accounting becomes automated and accountants' time shifts to consultative work.

Efficient processes at the heart of the business model

At the heart of Talenom's business model is the ONE Talenom operating model, which represents the company's unified way to lead, serve, and grow. The operating model combines the best practices developed in Finland over the decades – uniform leadership models, standardized service processes, leveraging digitalization and automation, and systematically building the customer experience – and has been packaged into a replicable model applied in the same way across all operating countries and teams.

Talenom in brief

- Founded in 1972, listed in 2015
- Easor demerger 3/2026 → pure accounting firm
- Operations in Finland, Sweden, and Estonia
- Revenue in 2025: around 108 MEUR
- Around 90% of revenue is recurring invoicing
- Comparable EBITDA 2025: ~19 MEUR (17.6%)
- Growth target over 10% annually (medium-term)

Talenom's offering

Key financial management services

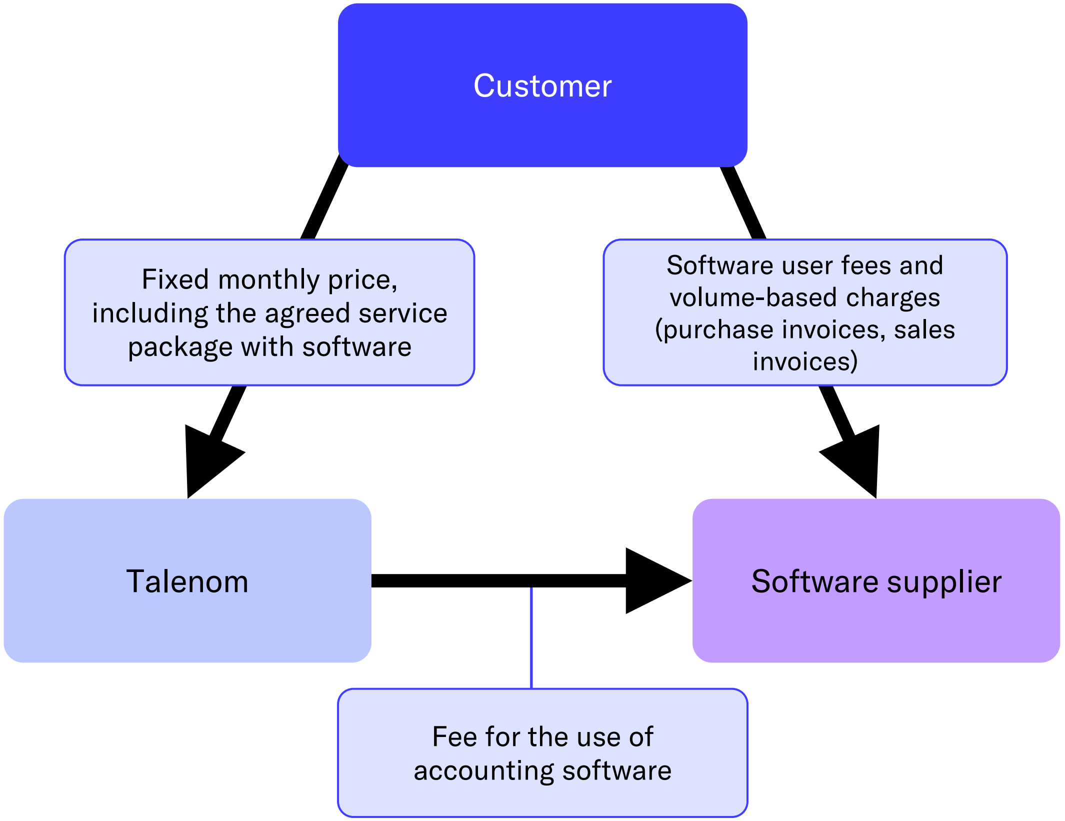
- Accounting
- Payroll
- Accounts receivable

Key consultancy services

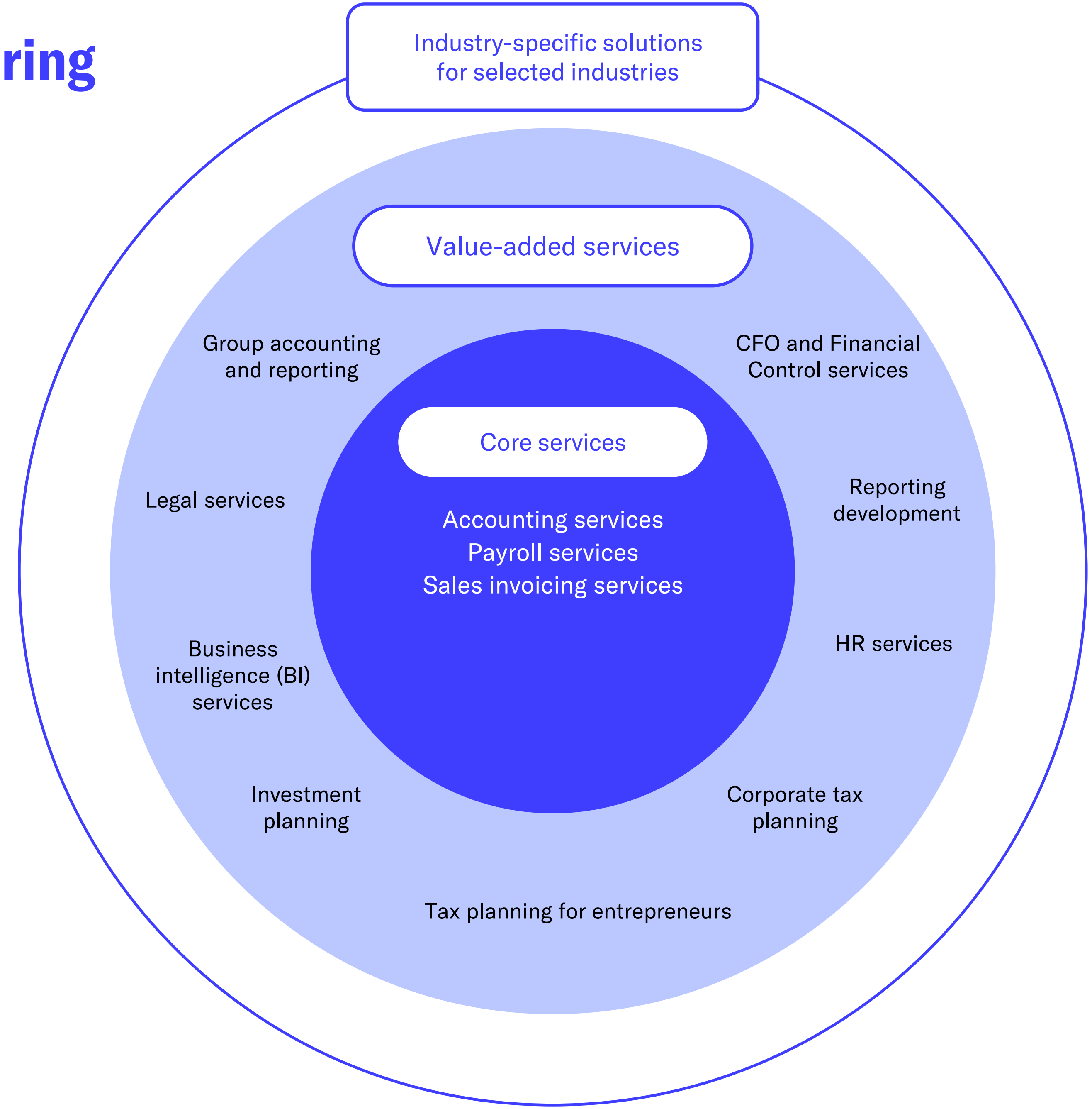
- M&A transactions
- HR services
- Real estate arrangements
- Financial management services
- M&A transactions
- Corporate legal services
- Tax planning for companies and entrepreneurs
- Business intelligence services

Talenom’s cash flows and service offering

Cash flows Talenom/Easor
Case: new accounting client for Talenom



Note: This is currently the most common model for a new customer – other models are also possible, particularly as the software offering expands in the future



Company description and business model 2/3

The goal of the model is to simultaneously improve productivity (invoicing per accountant), the customer experience, and the employee experience, and translate these into scalable profitability. We believe it is precisely this combination that distinguishes Talenom from the two typical types of industry players: traditional, locally independent accounting firms and software companies that merely sell tools. Talenom positions itself between these types by combining industrial-scale efficiency while striving to provide local service.

Its sufficient scale and efficient business model enable the provision of the value-added financial management services that SMEs need to support their businesses. Financial management often falls to the business owner in SMEs, so additional services are highly sought after, as they allow the owner to focus on their core business. This makes a strong market position even more valuable, as small accounting firms are unable to offer a similar overall package. The ongoing AI revolution both streamlines routines and emphasizes the importance of consultative work. In our view, Talenom is well positioned to navigate this transition, though the final outcome remains uncertain.

Its competitive advantage is further strengthened by an in-house sales and marketing organization that is exceptional in the industry, a dense network of local offices, industry-specific expert teams, and an internal development and technology unit, which remained with Talenom following the split and builds automation and tools on top of the software in use. The clearest evidence of this competitive advantage is that the company's profitability, cash flow generation, and return on capital in Finland are significantly better than the industry average. To date, there is no comparable evidence from other countries.

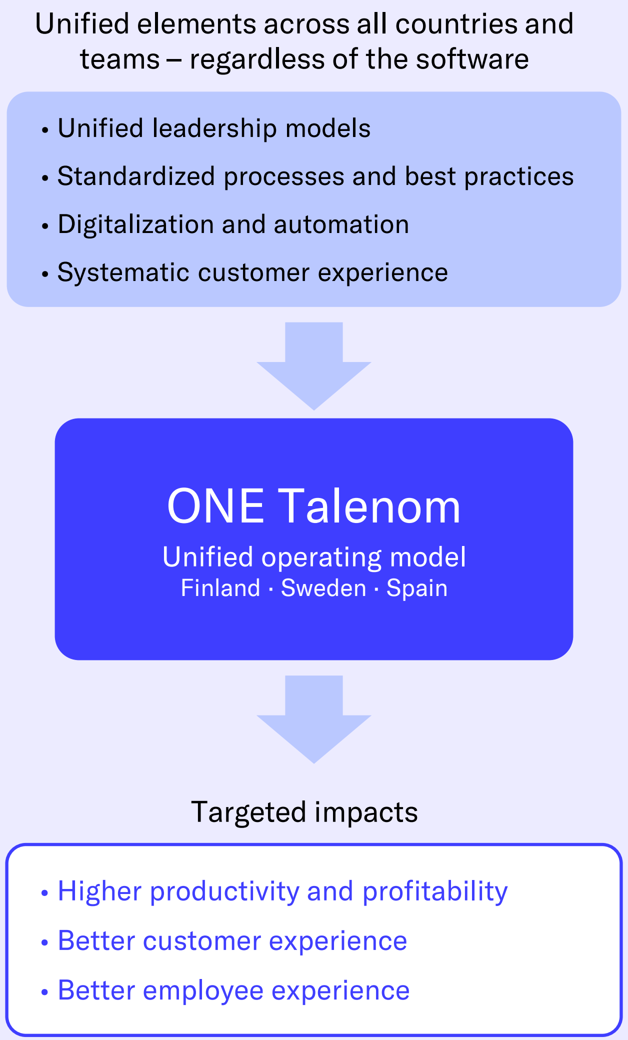
Software-independent service company

After spinning off the Easor software business, Talenom became a software-independent service company; customers choose the financial management software, and Talenom provides services around it. In practice, the company has significantly expanded its software selection in spring 2026, whereas previously, it relied almost exclusively on its own system. In Finland, Talenom currently serves customers with Netvisor, Procountor (Finago), Fennoa, Admincom Ultima, and Easor, while in Sweden and Spain, the leading software in each market is used (in Sweden, particularly Fortnox; in Spain, A3/Wolters Kluwer, Sage, and Holded, among others).

Software independence expands Talenom’s target market within the same sector, as the company can also serve customers who do not wish to switch their core systems, as well as larger and more complex companies than before. Expanding from the Easor partnership to other software platforms requires the company not only to acquire in-depth expertise in other major systems but also to adopt a new sales approach (having previously focused heavily on software), though if successful, this expansion will open up significant opportunities. However, transitioning to a software-independent service company will not happen overnight and requires change management.

Country-specific structure: Finland sustains, Spain propels

Talenom's business operations span three countries, each with a significantly different profile. Finland is the company's mature and highly profitable core business, which practically generates all of the group's earnings and cash flow. It provides stability and opportunities for international growth.



Company description and business model 3/3

Spain is Talenom's strong growth engine, with rapidly growing revenue through a combination of acquisitions and organic growth, and increasing profitability towards positive EBIT. While the overall development in Spain has been positive, the country organization's fixed costs and the continuous integration of acquisitions have burdened earnings. In contrast, Sweden has been a problem area for the group so far, with declining revenue and weak profitability. While the company's value is currently questionable, the adjustment measures have started to yield results, and the situation is stabilizing. In our view, this country-specific structure is the right way to understand both the company's financial performance and its value.

Talenom's revenue in 2025 was about 108 MEUR and its comparable EBITDA was about 19 MEUR (margin 17.6%). Revenue was divided roughly by country as follows: Finland around 70 MEUR (65%), Sweden around 21 MEUR (20%), and Spain around 17 MEUR (15%). However, we estimate that the Spanish business will surpass Sweden in size this year. Between 2019 and 2024, Talenom significantly expanded its international business through dozens of acquisitions in Sweden and Spain. Acquisition-driven international growth weighed heavily on the company's profitability, especially since the company failed at integrations in Sweden and experienced significant churn in the customer base and personnel due to pushing Easor's software.

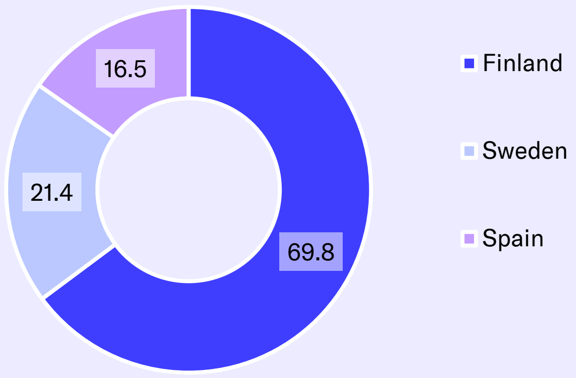
Easor's departure changed the company's profile

The spin-off significantly reduces Talenom's investment needs, as the substantial software development workload (a development team of about 100 people) was transferred to Easor. This strengthens free cash flow, as depreciation will significantly exceed investments going forward. Conversely, Talenom now incurs software costs for Easor and, as a separate publicly traded company, it bears relatively higher fixed costs.

Although Talenom is a growth company, the new entity is primarily characterized as a stable, profitable company that offers a steady stream of dividends. The company's profile is currently being undermined by the AI revolution, the long-term impact of which is still difficult to assess. Furthermore, Talenom has high financial leverage (around 75 MEUR in interest-bearing debt, excluding IFRS 16 lease liabilities) and significant goodwill in Sweden as a legacy burden. The latter is the company's main risk, and high financial leverage creates significant valuation leverage. Overall, the new Talenom combines a lighter investment profile than before with strong cash flow and high debt leverage.

Talenom's medium-term growth target is over 10% per year, which we consider ambitious. In our view, achieving this growth target requires continuous and increasingly larger acquisitions in Spain because comparable growth is not attainable in the Nordic countries. However, Talenom has shifted its focus strongly towards profitability and productivity in recent years. In Sweden, the focus has been on stabilizing the business for some time, and in Spain, acquisitions are made selectively to concentrate on profitable growth. Thus, the growth target should be regarded as aspirational, not guaranteed.

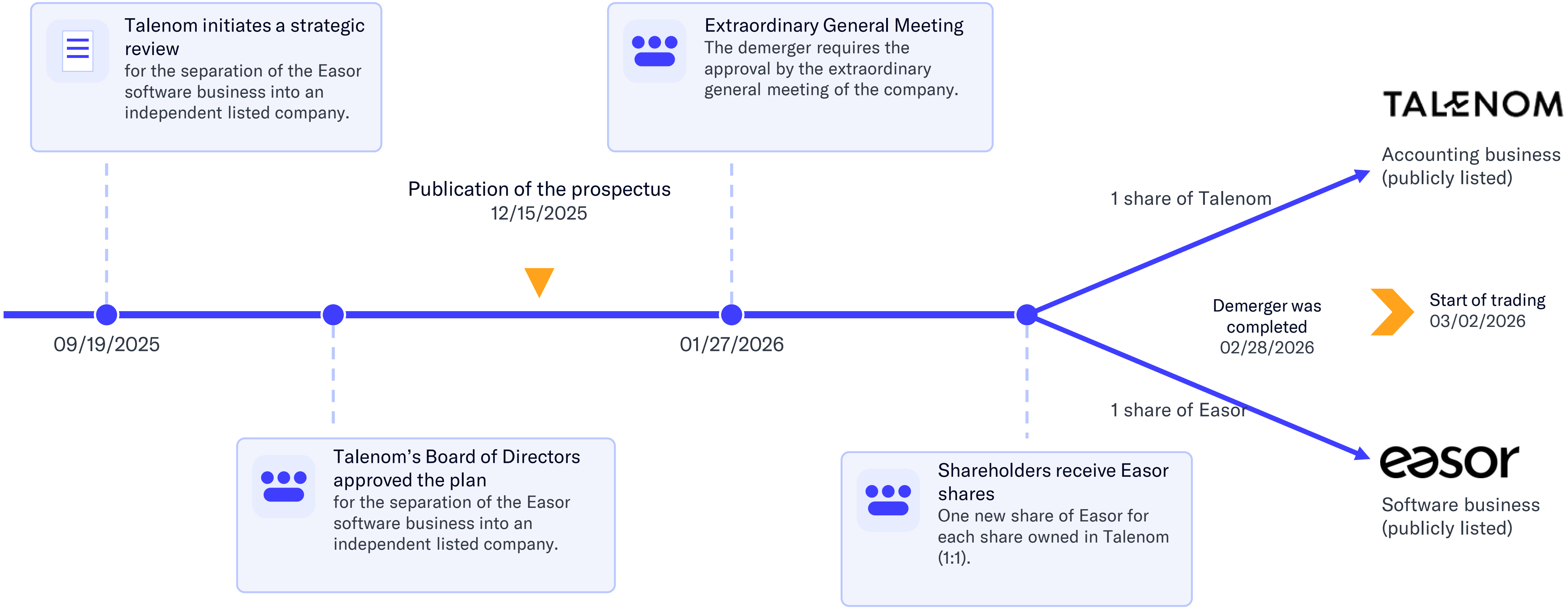
Revenue breakdown 2025 (MEUR)



Profile after demerger

- Software-independent accounting service company
- Light investment profile (software development transferred to Easor)
- Strong free cash flow (depreciation > investments)
- Three countries in different stages: cash flow generator Finland, growing Spain, and troubled Sweden
- High leverage: interest-bearing debt of around 75 MEUR

Easor's spin-off into a separate listed company has been completed



Investment profile

Cash-generating core and the option of international success

We see Talenom's investment profile as having three aspects. The core business in Finland is a highly profitable and defensive entity that generates substantial cash flow, and we believe its value is very tangible. Despite its moderate organic growth, the Finnish business is a stable cash flow generator and a solid foundation with a moderate risk profile.

Spain is a growth story where we see realistic opportunities for significant success and value creation. We primarily view Spain as a significant opportunity, but the business is still in its early stages, and profitability, for example, has yet to be proven. In this respect, we would classify the Spanish business as a growth asset with a relatively high level of risk. We estimate that the company will allocate a significant portion of the cash flow generated in Finland to acquisitions in Spain in the coming years.

In addition, investors get a turnaround story from Sweden, where the company previously failed in its acquisition-driven growth story due to poor strategic and operational decisions. While we consider a business turnaround likely, it is still a long way from here for Talenom to even earn back the capital it has invested in the country. Talenom's biggest risks are also related to Sweden (goodwill).

For now, Finland's stable investment profile dominates the overall picture, but supporting roles are played by what we believe to be an attractive growth story in Spain and a problematic situation in Sweden. A significant factor in this mix is high leverage, which we believe is justified for the Finnish business, but which clearly raises the risk profile when combined with international operations.

High leverage and historical burden

The new Talenom, post-demerger, has approximately 75 MEUR in interest-bearing debt (excluding IFRS 16), while its market capitalization is only around 53 MEUR. High debt leverage means that even small changes in the company's value or debt level are strongly reflected in the share price. This raises the risk level of the share, but if successful, it also creates exceptional upside leverage. In our view, gradually reducing debt relative to earnings is one of the key drivers of the investment case.

Talenom has accumulated a significant historical burden in the eyes of investors over the past five years as the company has repeatedly fallen short of both its own forecasts (annual profit warnings for 2023–2025) and market expectations. The company's international growth story failed badly in Sweden, which, in our opinion, is the most significant company-specific reason for this. Talenom's stock is currently trading at about 80% below its all-time high, and even though Easor has since been spun off, the company's reputation among investors remains exceptionally poor. Even the new Talenom will have to live with this for a long time to come.

The AI revolution is a new key source of uncertainty

In the past, Talenom's digital leadership and technological expertise were undeniable competitive advantages. The ongoing AI revolution has created significant uncertainty regarding the long-term outlook of the entire accounting industry: on the one hand, it streamlines routine tasks and increases the importance of value-added services, but on the other hand, it puts downward pressure on the pricing of traditional accounting services. In our view, Talenom is well-positioned to navigate this transition, but the outcome is difficult to estimate and is already reflected in the industry's decreased acceptable valuation multiples.

