



aiforia[®]

AI for image analysis



Steady progress in building on the foundations for future growth

FINANCIAL STATEMENTS BULLETIN 2023

Aiforia Technologies Plc

7 March 2024

Today's agenda

- 01.** 2023 results in brief
- 02.** Financial review
- 03.** Strategy and business targets
- 04.** Q&A



Jukka Tapaninen
CEO



Veli-Matti Parkkonen
CFO

Highlights of 2023



The analysis of breast cancer patient tissue samples using Aiforia's software began at the Mayo Clinic Hospital in the US.



Pharma deals and collaborations to develop AI-based image analysis solutions for preclinical research and product development.



Path initiated to secure first regulatory approval in the United States and implement the necessary steps to submit an application to the FDA during 2024. HIPAA compliancy achieved.



Achieving previous business targets and the publication of the updated business targets.



Recent deals and collaborations



MAYO CLINIC

- Major milestone: **the analysis of breast cancer patient tissue samples in routine diagnostics**
- +70 pathologists using Aiforia Platform in translational research
- +30 ongoing research projects utilizing the Aiforia's technology at the Mayo Clinic
- An exclusive licensing agreement to globally commercialize an AI model that improves prediction of colorectal cancer recurrence



VENETO REGION HEALTH AUTHORITY

- EUR 1.2 million
- 12 hospital units
- 3 year contract
- Breast, prostate and lung cancer diagnostics

CATANIA REGION HEALTH AUTHORITY

- EUR 250 thousand
- 1 hospital unit
- 3 year contract
- Breast and prostate cancer diagnostics



PATHLAKE PLUS CONSORTIUM / NHS

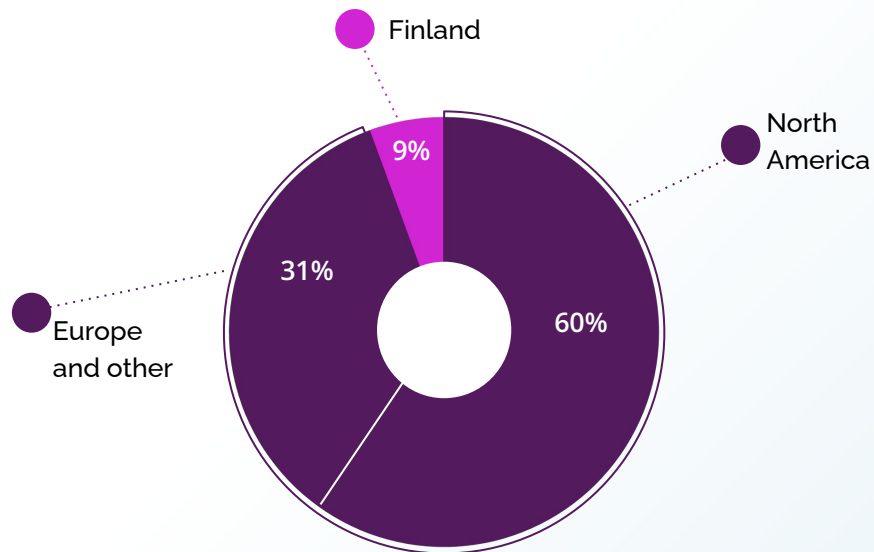
- 3 year framework contract for lung and prostate cancer diagnostics
- First deal signed with a NHS Trust for lung cancer diagnostics

2023 results in brief



Group revenue increased by **49% to EUR 2,398 thousand**

91% of the revenue came from abroad



Order book was **EUR 2,373 (1,147) thousand**



EUR 5,927 thousand investment in product development



EBITDA was **EUR -9,699 (-9,652) thousand**



Cash and cash equivalents at the end of the period amounted to **EUR 13,974 (24,698) thousand**

2 Financial review

The main effects of IFRS transition

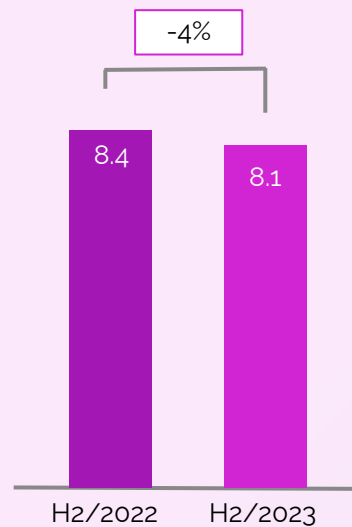
- **Revenue recognition (IFRS 15)**
 - compared to FAS slightly postponing revenue recognition
- **Share based payments (IFRS 2)**
 - non-monetary employee cost (P&L). Offsetting entry recorded in equity (BS)
- **Leases (IFRS 16)**
 - operating expense > interest+depreciation of right to use asset (P&L)
 - lease liability & right to use asset (BS)

