

Aiforia Technologies Plc

Financial Statements Bulletin

January–December 2024

Aiforia's Financial Statements Bulletin 2024: Aiforia's market position and orderbook strengthened

The demand for Aiforia's AI-assisted image analysis solutions grew significantly in 2024, with order book increasing by 118% compared to last year. Aiforia's stable market position as a well-known supplier was reflected in a shift of new contracts from smaller deals to multi-year partnerships with large hospital districts. This change brought stability and predictability to the company's business. Strategic partnerships are expected to accelerate growth over the years as collaborations generate revenue.

Unless otherwise indicated, figures in brackets refer to the corresponding period in 2023.

July–December 2024

- Group revenue increased by 3% to EUR 1,479 (1,438) thousand.
- Order book increased by 118% to EUR 5,165 (2,373) thousand.
- EBITDA was EUR -4,021 (-4,616) thousand.
- Operating loss (EBIT) was EUR -6,122 (-6,363) thousand.
- Profit for the review period was EUR -5,980 (-6,393) thousand.
- The Group's net debt at the end of the period was EUR -4,935 (-8,126) thousand.
- Cash and cash equivalents at the end of the period amounted to EUR 11,496 (13,974) thousand.
- Unadjusted earnings per share (EPS) were EUR -0.22 (-0.25).
- In the second half of the year, Aiforia signed significant cooperation agreements and made new market openings, e.g. with Finland's largest healthcare laboratory company, Fimlab, with the Castile and León Hospital District in Spain, with one of the world's leading hospitals, Assistance Publique-Hôpitaux de Paris in Paris, France and with the Lombardy healthcare region in Italy.

January–December 2024

- Group revenue increased by 19% to EUR 2,852 (2,398) thousand.
- Order book increased by 118% to EUR 5,165 (2,373) thousand.
- EBITDA was EUR -8,220 (-9,699) thousand.
- Operating loss (EBIT) was EUR -12,195 (-12,879) thousand.
- Profit for the review period was EUR -11,947 (-12,925) thousand.
- Unadjusted earnings per share (EPS) were EUR -0.43 (-0.50).
- The parent company's loss for the financial year is EUR -10,423 thousand, and the distributable free equity is EUR 10,078 thousand. The Board of Directors proposes to the General Meeting that the loss for the financial year be retained in the retained earnings account and that no dividend be paid.

Key figures

EUR thousand	7-12/2024	7-12/2023	Change, %	1-12/2024	1-12/2023	Change, %
Revenue	1,479	1,438	+3 %	2,852	2,398	+19 %
EBITDA	-4,021	-4,616	+13 %	-8,220	-9,699	+15 %
Operating loss	-6,122	-6,363	+4 %	-12,195	-12,879	+5 %
Result for the financial period	-5,980	-6,393	+6 %	-11,947	-12,925	+8 %
Equity ratio, %	61 %	66 %	-8 %	61 %	66 %	-8 %
Net debt	-4,935	-8,126	+39 %	-4,935	-8,126	+39 %
Cash and cash equivalents at the end of the financial period	11,496	13,974	-18 %	11,496	13,974	-18 %
Order book	5,165	2,373	+118 %	5,165	2,373	+118 %
Balance sheet total	28,376	28,191	+1 %	28,376	28,191	+1 %
Number of employees on average	74	77	-4 %	75	73	+2 %
Personnel expenses *	4,916	4,848	+1 %	9,303	9,154	+2 %
Investment in tangible and intangible assets	2,966	2,917	+2 %	5,652	6,071	-7 %
Earnings per share, undiluted and diluted, EUR **	-0.22	-0.25	+12 %	-0.43	-0.50	+14 %

*Personnel expenses include capitalization of development expenses.

**The Company's potential dilutive instruments consist of stock options. As the Company's business has been unprofitable, stock options would have an anti-dilutive effect and are therefore not taken into account in calculating the dilutive loss per share. Thus, there is no difference between the undiluted and diluted earnings per share.

Jukka Tapaninen, CEO:

The demand for Aiforia's AI-assisted image analysis solutions strengthened significantly during the year. In the pathology sector, improving the efficiency of the workflow by utilizing AI is a key development target as the population ages and sample volumes increase. Using our AI solutions in diagnostics supports the efficiency and quality of our customers' operations. This was reflected in our order book, which we consider to be the most important key performance indicator, which grew by 118 percent during the year. A strengthened order book will be reflected in the development of our revenue as the systems are installed and integrated into our customers' workflows.

We have invested in product development, which has led to good commercialization of our products and strengthened our market position. At the same time, we have honed our organization and strengthened sales and R&D. Our stable market position as a well-known supplier is also reflected in the shift in the focus of new contracts from smaller deals to multi-year partnerships with large hospital districts. This change has brought stability and predictability to our business, which is positively reflected in our order book.

During the year, we received important references from Europe, both in large public tenders and from the private healthcare sector. Examples of these include one of the world's leading hospitals located in Paris, Assistance Publique-Hôpitaux de Paris, choosing Aiforia's AI solutions. In Spain, the regional health management of Castile and León selected us as a solution provider for AI-assisted diagnostics. In Italy, after our first successful digital pathology project, Aiforia was also selected as a partner to digitize the anatomical pathology laboratories of 31 health authorities in the Lombardy region in the Veneto area. These partnerships significantly strengthen our position in the European market and demonstrate that our innovative AI solutions deliver value to our customers. In a new market opening, Memorial Hospitals Group in Turkey has selected Aiforia as its partner for AI-assisted clinical diagnostics in pathology.