SWOT analysis of the investment target

Strengths	Weaknesses
• Defensive industry and long customer relationships • Finland's excellent profitability and strong cash flows • Efficient processes with the ONE Talenom model • Long track record that is strong in the domestic market	• Weak profitability of international business • Weak situation and goodwill in Sweden • High leverage • Expertise tied to Easor • Risks associated with acquisitions • Technology and reputational risks
• Growth opportunities offered by Spain • Growth opportunities in other software • Transformation and consolidation of the industry • Sweden's turnaround	• Failure in the Swedish turnaround • Difficult-to-predict impact of the AI revolution on the industry • Tightening competition in digital financial administration • Risks related to the balance sheet and goodwill
Opportunities	**Threats**

Investment profile

1. Software-independent accounting firm after the Easor demerger
2. Finland generates strong and stable cash flow, as well as the group's entire result
3. Spain is a strong growth engine with increasing profitability
4. Sweden is still struggling to turn things around and remains the group's weak link for now
5. High leverage amplifies both risks and potential returns

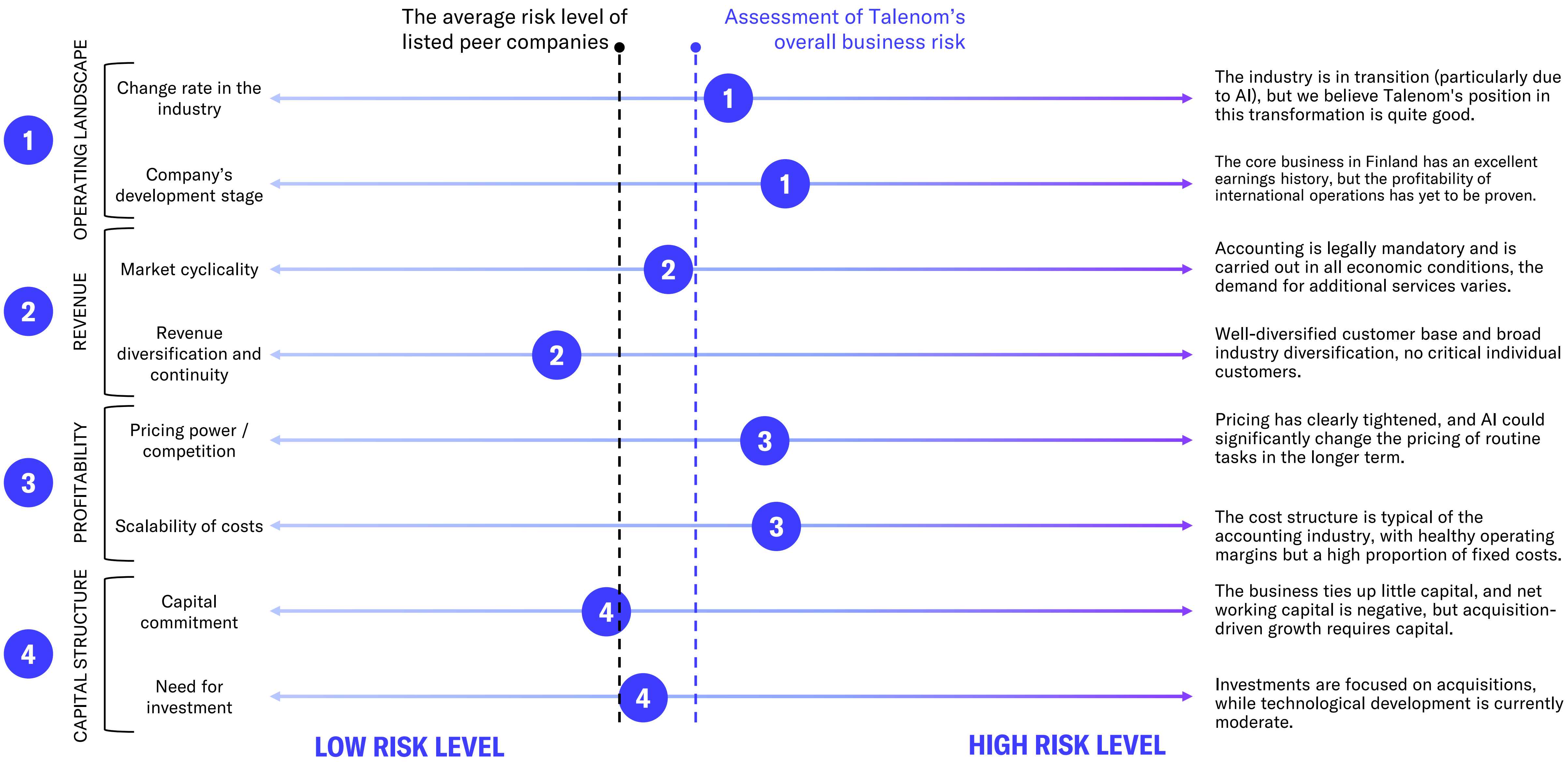
Potential

- Profitable growth in the Finnish business, particularly in software other than Easor
- International profitability turnaround
- Strong growth and market potential in Spain
- Debt reduction unwinds valuation leverage
- Attractive cash flow-based valuation

Risks

- High leverage combined with the risks of the international business, which has been unprofitable to date
- Failure of the Swedish turnaround and significant goodwill there
- Unpredictability of the AI disruption
- Historical know-how weighted towards Easor software
- Weak liquidity of the share

Risk profile of the business



Industry 1/5

A growing and highly defensive market

The Finnish market for accounting and financial reporting services was around 1.4 BEUR in 2025. Based on the size class of accounting firm customers, the market is mainly composed of micro, small, and some medium-sized companies. In medium-sized and large enterprises, financial management is still largely an internal activity, but the outsourcing trend is progressing gradually. If the value of the financial management work carried out by current customers themselves and the financial management work of non-outsourced companies (estimated outsourcing rate in Finland is 70-80%) were considered when defining the market, the market size would be considerably higher.

The market is inherently very defensive. Companies are legally obliged to keep their accounts, so the need remains as long as the tax man wishes to have his cut. In addition, a strong trust is typically formed between accountants and their customers, which makes customer retention in the industry very high. The industry has historically overcome the financial crisis and the euro crisis without a decrease in revenue. In connection with the COVID pandemic in 2020, the sector's revenue fell by close on 3% and recovered rapidly in 2021. According to the Finnish Association of Accounting Firms, companies in the industry experienced a revenue decrease of around 0.2% last year, marking a very weak year for the industry. Defensiveness and high customer retention make a strong market position valuable in the industry. However, it should be noted that as customers' businesses shrink, the accounting firm's invoicing also usually decreases, and work ceases after bankruptcy.

According to Statistics Finland, revenue in accounting and financial reporting services has grown by an average of about 4.8% in 2002-2025. In the short term, the weak performance of the Finnish economy may curb development, but in the long term, we expect moderate growth to continue.

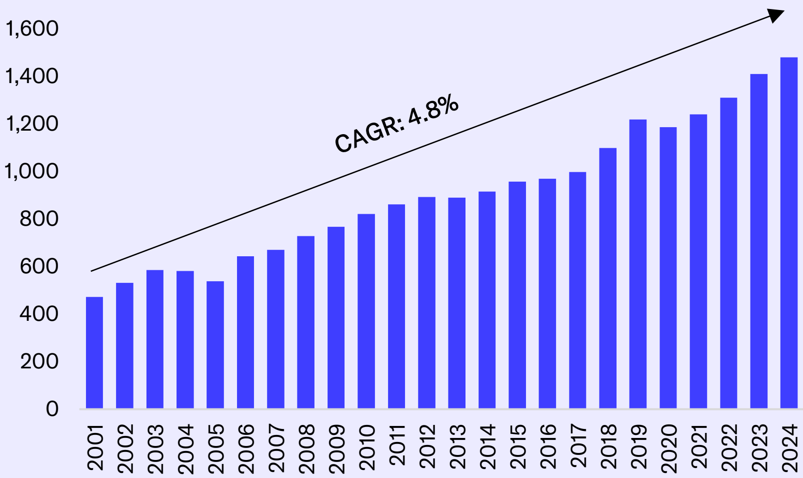
Growth drivers are changing

Historically, the stability and continuity of growth were largely explained by price increases, which we estimate to have accounted for about half of market growth. Due to increased competition resulting from the electrification and digitalization of accounting, it is now more difficult to implement significant price increases. Accounting firms have been strongly linked to the development of the number of accountants and salaries. However, we believe this linkage is gradually breaking as digitalization and automation clearly enhance the routine tasks of accountants. The accelerated development of AI in recent years further intensifies this trend. At the same time, digitalization has increased the scope of routine accounting services, supporting the growth of transaction revenue.

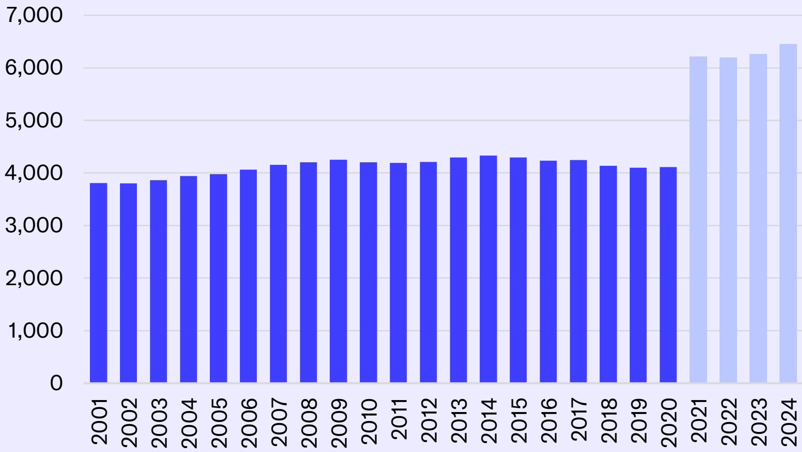
The other half of the growth comes from the increase in transaction volumes, which correlates with economic activity. The economic recovery should be reflected in transaction volumes with approximately a six-month lag. A temporary fall in transaction volumes was seen due to the COVID pandemic in 2020, which was visible in the industry figures. In the weakened economic environment of 2023-2024, transaction volumes have declined according to companies in the sector, but the overall market has nevertheless grown. However, in 2025, a slight decrease occurred, with both transaction volumes and bankruptcies pulling the industry down.

We expect sales of additional services to complement conventional accounting and the outsourcing of financial management to be the growth drivers for the industry in the coming years. Companies are increasingly outsourcing their support activities (e.g. IT) as they focus on their core business. For accounting firms, this would mean a growing demand for controller, finance manager and HR specialist services.

Development of the accounting firm market (MEUR)



Development of the number of accounting firms



* The group of statistical units in the industry has expanded, and the figures are based on a new calculation method from 2018 onwards. The biggest impact of the change was on the number of companies. The impact on the size of the market was small.

Source: Statistics Finland, Association of Finnish Accounting Firms

Industry 2/5

The industry is undergoing a major transformation

The accounting industry is facing a major transformation driven by Ai brought about by digitalization, growing importance of service offering and consulting, legislative changes, and entrepreneurs retiring. Even though one could assume that the electrification of accounting transactions is already the prevailing practice, paper documents are still part of everyday life in many accounting firms. In recent years, development toward electronic and more efficient processing has progressed on a broad front and will inevitably continue. Electrification is transforming accounting firms' services, processes, competence needs, and the division of labor in client relationships. We believe that the role of the traditional accountant will lose some value, but the work of consultants becomes more important. This will free up resources to provide value-added services. However, it's worth remembering that a professional and personal service cannot be replaced by automation. The client/accounting firm relationship can traditionally become very close, and personal service is of great importance.

The vast majority of small and local accounting firms are mainly concerned with keeping their existing accounts. For many of these players, technological development and the requirements brought by legislative changes are a significant challenge, and the company may lack the required resources to challenge other accounting firms. In contrast, the largest players in the industry master electronic services and want to expand their operations in the transition.

The market is still very fragmented

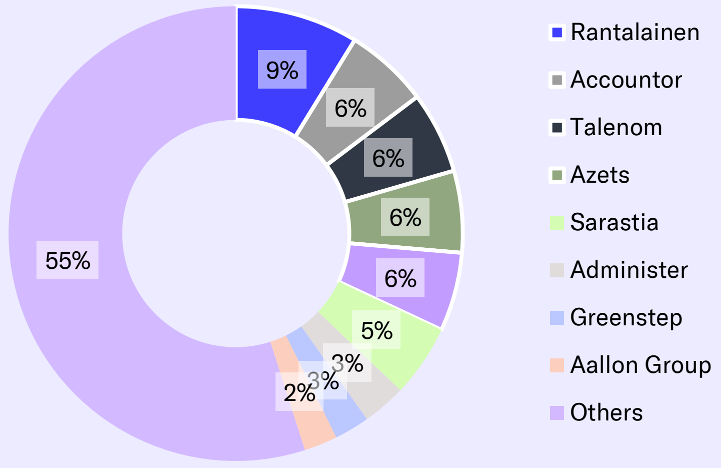
The industry structure is highly fragmented because being close to your accountant has been a major competitive factor and, thus, the sector has been characterized by locality. According to Statistics Finland, there were 6,457 companies in the accounting services market in 2024. Since 2018, the figures have been affected by a change in the reporting method, and there are still over 4,000 accounting firms actively operating in Finland. The average company has just over 2 employees. Our assessment is that the industry will continue to drive many small businesses to the wall, as they don't have sufficient resources to develop their IT systems or for software purchases, nor meet additional requirements imposed by regulation. On the regulatory side, challenges are posed by issues such as money laundering, customer identification, data security, and processing of customer data. Despite these factors, the number of accounting firms has not decreased significantly in recent years, but the share of the largest companies in the overall market has increased.

The most significant players in the field in Finland are Rantalainen, Talenom, Accountor, Azets, Administer, Greenstep, and Aallon Group, as well as Monetra, which focuses on the public sector. The aforementioned companies are also Talenom's key competitors, except for Monetra. Talenom is positioned in the market as one of the largest accounting firms.

The industry is gradually consolidating

According to our estimates, about 45% of the market was held by the nine largest players in the sector in 2024. Thus, the vast majority of the market remains with small local companies. However, the share of large players in the market has been gradually increasing for a long time. Not all companies have the resources to meet the challenges that the transition in the industry brings, which is why we expect consolidation to continue. Accounting firm entrepreneurs retiring is also one of the factors contributing to the consolidation of the sector. Acquisitions have also become a very normal practice in the industry, and in some cases, smaller players have merged to make the entity look like a more attractive acquisition target for larger companies.

Market shares of accounting firms in 2024 (Inderes' estimate)



Source: Companies' financial statement data and websites, Inderes. The figures aim to account for only revenue generated from financial management and payroll services.

Industry 3/5

The importance of economies of scale is emphasized

Size matters in the accounting services business today, as economies of scale support the profitability of automated accounting firm and expert services. Economies of scale in automation enable very strong profitability in the core business and also a growing price competition if automation becomes more common and at some point imposes a so-called “limit price”. Talenom, for example, estimated years ago that in 10 years' time, no substantial fees will be paid for the basic accounting tasks because they have been fully automated. In professional services, economies of scale are limited to human resources, but can still be significant for overall competition. Furthermore, economies of scale can be achieved in sales and marketing. Larger size also gives better opportunities to invest in software or own technological development, even though, in the age of AI, direct software development costs have decreased and the differences between software have narrowed. Mandatory costs caused by regulation also scale with size, but they can be an insurmountable obstacle to growth for small accounting firms when scaling operations from some one million euros in revenue to several million is being planned.

We estimate that the industry's transformation and fragmentation will turn the accounting services market into a growth market for larger operators for the next 5-10 years. The transformation pressures are challenging the industry and leave small accounting firms in particular with a decision: Leave the market, specialize or diversify. Those who have already achieved a significant position in the industry are also well-positioned for the future. All of these still have the potential to increase their market share at the expense of small players and by acquiring them. At some point, the limits to growth in consolidation will be reached in this respect, and in the longer term, the industry may well see corporate transactions between larger players as well.

Competition in the sector remains rather limited

In the accounting services market, competition for customers has always been limited. Among the larger players in the industry, Talenom was, in practice, the only genuinely active new sales company on a significant scale for a long time. Most small companies have focused on protecting their own "territory" and other major players have mainly invested in acquisitions for growth.

Thus, we estimate that the large number of operators in the industry is maintained by the lack of competition or its regional nature. Finnish corporate customers are often still used to meeting their accountants face-to-face, making competition regional. Competition may also be restricted due to the still conservative practices and habits of the industry. The small size of accounting firms and the fragmentation of the industry also reflect the small size of the companies’ target market. However, small companies’ ability to consolidate the industry is weak, and smaller companies in small towns aren’t necessarily very attractive acquisition targets to larger operators. In our view, however, price competition has clearly intensified in the challenging market of last year.

Seasonal variation around financial statements

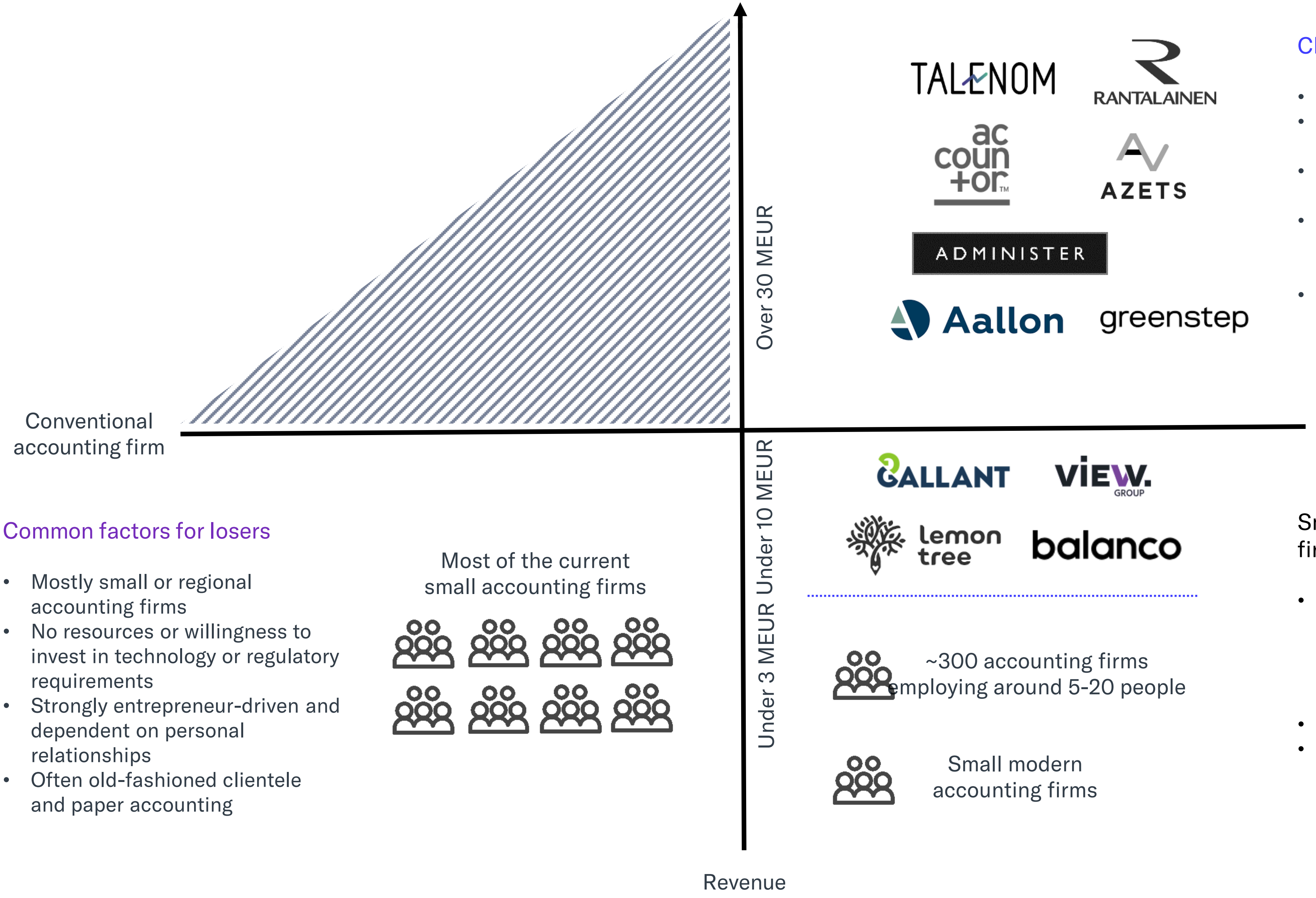
There is clear seasonal variation in the accounting business. The preparation and closure of financial statements create a regular demand spike for December-March. This underscores the first quarter's share of invoicing and profitability. This is also reflected in Talenom’s revenue and earnings, which are typically more focused on H1.

Summary of the accounting firm sector

- According to our estimates, the accounting industry will grow at a moderate annual rate in the medium term, with the potential impact of AI being the most significant uncertainty factor
- The majority of revenue are continuous/recurring
- The industry is still highly fragmented
- One of the most defensive sectors on Nasdaq Helsinki, as accounting is a legal obligation for all companies
- Competition is calm and regional, and investments in new customer acquisition are not particularly aggressive, and price competition is usually relatively moderate.
- Customer relationships are normally very long, and churn is often due to an acquisition or bankruptcy
- Due to defensiveness, growth and healthy profitability, a strong market position in the industry is valuable
- In our view, the role of consulting services will increase in the coming years as routine accounting tasks are automated
- More widespread outsourcing of financial management to accounting offices offers a potential growth driver for the industry
- In our view, the importance of economies of scale will be further emphasized in the future as automation progresses, which is accelerated by the development of AI
- We estimate that the value of the industry will be concentrated in large companies, although the number of companies in the industry may remain high

Source: Inderes

Competitive landscape of accounting firms in Finland



Characteristics of large players

- Strong IT systems
- Past investments in electrification and digitalization
- Sufficient size for continuous development
- A business model utilizing economies of scale or the opportunity to benefit from the size
- Appetite for acquisitions high

Common factors for losers

- Mostly small or regional accounting firms
- No resources or willingness to invest in technology or regulatory requirements
- Strongly entrepreneur-driven and dependent on personal relationships
- Often old-fashioned clientele and paper accounting

Small and medium-sized modern firms

- Growth-hungry challengers, some of whom have the opportunity to invest in technology and software, and meet increasing regulatory requirements
- A digital operating model
- Most interesting acquisition targets for large players

Source: Inderes

Industry 4/5

Both opportunities and threats come with the AI revolution

AI or automation fundamentally shifts value to software because software can be scaled at nearly zero marginal cost. On the other hand, AI is increasingly commoditizing core accounting, and software is becoming more uniform (converging). Thus, differentiation and value shift back to service, trust, advice, and responsibility, where the combination of people, data, and customer relationships is crucial. At least for now, software alone, without service, is not enough; conversely, service without cutting-edge technology does not scale.