Selected key figures 2023

EUR 1,000						
Group	7-12/2023	7-12/2022	Change, %	2023	2022	Change, %
Revenue	1,438	1,032	+39%	2,398	1,606	+49%
EBITDA	-4,616	-5,656	+18%	-9,699	-9,652	+0%
EBIT	-6,363	-6,994	+9%	-12,879	-11,878	-8%
Equity ratio, %	66%	83%	-20%	66%	83%	-20%
Cash and cash equivalents at the end of the financial year	13,974	24,698	-43%	13,974	24,698	-43%
Order book	2,373	1,147	+107%	2,373	1,147	+107%
Number of employees on average	76	71	+7%	73	65	+12%
Personnel expenses	4,848	4,843	+0%	9,154	8,092	+13%
Investment in tangible and intangible assets	2,917	3,301	-12%	6,071	6,536	-7%

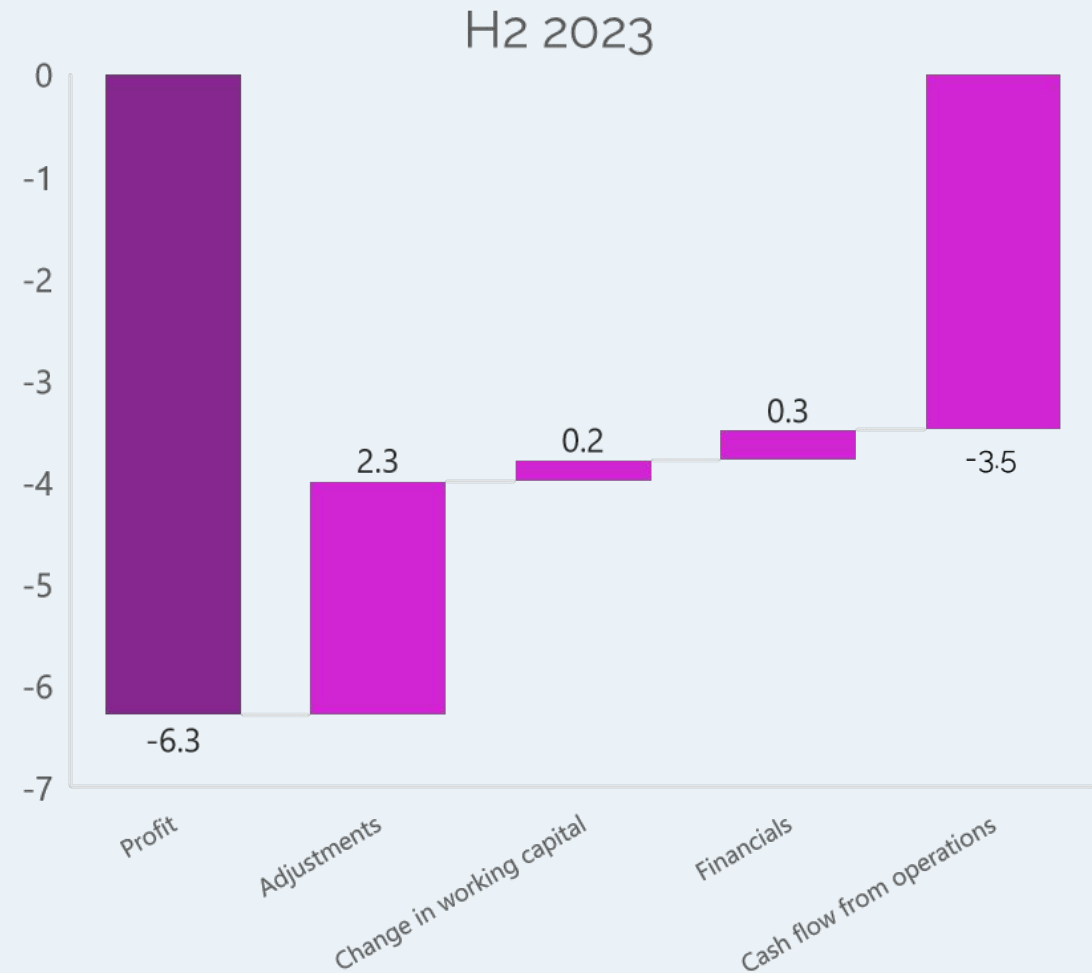
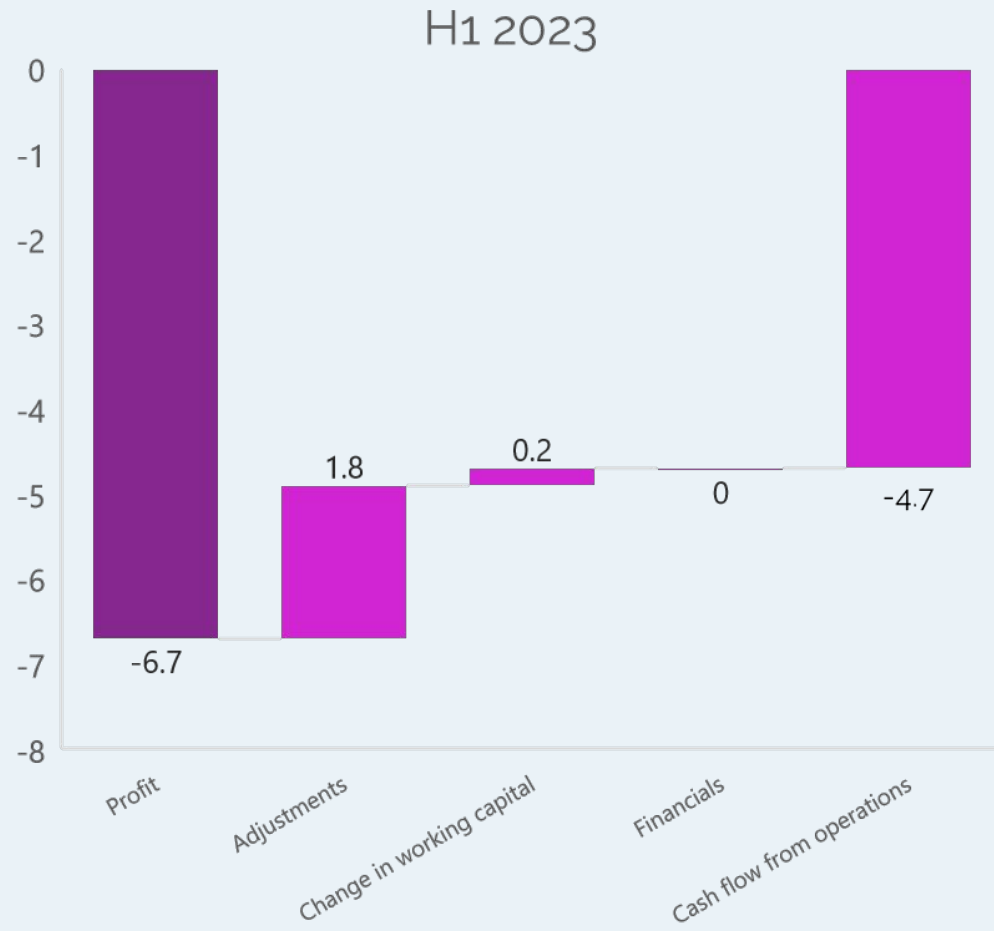
Fixed costs are levelling

