

Aiforia Technologies Plc

Financial Statements Bulletin

January–December 2022

Aiforia's Financial Statements Bulletin 2022: Growth continues, driven by the development of the clinical market

Unless otherwise indicated, figures in brackets refer to the financial year 2021.

July–December 2022

- Group turnover increased by 107% to EUR 1,135 (548) thousand
- EBITDA was EUR -4,597 (-2,174) thousand
- Operating result (EBIT) was EUR -5,814 (-2,841) thousand
- Profit for the financial period was EUR -6,227 (-5,233) thousand
- The Group's net debt at the end of the period was EUR -22,008 (-35,197) thousand
- Cash and cash equivalents at the end of the period amounted to EUR 24,698 (38,098) thousand
- Aiforia signed a contract with City of Hope National Medical Center, one of the largest cancer and research centers in the US
- Aiforia signed its first customer contracts in the framework of commercial cooperation with Eprelia

January–December 2022

- Group turnover increased by 92% to EUR 1,868 (974) thousand
- EBITDA was EUR -8,108 (-3,451) thousand
- Operating result (EBIT) was EUR -10,203 (-4,691) thousand
- Profit for the financial year was EUR -10,607 (-7,576) thousand
- Unadjusted earnings per share (EPS) were EUR -0.41 (-0.43)
- The parent company's loss for the financial year is EUR -8,355 thousand, and the distributable free equity is EUR 24,917 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 1,000 Group	7-12/2022	7-12/2021	Change, %	2022	2021	Change, %
Revenue	1,135	548	+107 %	1,868	974	+92 %
EBITDA	-4,597	-2,174	-112 %	-8,108	-3,451	-135 %
Operating loss	-5,814	-2,841	-105 %	-10,203	-4,691	-118 %
Net loss for the financial year	-6,227	-5,233	-19 %	-10,607	-7,576	-40 %
Equity ratio, %	85 %	87 %	-2 %	85 %	87 %	-2 %
Net debt	-22,008	-35,197	+37 %	-22,008	-35,197	+37 %
Cash and cash equivalents at the end of the financial year	24,698	38,092	-35 %	24,698	38,092	-35 %
Balance sheet total	35,336	43,868	-19 %	35,336	43,868	-19 %
Number of employees on average	71	37	+91 %	65	41	+59 %
Personnel expenses*	3,773	1,876	+101 %	6,592	2,995	+120 %
Investment in tangible and intangible assets	3,068	2,417	+27 %	6,333	3,793	+67 %
Earnings per share, undiluted and diluted***, EUR	-0.24	-0.26**	-7 %	-0.41	-0.43**	-4 %

*Personnel expenses include capitalization of development expenses.

**IPO-related costs have been taken into account in the loss used in the earnings per share calculation.

***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 therefore they are 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:

I am pleased with Aiforia's year 2022. We have progressed in line with the plan set out at the time of the IPO. During the year, we strengthened our team in Europe and the US, expanded our offering with four new CE-IVD-marked products, made essential openings in the clinical market, and gained new customers on the preclinical side. We doubled our turnover, and sales growth was particularly encouraging in the US market.

Our growth strategy is supported by the accelerating development of the digital pathology market, as more hospitals and laboratories are ready to streamline diagnostic workflows with AI. We have built a competitive advantage for the company by investing EUR 5.9 million in product development during 2022. Our headcount increased by 59% during the year. The intense investment phase is now behind us, and we are well-positioned to move into a growth phase. We aim to achieve a positive cash flow from operations by the end of 2025.

At the time of the IPO, we set short and medium-term business targets for the company. By the end of 2022, we have five CE-IVD-marked clinical diagnostics AI models as well as a CE-IVD-marked viewer software, three clinical diagnostics accounts, nine large pharmaceutical accounts, and more than 5,000 users. I am confident that we will achieve all our short-term targets by the end of 2023.

