

SIFTER RESEARCH

Theon International Plc

AMS: THEON

*Optronics. Night Vision. The Invisible Edge.**A Founder-Led, Asset-Light Compounder in the European Defense Renaissance.*

Price	€33.00	Net Debt (pro-forma)	~€212M	Currency	EUR (€)
Market Cap	€2,594M	Shares Outstanding	~78.6M	EV (Dec-31-2025 net cash)	~€2,467M reported
Adj. EBITDA Margin (FY2025)	27.1%	FY2025 Revenue	€443.5M	Order Intake (FY2025)	€1,313.9M
Net Cash (Dec-31-2025)	€126.9M	Soft Backlog (Dec-31-2025)	€1,414.3M	FY2026 Rev. Guidance	€570-600M

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*Prepared exclusively from publicly available investor materials.**This report is for informational purposes only and does not constitute investment advice.*

I. THE BUSINESS IN PLAIN LANGUAGE

“If you can’t explain it to a child, you don’t understand it.”

Theon International makes night vision and thermal imaging devices for soldiers. It designs them in Greece, assembles them across a network of facilities in Europe, Asia and the Gulf, ships them to militaries in 71 countries and collects high margins doing it.

What makes Theon unusual is not what it makes but how it does it. In a defence sector dominated by prime contractors Theon is a 29-year-old Greek niche specialist that has quietly built a leading position in European man-portable military optronics, including a >50% market share in night vision goggles in Europe and the UAE (per company investor materials), by being faster, more flexible and more ITAR-free than many of its rivals. The company operates on an asset-light assembly model that has allowed revenues to compound at roughly 50% annually over the four-year period 2019-2022, and at approximately 46% CAGR from 2022 to 2025 (€143M to €443.5M), with minimal fixed-capital investment throughout. It listed on Euronext Amsterdam in February 2024, raised approximately €93.9 million net at IPO and has since delivered on every public commitment it made on that day. It now trades at approximately €2.59 billion market cap with €2.27 billion in combined soft backlog and contractual options, revenue visibility that most manufacturers would envy for the next three years.

One Product Family, One Mission, One Geography of Advantage

Theon develops, manufactures and sells two primary product categories: night vision (NV) devices and thermal imaging (TI) devices, with an emerging third line of digital and augmented-reality soldier systems under the A.R.M.E.D. brand and a newly acquired fourth pillar in platform-based optronics for land vehicles and aircraft via Kappa Optronics. Night vision devices represent the majority of revenues historically. These are goggles, binoculars, weapon sights, and helmet clip-ons that amplify ambient light using Image Intensifier Tubes (IITs) at their core. The technology has evolved from a specialist item into a standard-issue requirement: most NATO members are moving toward a 1:1 ratio of NV devices to frontline soldiers, a target that major combat units are planned to reach and the Russia-Ukraine conflict has accelerated that transition. Theon has over 250,000 systems in service globally across 71 countries, 26 of which are NATO members.

The Company is listed on Euronext Amsterdam under the symbol THEON and is incorporated in Cyprus, with its main manufacturing operations headquartered in Athens, Greece.

The A.R.M.E.D. ecosystem (Augmented Reality Modular Ecosystem of Devices) represents Theon’s strategic bet on the digital soldier. These are add-ons to existing NV hardware that add live video feeds, data overlays,

intra-squad communication and connectivity to drones and vehicles. They transform an analog NV goggle into a networked node on the modern battlefield. Theon began commercializing A.R.M.E.D. products in 2024 and management expects revenue from new digital products (A.R.M.E.D. plus Kappa Optronics combined) to more than double in FY2026 and reach approximately 20-25% of group revenues (per FY2025 Preliminary Results, February 2026).

Kappa Optronics, acquired for €69.9 million and consolidated from January 2026, is a German specialist in aviation and land vehicle optronics serving major European OEMs as a Tier-1 supplier. For approximately 1.9x revenue (€69.9M consideration on Kappa's €37M+ FY2025 revenues), Theon acquired 50 years of platform-sector relationships, three manufacturing facilities and an immediate route into the longer-cycle, higher-ticket defense platform market. This acquisition opens the platform-based optronics market to Theon for the first time, materially expanding its total addressable market.