Total fixed costs (excl. share-based payments), EUR million



EUR 1,000	H2/2023	H2/2022	Change, %	FY 2023	FY 2022	Change, %
Employee costs (excl. s-b.p.)	4,139	3,788	9%	7,973	6,626	+20%
Share-based payments	709	1,055	-33%	1,181	1,466	-19%
OPEX	3,918	4,567	-13%	8,366	8,638	-3%
Total fixed costs (excl. share-based payments)	8,057	8,355	-3%	16,339	15,264	+7%

Cash flow from operating activities H1 vs H2/2023



Board of Directors' proposal for the distribution of profit

In the years to come, Aiforia will focus on financing its growth and developing its business operations in accordance with its strategy. The company does not expect to be distributing dividends in the short or medium term.

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.

3 Strategy and business targets

Market opportunity

Population in relation to the number of pathologists¹

Rising rates of disease like cancer, ..



30% increase in cancer rates
in the US in past 50 years

...create a huge burden on pathologists, an already dwindling medical specialty...



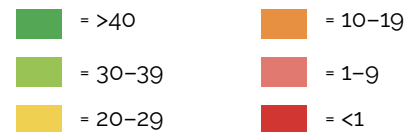
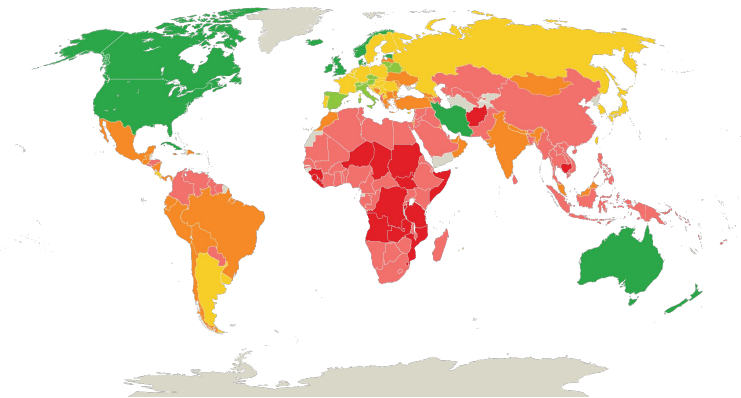
2.03% drop to 1.43% in pathologists

as a % of total physicians in past 10 years



41.73% workload increase

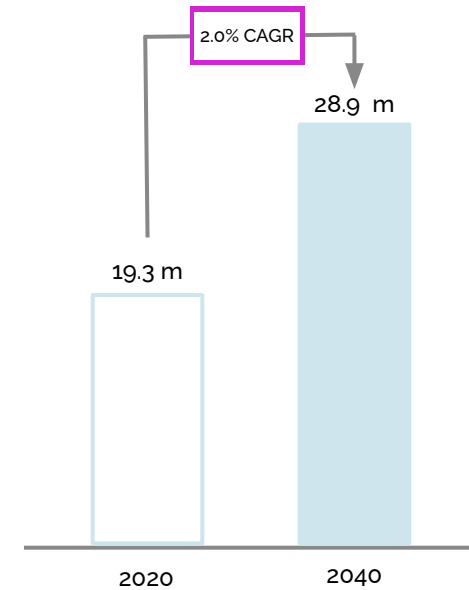
Pathologists Per Million



The shortage of pathologists makes the job stressful and require in some cases overtime work frequently. The pathologists retiring early further exaggerates the shortage problem.

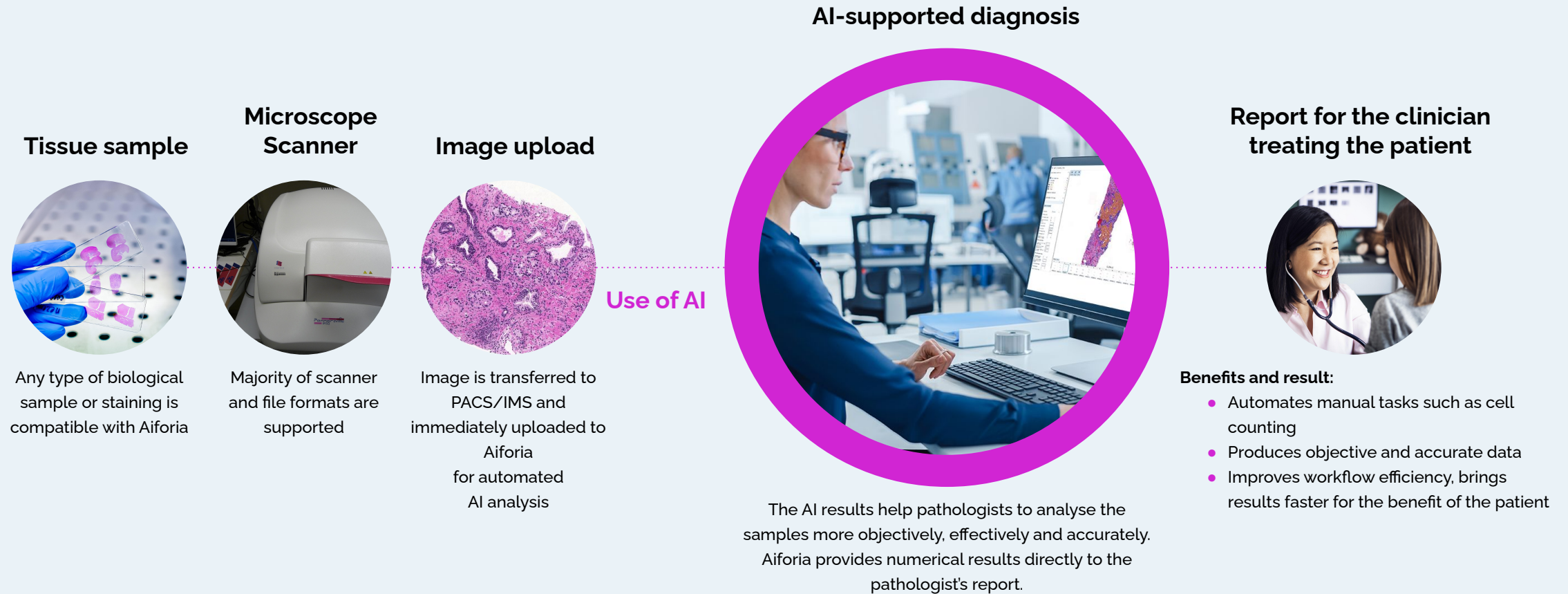
... with no reduction of sample volumes in sight