A significant opening in the domestic market was our multi-year partnership with Finland's largest healthcare laboratory company, Fimlab.

To accelerate our growth strategy, we signed several partnerships related to resale and product collaboration, e.g., in the United States, South Korea and Saudi Arabia. The market for digital pathology is growing rapidly in South Korea, and hospitals are increasingly interested in introducing AI solutions to improve pathologists' workflow. These partnerships that support the resale of our products are significant steps in bringing our AI to new markets and meet the growing needs of pathologists and medical professionals in these target countries.

We invested in the development of new AI models and user interfaces for both clinical diagnostics and research use. With this development, our product range will expand during 2025. We launched a completely new AI model developed in collaboration with the Mayo Clinic to predict the risk of colorectal cancer recurrence. We also strengthened our product range by introducing the Aiforia® Studies software module to the market, designed to support AI-assisted image analytics in preclinical studies.

During the review period, we further developed the Aiforia® Create product, designed for training AI models, by adding new functionalities and enabling the use of neural networks developed by

third parties, such as large Foundation Models. We also further improved the integration possibilities of Aiforia's platform with the systems used by customer laboratories.

The achievements of the past year bring us closer to Aiforia's mission to transform pathology image analysis with AI, enabling better care for each patient. At the beginning of the year, we published short-term business targets for 2024–2025. This year, we will continue to work determinedly towards achieving these goals.

The digital transformation of pathology is accelerating, and the demand for AI-assisted image analysis solutions is growing rapidly. Aiforia is at the forefront of this exciting development, and our skilled team and cutting-edge offering position us for continued success in these dynamic markets. We rely on our ability to navigate a changing competitive environment and deliver exceptional value to our customers. I am incredibly proud of what we have achieved together and look forward to continuing this journey in 2025.

Business targets

Aiforia does not publish short-term outlooks or financial targets. However, the company has set short- and medium-term business targets:

Aiforia's short-term business targets for 2024–2025 are:

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

Aiforia's updated mid-term business targets by the end of 2030 are:

- Create a product offering that covers 80 percent of the pathologist's diagnostic workflow
- Achieve profitable business by the end of 2027
- Achieve revenue of over EUR 100 million
- Leverage technology beyond diagnostic support for pathologists
- Achieve 50 key accounts (potential for over EUR 500 thousand in annual recurring revenue).

Operating environment

An aging population and an increase in serious diseases, such as cancer, strain healthcare systems worldwide (WHO Report on Cancer, 2020). Laboratories and hospitals are reforming diagnostic workflows to improve efficiency and support pathologists' work. Accurate diagnoses enable personalized patient care and improve the effectiveness of treatments.

Pathologists examine and diagnose patient specimens, thereby guiding medical treatment. With the digitalization of pathology, samples traditionally examined under the microscope are increasingly being analyzed by computers. With the advent of digital pathology, laboratories and hospitals can take advantage of increasingly sophisticated technologies such as AI.

During the review period, significant public sector investment decisions and competitive tendering in utilizing AI in healthcare were made especially in Europe. Aiforia estimates that this reflects the fact that the digitalization rate of pathology has increased, and AI-based image analysis solutions are becoming more common as a result.

Significant events in the reporting period

Update on short and mid-term business targets

On January 19, 2024, Aiforia's Board of Directors approved the company's revised growth strategy and updated business targets. The revised strategic focus areas and the updated short- and medium-term business targets can be found on page 5 of this Financial Statement Bulletin.

Licensing agreement with Mayo Clinic for an AI model that improves prediction of colorectal cancer recurrence

In January 2024 Aiforia signed a licensing agreement with the Mayo Clinic in the United States to globally commercialize an AI model that improves the prediction of colorectal cancer recurrence. The licensing agreement with the Mayo Clinic enables Aiforia to market and sell this AI model for colorectal cancer recurrence risk evaluation globally.

Path initiated to secure first regulatory FDA approval in the United States

In October 2023, Aiforia initiated the path to secure regulatory approval for its first product in the United States. During the review period, Aiforia filed the so-called pre-submission to the Food and Drug Administration (FDA), which is responsible for market surveillance of medical devices, and will continue to prepare the actual application.

Contract with a veterinary health company in the United States

In April 2024, a global leader in veterinary health and innovative diagnostic devices, based in the United States, selected Aiforia Technologies Plc as its partner for AI-assisted image analysis in animal samples.

Framework agreement to provide AI solutions for Fimlab Laboratories in Finland

In May 2024, Aiforia signed a multi-year framework agreement to provide AI solutions to Fimlab Laboratories in Finland to support diagnostics in pathology. The value of the deal depends on the number of orders made under the framework agreement. In August 2024, Aiforia also announced that Fimlab selected Aiforia as the provider of breast and prostate cancer diagnostics solutions.

Directed share issue for institutional and other qualified investors

In May 2024, Aiforia carried out a directed share issue of 2,843,851 new shares, raising EUR 9.95 million. The net proceeds from the share issue are intended to be used to support Aiforia's growth strategy by enhancing its product development function and accelerating the regulatory approval process in the United States for its AI-assisted software solutions. These proceeds will also be used to strengthen the company's sales and marketing activities and serve other operational purposes.

Aiforia selected to provide AI-assisted diagnostics in the Castile and León region in Spain

In July 2024, Aiforia announced that the regional health management of Castile and León in Spain selected Aiforia Technologies Plc as a partner for AI-assisted diagnostics.