The collaboration with the Mayo Clinic started in earnest in 2022. In the autumn, we installed Aiforia Create software for use by the clinic's pathologists, and installed and validated Aiforia Clinical software. We expect Mayo Clinic to begin analyzing patient samples with Aiforia software in early 2023. We also signed contracts with other prestigious international institutes and hospitals such as City of Hope and Wake Forest. I am particularly pleased with the commercial collaboration with EpreDia, which began in 2021 and is now starting to pay off.

Continuous customer experience improvement is at the heart of Aiforia's strategy. In 2022, we launched the Aiforia Community platform for our customers. The web-based platform consists of content designed for the users of the Aiforia software and brings together the global Aiforia community of healthcare professionals and researchers, currently covering users from over 50 countries.

Our medium-term goal is to reach a revenue of more than EUR 100 million by the end of 2030. Aiforia's mission is to enable accurate diagnoses and personalized patient care, thereby improving healthcare outcomes. We are ideally positioned to lead the transition to AI-assisted tissue sample analytics globally and deliver value to our customers and shareholders.

A warm thank you to Aiforia's personnel, customers and shareholders for this busy year. We continue to move forward with confidence in the execution of our strategy.

Business targets

Aiforia does not publish short-term outlooks or financial targets. However, the company has set short- and medium-term business targets at the time of the IPO. Aiforia's short-term business targets are:

- Obtain a CE-IVD marking for six AI models intended for clinical diagnostics
- Acquire five customers in clinical diagnostics
- Acquire 10 large customers in the pharmaceutical industry
- Reach more than 5,000 users.

Aiforia's mid-term business targets are:

- Create a product offering that covers 80% of the pathologist's diagnostic workflow
- Achieve a positive cash flow from operating activities by the end of 2025
- Achieve revenue of more than EUR 100 million
- Reach 20,000 users
- Achieve 50 key customer relationships that would generate annual recurring revenue of at least EUR 250,000 per customer.

Short-term refers to the company's business objectives by the end of 2023. In the medium term, the company's business objectives are to be achieved by the end of 2030. The wording of the medium-term target related to key customers has been clarified since the IPO. Previously, the target was to achieve 50 key customer relationships that would generate annual recurring revenue of EUR 250,000 per customer on average.

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 the work of pathologists. 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. Laboratories and hospitals can now access more and more sophisticated technologies such as artificial intelligence.

For example, in the period under review, the UK has made significant public sector investments in digital pathology. Europe and the US have seen several calls for tenders and product comparisons organized by both private and public operators for AI-assisted diagnostic solutions for pathology samples. 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.

New reimbursement practices for digital pathology also support the growth of the US market. This is expected to encourage clinics to adopt new technologies faster.

The market's attractiveness is further demonstrated by the fact that in 2022, major radiology players, such as GE Healthcare, Siemens, and Fujifilm expanded into the digital pathology market through collaborations and acquisitions.

Significant events in the financial year

A major collaboration with Mayo Clinic moves forward

During the first half of 2022, Aiforia strengthened its partnership with one of the world's most prestigious hospitals, the Mayo Clinic. The collaboration covers the sale of software solutions for both preclinical research and clinical diagnostics to the Mayo Clinic's Laboratory Medicine and Pathology department. In the second half of 2022, Aiforia recruited a local team to Rochester (Minnesota, USA) to strengthen the collaboration with the clinic. Aiforia Create software was installed for use by the clinic's pathologists, and the installation and validation of Aiforia Clinical software began. Analyzing patient samples with Aiforia's software is expected to begin in early 2023.

Expansion of product portfolio for diagnostics with four new CE-IVD-marked products

Aiforia expanded its breast cancer diagnostics product portfolio by launching CE-IVD-marked AI models for automated counting of estrogen receptor-positive (ER) cells and progesterone receptor-positive cells.