Estimated global cancer increases cases 2020-2040⁴

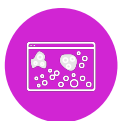


The growing cancer incidence rates, estimated to increase by 49.7% during 2020-2040, will lead to increasing number of pathology tests. Constantly increasing number of new diagnostic tests increase the workload and require new expertise.

Adoption of AI in pathology is accelerating



Key competitive advantages



AI TECHNOLOGY LEADERSHIP

Pioneer in providing commercial AI training tools for pathologists since 2018
Aiforia platform enables development of both diagnostic and predictive AI models
Continuous product development to leverage new technologies, such as GenAI



SCALABILITY

SaaS business model - the software and the AI models
Customer-developed AI-models



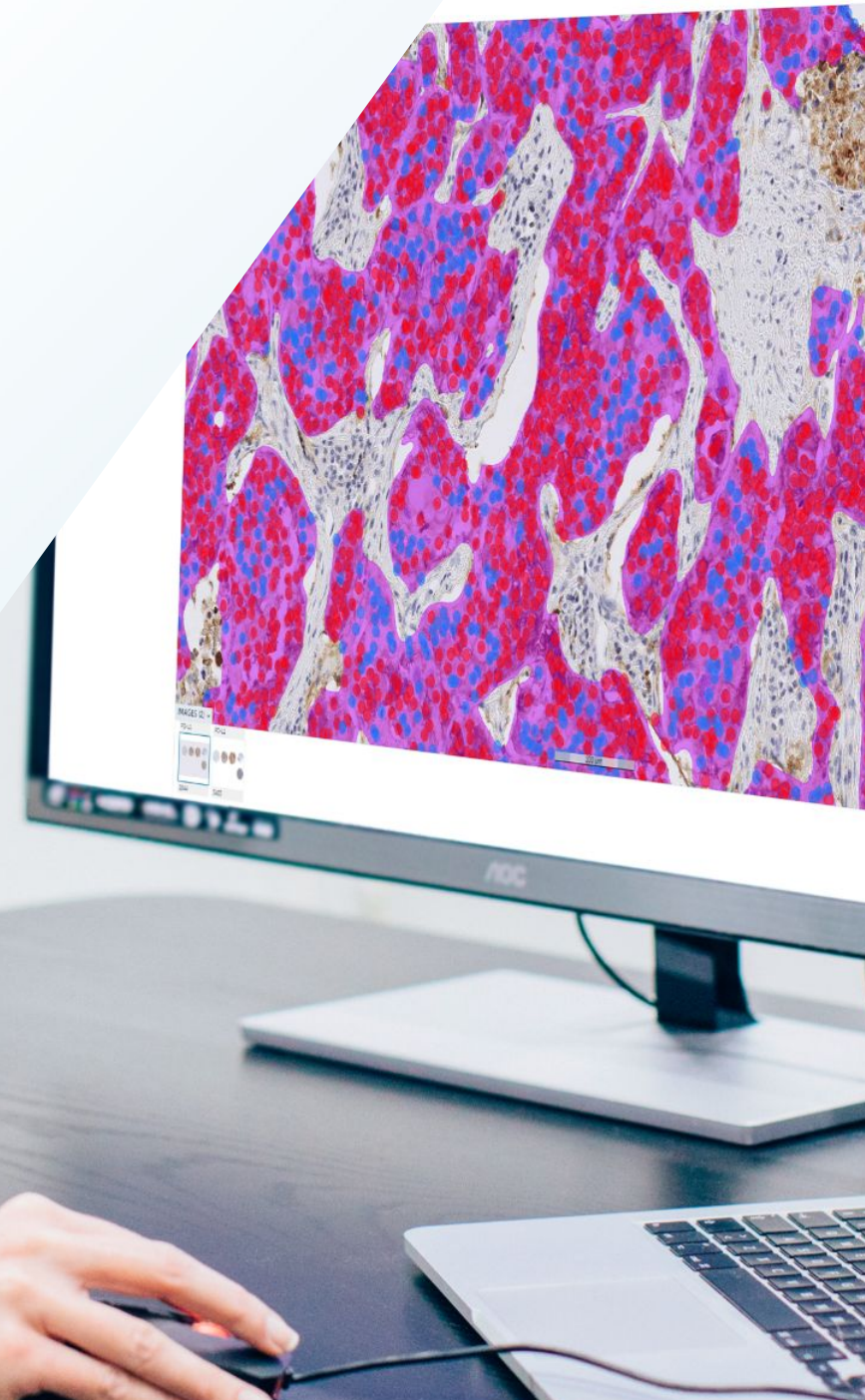
INTEROPERABILITY

Strategic partners within the ecosystem to provide complete solutions



CERTIFIED QUALITY AND SECURITY

Strong scientific and regulatory validations secure position against new competitors



Our strategy 2024–2025

Megatrends

- AI transformation
- Cloud adaptation in healthcare
- Aging population
- Rising healthcare costs
- Shortage of pathologists
- Personalized healthcare

Mission

Our mission is to transform pathology image analysis with AI, enabling better care for each patient.

Vision

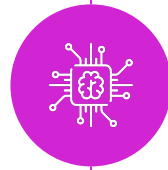
We envision being the global leader in AI-powered pathology image analysis.

Strategic focus areas



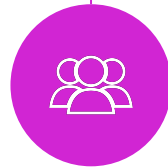
GROWTH

Invest in sales, marketing and support services in US, Europe and other key markets to enable strong growth. Scale the business by acquiring new customers, increasing sales within individual accounts and establishing key strategic partnerships.



PRODUCT

Invest in R&D to strengthen our competitive advantage (future-proof, transparency, ease of use, security) and continue developing features to further improve customer experience. Adopt new regulatory frameworks in key markets.



PEOPLE

Invest in people management to improve employee experience and personnel productivity. Leverage our purpose-driven culture to attract and retain top-tier talent.