The table below summarises the four producing assets:

Segment	Products	Status	Est. Rev. Share (FY2025)	Key Notes
Core Night Vision (NV)	Goggles, binoculars, weapon sights, helmet clip-ons	Mature; core revenue driver	~65-70%	>50% market share in night vision goggles in Europe and the UAE. 250,000+ units in 71 countries. Core cash-generative engine with 27%+ EBITDA margins. IIT-dependent; supply secured via Harder Digital and Exosens.
Thermal Imaging (TI)	Standalone thermal sights, clip-on attachments	Growing	~15%	Complementary to NV; increasingly procured together as layered soldier sensor suite. Growing share of contracts.
A.R.M.E.D. / Digital	AR clip-ons, networked soldier displays, digital overlays	Launch phase	~5-10% (growing)	Bolt-ons to existing NV hardware. AR overlays, live data feeds, intra-squad comms. Expected to exceed 20% of revenue in FY2026 combined with Platforms.
Platforms (Kappa)	Kappa Optronics (acquired Jan 2026)	FY2026 first full year	~10% (FY2026e)	Fire control systems, stabilized sights, driver vision enhancers (vehicles/aviation)

The ITAR-Free Advantage and the Hensoldt JV

In a geopolitical environment where many customers prefer ITAR-free solutions, Theon's freedom is a durable competitive advantage in customer acquisition. Countries seeking non-US-origin night-vision systems have a short list of alternatives, and Theon is typically near the top of it.

The Hensoldt JV is Theon's route to the largest NATO procurement contracts.

Hensoldt AG is a German defense electronics specialist and a Tier-1 supplier to the Bundeswehr, with long-established relationships with NATO procurement authorities including OCCAR. Through its JV with Hensoldt, Theon participates in and wins large sovereign procurement tenders that would otherwise require decades of relationship-building with defense ministries. Theon owns the IP and technology; Hensoldt provides the defense-establishment access and acts as the prime contractor interface.

In December 2025, the OCCAR-Hensoldt/Theon consortium won the largest single NV goggle procurement contract ever placed through OCCAR: a circa €1 billion order covering 100,000 NVGs for the German Bundeswehr and 4,000 NVGs for the Belgian Armed Forces, plus a facility and services implementation option. This single contract drove full-year FY2025 order intake to €1,313.9 million, a 182% increase versus FY2024's €466 million. The asset-light assembly model completes this picture: Theon designs modular, interchangeable products that are assembled in partner facilities across eight countries. This eliminates fixed-capacity constraints, compresses delivery times versus integrated prime contractors, and lets Theon scale without heavy capex. The result is a very high revenue-to-fixed-asset profile, consistent with an asset-light business model.

Since completing the vertical integration acquisitions, Theon has deepened its supply chain position and broadened its product portfolio. Both Harder Digital and the Exosens commercial relationship were operational within 18 months of IPO. The backlog has grown from €654M to €1,414M.

Who Buys Theon's Products and Why?

Theon's customers are government defense ministries, national armies and special forces. The procurement process is typically a competitive tender administered by the defense ministry or a procurement agency such as OCCAR. Winning a tender means being specified into a military's standard kit, once an army's soldiers are trained on Theon NV goggles or thermal sights, the cost and operational risk of switching to a competitor's platform is prohibitive. Switching costs are high, contracts are recurring, and the installed base compounds with each new tender win. The customer does not compare on price alone: delivery time, product quality and the ITAR-free status are the decisive variables. Theon's fastest delivery time in its class (hard backlog to shipment within 6-12 months, versus 18+ months for most competitors) has been an advantage in winning urgent orders (UORs) from defense budgets that must be spent before year-end. These unplanned urgent orders, which management cannot guide towards but which recur every Q4, represent a source of upside surprise relative to guidance.

Unlike a commodity producer, Theon has genuine pricing power.