In addition, Aiforia launched a CE-IVD-marked AI model for prostate cancer diagnostics. The deep learning tool can automatically detect and classify tumor regions in prostate tissue images over the whole slide image (WSI) area to determine the Gleason classification according to the most common prostate cancer classification system.

Aiforia also received CE-IVD marking for the Aiforia® Clinical Suite Viewer software solution. The cloud-based platform visualizes the digitized sample and AI-generated results over the entire tissue sample area (whole slide image; WSI) and enables seamless reporting of results to the surrounding systems.

Partnership with EpreDia for global distribution

The commercial partnership with EpreDia, launched in 2021, has started to generate new customers for Aiforia. EpreDia is a leading supplier in anatomical pathology globally. One example of the customers gained through this collaboration is the Institute for Regenerative Medicine at Wake Forest University in North Carolina, USA.

New agreements with prestigious international organizations and hospitals

During the reporting period, Aiforia signed agreements and started collaborations with several organizations and hospitals in the US and Europe.

City of Hope National Medical Center is in the process of implementing Aiforia software solutions for both research and clinical diagnostics. The City of Hope Hospital Group has 36 locations in Southern California and is one of the largest cancer treatment and research centers in the United States.

Brunel Medical School in the United Kingdom has signed a five-year agreement with Aiforia to implement the Aiforia training platform for medical education.

The University of Bern plans to use Aiforia's software platform to develop customized artificial intelligence models for diagnosing a wide range of diseases.

Competitive advantage from audited security and new patents

Aiforia's information security management system (ISO27001 compliant) has been extended to cover the operations of the US subsidiary. In addition, the company has undergone a SOC 2 Type II audit and received a certificate.

During the reporting period, Aiforia was granted two new patents in the US for the processing and analysis of images of pathological specimens.

Launch of the customer success platform Aiforia Community

In April 2022, Aiforia launched the Aiforia Community platform. The web-based platform consists of content designed for the users of the Aiforia software, including user guides and learning materials. It also offers the possibility to share best practices directly with peers.

Turnover and profitability

July–December 2022

Turnover

In July–December, the Group's turnover was EUR 1,135 (548) thousand, mainly due to the successes achieved in the US market. Revenue consisted of sales of Aiforia's software solutions and services to preclinical research customers, SaaS-based license sales and its ancillary services, and service sales. 11% of the turnover came from Finland, and the rest from outside Finland.

The company recognized EUR 33 (162) thousand as product development and other grants in July–December. All grants were related to the Decider project.

Profitability

The cost of materials and services directly related to revenue amounted to EUR 298 (78) 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 -4,597 (-2,174) thousand, while the operating result (EBIT) was EUR -5,814 (-2,841) thousand. The result for July–December was EUR -6,227 (-5,233) 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 1,217 (669) thousand.

Aiforia's headcount increased strongly, and the company's personnel expenses for July–December amounted to EUR 3,495 (1,429) thousand and other operating expenses to EUR 1,977 (1,376) thousand. The company capitalized EUR 278 (447) thousand in personnel expenses and EUR 2,554 (1,924) thousand in other operating expenses in July–December.

Financial income and expenses amounted to EUR -413 (-2,393) thousand.

January–December 2022

Turnover

For the financial year, the Group's turnover was EUR 1,868 (974) thousand, mainly due to the successes achieved in the US market. Revenue consisted of sales of Aiforia's software solutions and services to preclinical research customers, SaaS-based license sales and its ancillary services, and service sales. 14% (32 %) of the turnover came from Finland, and the rest from outside Finland.

During 2022, the company recognized EUR 134 (421) thousand in product development and other grants, of which EUR 52 thousand related to the H2020 project and EUR 82 thousand to the Decider project.

Profitability

The cost of materials and services directly related to revenue amounted to EUR 570 (373) thousand, mainly consisting of purchased cloud services associated with Aiforia's services and products.