Values guide the way we work

PROFITABILITY WITH PURPOSE

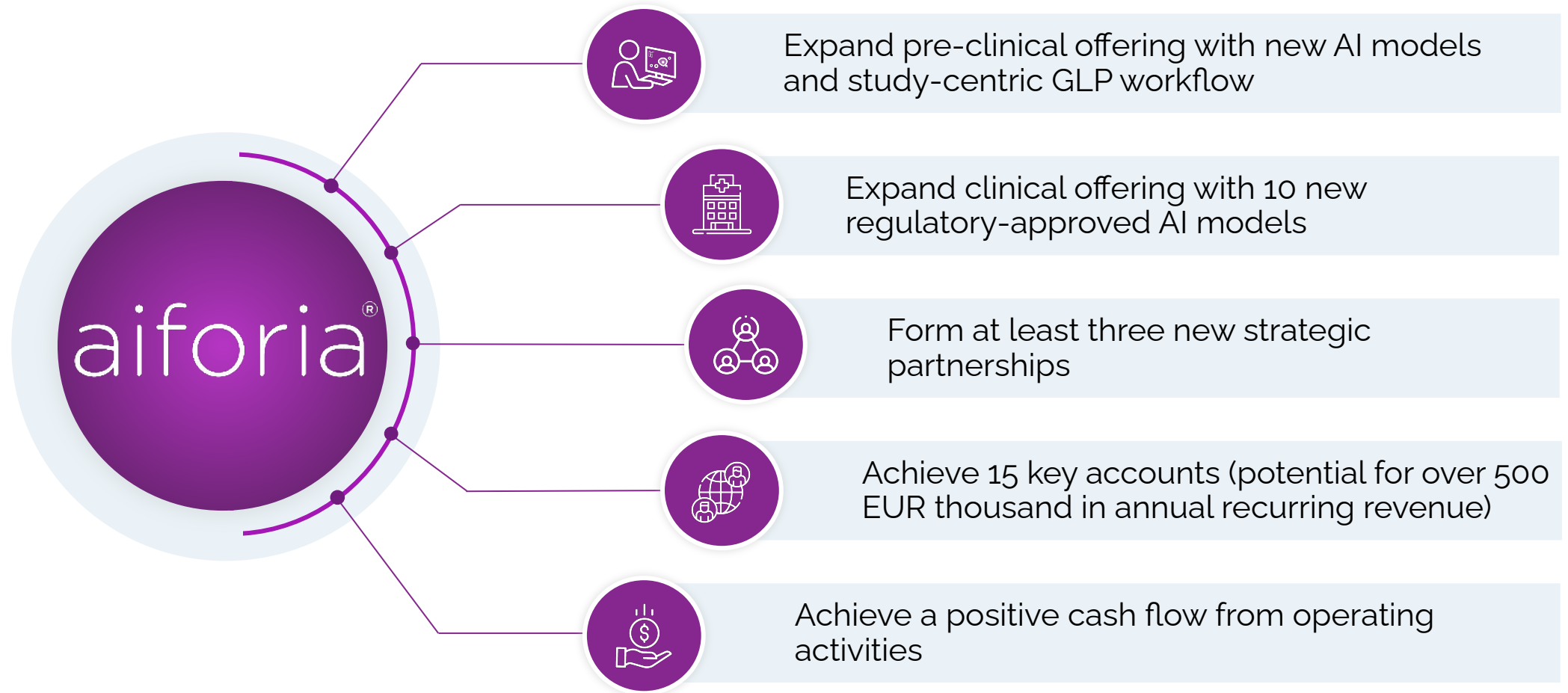
EMBRACING THE MORAL COMPASS