Aiforia to provide AI solutions for breast and prostate cancer diagnostics for Fimlab Laboratories

In July 2024 Aiforia announced that Fimlab Laboratories Ltd selected Aiforia Technologies Plc as the provider of breast and prostate cancer diagnostics solutions. The agreement is a continuation of the framework agreement signed in May, in which Aiforia was selected as one of the suppliers of AI solutions to Fimlab Laboratories to support pathology diagnostics.

Aiforia signs agreement with a large public hospital cluster in France

In September 2024, Assistance Publique–Hôpitaux de Paris (AP-HP) selected Aiforia as a partner for AI-assisted pathology image analysis in clinical diagnostics. The AP-HP is a world-renowned university hospital center consisting of 38 hospitals in Paris and its surroundings and receives 8 million annual patient visits.

Aiforia signs a partnership agreement with Urban Datalab to advance AI-based digital pathology in South Korea

In October 2024, Aiforia announced a partnership with Urban Datalab, a leader in digital healthcare AI in South Korea. This collaboration seeks to accelerate the adoption of Aiforia's AI solutions in digital pathology across South Korean hospitals.

Aiforia and Paige form a strategic partnership to advance AI integration in pathology laboratories

Aiforia and Paige, a leader in next-generation AI technology have formed a non-exclusive partnership aimed at integrating Paige's Diagnostic AI* applications in the Aiforia® Platform to provide customers with outstanding functionality and performance. The partnership enables both companies to provide their customers with top-tier AI-powered workflows aimed at enhancing laboratory efficiency and diagnostic confidence.

Memorial Hospitals Group in Turkey selects Aiforia as the partner for AI-assisted clinical diagnostics in pathology

In December, Memorial Hospitals Group in Turkey selected Aiforia as a partner for AI-assisted pathology image analysis in clinical diagnostics. Memorial Hospital Group is the largest private hospital group in Turkey, serving 75 thousand patients from more than 167 countries annually with 11 hospitals, two medical centers, and one wellness center in five Turkish cities.

Aiforia selected to provide AI-assisted diagnostic solutions to regional health authorities in Italy

The Lombardy region health authorities in Italy have selected Aiforia as their partner for AI-assisted image analysis for clinical diagnostics in pathology. The three-year contract is part of an initiative to digitize the anatomical pathology laboratories of 31 health authorities in the Lombardy region, including AI solutions for image analysis. The provider in the won tender is a GPI S.p.A. lead consortium, and Aiforia is one of their subcontractors. The agreement was signed and booked in December 2024 and was announced. after the end of the appealing period in January 2025.

Revenue and profitability

July–December (H2) 2024

Revenue

In July–December, the Group's revenue increased by 3 percent to EUR 1,479 (1,438) thousand. Revenue consisted of sales of Aiforia's software solutions and services to both clinical sector and preclinical research customers. Of the revenue, 40 percent (7%) came from Finland, 45 percent (53%) from North America, and the remaining 15 percent (40%) from Europe and other regions across the globe.

The other operating income amounted to EUR 226 (39) thousand. Of this, the company recognized EUR 224 (37) thousand as product development and other grants. The grants were related to the EU-funded Decider project, coordinated by the University of Helsinki, and the recognition of the grant portion of the loan drawn from Business Finland. Foreign exchange rate gains from sales are EUR 1 (1) thousand and other income amounted to EUR 1 (1) thousand.

Profitability

The cost of materials and services directly related to revenue amounted to EUR 337 (217) thousand, mainly consisting of purchased cloud services associated with Aiforia's services and products.

The Group's EBITDA for the July–December period was EUR -4,021 (-4,616) thousand, while the operating loss (EBIT) was EUR -6,122 (-6,363) thousand. The result for July–December was EUR -5,980 (-6,393) thousand. The Group's result aligns with the company's strategy and reflects the stage in Aiforia's development where the company invests heavily in product development to enable future growth.

Depreciation of tangible and intangible assets amounted to EUR 2,101 (1,747) thousand.

Aiforia's personnel expenses before capitalization for July–December amounted to EUR 4,916 (4,848) thousand and other operating expenses to EUR 3,384 (4,030) thousand. The company capitalized EUR 1,206 (958) thousand in personnel expenses and EUR 1,744 (1,932) thousand in other operating expenses in July–December. Personnel costs include EUR 843 (708) thousand in non-monetary costs arising from share-based incentive schemes.

Financial income and expenses amounted to EUR 142 (-50). The breakdown of items has been changed; the subsidiary's foreign exchange gains and losses, which were netted in the 2023 comparison period, have been adjusted to their own lines.

January–December 2024

Revenue

In January–December, the Group's revenue was EUR 2,852 (2,398) thousand. Revenue consisted of sales of Aiforia's software solutions and services to both clinical sector and preclinical research

customers. Of the revenue, 25 percent (9%) came from Finland, 40 percent (60%) from North America, and the remaining 35 percent (31%) from Europe and other regions across the globe.

The other operating income amounted to EUR 368 (93) thousand. The company recognized EUR 365 (78) thousand as product development and other grants in January–December. All grants were related to the EU-funded Decider project, coordinated by the University of Helsinki, as well as the funding grant from Business Finland. The share of exchange rate gains from sales was EUR 2 (13) thousand and the other income amounted to EUR 1 (1) thousand.

Profitability

The cost of materials and services directly related to revenue amounted to EUR 602 (466) thousand, mainly consisting of purchased cloud services associated with Aiforia's services and products.