As AI technology advances, we believe the software industry will also transform. Traditional "accounting software" can evolve into an AI-native platform, and agents can transcend the boundaries of a single software program. In this scenario, data and integration management will become more valuable than the user interface, and software independence will be emphasized. Following the Easor demerger, Talenom can develop the optimal AI layer on any core system (e.g., Fortnox in Sweden) and prioritize service and data value. We believe that, in principle, value does not flow directly away from the service provider if it retains ownership of the customer relationship, data interpretation, and responsibility. The winner will combine cutting-edge technology with reliable service.

At the same time, artificial intelligence also creates opportunities for accounting firms, as the value of data increases. For instance, Talenom holds accounting, payroll, and financial data for tens of thousands of SMEs across three countries. This data is ideal for artificial intelligence applications such as benchmarking, predictive analytics, anomaly and fraud detection, cash flow forecasting, tax and investment planning, and industry comparisons. However, data must be utilized securely and in a trustworthy manner.

In addition to cybersecurity concerns, many open questions remain about AI and its use, and the answers will affect how companies are positioned.

Shift in pricing models: As work becomes automated, hourly-based pricing will eventually fade away, while value-based/fixed pricing and volume-based software billing will become more prominent. Talenom has primarily positioned itself with fixed-price contracts, enabling it better to capture efficiency gains for itself.

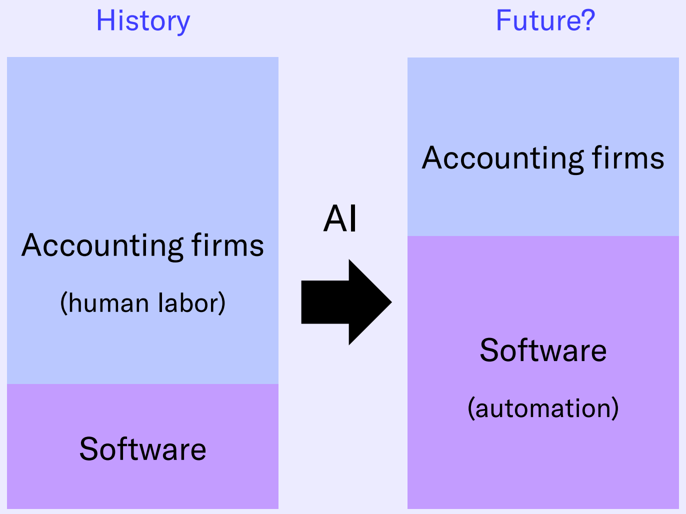
Responsibility and regulation: Auditability, explainability, and regulation (e.g., the EU AI Act) favor a hybrid AI model, meaning human oversight and a service company that bears responsibility. AI agents will not take responsibility for errors, so responsible parties like Talenom will still be needed in the future. At the same time, AI errors can pose risks for trust and reputation, making strong process control a significant factor.

Competitive dynamics: AI lowers the barrier to entry (AI-native challengers) but raises the bar for trust, responsibility, and data. Established players are protected by scale, data, and brand, but they also face pressure to increase productivity and deal with price competition.

Change management and workforce: Renewing expertise and personnel is a significant enabler and a potential problem. At its best, AI improves the employee experience by eliminating tedious work, but it can also be perceived as a significant threat. We see Talenom Academy as a strength in this regard, but significant change management challenges still lie ahead.

Data quality and integrations: AI is never better than the data it uses, which is why integrations with banks, government agencies, and core systems (such as Easor/Fortnox/Visma), as well as data standardization, are critical.

Threats and opportunities for accounting firms



- Value creation is shifting from routine human labor to automation → hourly billing is eroding.
- Structural advantage of software companies: near-zero-margin scalability vs. service companies' 30–50% margins and growth tied to recruitment.
- The flip side: legal liability, tax interpretation, and interfacing with authorities require an accredited person.
- This is about the distribution of "margin," not the disappearance of the industry.

Key opportunities

- Transitioning from a compliance provider to a consultant offering value-based pricing (CFO-as-a-service, forecasting, tax and financial structuring).
- Adopting AI as a production tool → customer volume and margin growth.
- Building vertical expertise.
- Hybrid partnerships with software platforms; positioning as an interpreter between the software and the customer.

Source: Inderes

Industry 5/5

Swedish market

The Swedish accounting services market is about twice the size of Finland's and is developing at a roughly similar pace overall. Although Talenom's share is about 1%, the company remains one of the 10 largest in the industry. With an estimated approximately 7,000 professional accounting firms, the market is fragmented, like in Finland. A significant portion of business is conducted in conjunction with auditing operations (known as "kombi-byrå"). While there are few large, purely accounting firms, Sweden has several large, professionally managed companies in the over-one-billion-krona (over 90 MEUR) revenue bracket, as well as capital-backed, internationally owned consolidators. This means that Talenom competes in Sweden against strong, well-established, and well-funded competitors. There are also competitors in the market that rely on automation and software (such as Kleer/PE Accounting and Wint), which compete based on digital efficiency. Sweden's level of digitalization generally lags slightly behind Finland's but clearly surpasses Spain's.

In principle, the market structure would be favorable for software-independent Talenom. In contrast, the old Talenom, which relied on Easor's software, found Sweden to be an extremely difficult market because Fortnox effectively dominated the country's software market, and customers were unwilling to switch from it. This "forced" transition to Easor caused significant churn. Talenom's revenue per accountant is significantly lower in Sweden than in Finland (see the chart on the right), even though the general price level in Sweden's industry is similar to Finland's, to our knowledge. This mainly illustrates the significant differences in Talenom's efficiency and productivity across countries.

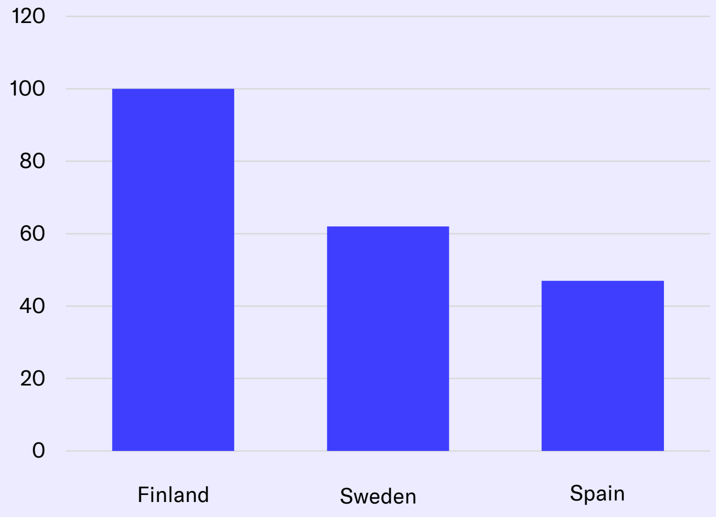
Spain is a huge, digitalizing market

The Spanish accounting services market is about ten times the size of the Finnish market, with over 65,000 accounting firms and around three million companies in the country. The Spanish market size is around 12 BEUR, of which Talenom's share is marginal (~0.1%), and the market is growing at a healthy pace. Despite its minimal market share, Talenom ranks among the 10 largest accounting firms in Spain as well. Most of the players in the country are small local asesoría/gestoría companies. There are only a few major players, but local firms with a strong presence are especially prevalent.

Digitalization in Spain lags behind Finland and Sweden by more than a decade, and paper documents are still the norm, but electrification is being driven by, e.g., the new e-invoicing requirements of the tax administration. Talenom has already undergone the various digitalization steps in Finland in previous decades. In our view, market dynamics are favorable for Talenom: the industry is highly fragmented, there are few major players, the industry's average profitability is strong, and active new customer acquisition is minimal.

The industry's price level is significantly lower than in Finland, but this is also reflected in wages. Productivity is also still low (undeveloped digitalization and software), which means Talenom's revenue per accountant is very low. We believe that a potential productivity leap through the ONE Talenom operating model and software is realistic in addition to the fact that the competition is immature compared to the Nordic countries. Execution and market development are the bottlenecks, which is why we see Spain as a large-scale, long-term opportunity for Talenom.

Revenue per accountant (Finland = 100)



Sweden & Spain - market highlights

SWEDEN
- Market ~2 × Finland; ~7,000 offices, fragmented
- Talenom among the 10 largest players
- Fortnox dominates software → forced transition to Easor caused churn

SPAIN
- Market ~10 × Finland (~12 BEUR); > 65,000 offices
- Talenom already among ~10 largest (share ~0.1%)
- Low digitalization + mandatory e-invoicing coming

E-invoicing regulation should promote digitalization in the coming years

Source: Talenom (investor materials, e-invoicing directive).

Industry evolution and country positioning

Step 1 — 2000s

Paper-based accounting

Manual work, physical documents, low scalability.

Step 2 — 2010–2015

Digital tools

Digital documents and workflows reduce manual effort.

Step 3 — 2015–2020

Software convergence

ERP and accounting software become similar.

Differentiation shifts beyond technology to service.

Step 4 — 2020+

Service and advisory

Value created through expertise, service quality, and proactive support.

Talenom's illustrative timeline – Finland as a reference market

Talenom's positioning by country

Finland – Advanced market

- Digital frontrunner
- Industry teams and strong service focus
- Value creation through advisory and customer impact

Sweden – Transition phase

- Market slightly behind Finland in digitalization
- Focus on accelerating digital adoption
- Service development and standardization in progress

Spain – Early-stage market

- Market clearly behind Nordics
- Focus on digital foundation and process automation
- Building scalable operating model step by step

Strategy 1/3

ONE Talenom

Talenom's strategy is largely based on the ONE Talenom operating model. It is the company's way to lead, serve, and grow: a unified entity of leadership models, processes, digitalization and automation utilization, and customer experience building that is applied uniformly across all countries and all teams. According to the company, decades of best practices developed in Finland have been packaged into a reproducible model that delivers consistent, efficient service regardless of country or software.

Most companies in the industry are either (a) traditional accounting firms with strong office independence and little standardization or digitalization, or (b) software companies that sell tools but not services. ONE Talenom aims to position itself between these, combining them both: standardized, highly automated service production with industrial-scale efficiency, but delivered locally and personally. As accounting software has become more technologically similar (convergence of ERP and accounting firm software), competition is shifting from technology to service quality.

The separation of Easor changes the overall picture and sharpens the service model. Talenom is no longer tied to a single software platform but rather uses the best available solutions at any given time. This expands the target market within the same market. Talenom can now also serve customers who do not want to change their core system, as well as larger and more complex companies with broader software requirements. ONE Talenom enables consistent service, regardless of the software environment. However, it is unclear how high Talenom's strength, i.e., productivity, can be achieved with less familiar software on which fewer robotics (rules) have been built.

Technology, AI, industry, and Talenom

Technology is at the core of the ONE Talenom model: digitalization and automation are integral to how the company leads, serves, and produces. Talenom has its own development and technology organization, and the company has extensive experience building processes and automating them. Talenom will retain strong technological capabilities, shifting its focus from developing its own core software to enhancing service production and customer value with the best available tools.

Talenom's goal is to be a digital frontrunner and leverage technology to free up as much time as possible for value-creating work. The company is already using AI in at least three areas: (1) reducing routine and manual work across core processes, (2) faster and more efficient information retrieval, and (3) better analysis and higher-quality preparation for customer interactions.

Talenom sees AI as a key enabler for delivering higher customer value and a better customer experience, seeks to leverage the best technologies, and believes that, over time, AI will strengthen the performance and scalability of the service business.

The accounting industry and the work of accountants are undergoing a transformation. Routine accounting tasks are decreasing, and the focus is shifting towards advisory, interpretation, exception handling, customer relationships, responsibility, and verification. The accountant is increasingly becoming an advisor, which has been part of Talenom's strategy for years.

Unified elements across all countries and teams – regardless of the software

- Unified leadership models
- Standardized processes and best practices
- Digitalization and automation
- Systematic customer experience

ONE Talenom
Unified operating model
Finland · Sweden · Spain

Targeted impacts

- Higher productivity and profitability
- Better customer experience
- Better employee experience

Strategy 2/3

In the process, productivity per accountant increases: AI and ONE Talenom increase productivity, especially where the initial level is lowest (Sweden and Spain). At the same time, skill requirements are changing, with a greater emphasis on data literacy, AI tool management, and business understanding. This aligns with Talenom's goal of increasing the share of advisory and value-added services in its revenue.

Since the concepts of artificial intelligence, robotics, and automation are often confused, we have added a short information package on basic concepts in an industry context to the end of the Strategy section.

M&A Strategy: integration and change in operating practices

Talenom has learned from its past mistakes and updated its M&A strategy. The core of Talenom’s new strategy is to fully integrate the acquired company into Talenom and align its operating practices with the ONE Talenom model. Rather than acquiring revenue, Talenom partners with companies that want to become part of Talenom and believe in its operating model. This highly selective approach is based on a shared vision, not volume.

In Sweden (operations began in 2019, growth mainly through acquisitions), a devastating but instructive mistake was made. Acquired companies were initially allowed to operate independently, and the harmonization of operating practices with the ONE Talenom model was only implemented later – and all at once. Particularly damaging was forcing a switch to in-house software that replaced the popular Fortnox software. Introducing a new system and new operating procedures all at once to units that had previously operated independently resulted in significant integration challenges, as well as challenges in terms of customer and employee retention. Talenom has learned from its mistakes in Sweden. First, integration begins immediately after the acquisition, not with years of delay. In addition, the expectations and content of the ONE Talenom model are made transparent during the acquisition process. Second, software is not enforced. Following the Easor spin-off, Talenom is software-independent and uses solutions that are optimal from the customer's perspective, eliminating the very friction point that proved particularly detrimental in Sweden. Employee experience has been identified as the most important driver of customer retention, and progress is already evident. According to company management, the latest employee Net Promoter Score (eNPS) in Sweden has already surpassed that in Finland.

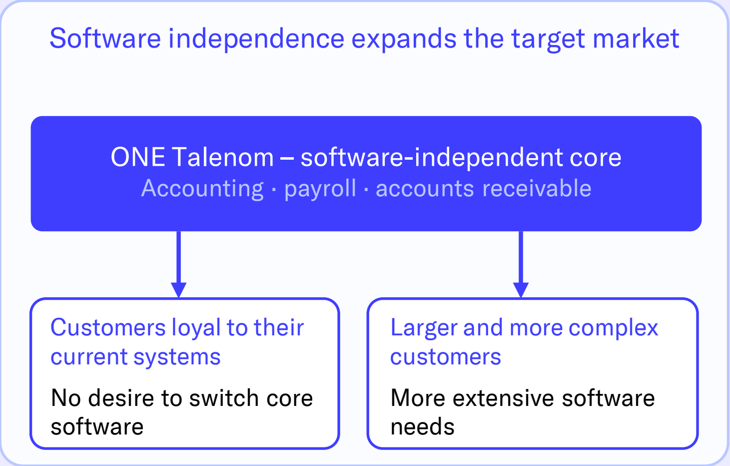
Organic growth is still actively pursued

Talenom naturally also aims to grow organically, which is essentially the only way to grow in Finland and Sweden since acquisitions are focused on Spain. In our opinion, the company has an exceptionally strong track record of organic growth in Finland, and it has the prerequisites for growth abroad as well (particularly in Spain at the moment). In comparison to the industry in general, the company has always been very sales- and marketing-driven. The company actively pursues growth through digital marketing, systematic sales efforts, and a strong local presence. Talenom is now software-independent, opening up new potential customers, as the Easor software has not been suitable or desired by some customer groups. Thus, the potential market has grown, but the sales angle must be shifted from technology to service, which may take time. Additionally, the company’s vision is to be the industry's most popular partner, which is why it seeks to grow through referrals as well. Talenom also actively seeks to expand its existing customer relationships by offering more comprehensive service packages, consulting services, HR services, and other value-added solutions. It is easy, at least theoretically, to sell more to satisfied customers if they have a need.

Cornerstones of M&A Strategy

1. Full integration: Acquire only companies that *want* to become fully integrated into the ONE Talenom model.
2. Selective approach with a shared vision: Strategy and expectations are discussed transparently during the acquisition process, proceeding only when there is a strong shared view of the future.
3. Growth-minded firms: Targets have a clear growth mindset and a willingness to develop as part of Talenom.
4. Strengthening local presence: Acquisitions support the strategy of being both large and truly local.
5. No volume acquisitions: Only acquire the right partners that create significant long-term value.

New opportunities for organic growth



Failure of (M&A) strategy in Sweden

Sweden's actual results and outlined deviations from the plan

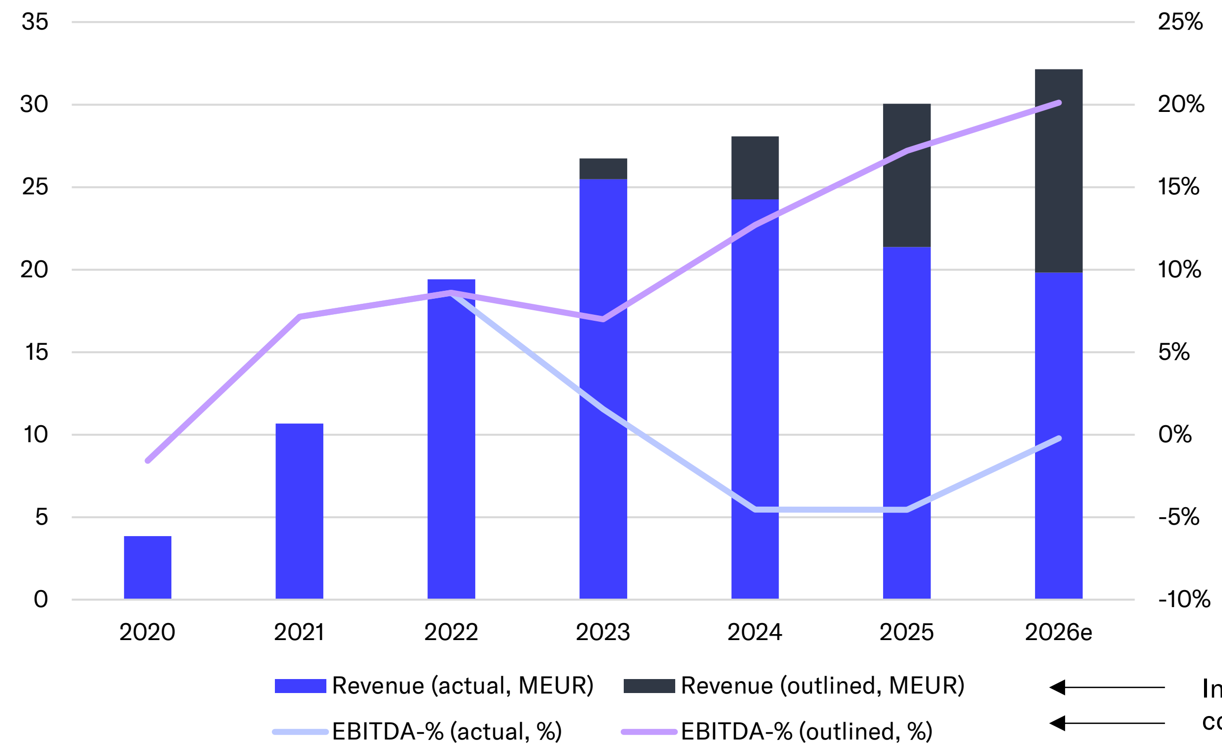
The aggressive M&A strategy in Sweden was implemented right at the end of the zero-interest rate period

Revenue begins to decline and profitability plummets instead of the planned minor temporary weakening

Timeline is outlined in the graph below (e.g., 2020–2023)

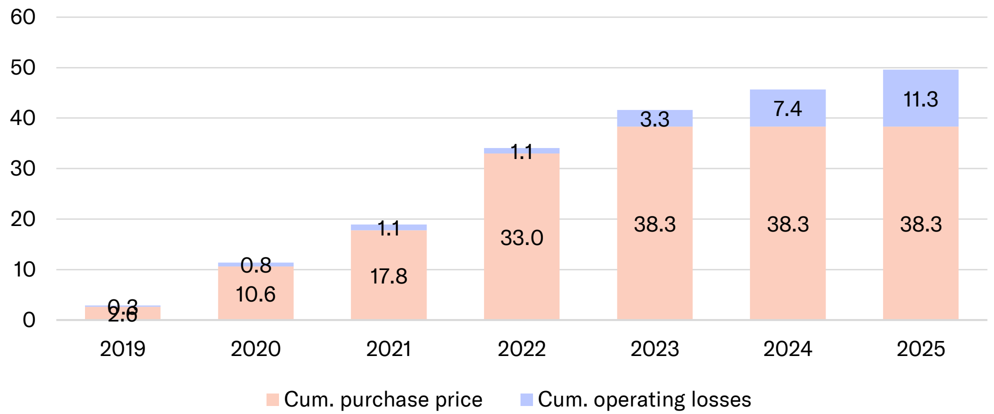
"Forcing" customers to use Talenom's own Easor software → customer churn accelerates

Strategy revision, software independence, and cost-saving measures

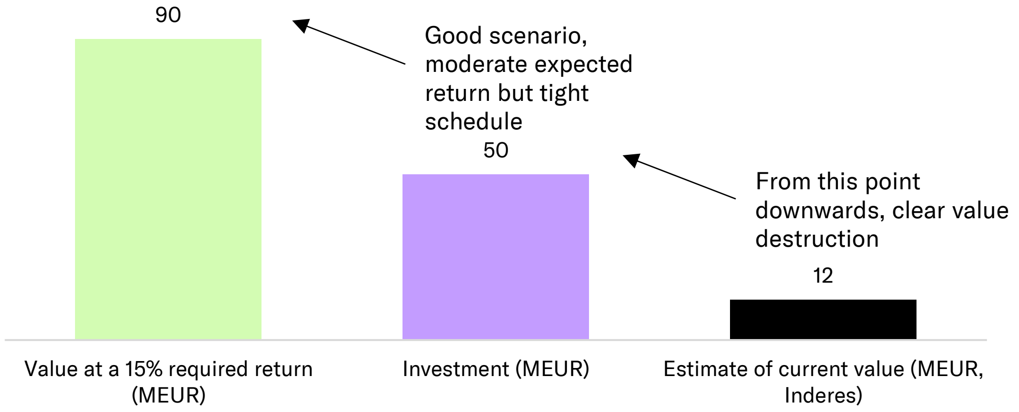


Inderes' outlines based on Talenom's previous communication and required return

Sweden: capital employed (MEUR)



Development of Sweden's value



Strategic focus areas in different countries

Finland

CURRENT POSITION

- Strong market position and a well-functioning organization for new customer acquisition.