Its products are not interchangeable with lower-cost alternatives because the ITAR-free certification, the delivery speed and the product quality together constitute a bundle no other non-US supplier can replicate in full. Premium pricing relative to peers: Theon's EBITDA margins of approximately 27% are above the defense sector average and have been sustained through the company's growth from €150 million to €443 million in revenues since 2022.

The correct analytical framing is "what is the value delivered per unit versus the cost structure?" In FY2025, Theon generated €120.1 million of adjusted EBITDA on €443.5 million of revenue, a 27.1% margin, with capex of only €18.6 million, or 4.2% of revenues. High margins and minimal capital intensity: a combination rarely found in hardware manufacturing.

What Does the Business Look Like in Five Years?

The five-year picture for Theon is unusually well-defined by the backlog alone. The €1,414 million soft backlog as of year-end 2025 spans the delivery schedule to approximately 2029, the first time in Theon's history that revenue visibility extends beyond the typical 18-month horizon. Management has guided FY2026 revenues of €570-600 million, approximately 30% growth, with the organic component above 20% and the balance inorganic from Kappa Optronics consolidation. The medium-term guidance, reiterated in February 2026, is organic revenue growth of at least 15% per annum, which management believes will be sufficient to achieve the €1 billion revenue target ahead of the original 2030 projection.

Four changes define the five-year trajectory.

First, the product mix evolves from an NV-dominated single-segment business to a multi-segment portfolio: Core NV and TI, A.R.M.E.D. digital soldier systems, Platform-based (Kappa) and Harder Digital tube production. The Platform segment in particular follows a long-cycle procurement rhythm: once specified into a vehicle platform, Theon's systems generate recurring upgrade and maintenance revenue for the platform's entire service life, typically 20-30 years.

Second, the supply chain internalization compounds: as Harder Digital's capacity expands (accelerated investment was announced in January 2026 to boost IIT output) and the Exosens supply partnership deepens, Theon's cost structure improves substantially. Management has indicated the vertical integration investments are expected to expand gross and net margins by 500-700 basis points over the medium term.

Third, geographic expansion from a Germanic/European base to global continues: Theon now has subsidiaries in Greece, Germany, Belgium, Latvia, Denmark, South Korea, Switzerland, Gulf states, Singapore, Cyprus and the United States.

Fourth, the digital-analogue convergence: A.R.M.E.D. products, Kopin AR/VR displays and eMagin OLED micro-display supply agreements position Theon as a hardware-software integrated soldier systems provider, expanding the revenue per soldier addressable at each existing customer relationship.

By 2028-2030, a fully-executing Theon generating €800 million to €1 billion in revenue at maintained 27%+ EBITDA margins would generate €216-270 million in annual EBITDA. The backlog architecture, now extending to 2029, means a meaningful portion of that revenue is already contracted. The balance sheet, restored to net cash after the acquisition leverage cycle, will be the foundation for the next phase of M&A or capital returns.

The tailwind is the broader European rearmament cycle and the push for higher defence spending across NATO markets. Night vision and thermal imaging devices are among the highest-priority line items in a soldiers' equipment budget: high utility, proven in combat and non-negotiable in modern warfare doctrine. That is the backdrop against which Theon's order intake grew 182% in FY2025 and against which the €1,414 million backlog was assembled. Theon's ambition to become a leading European defence optoelectronics company is being built on this foundation.

II. THE MOAT: ITAR-FREE SUPPLY CHAIN, PRICING POWER AND THE VERTICAL INTEGRATION PLAY

“A castle without a moat is just a building waiting to be besieged.”

Night vision is not a commodity business. Theon charges a premium. There are switching costs, ITAR-free supply constraints, delivery-time advantages and deep relationships with defense procurement bodies that competitors cannot replicate. A conventional moat analysis applied to Theon would identify multiple reinforcing advantages. The task is to distinguish which are durable and which are transient, and to understand how they interact.

The relevant competitive advantages for Theon are: ITAR-free supply chain (which determines the addressable customer universe), IIT vertical integration (which determines cost and supply security), EBITDA margin sustainability (which measures whether pricing power is structural or cyclical), asset-light scalability (which determines whether growth requires capital), and organizational capability (which determines whether management can compound the platform). Theon has a demonstrable, quantifiable advantage in all five. The following sections examine each in turn.