COLLABORATIVE SUCCESS

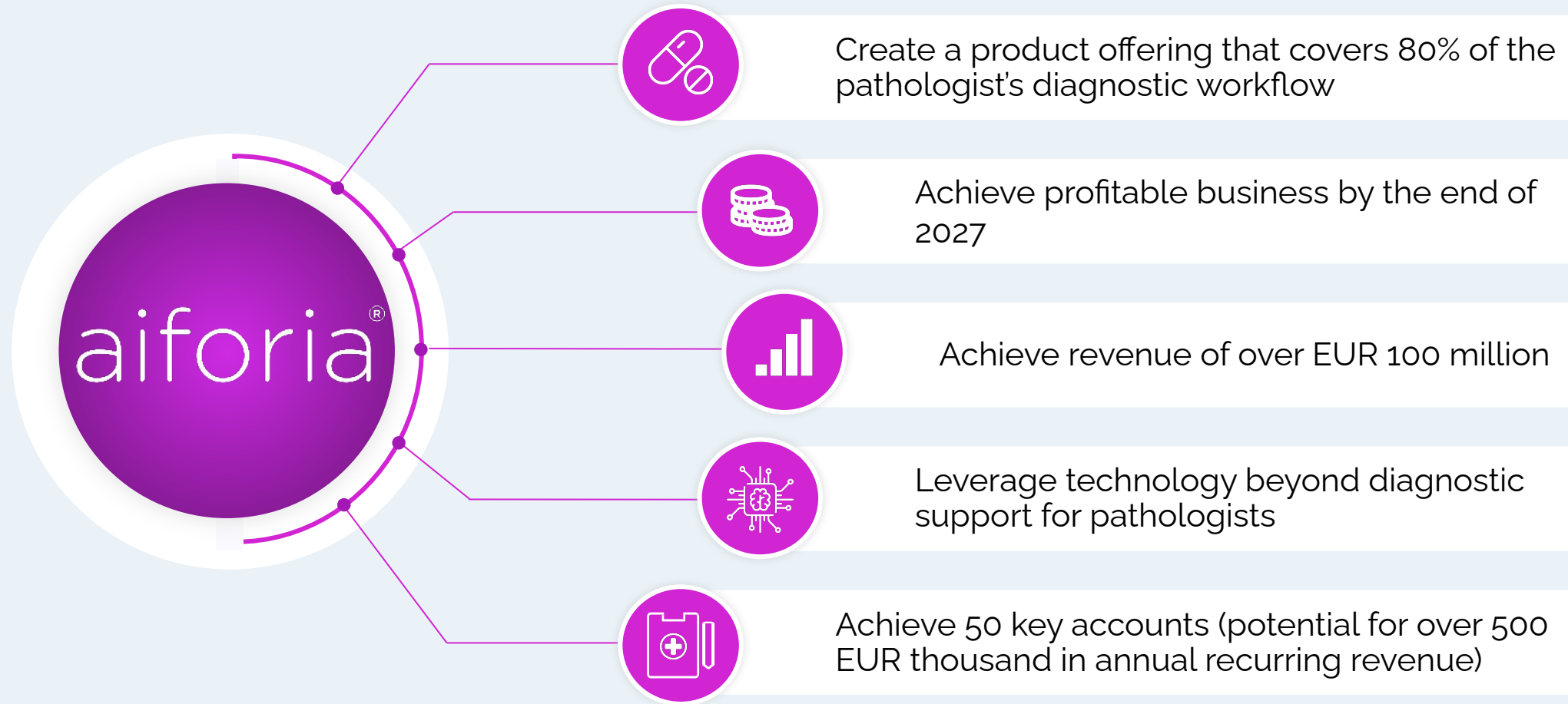
Previous business targets (2021–2023) were met