The Group's EBITDA for January–December 2024 was EUR -8,220 (- 9,699) thousand, while the operating loss (EBIT) was EUR -12,195 (-12,879) thousand. The result for the year 2024 was EUR 11,947 (-12,925) thousand. The Group's result aligns with the company's strategy and reflects the stage in Aiforia's development where the company invests heavily in product development to enable future growth.

Depreciation of tangible and intangible assets amounted to EUR 3,975 (3,180) thousand.

Personnel expenses before capitalization for January–December 2024 amounted to EUR 9,303 (9,154) thousand and other operating expenses before capitalization to EUR 7,115 (8,496) thousand. The company capitalized EUR 2,369 (1,360) thousand in personnel expenses and EUR 3,212 (4,567) thousand in other operating expenses in January–December 2024. Personnel expenses include EUR 1,190 (1,181) thousand non-monetary expenses arising from share-based incentive schemes.

Financial income and expenses amounted to EUR 248 (-46) thousand.

Balance sheet, cash flow, and financing

The Group's balance sheet total at the end of the financial year 2024 was EUR 28,376 (28,191) thousand. The equity ratio was 61% (66%).

At the end of the financial year the Group's net debt was EUR -4,935 (-8,126) thousand. Non-current liabilities amounted to EUR 7,078 (6,169) thousand.

Net cash flow from operating activities in the financial year 2024 totaled EUR -7,803 (-8,160) thousand. The company continued to invest heavily in product development, as planned.

Cash flow from investing activities totaled EUR -5,593 (-5,986) thousand, consisting of investments in intangible and tangible assets.

Cash flow from financing activities in the financial year 2024 amounted to EUR 10,883 (3,486) thousand. Cash and cash equivalents at the end of the year 2024 amounted to EUR 11,496 (13,974) thousand. The company's financial and cash position is stable, however, to ensure sufficient balance sheet position to finance growth long into the future the company is, in the next twelve

months, also exploring different options to strengthen its capital structure, including equity and debt instruments, as well as subsidies and grants.

In May 2024, Aiforia carried out a directed share issue of 2,843,851 new shares, raising EUR 9.95 million. The net proceeds from the placing are intended to be used to support Aiforia's growth strategy by enhancing its product development function and accelerating the regulatory approval process in the United States for its AI-assisted software solutions. In addition, the net proceeds of the placing aim to strengthen the company's sales and marketing activities, as well as serve other operational purposes.

In March 2024, a total of 50,000 Aiforia shares were subscribed for through employee stock options. The company received EUR 68.6 thousand from the share subscriptions recorded in the unrestricted equity reserve.

In October 2024, a total of 70,000 Aiforia shares were subscribed for through employee stock options. The company received EUR 82.5 thousand from the share subscriptions recorded in the unrestricted equity reserve.

During 2024, EUR 505 (505) thousand in long-term interest-bearing debt was repaid, and EUR 1,800 (4,040) thousand new debt was drawn.

Investments, research and development

Gross investments in the financial year 2024 amounted to EUR 5,652 (6,071) thousand. The most significant part of Aiforia's investments comprises investments in product development and the commercialization of new software solutions.

The company's investments in product development are essential for implementing its strategy without compromise. Product development investments are expected to deliver commercial benefits over the next few years. The amortization period for product development investments is five years from the date of capitalization.

Personnel

The average number of Aiforia's employees in the financial year 2024 was 75 (73) full-time equivalents. At the end of the financial year, Aiforia employed 77 (79) people. Of them, 60 (56) worked in Finland, 9 (10) in the rest of Europe, and 8 (13) in the United States. The Group has offices in Helsinki, Cambridge, MA and Rochester MN, USA, where the wholly owned subsidiary Aiforia Inc. is located.

Share, share capital, and shareholders

Aiforia Technologies Plc's share is traded on the Nasdaq Helsinki Stock Exchange, the First North GM Finland marketplace for growth companies. The trading of the share started in December 2021. The trading code of Aiforia shares is AIFORIA and the sector is Health Care.

Share capital and shares issued

Aiforia has a share capital of EUR 102,600, consisting of one series of shares. At the end of the financial year on December 31, 2024 the company had 28,914,467 shares, which are all paid for. The shares have no nominal value. The average number of shared issues during the review period was 27,734,602 (25,917,505). At the end of the year, the company did not hold any treasury shares.

Share trading

On the last trading day of the financial year, December 31, 2024, the closing price of Aiforia's share was EUR 3.51 (3.49). The highest quoted price of the share for the review period was EUR 4.90 (5.20), and the lowest EUR 3.29 (3.09). The volume-weighted average price (VWAP) of the share for the review period was EUR 4.00 (3.92), and the average daily turnover was 14,904 (9,229) shares.

Aiforia's market capitalization on December 31, 2024 was EUR 101,489,779 (90,567,650).

Share issues and registration of new shares

In May 2024, Aiforia carried out a directed share issue of 2,843,851 new shares to domestic and international institutional and other qualified investors, raising EUR 9.95 million. The issued shares represented approximately 10.9 percent of the issued shares in Aiforia prior to the placing and approximately 9.9 percent of the issued shares in Aiforia following the placing. The new shares were registered with the Trade Register on May 23, 2024. As a result of the placing, the total number of shares issued in the company was 28,844,467. The placing was carried out based on offers received in an accelerated bookbuilding process and based on the authorization to issue up to 3,500,000 new shares given to the Board of Directors by the Company's Annual General Meeting held on April 4, 2024. After the share issue, 656,149 shares remain from the authorization.