The ITAR-Free Moat

The ITAR-free status is Theon’s most durable structural advantage and it is getting more valuable, not less, as US foreign policy becomes more unpredictable. ITAR restricts L3Harris and Elbit Systems from selling to dozens of countries without explicit US government approval. Those approvals are discretionary, politically sensitive, and often delayed by 6-12 months. In periods of US diplomatic tension with any country, and such periods are frequent, US competitors are effectively shut out of entire markets. Theon is not. It can sell to virtually any country in the world without US regulatory clearance, using IITs sourced entirely from Harder Digital (Germany) and Exosens (France). This is the difference between being on the short list and being disqualified before the tender opens.

The IIT Supply Chain Lock

The single most strategically important fact about Theon’s competitive position is that it now controls privileged access to both non-US, non-Chinese military-grade IIT producers globally. Image Intensifier Tubes represent approximately 70% of the total cost of a night vision device. Only five companies globally manufacture them to military grade. Three are effectively unavailable to most of Theon’s customer base: L3Harris and Elbit supply primarily to the US military, and NNVT (China) produces tubes that are excluded

from NATO procurement due to allied defense industrial policy. That leaves Harder Digital and Exosens as the world's only freely available military-grade IIT producers for Western defence markets.

Theon acquired 60% of Harder Digital in 2024, securing privileged access to Harder Digital's IIT output. Harder Digital currently has approximately 14,000 IIT annual capacity, of which more than 60% is absorbed by Theon at internal cost, a supply advantage that deepens as Harder Digital targets >20,000 IIT annual capacity by end-2027. Harder Digital's capacity is being accelerated through additional investment announced in January 2026, specifically to respond to global demand for IITs exceeding current market supply. In January 2026, Theon closed a 9.8% strategic stake in Exosens for €268.7 million, securing an extension of their long-term commercial agreement (LTCA) through at least 2030, ensuring long-term IIT supply continuity and providing a platform to explore further collaboration opportunities in ITAR-free technology.

The financial logic of the Exosens investment in particular deserves emphasis. At 9.8% of Exosens for €268.7 million, Theon paid an implied equity value of approximately €2,742M ($€268.7M \div 9.8\%$). Exosens reported FY2024 group revenues of approximately €394M (Amplification segment approximately €280M), implying a price of approximately 7.0x group revenue or approximately 9.8x Amplification revenue. This is a meaningful premium to most hardware comparables, justified on strategic rather than standalone financial grounds.

Management has explicitly stated the investment is expected to expand gross and net margins by 500-700 basis points over the medium term. Applied to a revenue base growing toward €600 million and beyond, 600 basis points of incremental margin represents €36 million or more of additional annual EBITDA. At the stated €268.7M cost and €36M+ annual EBITDA benefit, the financial payback is approximately seven to eight years, without counting the value of supply priority and R&D alignment.

As Harder Digital expands capacity, Theon gains the ability to offer shorter lead times and larger order volumes than any ITAR-free competitor. As the Exosens relationship deepens, Theon gains priority access to next-generation IIT technology before competitors. As the night vision market continues to expand, the IIT supply constraint tightens further, and Theon's privileged position becomes more, not less, valuable.

Asset-Light Scalability

Theon's asset-light model relies on outsourced manufacturing partnerships rather than owned heavy industrial facilities. The key infrastructure assets are the IIT supply relationships, the Koropi production facility in Greece, and a network of assembly and test facilities across Belgium, Latvia, South Korea and Germany. The standard model in defense electronics assembly is to lease facility capacity from industrial park operators under medium-term agreements, capital-light for the operator, with predictable cost structures that scale with revenues rather than fixed overhead.

The company appears to generate a very high level of revenue relative to its fixed-asset base. This reflects the fundamental economics of Theon's model: it designs and owns the IP, it manages the customer relationships, and it controls the supply chain, but it outsources the physical assembly to partner facilities, bearing minimal fixed-cost risk at the manufacturing layer.