STRATEGIC FOCUS AREAS

- Strengthening the local foothold as a genuine local partner.
- Growth in collaboration with partners and best-in-class software providers.
- Value-added services and customer experience – increasing the share of consulting into a growth engine.

OUTLOOK

- Profitability is already at a very high level; key priority is to accelerating growth.

Position: Among leading players with top-tier profitability

Sweden

CURRENT POSITION

- Operations started in 2019; size class sought through aggressive acquisitions.

STRATEGIC FOCUS AREAS

- Determined execution of the ONE Talenom concept in day-to-day operations.
- Customer-centric approach: a deep understanding of customer needs – services and software adapt accordingly.
- Focus on employee experience and retention.

OUTLOOK

- Talenom's market share is still small; the service-focused strategy aims for long-term growth (following stabilization).
- Profitability is expected to improve as the revenue base becomes stable.

Turnaround phase: Seeking a turnaround with a software-independent strategy

Spain

CURRENT POSITION

- Operations started in 2021; growth primarily generated through acquisitions but also organically.

STRATEGIC FOCUS AREAS

- Implementation of the ONE Talenom operating model and processes as a driver of operational development.
- Strengthening organic growth and the commercial organization; successfully acquiring new customers.
- High-quality acquisitions in line with the strategy.

OUTLOOK

- Substantial growth potential; a large market enables growth organically and through acquisitions.
- Profitability is expected to improve with the ONE Talenom concept; the early stage of digitalization will also bring additional productivity potential.

Driver of growth: acquisitions and organic growth, productivity leap driven by digitalization

Source: Talenom strategy materials; texts edited and summarized by Inderes.

Strategy 3/3

Defining competitive advantage

Talenom's competitive advantage was previously strongly defined in terms of technological expertise, closely linked to its proprietary software and Easor. Following the separation, this simplification has become problematic. While Talenom's efficiency in Finland (productivity and profitability) remains superior to the industry average, the company's competitive advantage lies in its difficult-to-copy combination of standardized, digital service delivery (ONE Talenom) and an industrialized customer acquisition engine. The first aspect is difficult to fully explain, but, in practice, it is a professionally managed, efficient service process that has been well optimized. In our view, this is the main reason why Talenom's productivity per accountant is at an excellent level in Finland, which in turn leads to very strong profitability. Talenom's profitability in Finland is among the best in the industry despite having a significant group structure that is unproductive in terms of customer invoicing, a large sales organization, and a reasonably large software development team. In our opinion, this proves that the company is doing something right.

The latter aspect of the competitive advantage is exceptional in this industry: Talenom has its own sales and marketing organization in every country, which is atypical in this industry. This is complemented by a dense network of local offices and more than ten industry-specific teams of experts. The end result is a model that aims to support productivity (revenue per accountant), the customer experience, and the employee experience simultaneously. This model has been proven effective in Finland, but the company lacks similar evidence from abroad. In Sweden, the company is in a weak position due to past mistakes, and it has a lot to prove in Spain as well.

Additional material: Robotics vs. AI agents

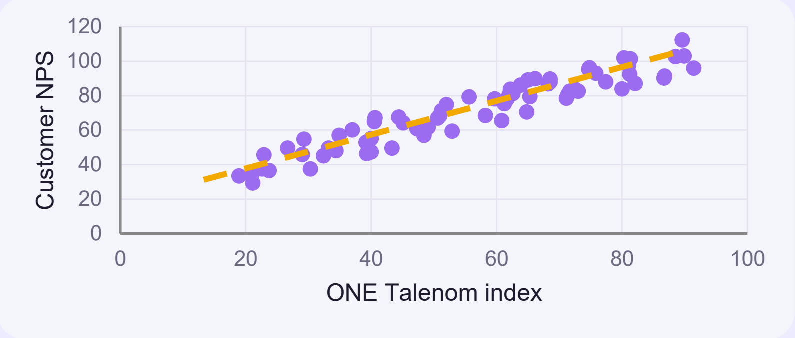
Rules-based automation (robotics, RPA) is deterministic: It follows predefined if-then rules and always performs the same task in the same way. It is accurate, predictable, auditable, and inexpensive to replicate, but inflexible in exceptional situations, requiring structural input and cumbersome maintenance when rules change.

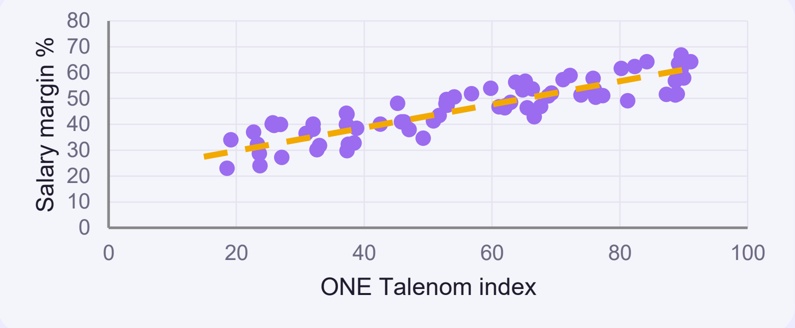
AI agents (language model-based) are probabilistic: They generalize, reason, and process even unstructured data (PDF invoices, emails, contracts, free-form text); they can chain work steps together and invoke tools. They are flexible and strong in language and reasoning, but they are non-deterministic; they can produce incorrect information ("hallucinate"), are more difficult to audit, and require controls and human supervision.

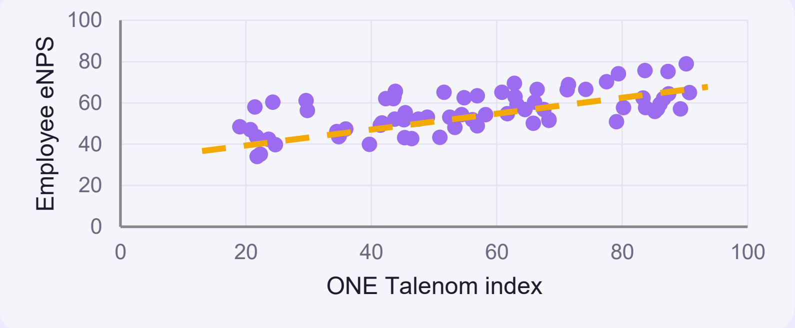
Which is the more reliable and better way to do accounting now? The core of accounting – recording receipts, reconciliations, VAT, and financial statement templates – requires 100% accuracy and auditability in practice. For that, rule-based, deterministic automation is still more reliable and effective. AI agents, on the other hand, excel precisely where rules are insufficient: interpreting unstructured data (invoice lines, contracts), suggesting accounting entries, identifying anomalies, retrieving information, and drafting customer communications.

The best model is now a hybrid**:** A deterministic, auditable core + AI agents at the edges (interpretation, suggestions, interaction) with a human-in-the-loop and strong controls. In practice, AI suggests and accelerates, while rules and humans ensure accuracy. This combination provides both accuracy and flexibility without compromising the accountability and traceability of accounting.

ONE Talenom index correlates positively with
1) customer satisfaction,
2) profitability, and
3) employee satisfaction.







Note: the graphs are illustrative or imitative and are not based on actual data that has not been published.

Cash flow and financial situation 1/2

Cost structure

Talenom's cost structure is typical of a service company, with a heavy emphasis on personnel costs, so in the short term the cost structure is quite fixed. In 2025, personnel costs corresponded to some 65.9% (2024: 68.6%) of revenue, and the decrease in the relative share indicates progress in productivity and automation. Unlike many of its peers, Talenom capitalizes a portion of its technology and new customer acquisition costs on its balance sheet, which shifts expenses from personnel and other costs to depreciation on the income statement.

We believe that personnel costs are the most scalable item, as ONE Talenom and automation enhance accountants' work processes. Other operating expenses, including materials and services, totaled around 17.0 MEUR (2024: 14.9 MEUR) in 2025, or 15.6% (2024: 14.1%) of revenue. This item mainly consists of software costs, subcontracting, and other expenses billable to customers. Following the Easor spinoff, Talenom will increasingly purchase its software externally (e.g., Fennoa, Netvisor, Procountor), which is why the relative share of this item is likely to increase in the coming years – previously, the cost was largely incurred as capitalized internal development work.

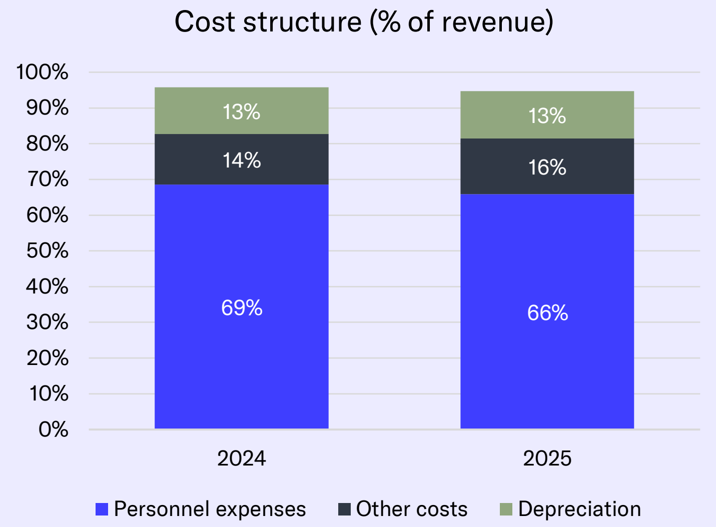
Talenom's distinguishing feature compared to its peers is its exceptionally high depreciation level. In 2025, depreciation corresponded to some 14.4 MEUR (2024: 13.8 MEUR), or about 13% of revenue, which is significantly higher than typical for the service sector. This level is elevated by IFRS 16 lease depreciation (leases are recognized in the income statement as depreciation instead of other expenses) and particularly by the depreciation of capitalized new customer acquisition costs (IFRS 15) and development expenditures (IAS 38). Since depreciation does not affect cash flow, reported EBIT underestimates the company's ability to generate cash flow.

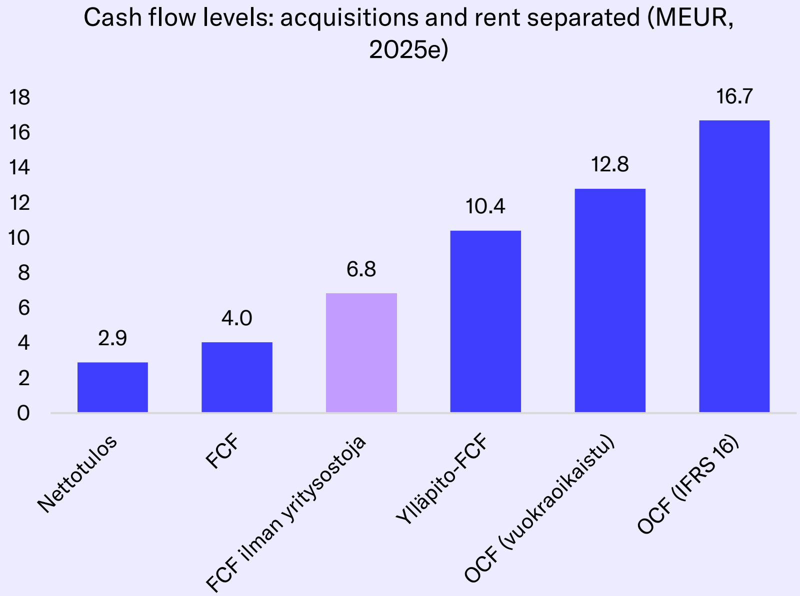
The new Talenom generates healthy cash flow

The new Talenom generates healthy cash flow, which is due to a mismatch between depreciation and investments: after the demerger, software investments are minimal (in our estimate, around 1.4 MEUR per year), but the depreciation mass remains high. We estimate this difference to be in the range of 4 MEUR per year, which strengthens cash flow (in relation to earnings). This enables acquisitions and, in our opinion, is also very important for the valuation picture. However, there is uncertainty regarding cash flows, as the new Talenom has not reported any cash flow statements or provided any pro forma historical data in this regard yet. Nevertheless, we believe the dynamic is clear, and the company's management has confirmed a significant "difference" as well.

Cash flow is also supported by the fact that the accounting business practically does not tie up working capital. This makes the business very capital-light if we exclude acquisitions. Despite this fundamental nature of the industry, Talenom's balance sheet is currently heavy, but most of this is related to acquisitions and historical capitalizations in both technology development and customer relationships. However, these no longer place a significant burden on cash flow, and in our view, the situation has now reversed.

Going forward, Talenom's largest investments will be in acquisitions, which the company will continue to pursue selectively in Spain. We believe that other investments will be limited because the capital-intensive software development was transferred to Easor as part of the spin-off. This makes Talenom's cash flow profile more robust than before and relatively predictable, despite the fact that acquisitions introduce annual fluctuations in investments and increase the balance sheet.





Cash flow and financial situation 2/2

Balance sheet and financial position

Easor was spun off on February 28, 2026, so the balance sheet at the end of Q1'26 reflects Talenom without the software business. The demerger did not reduce the company's debt burden: an equity ratio of 25.0% and a net gearing ratio of 209% are high, even for a stable accounting firm. Interest-bearing net debt was 79.6 MEUR. The balance sheet therefore remains highly leveraged, which can be attributed to historical M&A-driven growth, weakened profitability, and high dividends. Debt is also high relative to earnings capacity. With a roughly rolling EBITDA of approximately 19 MEUR, the net debt-to-EBITDA ratio is approximately 4x. Although strong, recurring cash flow and good cash conversion support the company's debt servicing capacity, cash flow is still largely tied up in servicing debt and growth investments. In our view, high debt levels significantly limit the ability to make new large acquisitions without a significant boost in income financing.

The largest concentration of risk on the balance sheet is goodwill. At the end of Q1'26, goodwill was 68.8 MEUR, representing about 45% of the total balance sheet and almost 1.8 times the equity (38 MEUR). Goodwill has mainly accumulated from acquisitions in Sweden and Spain, and its valuation relies on future earnings expectations. In our view, there is a particular write-down risk associated with the goodwill in Sweden if the profitability turnaround is delayed. Since equity is thin, a significant write-down would directly consume a large portion of it and rapidly weaken the equity ratio. The total balance sheet was around 152 MEUR (vs. 180.2 MEUR as a group before the demerger). Other intangible assets (capitalized development costs) amounted to 21.1 MEUR, fixed assets (incl. IFRS 16 lease liabilities) to 12.8 MEUR, capitalized customer contract costs to 11.5 MEUR, and liquid assets to 7.5 MEUR. Overall, the balance sheet contains a large amount of intangible assets, which entails its own risks.

High leverage is the main balance sheet risk

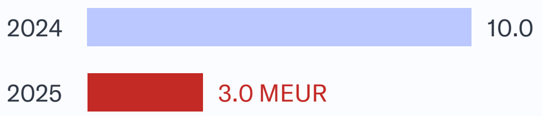
Talenom has approximately 75 MEUR of interest-bearing debt (excluding IFRS 16), and its net debt-to-EBITDA ratio is high, at around 4x. The combination of high debt leverage and Swedish goodwill is the company's primary balance sheet risk, exacerbating the volatility of the share's value. In our view, moderate leverage is justified in a defensive and predictable industry, but the current level necessitates gradually reducing debt through cash flow. We estimate annual financing costs to be around 3.0-3.5 MEUR.

The problem is mitigated by the fact that debt remains inexpensive. The interest margin on bank loans was a low 3.3-3.5% at the end of 2025, and most of the loans do not mature until September 30, 2027, so there is no short-term refinancing pressure. The loan with Danske Bank is subject to "standard" covenants tied to the equity ratio and the net debt-to-EBITDA ratio. The company met both covenants on December 31, 2025. However, the demerger increased the debt ratio: the goup's net debt-to-EBITDA ratio was around 3x at the end of 2025, but for the independent Talenom, it was already around 4x. This may explain why the covenant terms were renegotiated during the demerger. Although no precise limits have been published, a debt ratio of ~4x and an equity ratio of ~25% leave limited room for maneuver in our view, which would be further constrained by weakening profitability or a goodwill write-down. While low-cost debt and a 2027 maturity date provide some breathing room, the high debt ratio means strengthening the balance sheet will remain an ongoing concern in the coming years. We believe reducing the debt burden would support an acceptable valuation of the stock, though the most significant factor is the turnaround in Sweden.

Write-down of goodwill in Sweden: a thin and shrinking buffer

Goodwill (2025) 26.9 MEUR

Buffer = recoverable amount − book value



The buffer decreased by 70% in a year

Test assumptions 2025

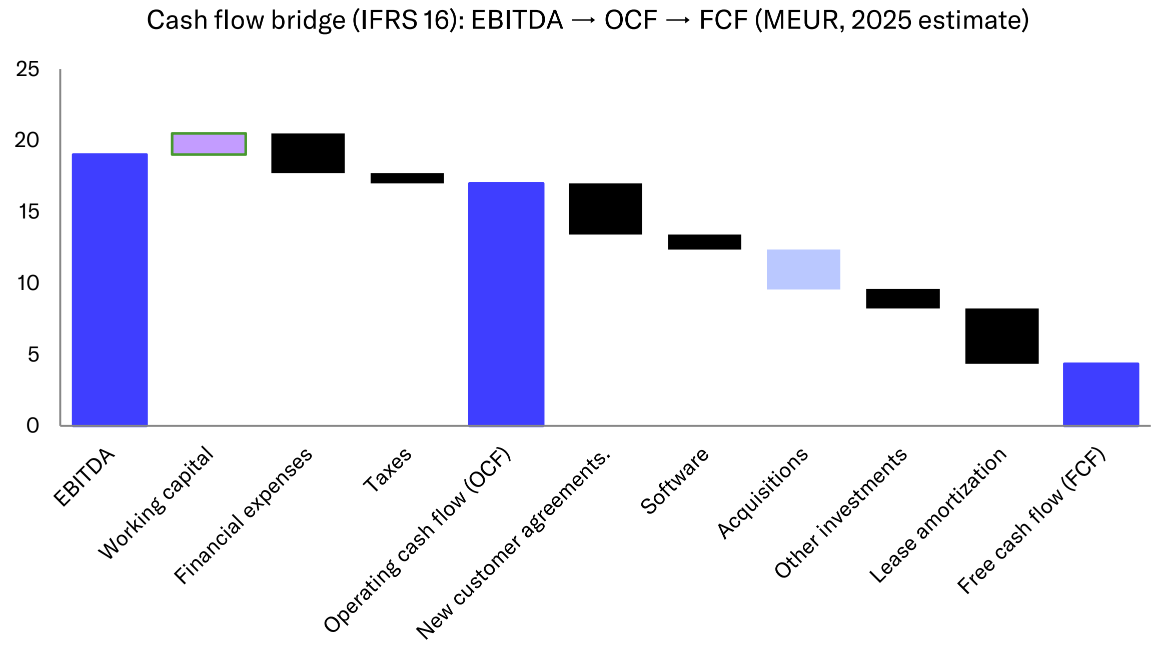
- Discount rate (WACC): 12.3%
- Terminal value growth: 1.7%
- Revenue growth (4 y): +8.5% p.a.
- Average EBITDA-%: 15.0%

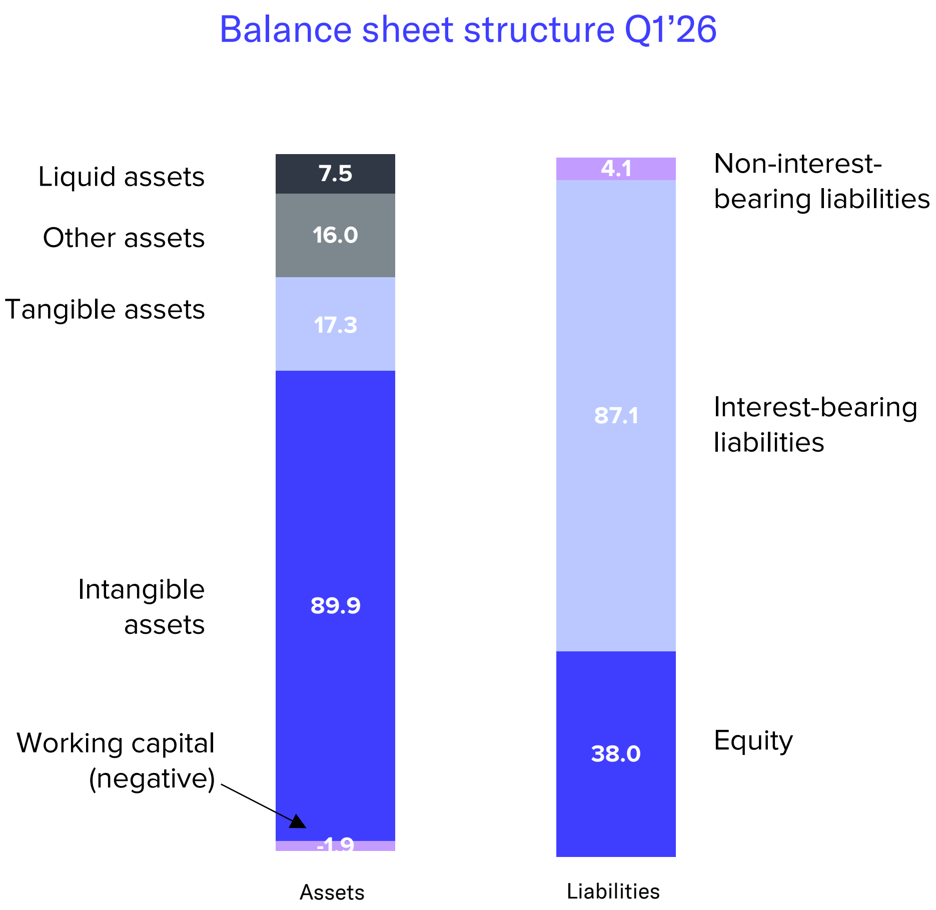
A write-down is triggered if even one variable changes:

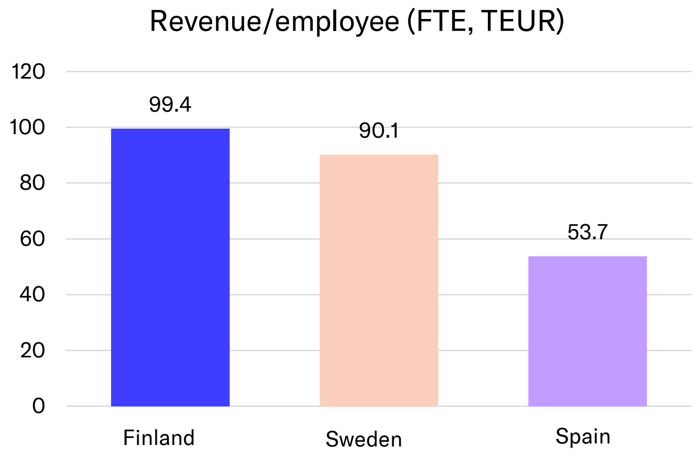
- WACC: +2.1 pp
- Revenue growth: -3.2 pp
- Average EBITDA-%: -6.5 pp
- Terminal value growth: -4.6 pp

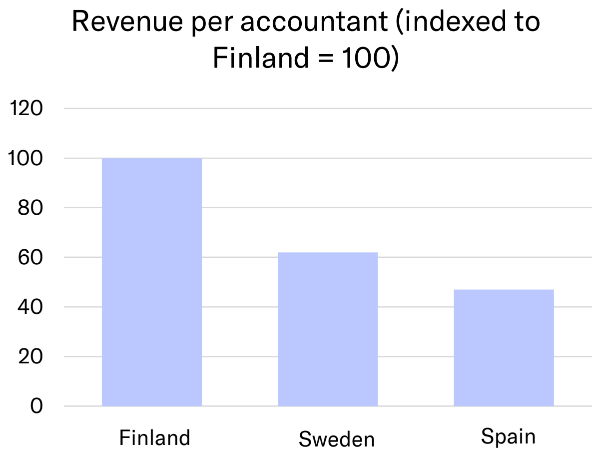
Sweden is unprofitable (comparable operating loss of -1.2 MEUR), and revenue decreased by 10.8%. The test relies on a major turnaround (benefits of ONE Talenom and workforce adjustments).