The Group's EBITDA for the financial year 2022 was EUR -8,108 (-3,451) thousand. The operating result (EBIT) was EUR -10,203 (-4,691) thousand. The result for the financial year 2022 was EUR -10,607 (-7,576) 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 2,095 (1,239) thousand.

Aiforia's personnel expenses for the financial year 2022 amounted to EUR 5,674 (2,310) thousand, and other operating expenses to EUR 3,871 (2,163) thousand. In the financial year 2022, the company capitalized EUR 918 (685) thousand in personnel expenses and EUR 4,821 (3,058) thousand in other operating expenses.

Financial income and expenses amounted to EUR -404 (-2,886) thousand, of which EUR -137 (103) thousand resulted from exchange rate changes.

Balance sheet, cash flow, and financing

The Group's balance sheet total at the end of the financial year 2022 was EUR 35,336 (43,868) thousand. The equity ratio was 85 (87) percent.

At the end of the financial year, the Group's net debt was EUR -22,008 (-35,197) thousand. Non-current liabilities amounted to EUR 2,185 (2,690) thousand.

Net cash flow from operating activities in 2022 totaled EUR -9,418 (-2,450) thousand. The company continued to invest heavily in product development as planned.

Cash flow from investing activities totaled EUR -5,907 (-2,807) thousand, consisting of investments in intangible and tangible assets.

Cash flow from financing activities in the financial year 2022 amounted to EUR 1,926 (41,426) thousand. Cash and cash equivalents at the end of the financial year 2022 amounted to EUR 24,698 (38,092) thousand. The company was listed on the First North Growth marketplace in Helsinki in 2021.

In January 2022, the company issued 412,409 shares at a price of EUR 5.01 to Swedbank based on an additional share option granted to Swedbank in connection with the IPO. The company recorded EUR 2,066 thousand from the sale of shares in the free equity reserve.

In May 2022, a total of 5,000 shares were subscribed for through employee stock options. The company received a total of EUR 7 thousand from the share subscriptions recorded in the free equity reserve.

In September 2022, a total of 42,500 shares were subscribed for through employee stock options. The company received a total of EUR 58 thousand from the share subscriptions recorded in the free equity reserve.

During 2022, long-term interest-bearing liabilities were reduced by EUR 205 thousand.

Investments, research, and development

Gross investments in the financial year 2022 amounted to EUR 6,333 (3,793) thousand. The most significant part of Aiforia's investments comprises of investments in product development and the commercialization of new software solutions.

The company's investment in product development is 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 2022 was 65 (41) full-time equivalents. At the end of the financial year, Aiforia employed 78 (65) people. Of these, 57 (56) worked in Finland, 6 (5) in the rest of Europe, and 15 (4) in the United States. The Group had offices in Helsinki and Cambridge (MA), USA, where the wholly owned subsidiary Aiforia Inc. is located.

Share, share capital, and shareholders

Share capital and shares issued

Aiforia has a share capital of EUR 102,600, consisting of one series of shares. The company had 25,826,816 shares on the balance sheet date of 31 December 2022. The shares have no nominal value. At the end of the financial year, the company did not hold any of its shares. The Company's Board of Directors has no valid authorization to repurchase or dispose of treasury shares.

Stock trading

On the last trading day of the financial year, 30 December 2022, the closing price of Aiforia's share was EUR 3.23 (5.22). The highest quoted price of the share for the financial year 2022 was EUR 5.84, and the lowest EUR 2.96. The volume-weighted average price (VWAP) of the share for the financial year was EUR 3.98, and the average daily turnover was 4,895 shares.

Aiforia's market capitalization on 31 December 2022 was EUR 83,420,615 (135,541,001).

Shareholders

Aiforia had 1,754 (1,850) shareholders, including those on the register of directors and joint account holders on the balance sheet date of 31 December 2022. The 100 largest registered shareholders of Aiforia are presented on the company's website at <https://investors.aiforia.com/>.

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.