Shareholders

At the end of the year 2024, Aiforia had 3,973 (2,588) shareholders, including nominee-registered shareholders and joint account holders. The 100 largest registered shareholders of Aiforia are presented on the company's website at <https://investors.aiforia.com/>.

Flagging notifications

On April 12, 2024, the Parliament approved a government proposal to amend the Securities Markets Act (HE 3/2024 vp), which extends the reporting requirements for significant ownership and voting rights, as well as the application of provisions related to public tender offers and obligation to make a tender offer, to include multilateral trading facilities alongside regulated markets. Following the change, Aiforia received five notifications of changes in holdings in accordance with Chapter 9, Section 5 of the Securities Markets Act.

According to a notification received on May 28, 2024, the total number of Aiforia shares owned directly or through financial instruments by Jukka Tapaninen exceeds the threshold of five (5) percent. According to the announcement, the holding exceeded the threshold on April 19, 2024.

According to a notification received on May 31, 2024, the total number of Aiforia shares owned by Sto-Rahoitus Oy exceeds the threshold of five (5) percent. According to the announcement, the holding exceeded the threshold on April 19, 2024.

According to a notification received on June 5, 2024, the total number of Aiforia shares owned by Ascend Tapio S.a.r.l. exceeds the threshold of fifteen (15) percent. According to the announcement, the holding exceeded the threshold on April 19, 2024.

According to a notification received on June 14, 2024, the total number of Aiforia shares owned by Shandon Diagnostics Limited exceeds the threshold of five (5) percent. According to the announcement, the holding had exceeded the threshold on April 19, 2024.

According to a notification received on June 17, 2024, the total number of Aiforia shares owned by Acme Investments Spf Sarl exceeds the threshold of five (5) percent. According to the announcement, the holding had exceeded the threshold on April 19, 2024.

Option rights

The table below shows the shareholding and voting rights that may be exercised under the issued stock options and the effect of the options on the number of shares.

	Dec. 31, 2024
Maximum number of shares to be issued based on stock option rights, which are still unsubscribed and can be subscribed	4,191,300
Number of shares on December 31, 2024	28,914,467
Number of shares if all options are converted into new shares	33,105,767
Proportion of holdings and votes if all options are converted into new shares	12.66%

Options of Board members, CEO, and Management Team on December 31, 2024

Shareholder	Maximum number of shares to be issued based on stock option rights, which are still unsubscribed and can be subscribed	Proportion of holdings and votes if all options are converted into new shares
Board of Directors	215,000	0.65%
CEO	1,381,500	4.17%
Other Management team	1,661,950	5.02%
Total	3,258,450	9.84%

Governance

Management Team

Aiforia's Management Team at the end of the financial period consisted of Jukka Tapaninen (CEO), Kaisa Helminen (COO), Veli-Matti Parkkonen (CFO), Tuomas Ropponen (CTO), Thomas Westerling-Bui (CCO, Americas), Panu Kauppila (CPO) and Tamas Regenyi (CCO).

Board of Directors

The members of Aiforia's Board of Directors during the financial period 2024 were Pekka Mattila (Chairman), Johan Lundin, Maria Fe Paz de Paz, Jerry Jian Hong and Seven Lynum and Tuomas Tenkanen (from April 4, 2024). The term of office for all members of the Board of Directors will expire at the end of the Annual General Meeting 2025.

Annual General Meeting

The Annual General Meeting held on April 4, 2024, approved the financial statements for the financial year 2023 and discharged the members of the Board of Directors, as well as the CEO from liability for the financial year 2023.

The Annual General Meeting resolved that no dividend will be paid for the financial year 2023 and that the loss for the financial year be retained in the retained earnings account.

The Annual General Meeting resolved that the number of members of the Board of Directors shall be six. The following persons were re-elected as members of the Board of Directors: Pekka Mattila, Maria Fe Paz de Paz, Jerry Jian Hong, Johan Lundin and Steven Lynum. Tuomas Tenkanen was elected as a new member of the Board of Directors. The term of office for all members of the Board of Directors will expire at the end of the Annual General Meeting 2025.

In its constitutive meeting held after the Annual General Meeting, the Board of Directors elected Pekka Mattila from among its members to serve as the Chair. In addition, the Board of Directors elected the following members from among its members to the Audit Committee: Pekka Mattila Chair, Jerry Jian Hong and Maria Fe Paz de Paz; and to the Remuneration Committee: Pekka Mattila Chair, Johan Lundin, Steven Lynum and Tuomas Tenkanen.

The Annual General Meeting resolved that the remuneration of the Board of Directors shall be as follows: The remuneration payable to the members of the Board of Directors shall be EUR 20,000 annually for each member of the Board except for the Chairman of the Board who shall be paid EUR 40,000 annually. In addition, if the Board of Directors chooses to elect a Vice Chairman of the Board from among its members, he or she shall be paid EUR 25,000 annually. The Chairman of the Audit Committee shall be paid a fixed annual remuneration of EUR 4,000 and each member of the Audit Committee a fixed annual remuneration of EUR 2,000.

The Annual General Meeting reappointed the firm of authorized public accountants PricewaterhouseCoopers Oy, which has appointed APA Martin Grandell as the principal responsible auditor, and as the auditor of the company for a term ending at the end of the next Annual General Meeting.