Short-term business targets 2024–2025



Mid-term business targets by the end of 2030



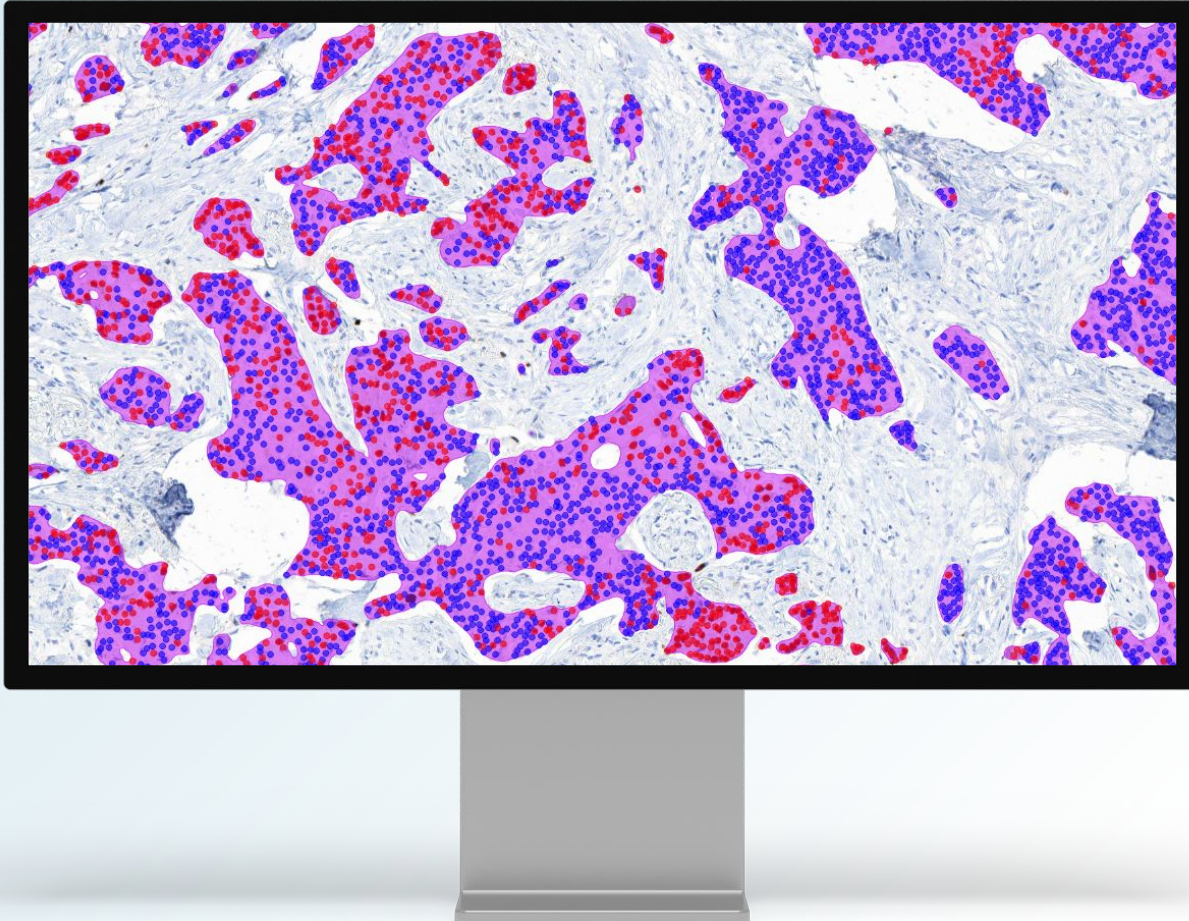
Forthcoming events

The Board of Directors' Report and the Financial Statements for financial year 2023 will be published on 13 March.

Annual General Meeting 2024 on 4 April.
Materials available at
<https://investors.aiforia.com/>

Half-Year Financial Report for 1 January–30 June 2024 will be published on 29 August.

Financial reports are available after release at
<https://investors.aiforia.com/>



4 Q&A



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Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties that may cause actual results to materially differ from those expressed in such forward-looking statements. All statements are based on the management’s best assumptions and beliefs in light of the information currently available to it and Aiforia assumes no obligation to publicly update or revise any forward looking statement except to the extent legally required.



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