	31 Dec.2022
Maximum number of shares to be issued, which are still unsubscribed and can be subscribed	3,770,100
Number of shares at 31 Dec 2022	25,826,816
Number of shares if all options are converted into new shares	29,596,916
Proportion of holdings and votes if all options are converted into new shares	12.74 %

Options of Board members, CEO, and Management Team on 31 December 2022

Shareholder	Maximum number of shares to be issued, which are still unsubscribed and can be subscribed	Proportion of holdings and votes if all options are converted into new shares
Board of Directors	190,000	0.64 %
CEO	1,141,500	3.86 %
Other Management team	1,111,950	3.76 %
Total	2,443,450	8.26 %

Governance

Management Team

Aiforia's Management Team at the end of the financial year consisted of Jukka Tapaninen (CEO), Kaisa Helminen (COO), Veli-Matti Parkkonen (CFO), Kari Pitkänen (Business Development Director), Tuomas Ropponen (CTO) and Thomas Westerling-Bui (President, Americas). Kari Pitkänen has retired on 1 January 2023.

Board of Directors

The members of Aiforia's Board of Directors during the financial period were Pekka Mattila (Chairman), Johan Lundin, Monita Au Kin Lai (until 5 April 2022), John Sweeney (until 25 August 2022), John Wellbank (until 5 April 2022), Maria Fe Paz de Paz (from 5 April 2022) and Jerry Jian Hong (from 5 April 2022).

Annual General Meeting

The Annual General Meeting (AGM) held on 5 April 2022 approved the financial statements for the financial period 1 January 2021–31 December 2021 and granted the members of the Board of Directors and the CEO exemption from liability.

The AGM elected Pekka Mattila, Johan Lundin, John Sweeney, Maria Fe Paz de Paz and Jerry Jian Hong as members of the Board of Directors.

The AGM decided on the annual remuneration of the Board of Directors as follows: EUR 40 thousand for the Chairman, EUR 25 thousand for the Vice-Chairman and EUR 20 thousand for the members. The annual remuneration of the Chairmen of the Audit and Remuneration Committees was decided to be EUR 4 thousand and the Committee members EUR 2 thousand.

The AGM re-elected PricewaterhouseCoopers Oy as the company's auditor, who has appointed Martin Grandell, Authorized Public Accountant, as the principal auditor until the end of the next Annual General Meeting.

The AGM authorized the Board of Directors to decide on the issue of a maximum of 2,577,000 shares. This authorization cancels the previous authorizations granted to the Board of Directors to issue shares. The authorization is valid until the next Annual General Meeting, but not later than 30 June 2023. The AGM authorized the Board of Directors to decide on the issue of warrants and other special rights entitling the holder to shares, with the maximum number of shares being 1,400,000. This authorization does not override previous authorizations granted to the Board of Directors to issue special rights entitled to shares. The authorization is valid until the next Annual General Meeting, but no later than 30 June 2023.

Risks and risk management

Aiforia is exposed to risks arising from the operating environment, business, 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 ones that may harm the company's business, prospects, and value.

Risks related to Aiforia's operating environment

The escalation of the war in Ukraine during the year under review has brought instability to European geopolitics and energy and financial markets on many levels. 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

According to Aiforia's assessment, there have been no significant changes in the risks to its business. Despite the promising sales growth, the company's prospects and profitability remain dependent on whether and in what timeframe the company succeeds in winning customers for its clinical diagnostics software solutions. In addition, the business is subject to risks related to the success of product development and the retention of key personnel.

Risks related to Aiforia's information systems

The risk of power outages and attacks on information systems is estimated to have increased during the period under review. 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 services, the availability of the software solutions provided by Aiforia to its customers will also be affected. As its cloud service providers, Aiforia selects prominent international players, which have the resources to ensure the quality and availability of the service.