Authorization of the Board of Directors

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares. Under authorization, a maximum of 3,500,000 shares may be issued. The shares issued under the authorization shall be new shares or shares held by the company. The authorization invalidates all previous share issue authorizations. The authorization is valid until the close of the next Annual General Meeting, however no longer than June 30, 2025.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of option rights and other special rights entitling to shares, pursuant to Chapter 10 of the Companies Act. Under authorization, option rights and other special rights entitling to a maximum of 500,000 shares can be issued. The authorization invalidates any earlier authorizations entitling the Board of Directors to decide on issues of special rights entitling to shares. However, the authorization does not invalidate any earlier authorizations entitling the Board of Directors to decide on share issues. The authorization is valid until the close of the next Annual General Meeting, however no longer than June 30, 2025.

Risks and risk management

Aiforia is exposed to risks arising from the operating environment, business operations, information systems and intellectual property rights, regulation, and financial position. Aiforia's risk management is based on a risk management policy approved by the Board of Directors. Risk management includes all activities related to setting objectives, as well as identifying, measuring, reviewing, addressing, reporting, monitoring, and preventing risks.

The following paragraphs describe the risks that Aiforia considers the most significant that may harm the company's business, prospects, and value. There have been no significant changes in risks during the reporting period.

Risks related to Aiforia's operating environment

Ongoing conflicts bring instability to global geopolitics and energy and financial markets. According to Aiforia's estimate, the situation has no direct impact on the company's business at present. However, Aiforia is constantly monitoring the situation and is ready to take action if necessary.

Risks related to Aiforia's business

The company's prospects and profitability remain dependent on how quickly the market for clinical diagnostics opens. In addition, the business is subject to risks related to the success of product development and the retention of key personnel. Product development related risks can be divided into balance sheet risks (write-down) and risks directly affecting profit (product competitiveness). Key personnel play a central role in e.g. sales development, product development and operational efficiency.

Risks related to Aiforia's information systems

The company estimates that the risk of power outages and attacks on information systems remains elevated due to, among other things, the geopolitical situation. In addition to the information systems used internally by Aiforia in its operations, Aiforia's software solutions for its customers are also based on cloud computing. The company purchases the cloud service required to provide its software solutions from external suppliers. Thus, the availability and smooth operation of the cloud service are beyond Aiforia's control. In the event of any disruption to the cloud service, the availability of the software solutions provided by Aiforia to its customers will also be affected. Aiforia selects prominent international players with resources to ensure the quality and availability of the service as its cloud service providers.

Legal and regulatory risks

The 2022 changes to the regulation of in vitro diagnostic (IVD) medical devices in Europe will affect the registration timeline for Aiforia's new in vitro diagnostic products, as the role of Notified Bodies changed and stricter requirements for clinical trial and conformity assessment and quality control came into force.

In addition, as the company offers clinical software solutions in new geographic regions, the medical device regulations or personal data processing regulations applicable in such regions may differ significantly from those applicable, for example, in the European Union.

Aiforia monitors regulatory developments and has already implemented several required and recommended practices in its operations. Examples include systems, practices, and certifications according to the ISO13485 and ISO27001 standards and the SOC 2 Type II report. Aiforia also seeks to protect innovations important to its operations, for example, through patents and patent applications.

Risks related to Aiforia's financial position

At the end of 2024, Aiforia's financial position was satisfactory. As the business is loss-making and it is not entirely certain when it will turn profitable, the need for and availability of financing may pose a risk to Aiforia in the future.

Exchange rate fluctuations, particularly the US dollar exchange rate, play a role, as an increasing share of Aiforia's revenue comes from the US market. However, it should be noted that Aiforia also has dollar-based costs, which offset the currency risks. Aiforia constantly monitors its financial position and takes measures to reduce its level of risk where necessary.

Risk management and business risks are described in more detail in the company's IPO prospectus and on its website at <https://investors.aiforia.com/>.

Proposal by the Board of Directors on the treatment of the result for the financial year

The parent company's loss for the financial year 2024 is EUR -10,423 thousand and the distributable free equity is EUR 10,078 thousand. The Board of Directors proposes to the General Meeting that the loss for the financial year be retained in the retained earnings account and that no dividend be paid.

Significant events after the reporting period

Aiforia announced on February 18, 2025, the share subscriptions based on stock options. A total of 20,000 Aiforia Technologies Plc's new shares were subscribed for with the Stock Options 2016A by January 13, 2025. For subscriptions made with the stock options 2016A the entire subscription price of EUR 400.00 will be entered in the reserve for invested unrestricted equity. New shares were registered in the Trade Register on February 18, 2025, and will be traded on the Nasdaq Helsinki Plc's First North Growth Market Finland -marketplace as of February 19, 2025. After the trade registration the total amount of shares is 28,934,467.

The terms and conditions of stock options are available on the company's website at <https://investors.aiforia.com/en/>.

On February 20, 2025, Aiforia announced that it had successfully obtained the **In Vitro** Diagnostic Regulation (IVDR) certification. At the same time, the company launched three new CE IVD -marked AI models for breast and prostate cancer diagnostics. The certification was granted by a notified body, BSI Group. The certificate confirms that Aiforia complies with the requirements of the IVD Regulation 2017/746 and enables Aiforia to bring an expanded portfolio of AI models to the European market.

On March 5, 2025 Aiforia and Orion, a Finnish pharmaceutical company, announced the extension of their collaboration to include the use of Aiforia's software solution for preclinical study evaluations. This collaboration involves implementing the Aiforia®Studies module within Orion's preclinical histology processes, as well as joint development to further automate and improve the study evaluation workflow of preclinical pathologists.