Financial indicators









Balance sheet

Assets	2025	2026e	2027e	2028e
Non-current assets	120	119	117	115
Goodwill	67.3	68.8	70.3	71.8
Intangible assets	31.1	28.1	24.8	21.2
Tangible assets	4.6	4.6	4.5	4.4
Associated companies	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0
Other non-current assets	12.9	13.1	13.2	13.3
Deferred tax assets	4.3	4.3	4.3	4.3
Current assets	25.3	25.5	27.1	28.9
Inventories	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0
Receivables	18.3	18.7	19.8	21.2
Cash and equivalents	7.0	6.8	7.2	7.7
Balance sheet total	147	145	144	143

Source: Inderes

Liabilities & equity	2025	2026e	2027e	2028e
Equity	37.6	37.4	38.9	42.6
Share capital	0.1	0.1	0.1	0.1
Retained earnings	16.1	15.9	17.4	21.1
Hybrid bonds	0.0	0.0	0.0	0.0
Revaluation reserve	-0.1	-0.1	-0.1	-0.1
Other equity	21.5	21.5	21.5	21.5
Minorities	0.0	0.0	0.0	0.0
Non-current liabilities	84.3	78.8	75.1	67.0
Deferred tax liabilities	3.9	3.9	3.9	3.9
Provisions	0.0	0.0	0.0	0.0
Interest bearing debt	80.4	74.9	71.2	63.1
Convertibles	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0
Current liabilities	25.3	28.6	29.6	33.5
Interest bearing debt	4.3	5.9	5.5	7.8
Payables	20.9	22.7	24.1	25.7
Other current liabilities	0.1	0.1	0.1	0.1
Balance sheet total	147	145	144	143

Estimates 1/5

Finland

Finland is Talenom's success story

The success story of Talenom in Finland is hard to deny. The company has grown profitably for decades now, and its profitability has scaled well thanks to its highly efficient accounting process. While the EBITDA margin for the Finnish business is exceptionally high, the EBIT margin is also very good. Finland generates practically all of the group's earnings and cash flow, despite bearing a larger share of the group's administrative and technology development costs. Even in a challenging market environment, Talenom has succeeded in growing organically in Finland, with Finnish revenue increasing by a commendable 3.7% in Q1'26.

In 2026, a new foundation will be laid

Despite its strong history, we estimate that Talenom's organic growth in Finland will be limited in the coming years, as the company already has a strong market position in its core SME sector. We expect Finland's revenue to grow by around 3-5% annually, which is a strong forecast relative to the industry's general outlook. In 2026, we expect Finland's revenue to reach approximately 72 MEUR, representing 3.4% year-on-year growth. We believe growth will be accelerated by the sale of additional services and the pursuit of new customer groups, including those using third-party software, for which the demerger provides more room for maneuver than before. However, increasing sales of new software is not easy, and we estimate that growing their share will require a new sales approach and will be a slow process, relatively speaking.

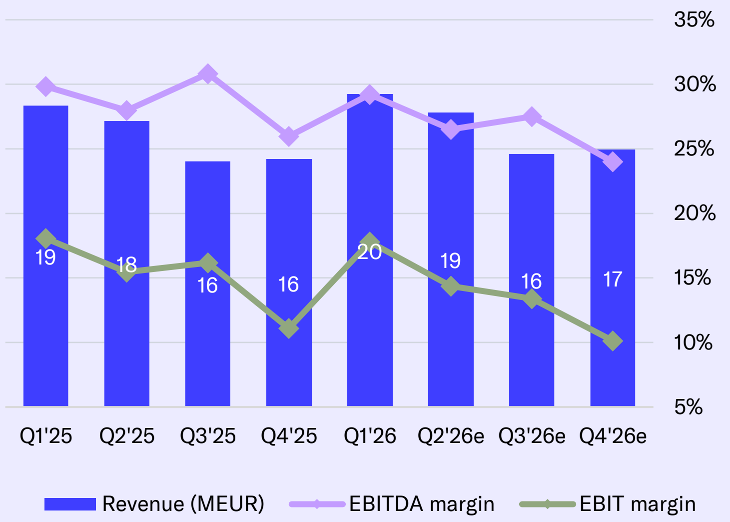
Finland's profitability will remain at a healthy level, but the spin-off into a separate publicly traded company increases the fixed cost structure in 2026. In addition, the company has increased its sales and marketing investments to accelerate growth. There is indeed clear upward pressure on costs, which means profitability will not scale this year.

We estimate that Finland's margins will be under slight pressure and expect the EBITDA margin to be around 27% (2025: 28.7%). After significant depreciation, the EBIT margin, which is generally more comparable, is 14.1% (2025: 15.3%). Based on these estimates, we forecast that Finland's EBITDA will be 19.4 MEUR and its EBIT will be 10.2 MEUR in 2026, which would represent a slight decline from the previous year's comparable figures (2025: 20.0 MEUR and 10.7 MEUR).

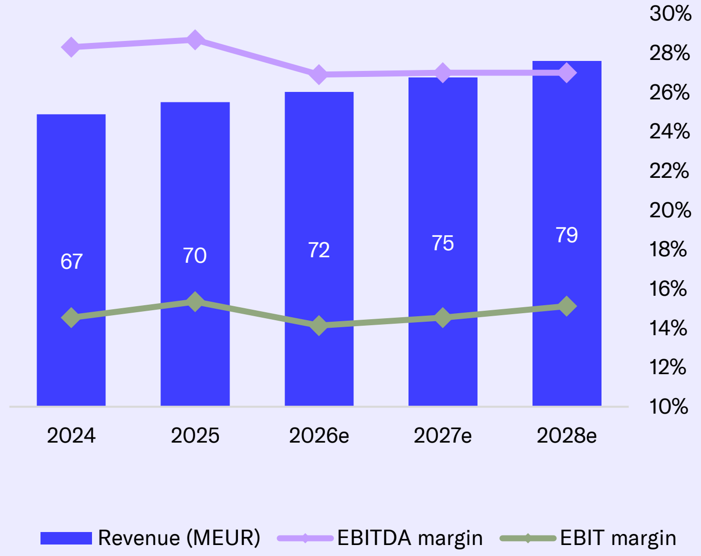
We expect a return to earnings growth in 2027

In Finland, organic growth remains moderate, but we expect it to accelerate slightly: we estimate revenue will grow by 4.5% and exceed 75 MEUR. The slight pick-up currently visible in the Finnish economy should provide support here. While growth is still supported by sales of additional services, we estimate that investments in third-party software sales will start to bear fruit. Regarding profitability, we expect a slight recovery, as the one-off cost increase in 2026 is already factored into the comparison. We forecast the EBITDA margin to be around 27.0% (2026e: 26.9%) and expect the comparable EBIT margin to improve to 14.5% (2026e: 14.1%). With depreciation remaining stable (around 9.4 MEUR), we estimate Finland's EBITDA to be 20.4 MEUR and its EBIT to be 11.0 MEUR in 2027 (2026e: 19.4 and 10.2 MEUR). In practice, we expect a return to moderate earnings growth.

Finland's quarterly estimates



Finnish accounting business



Estimates 2/5

Assumptions for future years

In the longer term, we assume that Finland's organic growth will remain in the 3-5% range; growth will be fastest in our estimates around 2028 (~5%) and will settle at around 3% by the end of the decade. The core market is mature, but growth is supported by additional services, increasing the share of consulting, as well as the gradually developing sales of third-party software and slightly larger customers.

Finland's structural profitability is high, and we expect margins to gradually improve. We estimate the EBITDA margin will rise back to around 28% (starting from 2029) and the comparable EBIT margin will steadily increase towards 17% by 2031. In our estimates, the improvement in margins is supported by a stable depreciation level, so that revenue growth flows into EBIT as operational leverage. The key risks we see are general pricing pressure in the industry (decrease in invoicing levels), a slow ramp-up of third-party software sales, and an unfavorable development of the AI revolution.

Internationalization funded by Finland's cash flow

Finland's key role within the group is to generate a strong cash flow, which is used to finance international growth and reduce debt. The business does not tie up working capital, and following the spin-off, software investments will be minimal, strengthening free cash flow. Finland is Talenom's strongest and, so far, only cash flow engine, enabling investments in Spain's growth and Sweden's turnaround. In the coming years, however, other countries will also need to significantly improve their profitability to keep the narrative under control.

Spain

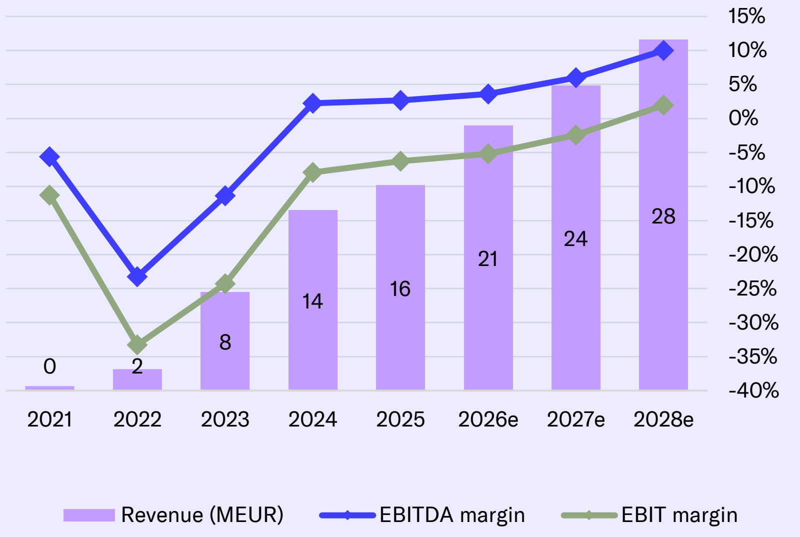
Spain is Talenom's growth driver

Spain is clearly Talenom's most promising expansion market and the opposite of Sweden. It is a large, fragmented market that lags behind the Nordic countries in terms of digitalization, creating significant long-term growth potential. Unlike in Sweden, acquisitions have been integrated through the ONE Talenom concept from the outset, and operations have been software-independent. The company seeks growth through organic expansion and acquisitions, and despite strict selection criteria, the market offers many small, reasonably priced acquisition targets. In Spain, the key issue is not growth but rather building sustainable profitability. A positive aspect of the Spanish market is its significant share of additional services and consulting. However, the predictability of the segment's profitability trend remains relatively low.

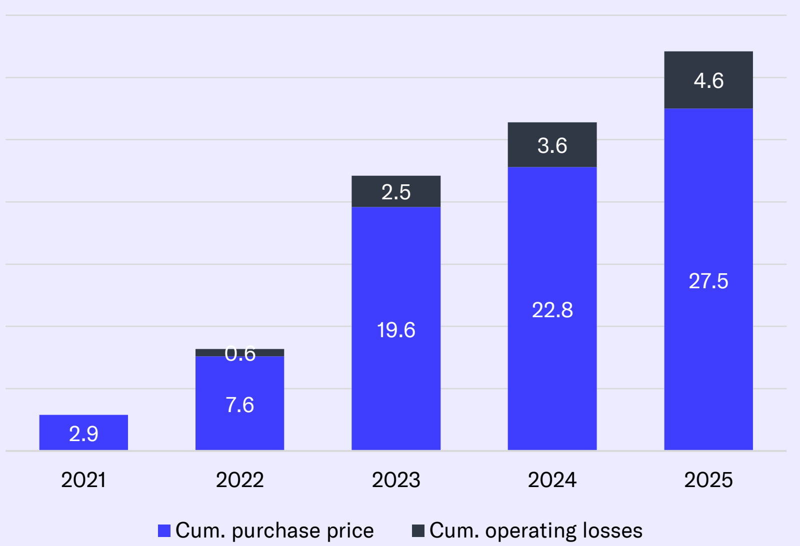
Strong growth to continue in 2026

We forecast Spain's revenue to grow by around 29% and reach 21.3 MEUR in 2026 (2025: 16.5 MEUR). Growth will mostly rely on acquisitions (inorganic impact estimated at over 3.6 MEUR) and healthy organic growth (around 7%). While acquisitions rapidly increase revenue, they also dilute profitability in the short term due to integration costs, among other things. Consequently, Spain's profitability will remain weak this year, particularly since sales and marketing investments will also weigh on margins. We forecast that EBITDA will be 0.8 MEUR in 2026 (3.6% margin) while EBIT will remain in the red (estimate -1.1 MEUR). We expect EBITDA to improve from the previous year but EBIT to remain practically at the same level.

Key figures for Spain



Spain: capital employed (MEUR)



Spain: Acquisitions have created a good foundation

Capital has been committed rapidly, yet in a controlled manner. Talenom entered Spain in 2021 and has made over 20 acquisitions. The cumulative purchase price of all acquisitions is approximately 29 MEUR, and the goodwill on the balance sheet is approximately 18 MEUR (2025 book value ~30 MEUR). A lightweight operating model (no need to adopt a complex in-house system) keeps investment needs moderate.

Growth is strong. The segment's revenue has risen from 0.4 MEUR (2021) to 16.5 MEUR (2025), and growth reached 31.8% in Q1'26. There has been virtually no loss of acquired revenue; the discrepancy from the acquired amount (approximately 19 MEUR) is likely due mainly to timing.

Profitability is developing in the right direction. EBITDA from continuing operations has turned clearly positive (2026e +0.8 MEUR). EBIT remains slightly negative due to PPA depreciation and ongoing integration costs, among other things, but overall, the loss has decreased, indicating that profitability is moving in the right direction.

It's already largely value-neutral. When the committed capital (purchase price of approximately 29 MEUR + accumulated operating losses of approximately 5 = approximately 34 MEUR) is compared to Inderes' sum-of-the-parts fair value (31 MEUR), Spain is roughly value-neutral or slightly negative (approximately -3 MEUR). The conditions for creating value are in place, even though the story is still unfolding.

Goodwill risk is very low. The company's goodwill in Spain (estimated at approximately 18 MEUR, taking into account acquisitions made earlier this year) and its book value (at the end of 2025: 30 MEUR) may be at risk if the business takes a negative turn, but strong growth and rising profitability support the valuation. Unlike in Sweden, the fair value does not imply write-down pressure, but rather a slight upside.

Success in Spain is critical. If Talenom proves its ability to achieve profitable, acquisition-driven growth in Spain, confidence in the model also outside of Finland will strengthen – which would be critical for the entire investment case. In such a huge market, the potential for growth would not run out anytime soon.

Year	Target	Revenue (MEUR)	Purchase price (MEUR)	EV/S
2021	Avail Services (Avalanding)	0.9	2.9	3.2x
2022	Gestoria Teruel	1.0	1.5	1.5x
2022	Acompany Asesoria	0.7	0.7	1.0x
2022	Nomo (platform/technology acquisition)	0.5	2.5	5.1x
2023	Advisoria Advocats	1.9	2.6	1.4x
2023	Aditio Gestion	1.7	1.3	0.8x
2023	Sant Cugat Consulting	1.3	1.7	1.3x
2023	BV Coruña Asesoria	0.9	1.7	1.9x
2023	Consultoria Granadina + Grupo CG	1.2	1.6	1.3x
2023	BKF Asesores	0.7	1.7	2.4x
2023	Novak Digital	0.5	0.7	1.4x
2023	Acega Asesores	0.4	0.3	0.7x
2023	Gesgal Asesores	0.5	0.4	0.7x
2024	Assessoria del Bages	1.7	2.6	1.5x
2024	Bujan y Asociados	0.5	0.6	1.2x
2025	Nova Ceteb	1.1	1.1	1.0x
2025	Querol & Querol	1.4	1.8	1.3x
2025	Pagoa + Ascofi Berria + Harri Berri	1.9	1.8	1.0x
2026	Brunet Aguilar	1.0	1.1	1.1x
2026	Seico Legal	0.6	-	-

≈ value-neutral

Committed capital about 34 MEUR vs. fair value about 31 MEUR

Estimates 3/5

We expect profitable growth in 2027

In 2027, we expect Spain's revenue to grow by 15% to 24.5 MEUR. In our estimates, growth is divided almost equally between organic growth and acquisitions, meaning it includes unmaterialized acquisitions. We anticipate a significant improvement in profitability with the ONE Talenom model and a slowdown in the pace of acquisitions. We project that EBITDA will increase to 1.5 MEUR (6.0%), while the operating loss will narrow to a moderate level (-0.6 MEUR). According to our estimates, Spain is on track to become profitable in 2028 and could reach cash flow neutrality as early as next year, which would be an important milestone.

Assumptions for future years

In the longer term, we expect growth to remain strong, at 11-15% per year, as a combination of organic growth (6-8%) and continuous small acquisitions (an additional 2-4 MEUR in revenue annually). We expect Spain to turn EBIT-positive in 2028, with margins gradually increasing towards a 15% EBITDA and 7-8% EBIT by 2031. Improved profitability is driven by revenue growth as fixed costs scale, the efficiencies brought by the ONE Talenom model, progress in digitalization, and structural advantages in Spain.

Risks: execution and uncertainty related to profitability

Although Spain is the positive scenario in the story, we believe that the risks largely depend on the company's ability to execute successfully. The profitability turnaround is back-loaded and hinges on continuous successful acquisitions (correct pricing and integration) and the full implementation of the ONE Talenom model. Margins are still thin, and progress is mandatory. If the pace of acquisitions or integrations slows down, the turnaround in profitability may be delayed.

Sweden

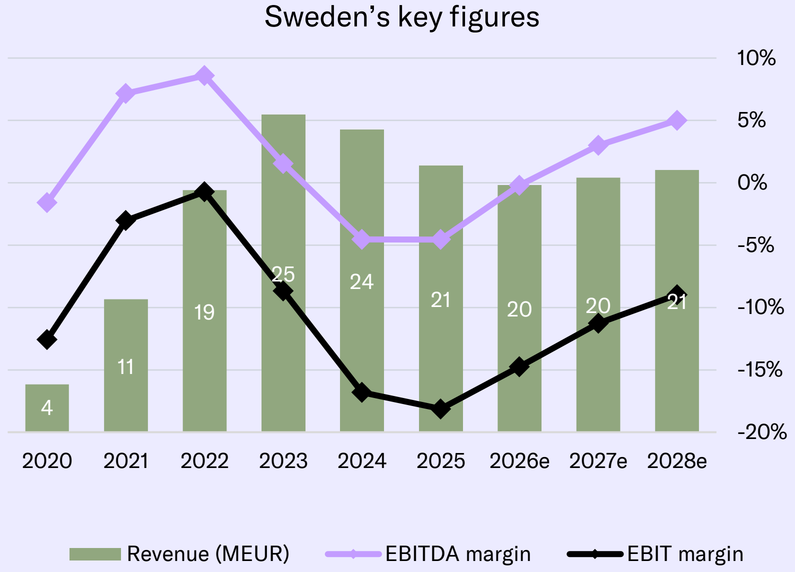
Sweden must achieve a turnaround – and that will determine the story

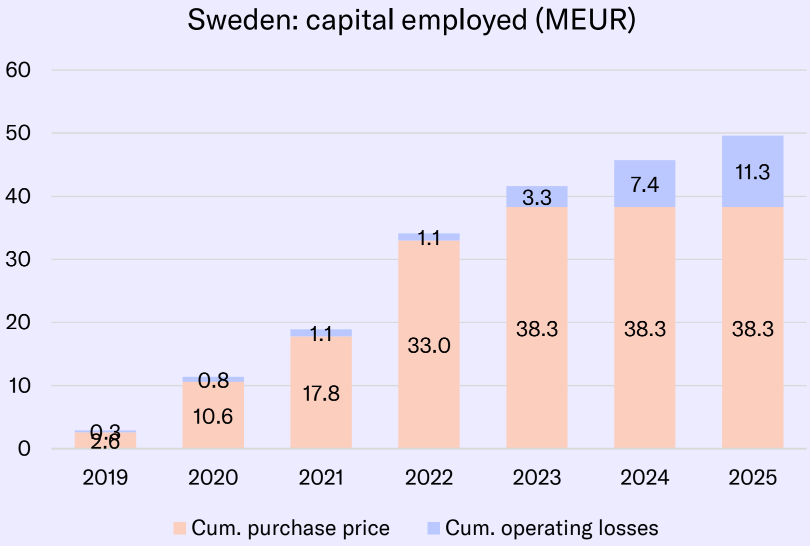
Sweden is Talenom's problem child, casting the biggest shadow of doubt on the investment case. The aggressive expansion driven by acquisitions from 2019 to 2023 significantly destroyed value, particularly when the company forced customers to use proprietary software. Combined with Fortnox's dominance, this led to customer churn. The EBIT of the segment has been loss-making every year, and profitability turned negative even at the EBITDA level in 2024-2025. In Sweden, in particular, we see the demerger as a critical step for Talenom, since achieving software independence is likely a prerequisite for success. The primary issue in Sweden is turning around profitability, which is practically a must. We believe the turnaround is already well underway, but real success in Sweden is still a long way off.