Legal and regulatory risks

During the period under review, there were significant changes in the regulation of in vitro diagnostic (IVD) medical devices in Europe. The previous IVD Directive was replaced by the IVDR Regulation, which changed the risk classification of in vitro diagnostic medical devices. At the same time, the role of notified bodies changed, and stricter requirements for clinical trial demonstration and conformity assessment, and quality control were introduced. These changes

also affect the registration of Aiforia's new in vitro diagnostic products and may slow down the commercialization process of these products in Europe.

In addition, as the company offers clinical software solutions in new geographic regions, it is possible that 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 seeks to protect innovations important to its operations, for example, through patents and patent applications. In the period under review, Aiforia obtained two new patents in the United States for the processing and analysis of images of pathological specimens.

Risks related to Aiforia's financial position

At the end of the financial year, Aiforia is in a good financial position. 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 proportion of Aiforia's turnover is made up of dollars coming 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 is EUR -8,355 thousand and the distributable free equity is EUR 24,917 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 financial period

On 10 February 2023, Aiforia announced it had received a contract award to provide artificial intelligence solutions for 25 NHS Trusts pathology departments in the UK to support the

diagnosis of patients. The contract award enables the Trusts to purchase directly from Aiforia and to sign individual contracts without laborious tender processes. The duration of the individual contracts with the hospitals will be three years, with a possible three-year extension.

Webcast

Aiforia arranges a live webcast for investors, analysts, and media on 2 March 2023 at 11.00 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/q4-2022-result>.

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

Further inquiries

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Financial reporting in 2023

The calendar for Aiforia Technologies Plc's financial reporting concerning the financial year 2023 is as follows:

- 9 March 2023: Board of Directors' Report and Financial Statements 2022
- 25 August 2023: Half-Year Financial Report for 1 January–30 June 2023

The Annual General Meeting of Aiforia Technologies Plc is planned to be held on 30 March 2023.

After publication, the financial reports will be available on Aiforia's website at

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

Principles for the preparation of the financial statements release

The financial statements bulletin has been prepared in accordance with Finnish accounting legislation (FAS) and is unaudited. Figures are presented in thousands of euros.

Consolidated income statement

(EUR thousand)	1 Jan. 2022 - 31 Dec. 2022	1 Jan. 2021 - 31 Dec. 2021
Revenue	1,868	974
Other operating income	138	421
Materials and services	-570	-373
Personnel expenses	-5,674	-2,310
Depreciation, amortisation and impairment losses	-2,095	-1,239
Other operating expenses	-3,871	-2,163
Operating loss	-10,203	-4,691
Financial income and expenses	-404	-2,886
Loss before appropriations and taxes	-10,607	-7,576
Loss for the period	-10,607	-7,576

Consolidated balance sheet

(EUR thousand)	31 Dec. 2022	31 Dec. 2021
ASSETS		
Non-current assets		
Intangible assets	8,437	4,723
Tangible assets	531	50
Total non-current assets	8,968	4,773
Current assets		
Long-term receivables	88	
Current receivables	1,582	1,003
Cash and cash equivalents	24,698	38,092
Total current assets	26,368	39,095
Total assets	35,336	43,868
EQUITY AND LIABILITIES		
EQUITY		
Share capital	103	103
Reserve for invested unrestricted equity	57,582	55,451
Retained earnings (losses)	-17,792	-10,130
Loss for the financial year	-10,607	-7,576
Total equity	29,286	37,848
Non-current liabilities		
Loans from financial institutions	2,185	2,690
Total non-current liabilities	2,185	2,690
Current liabilities		
Loans from financial institutions	505	205
Advances received	1,041	513
Trade payables	992	1,895
Other current liabilities	113	74
Accruals and deferred income	1,214	644
Total current liabilities	3,865	3,331
Total liabilities	6,050	6,020
Total equity and liabilities	35,336	43,868