On March 6, 2025, Aiforia announced that it had closed a deal with a regional health authority of Sardinia in Italy for AI-assisted diagnostics. This two-year collaboration contract with seven hospitals in the region involves utilizing Aiforia's clinical AI solutions to analyze biopsies from breast and prostate cancer patients. The provider in the deal is a GPI S.p.A. lead consortium, and Aiforia is one of their subcontractors.

Financial reporting and the Annual General Meeting in 2025

The calendar for Aiforia Technologies Plc's financial reporting concerning the financial year 2025 is as follows:

- March 14, 2025: The Financial Statements and the Board of Directors' Report for financial year 2025
- August 28, 2025: Half-Year Financial Report for January 1 to June 30, 2025

Aiforia Technologies's Annual General Meeting is planned to be held on April 4, 2025.

Financial reports are available after publication on Aiforia's website at

<https://investors.aiforia.com/en/>.

Webcast

Aiforia arranges a live webcast for investors, analysts, and media on March 7, 2025, at 10.00 a.m. Finnish time. The event will be held in English. The financial results will be presented by Jukka Tapaninen, CEO and Veli-Matti Parkkonen, CFO.

The webcast can be followed at <https://aiforia.videosync.fi/q4-2024>.

A recording of the event and the presentation materials will be available at

<https://investors.aiforia.com/> later in the day.

Aiforia Technologies Plc

Board of Directors

Financial statement information

Consolidated income statement

(EUR thousand)	7-12/2024	7-12/2023	1-12/2024	1-12/2023*
Revenue	1,479	1,438	2,852	2,398
Other operating income	226	39	368	93
Materials and services	-377	-217	-602	-466
Employee benefit expenses	-3,710	-3,889	-6,934	-7,794
Depreciation, amortization and impairment losses	-2,101	-1,747	-3,975	-3,180
Other operating expenses	-1,640	-1,986	-3,903	-3,929
Operating loss	-6,122	-6,363	-12,195	-12,879
Financial income	864	393*	1,195	1,048*
Financial expenses	-722	-443*	-947	-1,094*
Net financial items	142	-50	248	-47
Net income before taxes	-5,980	-6,413	-11,947	-12,925
Income taxes	-	20	-	-
Net income	-5,980	-6,393	-11,947	-12,925
Net income attributable to				
Owners of the parent company	-5,980	-6,393	-11,947	-12,925
Earnings per share, undiluted and diluted (euro/share)	-0,22	-0,25	-0,43	-0,50

Consolidated comprehensive income statement

Net income	-5,980	-6,393	-11,947	-12,925
Other comprehensive income				
Items, that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	-211	107	-414	190
Other comprehensive income for the period, net of tax	-211	107	-414	190
Net comprehensive income for the period	-6,191	-6,286	-12,360	-12,736
Net comprehensive income attributable to				
Owners of the parent company	-6,191	-6,286	-12,360	-12,736

* The breakdown for the comparison year 2023 into foreign exchange gains and losses has been changed. The subsidiary's net foreign exchange gains (EUR 600 thousand) and losses (EUR 776 thousand) for 2023 have been adjusted to their separate lines.

Consolidated balance sheet

(EUR thousand)	31 Dec. 2024	31 Dec. 2023
ASSETS		
Non-current assets		
Intangible assets	13,790	11,775
Tangible assets	437	534
Right-of-use assets	550	766
Assets based on customer contracts	242	-
Other assets	117	111
Total non-current assets	15,135	13,187
Current assets		
Assets based on customer contracts	582	-
Trade- and other receivables	1,163	1,031
Cash and cash equivalents	11,496	13,974
Total current assets	13,240	15,004
Total assets	28,376	28,191
EQUITY		
Share capital	103	103
Reserve for invested unrestricted equity	65,825	55,988
Translation differences	-338	76
Retained earnings	-49,017	-38,260
Total equity	16,573	17,906
LIABILITIES		
Non-current liabilities		
Loans from financial institutions	5,245	4,456
Lease liabilities	404	643
Contract liabilities	113	-
Other liabilities	1,316	1,070
Total non-current liabilities	7,078	6,169
Current liabilities		
Loans from financial institutions	655	505
Lease liabilities	258	243
Contract liabilities	976	1,130
Advances received	171	54
Trade- and other payables	2,666	2,184
Total current liabilities	4,725	4,115
Total liabilities	11,803	10,285
Total equity and liabilities	28,376	28,191

Consolidated cash flow statement

(EUR thousand)	1-12/2024	1-12/2023*
Cash flow from operating activities		
Net income before taxes	-11,947	-12,925
Adjustments for:		
Depreciation, amortization and impairment losses	3,975	3,180
Share-based payments	1,131	1,096
Financial income and expenses	-248	46
Unrealized exchange rate profits and -losses	471	-191
Other adjustments	-295	-23
Changes in working capital:		
Change in non-current trade receivables and other receivables	-5	-8
Change in current trade receivables and other receivables	-942	511
Change in accounts payable and other liabilities	-54	-140
Interests received	280	387
Interests paid	-170	-94
Net operating cash flow	-7,803	-8,160
Cash flow from investing activities		
Acquisition of intangible assets	-5,522	-5,843
Acquisition of tangible assets	-70	-143
Cash flow from investing activities	-5,593	-5,986
Cash flow from financing activities		
Proceeds from share issue	10,105	163
Share issue expenses	-267	-
Proceeds from loans	1,800	4,040
Repayment of loans	-505	-505
Repayment of lease liabilities	-250	-212
Cash flow from financing activities	10,883	3,486
Net increase (+)/(-) decrease in cash and cash equivalents (A+B+C)	-2,513	-10,659
Cash and cash equivalents at the beginning of the financial year	13,974	24,698
Effects of changes in foreign exchange rates	36	-65
Cash and cash equivalents at the end of the financial year	11,496	13,974