In 2026, revenue will continue to decline, but EBITDA will rise to near zero

We expect Sweden's revenue to decrease by around 7% to 19.8 MEUR in 2026 (2025: 21.4 MEUR), as the previous loss of customers continues to impact the company. However, the company's situation has improved significantly since Easor's departure, and the rate of attrition has slowed among both employees and customers. In our view, the proprietary software ultimately became a competitive disadvantage in Sweden. Last year, Talenom managed to increase new customer acquisition beyond the level of customer churn, meaning that revenue is gradually stabilizing. Employee satisfaction has also increased significantly.

While cutting costs can help adjust operations, low productivity must still be improved.





Sweden: Acquisitions have significantly destroyed value

The committed capital is substantial. Talenom expanded to Sweden in 2019 and went on an acquisition spree from 2020-2023 (over 20 accounting firms). The cumulative purchase price of the identified acquisitions is approximately 38 MEUR, and the goodwill on the balance sheet is approximately 27 MEUR (book value about 39 MEUR).

The return remains negative. Sweden's EBIT has been unprofitable every year and has even worsened along the way (cumulatively around -11 MEUR). Most alarmingly, EBITDA also turned negative in 2024-2025. This means that the business has consumed a significant amount of cash flow throughout its history.

Acquired revenue has been lost. The combined revenue of the acquired companies was approximately 29 MEUR at the time of acquisition, but the segment's revenue in 2025 was only 21.4 MEUR, and the downward trend continues. According to our estimates, at least 8 MEUR in revenue has been lost due to high customer churn.

Significant shareholder value has been destroyed. When the committed capital (purchase price of approximately 38 MEUR + accumulated operating losses over 11 = approximately 34 MEUR) is compared to the fair value given in Inderes' sum-of-the-parts calculation (around 12 MEUR), Sweden has destroyed roughly around 38 MEUR in shareholder value. The difference would be even more radical if we considered the required return on capital or the alternative cost.

Goodwill risk is high. The balance sheet's goodwill of around 27 MEUR and book value of around 39 MEUR rely on the assumption of a significant profitability improvement. In our view, fair value is clearly lower than book value, so a write-down poses a considerable risk in a highly leveraged environment. Conversely, if Sweden's situation improves year by year, the value may still be warranted in the future.

The turnaround will determine a lot. Due to the goodwill risk, we believe that progress in Sweden is critical. Correcting the strategic error (forcing Easor) will help, but successfully implementing the ONE Talenom model is also critical.

Year	Target	Revenue (MEUR)	Purchase price (MEUR)	EV/S
2019	Wakers Consulting	2.6	2.6	1.0x
2020	Niva Ekonomi	1.4	1.1	0.8x
2020	Frivision	1.4	1.5	1.0x
2020	Ekonomianalys KL	2.3	3.6	1.5x
2020	Persson & Thorin	1.2	1.8	1.5x
2021	Crescendo	1.0	1.1	1.1x
2021	Progredo	1.3	1.5	1.1x
2021	YOUnited Professionals	1.2	1.5	1.2x
2021	MH Konsult Väst	2.3	2.2	0.9x
2021	Kjell Wengbrand	1.0	0.9	0.9x
2022	Mazars Sweden	5.2	9.0	1.7x
2022	Alcea Redovisning	1.0	1.2	1.2x
2022	Baran Redovisning	0.7	0.9	1.3x
2022	Lindgren & Lindgren Ekonomi	0.6	0.7	1.2x
2022	Confido	1.0	1.7	1.7x
2022	Öckerö	1.4	1.7	1.2x
2023	LR Redovisning i Strängnäs	1.1	1.9	1.7x
2023	VM Redovisning	1.2	1.3	1.1x
2023	R2 Redovisning	0.7	1.0	1.4x
2023	Easycount	0.5	0.6	1.2x
2023	MTE Göteborg	0.3	0.5	1.5x

Over 35 MEUR of value destroyed

Committed capital about 50 MEUR vs. estimated fair value about 12 MEUR

Estimates 4/5

This is being pursued by promoting the ONE Talenom model, which has been positively received. We forecast that Sweden's EBITDA will reach break-even, and Talenom itself has estimated in its outlook that its EBITDA will be positive in 2026. This would already be a significant improvement from the previous year's loss of -1.0 MEUR. However, achieving positive EBIT in Sweden is still a pipe dream, as depreciation and amortization amount to nearly 3 MEUR annually.

We expect the turnaround to continue slowly in 2027

In 2027, we expect revenue to stabilize and experience slight growth of around 3% (20.4 MEUR). We expect EBITDA to improve to 0.6 MEUR (margin 3.0%) due to efficiency improvements and ONE Talenom benefits, which is still a weak level in the big picture. In our view, a turnaround will occur, particularly if revenue develops positively, but we do not see a quick fix in sight. We believe this is the core challenge of the narrative in Sweden.

Assumptions for future years

In the longer term, we expect revenue to grow by around 3% annually (organically, excluding acquisitions) and the EBITDA margin to gradually increase towards around 8% at the end of the decade. The profitability of the business would still be far below the industry average, so the forecast is both very conservative and challenging, given the current level. According to our estimates, Sweden's EBIT will remain negative throughout the forecast period, although the margin will improve from approximately -15% to only around -5% by 2031. In other words, under the base scenario, Sweden will not achieve profitability at the EBIT level during the forecast period, which, of course, sets the stage for a positive surprise if things move in the right direction.

Risks are weighted downwards

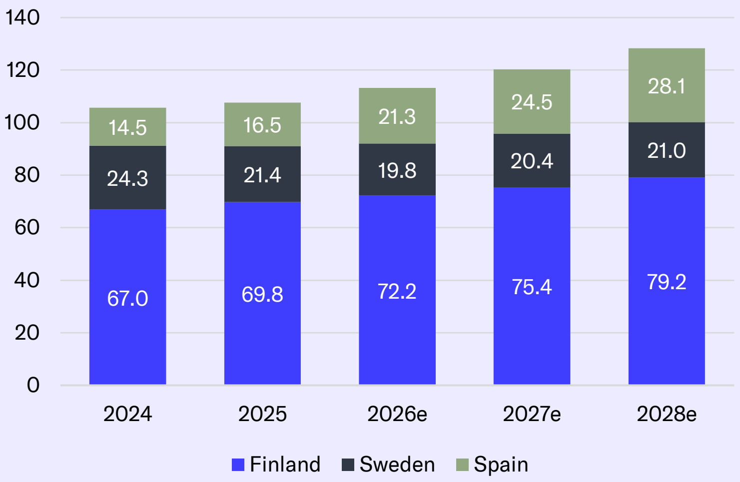
In our opinion, the risk profile in Sweden is asymmetrical. The turnaround relies on the assumption of a significant improvement in profitability, even though revenue is still decreasing. The balance sheet includes approximately 27 MEUR of goodwill in Sweden, for which the recoverable amount buffer collapsed from 10 MEUR to 3 MEUR in 2025; if the turnaround is delayed, a write-down becomes a considerable risk that would quickly erode Talenom's thin equity. In our estimates, Sweden will generate only modest earnings at best, while failure would result in a goodwill write-down and pressure to divest.

Group estimates

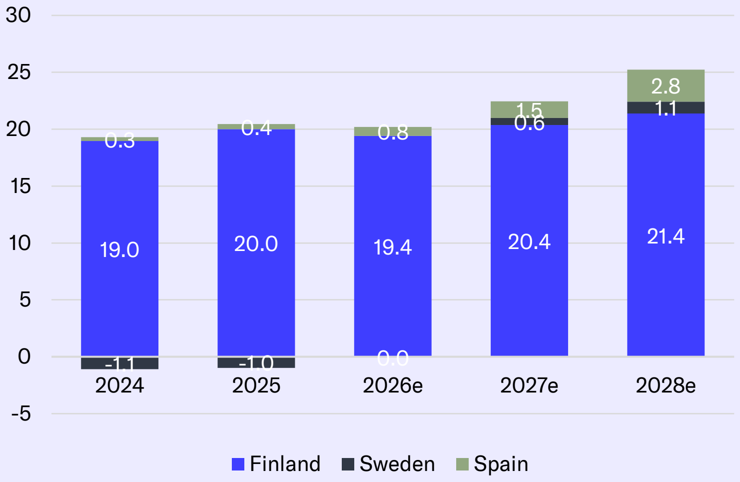
Turnaround in international operations will determine the result

We estimate that Talenom's revenue will grow by around 5-7% in 2026-2028 (2026e: 113 MEUR, close to the midpoint of the guidance range of 110-120 MEUR). This growth relies heavily on Spain and acquisitions, as organic growth in Finland is limited and Sweden is still seeking a turnaround. The most crucial driver for the formation of the consolidated result is precisely the turnaround in international operations: Finland's core business generates a stable EBIT of approximately 10–11 MEUR, but the group's EBIT is weighed down for the time being by losses in Sweden (-2.9 MEUR 2026e) and a slight loss in Spain during its rapid growth phase. As Spain's profitability turns positive and losses in Sweden decrease, our estimates project that the EBITDA margin will rise from around 18% toward 20% and the EBIT margin toward 8-9% during the review period.

Projected revenue development (MEUR)



Projected EBITDA development (MEUR)



Estimates 5/5

Starting from a low base, earnings growth is strong due to the turnaround. We estimate that adjusted EBIT will grow from around 6.2 MEUR (2026e) to 10.6 MEUR (2028e) and beyond. Supported by revenue growth and decreasing financial expenses as debt is repaid, EPS will almost triple between 2026 (EUR 0.05) and 2028 (EUR 0.13). It is important to note that the change at the EBITDA level is approximately 22%. The sharp change in the bottom line primarily reflects strong earnings leverage and a low starting point. There is significant uncertainty regarding the rate of earnings growth, as there is no evidence yet of profitable international growth. The turnarounds in Sweden and Spain are the most uncertain assumption in the estimates.

The key earnings drivers for the coming years are: 1) stable profitability and cash flow in Finland, 2) profitable growth in Spain toward positive EBIT, 3) a gradual reduction in losses in Sweden, and 4) a relative decrease in financial expenses as debt is repaid or debt capacity improves with stronger earnings. Critical issues in general include the success of advancing the ONE Talenom model and improving operational efficiency.

Strong cash flow spent on acquisitions, debt, dividends

Based on our assessment, Talenom's cash flow profile is exceptionally strong relative to its reported earnings. Recurring and front-loaded invoicing, as well as significant non-cash depreciation, potentially make incoming cash flow many times higher than net profit, and cash conversion from EBITDA is high.

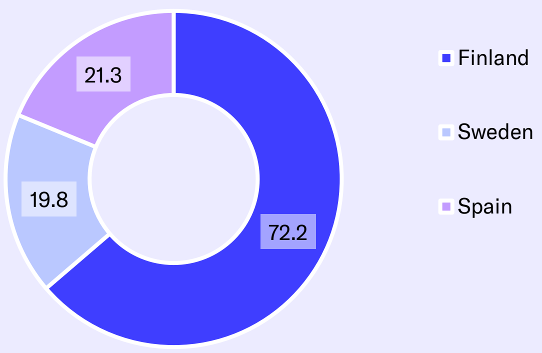
However, free cash flow is clearly more moderate as the company continuously invests in capitalized expenses on the balance sheet, finances Spanish acquisitions, and pays interest expenses on the indebted balance sheet (interest-bearing net debt around 75 MEUR excluding IFRS, net debt/EBITDA ~4x). Therefore, in the coming years, free cash flow is largely tied to debt servicing and growth, and we consider strengthening the balance sheet and refinancing in 2027 to be the company's key priorities.

As debt decreases and earnings improve, cash flow will gradually free up, which will be reflected in dividend payments. We estimate the dividend at EUR 0.05 per share, which we believe the company can barely afford. In our view, the company aims to position itself as a good dividend payer, but we also believe it would benefit from the flexibility that a stronger balance sheet would provide.

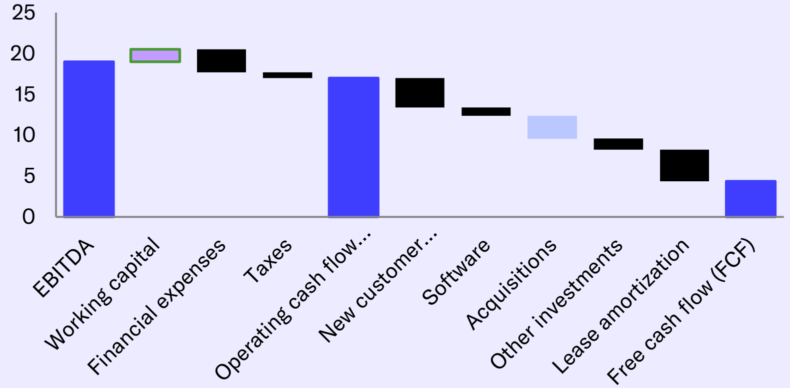
AI revolution the biggest source of uncertainty

In the longer term, the single most significant variable in our forecasts is the ongoing AI revolution, the effects of which are subject to considerable uncertainty. On the one hand, the transformation can boost production and free up resources for high-margin, value-added services, but, on the other hand, it significantly weighs on the pricing of traditional accounting services. While our estimates rely on the assumption that Talenom will maintain its strong competitive position and pricing power, we are closely monitoring the progress of the disruption as it may alter the industry's profit logic during the forecast period.

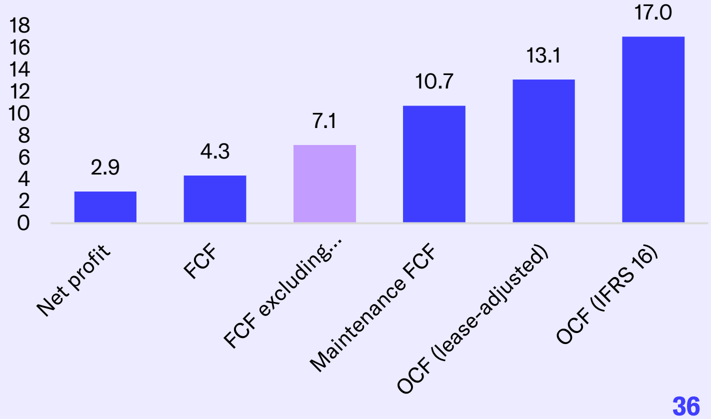
Revenue breakdown 2026e (MEUR)



Cash flow bridge (IFRS 16): EBITDA → OCF → FCF (MEUR, 2025 estimate)



Cash flow levels: acquisitions and rent separated (MEUR, 2025 estimate)



Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	106	29.0	29.7	24.6	24.4	108	30.3	31.0	26.0	26.0	113.3	120	128	136
Finland	67.0	19.5	18.5	15.9	16.0	69.8	20.2	19.0	16.3	16.6	72.2	75.4	79.2	82.4
Sweden	24.3	6.0	6.5	4.3	4.5	21.4	5.4	5.9	4.1	4.4	19.8	20.4	21.0	21.7
Spain	14.5	3.5	4.7	4.4	3.9	16.5	4.6	6.1	5.5	5.0	21.3	24.5	28.1	32.3
EBITDA	18.2	5.6	6.2	4.8	2.3	19.0	5.5	6.1	4.8	3.7	20.2	22.4	24.6	27.7
Depreciation	-13.7	-3.3	-3.4	-3.4	-3.5	-13.7	-3.5	-3.5	-3.5	-3.5	-14.0	-14.3	-13.9	-14.1
EBIT (excl. NRI)	4.5	2.3	2.8	1.4	-0.6	5.9	2.0	2.6	1.3	0.2	6.2	8.1	10.6	13.6
EBIT	4.5	2.3	2.8	1.4	-1.2	5.3	2.0	2.6	1.3	0.2	6.2	8.1	10.6	13.6
Finland	9.7	3.5	2.9	2.6	1.8	10.7	3.6	2.7	2.2	1.7	10.2	11.0	12.0	13.7
Sweden	-4.1	-0.9	-0.4	-1.0	-1.6	-3.9	-0.9	-0.4	-0.8	-0.9	-2.9	-2.3	-1.9	-1.5
Spain	-1.1	-0.3	0.3	-0.1	-0.8	-1.0	-0.7	0.3	-0.1	-0.5	-1.1	-0.6	0.5	1.4
Unallocated	0.0	0.0	0.0	0.0	-0.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-4.5	-1.0	-0.9	-0.9	-0.9	-3.8	-0.9	-0.9	-0.9	-0.9	-3.4	-3.2	-3.0	-2.7
PTP	0.0	1.3	1.9	0.5	-2.1	1.5	1.1	1.8	0.5	-0.6	2.8	4.8	7.6	10.9
Taxes	0.2	-0.3	-0.4	-0.1	1.2	0.4	-0.4	-0.4	-0.1	0.1	-0.7	-1.0	-1.6	-2.3
Minority interest	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
Net earnings	0.2	1.0	1.5	0.4	-0.9	2.0	0.8	1.4	0.4	-0.5	2.1	3.8	6.0	8.6
EPS (adj.)	0.00	0.02	0.03	0.01	-0.01	0.06	0.02	0.03	0.01	-0.01	0.05	0.08	0.13	0.19
EPS (rep.)	0.00	0.02	0.03	0.01	-0.02	0.04	0.02	0.03	0.01	-0.01	0.05	0.08	0.13	0.19

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-13.2 %	-14.9 %	-12.3 %	-15.6 %	180.6 %	1.8 %	4.5 %	4.3 %	5.9 %	6.7 %	5.2 %	6.2 %	6.7 %	6.2 %
Adjusted EBIT growth-%	-59.3 %	-36.0 %	-28.8 %	-32.3 %	88.2 %	30.7 %	-13.7 %	-5.5 %	-5.8 %	138.0 %	4.7 %	30.5 %	31.8 %	27.8 %
EBITDA-%	17.2 %	19.4 %	20.9 %	19.6 %	9.5 %	17.6 %	18.0 %	19.8 %	18.6 %	14.3 %	17.8 %	18.6 %	19.1 %	20.3 %
Adjusted EBIT-%	4.3 %	7.9 %	9.4 %	5.8 %	-2.5 %	5.5 %	6.5 %	8.5 %	5.2 %	0.9 %	5.5 %	6.7 %	8.3 %	10.0 %
Net earnings-%	0.2 %	3.5 %	5.0 %	1.7 %	-3.8 %	1.8 %	2.5 %	4.5 %	1.5 %	-1.9 %	1.8 %	3.2 %	4.7 %	6.3 %

Source: Inderes

The full-year EPS was calculated using the number of shares at the end of the year.

Estimate revisions

Estimate revisions

- We decreased our EBITDA margin estimates for Spain by a few percentage points for the coming years (2027e now 6.0%, was 8.0%)
- Our previous estimate anticipated a steep improvement curve, but with acquisitions and related integration costs likely to continue, this does not seem probable
- Our estimates for the coming years include approximately the same amount of acquisitions in Spain in euro terms as this year, but the growth rate will slow down as the "base" grows
- We assume organic growth will gradually accelerate in Spain, but this involves uncertainty
- Our estimates for Finland and Sweden remained practically unchanged
- The changes in the forecast were small in absolute terms (2027e: -0.5 MEUR compared to revenue of 120 MEUR), but significant in percentage terms due to the high earnings leverage
- We also lowered our target price (EUR 1.8 -> EUR 1.7) slightly, reflecting changes in estimates for the coming years, the risk associated with Sweden, and prolonged negative sentiment

Key earnings drivers for the coming years (2026-2028)

- Finland's moderate organic growth, stable margin, and abundant cash flow
- Spain's profitable growth towards positive EBIT (estimated for 2028)
- Gradual reduction of losses in Sweden (negative EBIT throughout the period)
- A relative decrease in financing costs as debt is repaid or as debt-servicing capacity improves with strengthening earnings.
- Earnings leverage is particularly strong at the bottom lines
- Critical issues in general include the success of advancing the ONE Talenom model and improving operational efficiency abroad

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	113	113	0%	120	120	0%	128	128	0%
EBITDA	20.2	20.2	0%	22.7	22.4	-1%	25.9	24.6	-5%
EBIT (exc. NRIs)	6.2	6.2	0%	8.6	8.1	-6%	11.2	10.6	-5%
EBIT	6.2	6.2	0%	8.6	8.1	-6%	11.2	10.6	-5%
PTP	2.8	2.8	0%	5.3	4.8	-9%	8.2	7.6	-7%
EPS (excl. NRIs)	0.05	0.05	0%	0.09	0.08	-9%	0.14	0.13	-7%
DPS	0.05	0.05	0%	0.05	0.05	0%	0.06	0.06	-7%

Source: Inderes

Valuation 1/3

Basis for valuation

Despite its moderate organic growth, the Finnish business is a stable cash flow generator and a solid foundation with a moderate risk profile. Spain is a growth story where we see realistic opportunities for significant value creation. However, the business is in the early stages, and its profitability remains to be seen. We classify the Spanish business as a growth asset with a relatively high level of risk. Talenom failed in its acquisition-driven growth strategy in Sweden due to poor strategic and operational decisions, and now its Swedish business is profiled as a turnaround story. Talenom's greatest risks are also related to Sweden (goodwill), particularly when combined with the group's high debt leverage.