Consolidated statement of cash flows

(EUR thousand)	1 Jan. 2022 - 31 Dec. 2022	1 Jan. 2021 - 31 Dec. 2021
Cash flow from operating activities		
Loss before appropriations and taxes	-10,607	-7,576
Adjustments for:		
Depreciation, amortisation and impairment losses	2,095	1,239
Other non-cash items	-91	-421
Financial income and expenses	404	2,886
Operating profit before working capital changes	-8,199	-3,872
Changes in working capital:		
Increase(-) or decrease(+) of current interest-free receivables	-920	-343
Increase(-) or decrease(+) of current interest-free liabilities	101	1,732
Cash flow from operating activities before financial items and taxes	-9,017	-2,483
Interest paid and payments from other operating financial expenses	-499	-76
Interests received from business operations	99	109
Income taxes paid		
Cash flow from operating activities (A)	-9,418	-2,450
Cash flow from investing activities		
Investments in tangible and intangible assets	-6,333	-3,793
Proceeds from sale of tangible and intangible assets		1
Grants received for investments	425	984
Cash flow from investing activities (B)	-5,907	-2,807
Cash flow from financing activities		
Proceeds from share issue	2,131	44,660

Share issue and IPO expenses		-2,923
Loans from financial institutions increase (+)/decrease (-)	-205	-311
Cash flow from financing activities (C)	1,926	41,426
Net increase (+)/(-) decrease in cash and cash equivalents (A+B+C)	-13,399	36,169
Effects of changes in foreign exchange rates	5	10
Cash and cash equivalents at the beginning of the period	38,092	1,912
Cash and cash equivalents at the end of the period	24,698	38,092

Consolidated statement of changes in equity

1 Jan. 2022 - 31 Dec. 2022

(EUR thousand)	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
Equity at 1 January 2022	103	55,451	-17,706	37,848
Conversion difference and average exchange rate difference			-86	-86
Loss for the financial year			-10,607	-10,607
Share issue		2,131		2,131
Equity at 31 December 2022	103	57,582	-28,399	29,286

1 Jan. 2021 - 31 Dec. 2021

(EUR thousand)	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
Equity at 1 January 2021	103	10,790	-10,007	886
Conversion difference and average exchange rate difference			-123	-123
Loss for the financial year			-7,576	-7,576
Share issue		44,660		44,660
Equity at 31 December 2021	103	55,451	-17,706	37,848

Changes in intangible and tangible assets

(EUR thousand)	INTANGIBLE ASSETS			TANGIBLE ASSETS	Total
	Capitalized development costs	Other intangible assets	Advance payments	Machinery and equipment	
Cost on 1 January	4,723		43	8	4,774
Additions	5,739	11		583	6,333
Disposals			-43		-43
Amortisation and impairment losses	-2,035			-59	-2,095
Book value on 31 December	8,427	10	0	532	8,969

Guarantees, commitments and off-balance sheet arrangements

(EUR thousand)	31 Dec. 2022	31 Dec. 2021
Lease commitments		
Payable during the following financial year	301	105
Payable later	1,030	
Other commitments		
EU H2020 grant, unaudited		1,743
Decider grant, unaudited	149	67

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

Related party transactions

The Group's related parties include the CEO, the Board of Directors and the Management Team as well as their family members and companies under their control. In addition, related parties include the Company's shareholders, which are deemed to have significant influence over the Company.

During the financial year 2022 Aiforia has had two related party transactions, when services have been sold to a controlling entity of a related party for EUR 37 thousand.

A total of 834 500 options have been granted to related parties for the period 1.1.2022-31.12.2022.

Calculation of key figures

Key figure	Formula
EBITDA	Operating profit (loss) before depreciation and amortisation
Operating profit (loss)	Profit (loss) before income taxes and financial income and expenses
Equity ratio	Total equity/ (Balance sheet total - advances received)
Net debt	Loans from financial institutions - cash and cash equivalents
Earnings per share, undiluted	Profit (loss) for the financial period / weighted average amount of shares outstanding during the financial period
Earnings per share diluted	Profit (loss) 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 * amount of outstanding shares