Consolidated statement of changes in equity

(EUR thousand)	Share capital	Reserve for invested unrestricted equity	Conversion difference	Retained earnings	Total equity
Equity on 1 January 2024	103	55,988	76	-38,260	17,906
Net comprehensive income					
Net income				-11,947	-11,947
Other comprehensive income			-414		-414
Total net comprehensive income for the period	-	-	-414	-11,947	-12,360
Transactions with owners					
Directed share issue		9,837			9,837
Share-based payments				1,190	1,190
Transactions with owners total	-	9,837	-	1,190	11,027
Equity on 31 December 2024	103	65,825	-338	-49,017	16,573

(EUR thousand)	Share capital	Reserve for invested unrestricted equity	Conversion difference	Retained earnings	Total equity
Equity on 1 January 2023	103	55,825	-114	-26,516	29,297
Net comprehensive income					
Net income				-12,925	-12,925
Other comprehensive income			190		190
Total net comprehensive income for the period	-	-	190	-12,925	-12,735
Transactions with owners					
Directed share issue		163			163
Share-based payments				1,181	1,181
Transactions with owners total	-	163	-	1,181	1,345
Equity on 31 December 2023	103	55,988	76	-38,260	17,906

Principles for the preparation

This Financial Statement bulletin has been prepared in accordance with IAS 34, Interim Financial Reporting.

Aiforia's consolidated financial statements are prepared in accordance with the International Financial Statement Standards (IFRS financial statement standards) approved for use in the

European Union, and when preparing it, the IAS and IFRS standards valid on December 31, 2024, and the SIC and IFRIC interpretations are followed. The review follows the same accounting principles and methods of calculation as in the Consolidated Financial Statements prepared for the financial year ended on December 31, 2024 (IAS 34.16A.a).

The figures presented in the bulletin are unaudited. The amounts presented in the release have been rounded to the nearest thousand, unless otherwise stated. For this reason, the total sum of the individual numbers may differ from the sum figure presented.

Revenue distribution by country

(EUR thousand)	7-12/2024	7-12/2023	1-12/2024	1-12/2023
Finland	588	99	719	214
Other Europe	205	552	952	692
North America	666	759	1,137	1,429
Others	21	28	44	63
Total	1,479	1,438	2,852	2,398

Changes in intangible and tangible assets

(EUR thousand)	Intangible assets		Tangible assets					
	Development expenses		Machinery and equipment		Leasehold improvements		Tangible assets total	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Acquisition cost								
Balance on January 1	18,315	13,284	755	611	11	11	766	622
Additions	4,191	5,031	68	146	-	-	68	146
Exchange differences	-	-	3	-2	-	-	3	-2
Balance on December 31	22,506	18,315	826	755	11	11	837	766
Accumulated depreciation, amortization and impairment losses								
Balance on January 1	-7,436	-4,629	-228	-80	-3	-0	-231	-80
Depreciation and amortization for the period	-3,566	-2,808	-166	-149	-2	-2	-168	-151
Exchange differences	-	-	-1	1	-	-	-1	1
Balance on December 31	-11,003	-7,436	-395	-228	-5	-3	-400	-231
Unfinished								
Balance on January 1	896	-	-	-	-	-	-	-
Additions	2,287	896	-	-	-	-	-	-
Transfers to finished	-896	-	-	-	-	-	-	-
Balance on December 31	2,287	896	-	-	-	-	-	-
Carrying amount on January 1	11,775	8,655	526	531	8	10	534	542
Carrying amount on December 31	13,790	11,775	431	526	6	8	437	534

Guarantees, commitments and off-balance sheet arrangements

(EUR thousand)	Dec. 31, 2024	Dec. 31, 2023
Lease liabilities		
Lease liability related to short-term and low-value rental agreements	11	2
Total	11	2
Other commitments		
Decider grant, unaudited	274	204
Total	274	204

Grant accounts, which are not audited at the end of the review period, relate to a potential return liability equivalent to the grant amount.

Related party transactions

The parent company's related parties include its subsidiary, the CEO, the members of the Board of Directors and the management team, as well as their close family members and companies under their control. Related party transactions include transactions with related parties that are not eliminated in the consolidated financial statements.

In 2024 and 2023, Aiforia had no related party transactions with the CEO, the Board of Directors, the management team, or other related parties. Aiforia had no outstanding claims or liabilities related to related party transactions on December 31, 2024, nor December 31, 2023.

Benefits for managers and management shareholdings and options are presented in Aiforia's January-December Financial Statements.

Calculation of key figures

Key figure	Formula
EBITDA	Operating profit (loss) before depreciation and amortization
Operating profit (loss)	Result before income taxes and financial income and expenses
Equity ratio	Total equity/ (Balance sheet total - advances received and contract liabilities)
Net debt	Loans from financial institutions and lease liabilities - cash and cash equivalents
Earnings per share, undiluted	Result for the financial period / weighted average amount of shares outstanding during the financial period
Earnings per share diluted	Result for the financial period / weighted average amount of shares outstanding during the financial period + potential dilutive shares
Equity per share	Equity / number of shares (issue adjusted) - own shares
Market value of the shares at the end of the financial period	Market value of the shares at the end of the financial period * number of outstanding shares