Talenom's international business is currently weakly profitable in Spain and performing poorly in Sweden, but both operations still hold value. For this reason, we primarily use a sum-of-the-parts analysis for our valuation. In addition to this, we use traditional valuation multiples, cash flow yield, and a cash flow model. The challenge with valuation is that investors focus on easy valuation multiples, which require a significant improvement in the profitability of international operations to normalize.

Sum of the parts

Finland's enterprise value approximately 112 MEUR

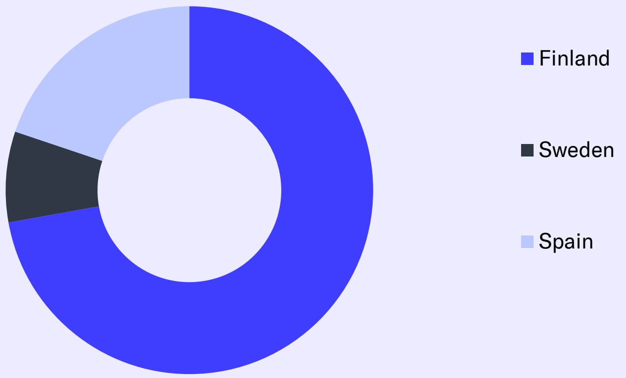
Talenom's most valuable segment is clearly the Finnish core business, for which we estimate an enterprise value (EV) of 112 MEUR (range of 102-122 MEUR). At the lower end of the range, the EV/EBIT multiple for the business is 10x, and at the upper end, it is 12x, based on our forecasts for 2026. In our view, Finland's valuation development largely depends on business growth and the cash flow it generates. Acceptable valuations for accounting firms have been recently declining significantly, partly due to concerns related to the AI disruption, and for example, Aallon Group's valuation has fallen sharply (2026e adj. EV/EBIT 8-9x). We see upside in Aallon's valuation and accept a slight premium for Talenom given what we believe is a stronger growth outlook.

Sweden's enterprise value approximately 12 MEUR

We estimate the EV of the Swedish accounting firm business to be 12 MEUR, with a valuation range of 10-15 MEUR, based on a 2026e EV/S multiple of 0.5-0.75x. This multiple is low to begin with, but Sweden's organic growth has been negative for a long time and profitability is weak, so we believe that "crisis-level" pricing is justified for the time being. Talenom has stated in its guidance that Sweden's EBITDA will be positive in 2026, and there are other encouraging signs as well, but much remains to be proven. When cash flow is negative, it is generally difficult to determine a concrete value for the business; rather, the focus is on potential turnarounds or option values. However, we estimate that Talenom could sell the Swedish business for at least the lower end of the range once the situation has stabilized sufficiently. Nevertheless, selling the business would also be difficult, as the balance sheet would be significantly weakened by the loss from the sale.

When assessing the value of Sweden, it is important to note that the goodwill allocated to the country amounted to ~27 MEUR at the end of 2025. In our view, there is a clear risk of goodwill impairment, and a potential write-down could be devastating for Talenom due to the company's high leverage. This combination is the stock's biggest risk in our view.

Breakdown of the accounting business value
(Inderes' view, MEUR)



Valuation assumptions by country (2026e):

Country	Multiple (2026e)	EV, MEUR
Finland	EV/EBIT 10–12×	112 (102–122)
Sweden	EV/S 0.5–0.75×	12 (10–15)
Spain	EV/S 1.3–1.6×	31 (28–34)

Finland is valued using an earnings multiple (slight premium vs. Aallon ~8–9x); Sweden and Spain are valued using a revenue multiple. Sweden at "crisis levels," Spain at growth-company premium.

Source: Inderes

Valuation 2/3

Approximately 49 MEUR of capital has been committed to Sweden, considering the losses generated by the business. While these losses are not expected to be recovered, a successful turnaround would gradually reduce the risk of goodwill impairment and pressure on the balance sheet. Therefore, achieving a turnaround and improving profitability in 2026 is critical.

Spain's enterprise value approximately 31 MEUR

We value the Spanish accounting firm business at 31 MEUR, or in a range of 28-34 MEUR (EV). In Spain, the growth story is progressing quite well, and profitability is on the rise despite some hiccups. We consider this, combined with strong growth, significant potential for improvement, and enormous market potential, to be the basis for higher valuation multiples (2026 EV/S 1.3-1.6x). This also reflects Spain's clear growth profile. In Spain, lessons have been learned from previous mistakes in Sweden, and the acquisition-driven story has all the prerequisites to create value, which is why we consider further investments in the country to be well warranted. However, the story is far from over, and success in Spain is not guaranteed either.

At the end of 2025, goodwill attributable to Spain was 16.5 MEUR, and after the acquisitions in early 2026, it is likely to be in the 18 MEUR range. Overall, we estimate that the capital committed to the country is now in the range of 34 MEUR (2025: ~30 MEUR). As far as Spain is concerned, we do not see any problems with balance sheet values, but from a value creation perspective, it is important for Spain to achieve profitable growth. Strong business growth must be accompanied by continuously improving margins.

Liabilities and SOTP summary

We estimate that Talenom's interest-bearing debt will be around 75 MEUR at the end of 2026 (range 70-80 MEUR), not including IFRS 16 debt. The official debt figure is still significantly higher, but this represents "actual" debt from financial institutions. However, the company's capital allocation decisions, such as acquisitions and dividends, will influence its performance this year. The board of directors is authorized to pay a dividend of EUR 0.02 per share at its discretion (EUR 0.03 per share paid). Due to high financial leverage, there is a significant difference in the company's market value between a negative scenario (EUR 1.3/share) and a positive scenario (EUR 2.2/share), but the average of these is still roughly EUR 1.8/share. Due to its leverage, Talenom is sensitive to interest rate movements.

Valuation multiples and cash flow

Talenom's traditional earnings-based valuation multiples (2026e adj. EV/EBIT 21x and P/E 26x) are high, given that the international business has no earnings contribution and the company has a lot of debt. In our view, this limits the stock's upside, especially given the current low investor confidence in the company. With 2027 estimates, the multiples (EV/EBIT 15x and P/E 14x) already appear significantly more attractive, which is essential when considering the share price 12 months from now. Nevertheless, Talenom cannot be considered cheap based on group-level valuation multiples.

Talenom's business generates significantly stronger cash flow than its reported earnings, which is a key valuation issue for a company with a low earnings level. In the IFRS 16 format (lease payments in cash flow from financing activities), we estimate free cash flow after investments and interest expenses to be around 6 MEUR in 2026: the difference between depreciation and investments is about 4 MEUR, meaning that approximately 4 MEUR of non-cash flow items will be added to the net profit (2026e around 2 MEUR).

SOTP summary

Country value (EV, MEUR)	Lower end	Average	Upper end
Finland	102	112	122
Sweden	10	12	15
Spain	28	31	34
Total	140	155	171
Interest-bearing liabilities (MEUR, 2026e)	80	75	70
Market value (MEUR)	60	80	101
Number of shares (millions)	45.6	45.6	45.6
Value per share	EUR 1.3	EUR 1.8	EUR 2.2

Valuation	2026e	2027e	2028e
Share price	1.16	1.16	1.16
Number of shares, millions	45.6	45.6	45.6
Market cap	53	53	53
EV	127	122	116
P/E (adj.)	25.6	13.9	8.8
P/E	25.6	13.9	8.8
P/B	1.4	1.4	1.2
P/S	0.5	0.4	0.4
EV/Sales	1.1	1.0	0.9
EV/EBITDA	6.3	5.5	4.7
EV/EBIT (adj.)	20.6	15.2	10.9
Payout ratio (%)	110%	59.9 %	45.0 %
Dividend yield-%	4.3 %	4.3 %	5.1 %

Source: Inderes

Valuation 3/3

However, it should be noted that the rent for the premises (~4 MEUR per year) is included in the financing cash flow according to IFRS 16 and is not included in this figure. After adjusting for this, the free cash flow is around 2 MEUR, which is practically at the level of net profit. The most significant finding is that approximately 3.6 MEUR of investments are for acquisitions, i.e., growth investments. Without these acquisitions, the maintenance cash flow generated by the business is significantly stronger, at around 9-10 MEUR before leases (IFRS 16) and around 5-6 MEUR after leases (operational), in our estimation. Relative to the company's current market capitalization (around 53 MEUR), this is substantial – organic free cash flow roughly corresponds to a yield of 10-15%, depending on the lease treatment. Due to the low earnings level, the difference to cash flow is significant, and the valuation differs greatly depending on whether one looks at net profit (high P/E) or free cash flow (moderate P/FCF). We consider cash flow to be a more decisive anchor for valuation in the long term than earnings on a periodic basis.

However, cash flow does not reach the cash register, as it is largely consumed by premises rents, interest expenses, debt servicing, and a high dividend relative to earnings. We suspect that the company is not actively seeking to reduce debt but rather to improve its debt-servicing capability, primarily by increasing earnings. At the current share price, we believe the company should not pay a dividend. Instead, any capital that could be returned after servicing debt should be directed toward share buybacks. However, the high level of leverage (net debt/EBITDA of ~4x) would primarily justify strengthening the balance sheet before returning capital. In any case, Talenom also wants to establish itself as a good dividend payer, which is why we expect the dividend stream to remain quite substantial.

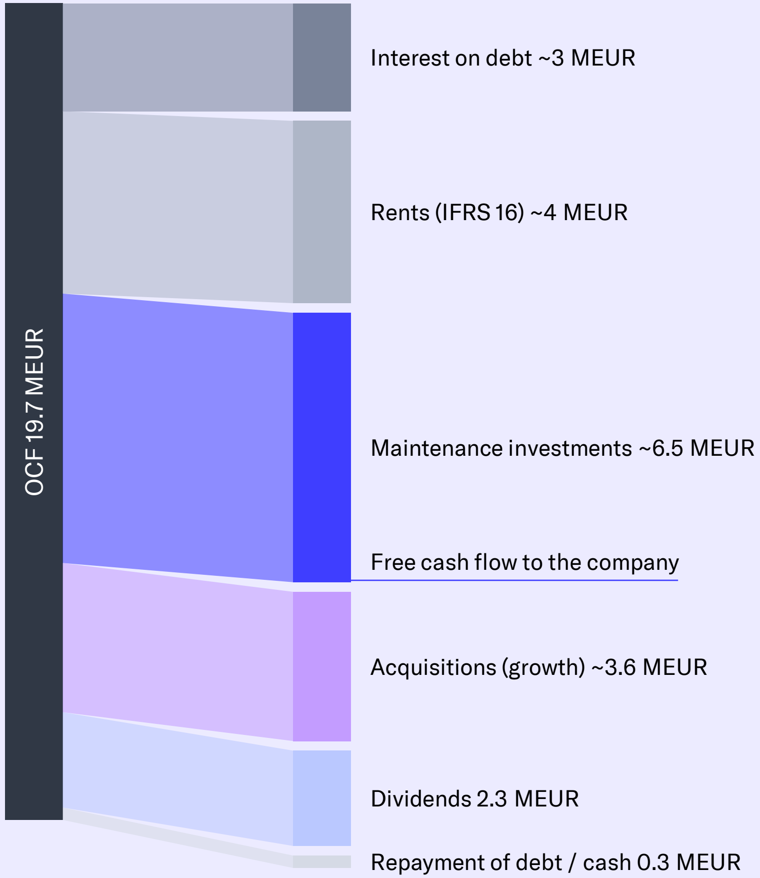
DCF calculation

The discounted cash flow (DCF) method plays a significant role in our valuation. While forecasting is particularly difficult in the long term, we estimate the DCF value of the share to be EUR 2.0 based on a realistic scenario. Value is driven by assumptions concerning long-term growth and profitability, where the success of internationalization is key. If Talenom were to successfully replicate some of its Finnish success in Spain, the market would provide a growth platform for decades. We have set the growth outlook for the terminal period at 2.0% and assumed that the EBIT margin would be 9.0%, which is very low relative to the peaks but challenging compared to the current level. Finland's EBIT margin exceeded 15% in 2025, but losses from international operations weigh on the group's EBIT margin, bringing it down to 5%.

In the calculation, we used a cost of equity of 9.6% and a cost of debt of 4.5% (currently significantly lower), which results in a weighted average cost of capital (WACC) of 8.1%. We believe these levels would be high for Talenom's Finnish business, but the weak development in Sweden, in particular, has significantly raised the risk profile. The weight of the terminal period in the DCF calculation (54%) is moderate, in our opinion, given the company's development stage. However, the AI transformation makes long-term forecasting extremely difficult and significantly increases uncertainty regarding valuations based on cash flow analysis as well.

Cash flow allocation 2026e

Where will the operational cash flow (~19.7 MEUR) be directed, according to Inderes' estimate?

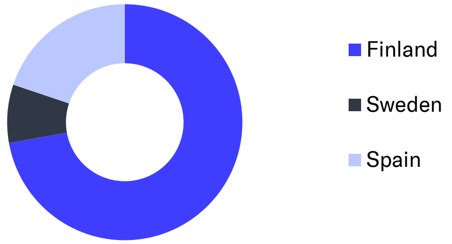


OCF = EBITDA – taxes ± working capital (before financial expenses). Interest and IFRS 16 leases are presented as areas of use. Source: Inderes estimate 2026e.

Valuation summary

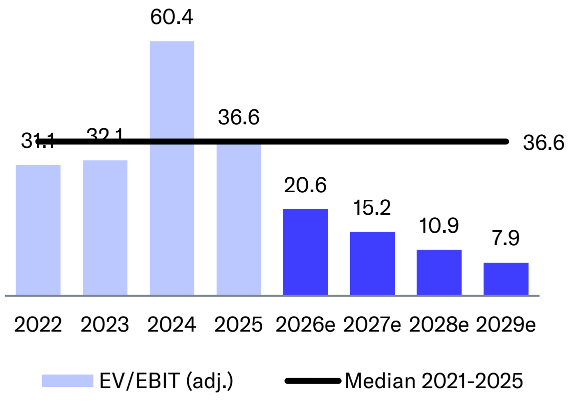
Talenom's SOTP

Country value (EV, MEUR)	Lower end	Average	Upper end	Method
Finland	102	112	122	2026e EBIT 10-12x
Sweden	10	12	15	2026e EV/S 0.5-0.75x
Spain	28	31	34	2026e EV/S 1.3-1.6x
Total	140	155	171	
Interest-bearing liabilities (MEUR, 2026e)	80	75	70	
Market value (MEUR)	60	80	101	
Number of shares (millions)	45.6	45.6	45.6	
Value per share	EUR 1.3	EUR 1.8	EUR 2.2	

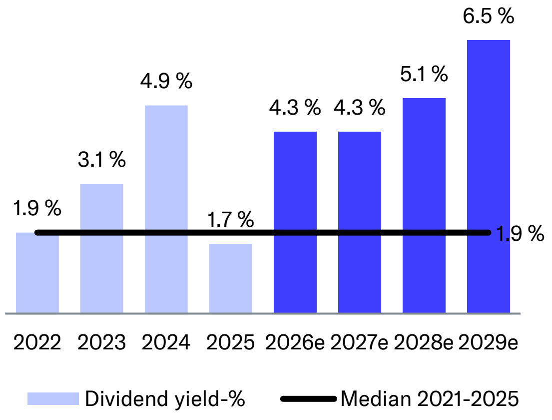


Earnings-based valuation and dividend yield

EV/EBIT



Dividend yield-%



Cash flow-based valuation

What does "FCF yield" mean? (2026e)

FCF yield = free cash flow ÷ market value (~53 MEUR). The figure critically depends on which FCF is chosen:

Free cash flow	MEUR	Return
All investments after leases	2.6	4.9%
All investments before leases	6.5	12.3%
Organic, after leases	6.2	11.7%
Organic, before leases	10.1	19.1%

Debt-free comparison: FCFF ÷ enterprise value (~127 MEUR) = ~6-7%

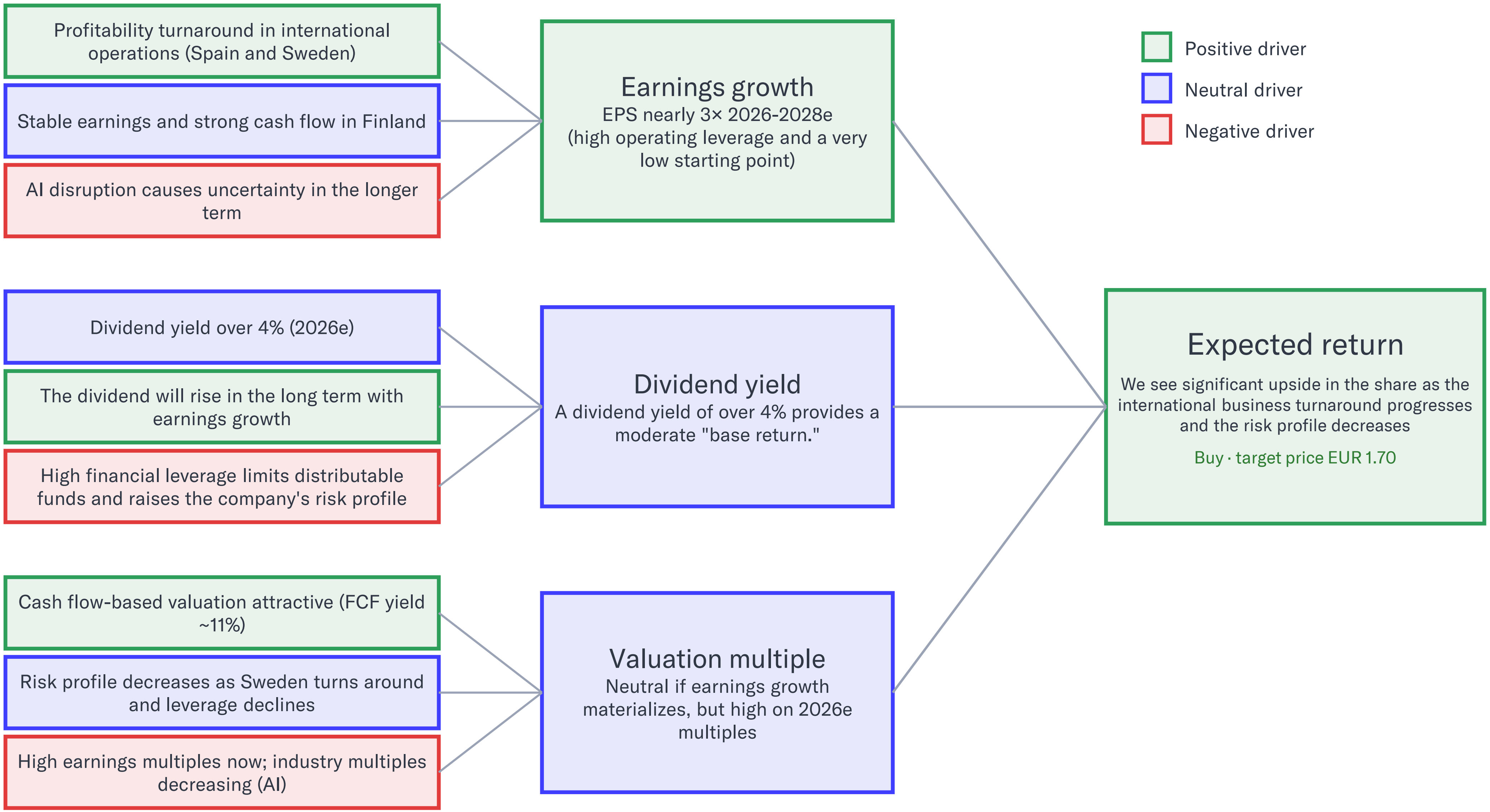
The difference of 11% vs. ~6% reflects high financial leverage.

Key figure: organic, rent-adjusted ~12%. A high FCF return on equity also indicates a small market capitalization relative to debt.

Calculated with a market value of EUR 1.16 (share price) × 45.6 million shares.

Source: Inderes

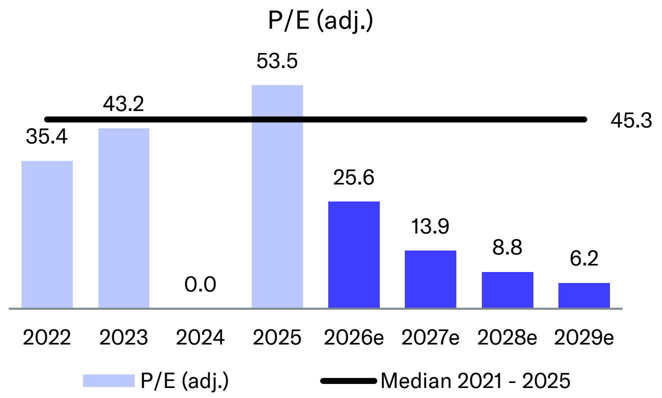
Total shareholder return drivers

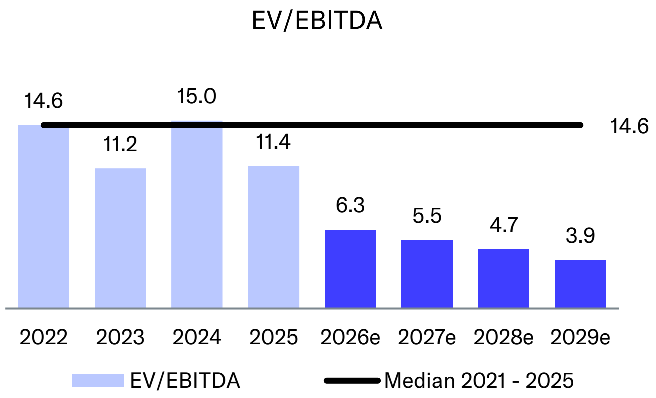


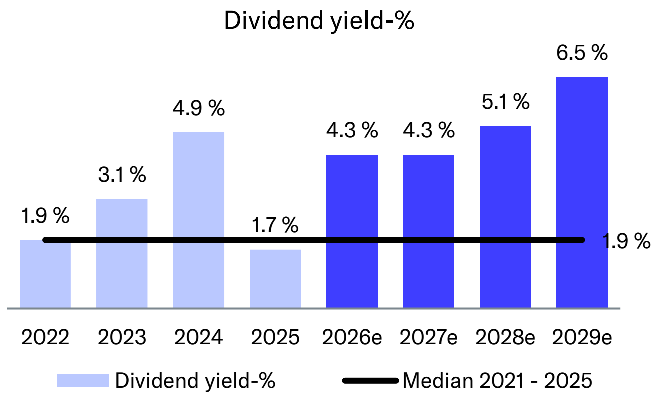
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	11.7	9.39	6.20	4.06	3.03	1.16	1.16	1.16	1.16
Number of shares, millions	43.8	44.5	45.4	45.6	45.6	45.6	45.6	45.6	45.6
Market cap	512	420	282	185	138	53	53	53	53
EV	552	475	357	273	216	127	122	116	108
P/E (adj.)	47.5	35.4	43.2	>100	53.5	25.6	13.9	8.8	6.2
P/E	47.5	35.4	83.7	>100	69.7	25.6	13.9	8.8	6.2
P/B	11.5	7.5	5.0	3.4	3.7	1.4	1.4	1.2	1.1
P/S	6.2	4.1	2.3	1.8	1.3	0.5	0.4	0.4	0.4
EV/Sales	6.7	4.6	2.9	2.6	2.0	1.1	1.0	0.9	0.8
EV/EBITDA	19.9	14.6	11.2	15.0	11.4	6.3	5.5	4.7	3.9
EV/EBIT (adj.)	37.4	31.1	32.1	60.4	36.6	20.6	15.2	10.9	7.9
Payout ratio (%)	69.0 %	68.3 %	256.6 %	4906.3 %	115.0 %	110.3 %	59.9 %	45.0 %	40.0 %
Dividend yield-%	1.5 %	1.9 %	3.1 %	4.9 %	1.7 %	4.3 %	4.3 %	5.1 %	6.5 %

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		P/E		Dividend yield-%	
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e
Aallon Group	33	37	8.1	6.8	5.8	5.1	0.9	0.8	9.3	8.2	2.9	3.0
Admicom	128	116	9.6	7.8	9.9	7.3	3.0	2.6	12.6	11.2	1.2	1.7
Administer	37	45		22.6	6.5	4.8	0.4	0.4			2.3	2.9
Enento	346	490	14.4	12.9	8.9	8.4	3.1	3.0	15.8	13.6	7.0	7.1
Fondia	19	17	8.4	7.5	6.2	5.7	0.7	0.6	12.0	11.0	5.9	5.9
Vincit	15	14	9	6	3	2	0.2	0.2	15	9	7.6	9.8
Gofore	165	181	9.5	7.5	7.5	6.0	0.8	0.7	13.5	10.3	5.0	5.2
Etteplan	199	260	10.4	8.7	7.1	6.0	0.7	0.7	12.1	10.3	2.7	3.7
Talenom (Inderes)	53	127	20.6	15.2	6.3	5.5	1.1	1.0	25.6	13.9	4.3	4.3
Average			10.0	9.9	6.8	5.7	1.2	1.1	12.9	10.5	4.3	4.9
Median			9.5	7.6	6.8	5.8	0.8	0.7	12.6	10.3	4.0	4.5
Diff-% to median			117%	100%	-7%	-6%	49%	47%	104%	35%	9%	-4%

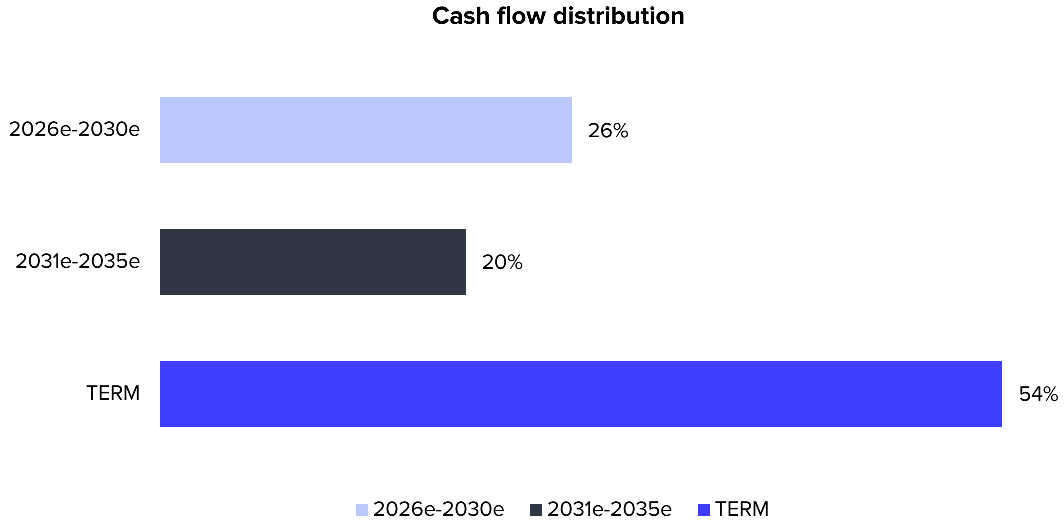
Source: Refinitiv / Inderes

DCF-calculation

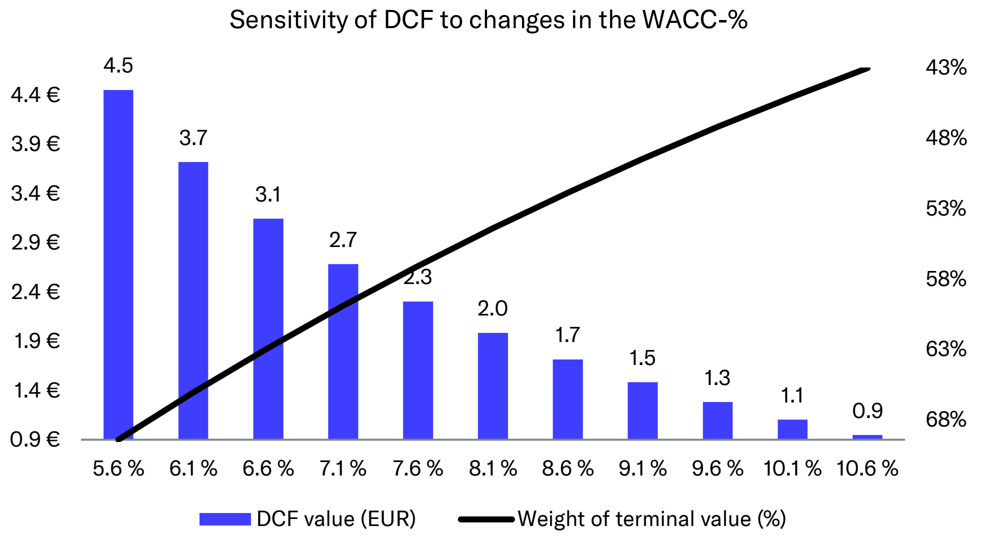
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	1.8 %	5.2 %	6.2 %	6.7 %	6.2 %	5.4 %	5.0 %	4.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	4.9 %	5.5 %	6.7 %	8.3 %	10.0 %	10.8 %	11.2 %	10.0 %	9.5 %	9.0 %	9.0 %	9.0 %
EBIT (operating profit)	5.3	6.2	8.1	10.6	13.6	15.5	16.9	15.7	15.4	15.0	15.3	
+ Depreciation	13.7	14.0	14.3	13.9	14.1	13.1	12.0	11.2	10.4	11.2	11.5	
- Paid taxes	-1.6	-0.7	-1.0	-1.6	-2.3	-2.8	-3.1	-2.9	-2.9	-2.8	-2.9	
- Tax, financial expenses	1.1	-0.9	-0.7	-0.7	-0.6	-0.5	-0.5	-0.4	-0.4	-0.4	-0.4	
+ 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	
- Change in working capital	-2.1	1.4	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1	
Operating cash flow	16.4	20.0	21.0	22.6	25.1	25.6	25.6	23.8	22.7	23.2	23.7	
+ Change in other long-term liabilities	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	17.8	-11.5	-11.6	-11.7	-11.8	-11.4	-11.6	-11.9	-12.2	-12.0	-12.2	
Free operating cash flow	33.5	8.5	9.4	10.9	13.3	14.2	14.1	12.0	10.5	11.2	11.5	
+/- Other	-30.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	3.5	8.0	9.4	10.9	13.3	14.2	14.1	12.0	10.5	11.2	11.5	194
Discounted FCFF		7.7	8.3	9.0	10.1	10.0	9.1	7.2	5.8	5.8	5.5	92.2
Sum of FCFF present value		171	163	155	146	136	126	116	109	103	97.7	92.2
Enterprise value DCF		171										
- Interest bearing debt		-84.7										
+ Cash and cash equivalents		7.0										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-2.3										
Equity value DCF		90.7										
Equity value DCF per share		2.0										

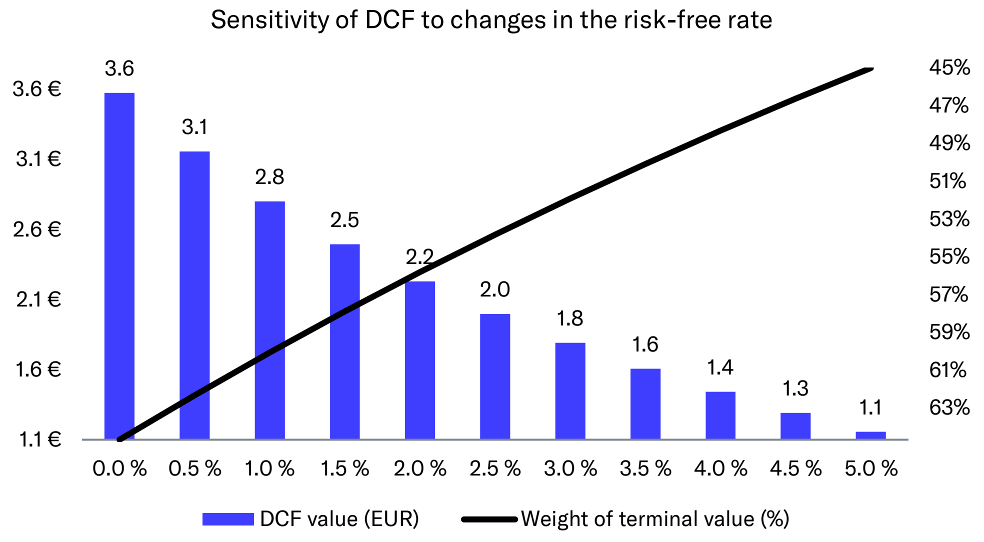
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	25.0 %
Cost of debt	4.5 %
Equity Beta	1.35
Market risk premium	4.75%
Liquidity premium	0.70%
Risk free interest rate	2.5 %
Cost of equity	9.6 %
Weighted average cost of capital (WACC)	8.1 %

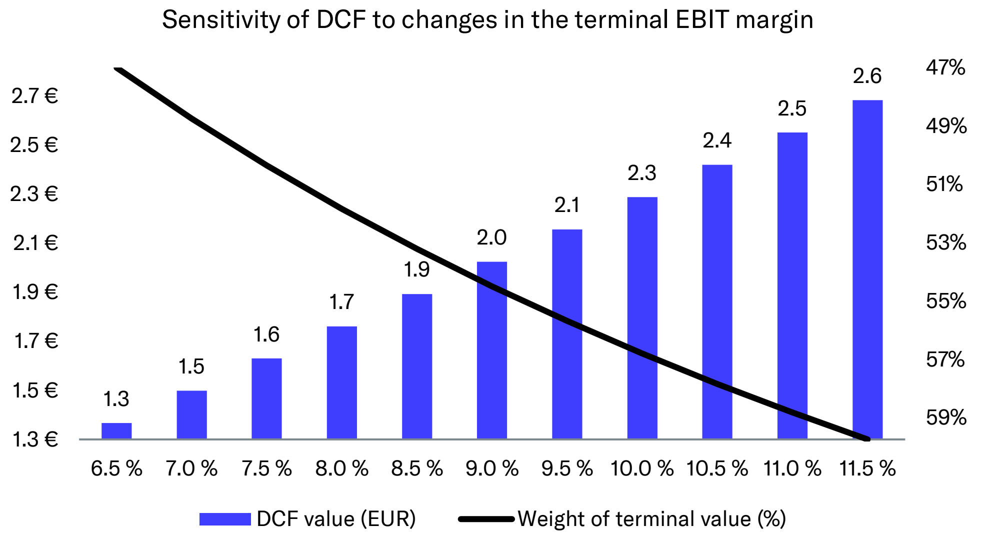
Source: Inderes

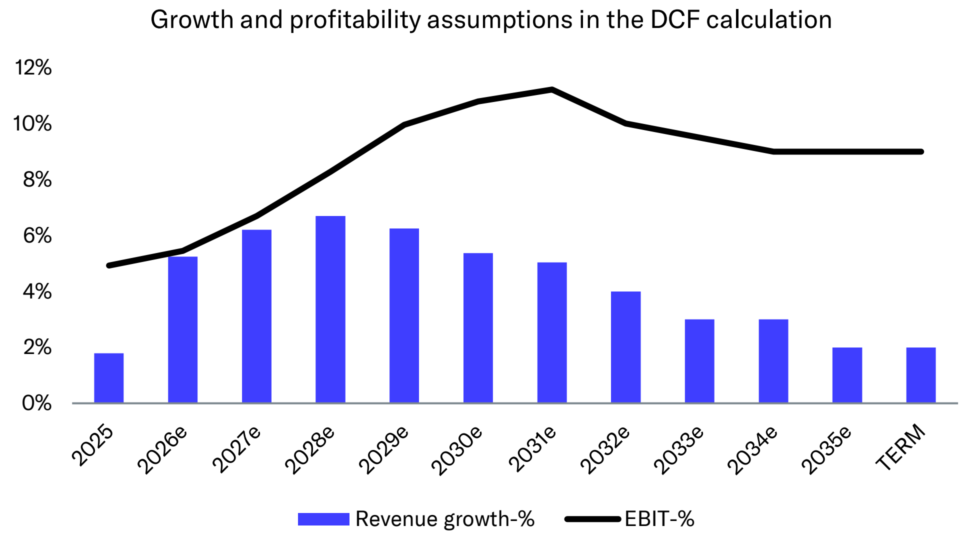


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	121.7	105.7	107.6	113.3	120.3
EBITDA	31.9	18.2	19.0	20.2	22.4
EBIT	8.0	4.5	5.3	6.2	8.1
PTP	4.3	0.0	1.5	2.8	4.8
Net Income	3.4	0.2	2.0	2.1	3.8
Extraordinary items	-3.2	0.0	-0.6	0.0	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	175.7	178.0	147.1	144.8	143.6
Equity capital	55.8	54.4	37.6	37.4	38.9
Goodwill	66.6	68.6	67.3	68.8	70.3
Net debt	75.2	87.6	77.7	74.0	69.5

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	31.9	18.2	19.0	20.2	22.4
Change in working capital	0.6	-5.8	-2.1	1.4	0.2
Operating cash flow	31.1	10.4	16.4	20.0	21.0
CAPEX	-43.5	-17.7	17.8	-11.5	-11.6
Free cash flow	-14.6	-7.3	3.5	8.0	9.4

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	2.9	2.6	2.0	1.1	1.0
EV/EBITDA	11.2	15.0	11.4	6.3	5.5
EV/EBIT (adj.)	32.1	60.4	36.6	20.6	15.2
P/E (adj.)	43.2	>100	53.5	25.6	13.9
P/B	5.0	3.4	3.7	1.4	1.4
Dividend-%	3.1 %	4.9 %	1.7 %	4.3 %	4.3 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.07	0.00	0.04	0.05	0.08
EPS (adj.)	0.14	0.00	0.06	0.05	0.08
OCF / share	0.68	0.23	0.36	0.44	0.46
OFCF / share	-0.32	-0.16	0.08	0.18	0.21
Book value / share	1.23	1.19	0.82	0.82	0.85
Dividend / share	0.19	0.20	0.05	0.05	0.05

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	19%	-13%	2%	5%	6%
EBITDA growth-%	-2%	-43%	4%	6%	11%
EBIT (adj.) growth-%	-27%	-59%	31%	5%	30%
EPS (adj.) growth-%	-46%	-97%	1289%	-20%	84%
EBITDA-%	26.2 %	17.2 %	17.6 %	17.8 %	18.6 %
EBIT (adj.)-%	9.1 %	4.3 %	5.5 %	5.5 %	6.7 %
EBIT-%	6.5 %	4.3 %	4.9 %	5.5 %	6.7 %
ROE-%	6.0 %	0.3 %	4.3 %	5.5 %	10.0 %
ROI-%	6.1 %	3.2 %	3.9 %	5.2 %	7.0 %
Equity ratio	31.8 %	30.6 %	25.6 %	25.9 %	27.1 %
Gearing	134.7 %	161.1 %	206.8 %	198.1 %	178.6 %
Net debt/EBITDA	2.4	4.8	4.1	3.7	3.1
EBITDA/net financials	8.6	4.0	5.1	5.9	6.9

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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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
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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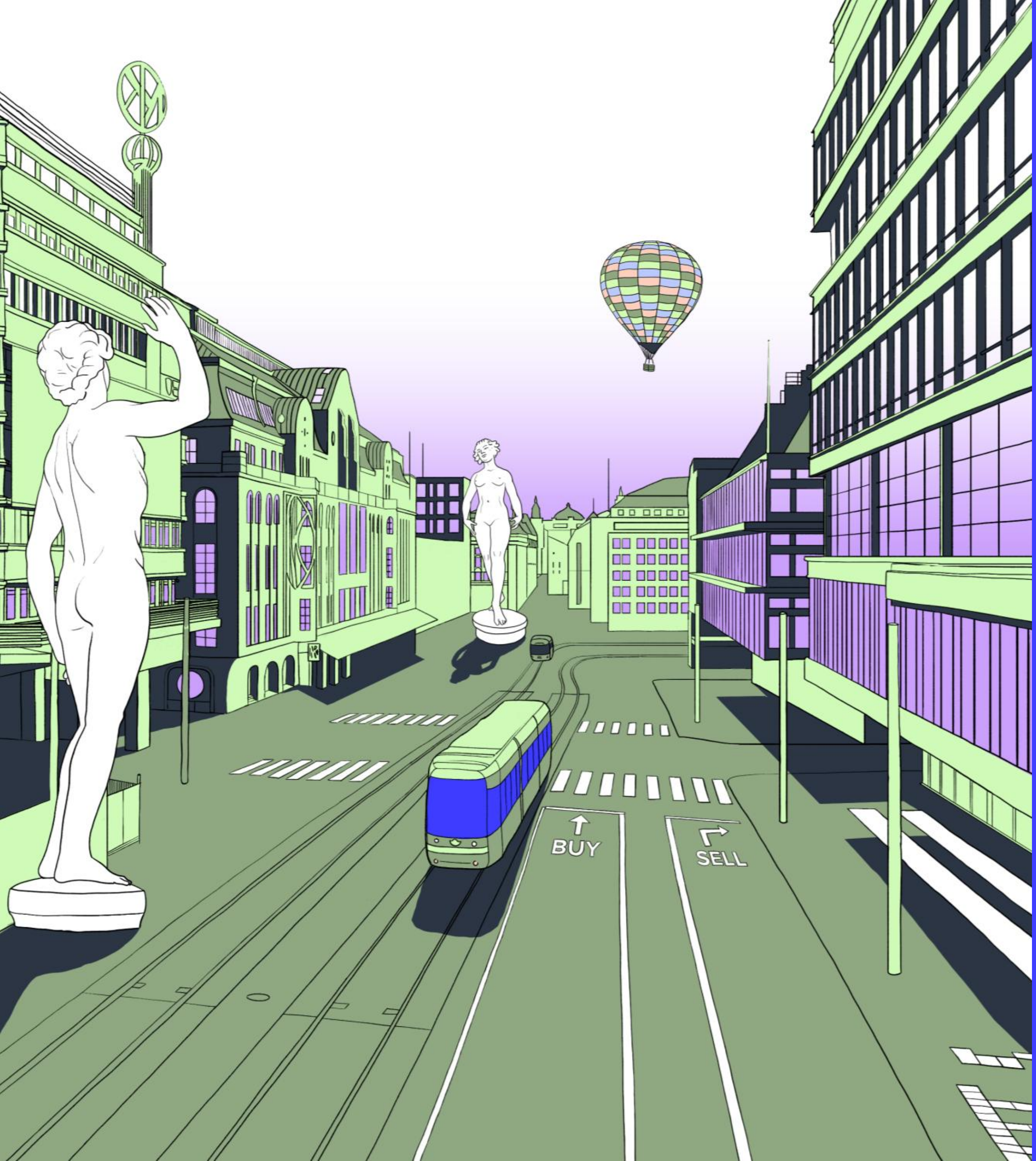
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/3/2022	Reduce	12.50 €	12.30 €
10/26/2022	Reduce	9.50 €	9.39 €
2/1/2023	Reduce	9.00 €	9.09 €
3/27/2023	Accumulate	9.00 €	7.69 €
4/21/2023	Accumulate	8.80 €	7.88 €
7/24/2023	Accumulate	8.00 €	6.96 €
10/13/2023	Buy	6.00 €	4.65 €
10/23/2023	Buy	6.00 €	4.70 €
12/28/2023	Accumulate	6.50 €	6.03 €
2/2/2024	Reduce	6.30 €	6.20 €
3/19/2024	Buy	6.30 €	5.18 €
4/19/2024	Accumulate	6.30 €	5.60 €
7/22/2024	Accumulate	6.00 €	5.28 €
8/20/2024	Buy	5.60 €	4.38 €
10/10/2024	Buy	5.30 €	4.34 €
11/1/2024	Buy	5.20 €	3.63 €
1/31/2025	Buy	4.60 €	3.53 €
4/25/2025	Buy	4.60 €	3.46 €
7/21/2025	Accumulate	4.20 €	3.65 €
10/20/2025	Reduce	3.80 €	3.60 €
12/1/2025	Buy	3.80 €	3.02 €
12/19/2025	Accumulate	3.40 €	3.02 €
2/24/2026	Buy	3.00 €	2.28 €
Talenom demerger: Talenom/Easor			
3/3/2026	Accumulate	1.90 €	1.67 €
3/12/2026	Buy	1.70 €	1.42 €
5/7/2026	Buy	1.80 €	1.33 €
6/18/2026	Buy	1.70 €	1.16 €



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