The scalability of this model is evidenced by the capacity expansion record. From 3,500 square meters in 2022 to 28,000 square meters by end-2025, without any proportionate increase in balance sheet fixed assets. New capacity has been added by opening assembly lines in partner facilities, with each new geography supporting a "local fulfillment strategy" that satisfies national content requirements in increasingly demanding NATO procurement processes. The incremental capital cost of each new assembly line is small relative to the incremental revenue it enables. This is operating leverage without fixed-cost leverage: Theon scales revenue faster than costs, without carrying the balance sheet risk of capital-intensive expansion.

The Organizational Advantage

The subtler competitive advantage is organizational: a management team with demonstrated ability to identify, acquire and integrate defense optronics assets in Europe at returns on capital that consistently exceed the cost of capital.

The organizational advantage begins with the founder. Christian Hadjiminis founded Theon in 1997, has led it for 29 years, owns approximately 70% of the shares, takes no salary, and lives entirely off dividends and share price appreciation. Every capital allocation decision, every acquisition, every pricing decision affects his personal wealth directly and proportionally.

Every public commitment made at IPO has been delivered. Revenue grew faster than guided. EBITDA margins were maintained at the promised mid-to-high-twenties. M&A was completed within 18 months as promised. The OCCAR contract was won. Kappa Optronics and Exosens were acquired. The post-IPO delivery record is documented and verifiable against the public commitments made at listing.

The management team surrounding the founder is excellent. Philippe Mennicken (Deputy CEO, Business Development) manages the commercial pipeline and the Hensoldt JV relationship. Dimitris Parthenis (CFO) executed the November 2024 internal restructuring, the €150 million rights issue in December 2025, and the €300 million revolving credit facility signed in October 2025. The operational team has grown rapidly without apparent deterioration in output quality: FY2025 all-in guidance metrics were hit, the OCCAR contract was won, and Harder Digital's performance has improved materially under Theon's active management since the 2024 acquisition.

The company also maintains a 20-30% dividend payout ratio for FY2026 (per official guidance; revised from the prior 35-40% policy to reflect post-acquisition leverage), returning cash to shareholders while growing aggressively.

Is the Moat Widening or Narrowing?

The moat is widening on every dimension that matters. The ITAR-free advantage is becoming more valuable as US foreign policy uncertainty grows and more countries seek non-US-origin military equipment. The IIT supply chain lock is deepening as Harder Digital's capacity expands and the Exosens relationship matures.

The asset-light scalability advantage compounds with each new geography and assembly line. The margin profile is improving as vertical integration eliminates external markups on the highest-cost component. The backlog, at €1,414 million soft backlog plus €856 million of options, provides three years of revenue visibility for the first time in the company's history.

The two risks that could narrow the moat are competitive catch-up and margin dilution from acquisitions. On competitive catch-up: Thales is building an ITAR-free portfolio, and is a credible long-term competitor. But Thales is a €20 billion revenue prime contractor for whom NV represents a small fraction of total revenue. Theon is a pure-play whose entire organization is focused on winning NV and optronics contracts. Speed, delivery times, and customer responsiveness will continue to favor the specialist.

On margin dilution: the Kappa Optronics acquisition is marginally dilutive at current margins, and Harder Digital required active management to improve performance post-acquisition. If future acquisitions are integrated less effectively, or if the A.R.M.E.D. digital products launch at lower margins than core NV, the 25%+ EBITDA margin could face pressure. Management's explicit reiteration of the mid-twenties Adj. EBIT margin target for FY2026 (implying mid-to-high-twenties EBITDA), inclusive of all new segments, is the clearest available signal that this risk is being actively managed.

Overall: Theon today has a more defensible competitive position than it did twelve months ago. The IIT supply chain is secured on two flanks. The Kappa acquisition has opened the platform market. The Hensoldt JV has delivered the largest NV contract in European history. The backlog is at a record. The EBITDA margin held above 27% through a year of significant strategic investment.

III. INDUSTRY STRUCTURE & COMPETITIVE LANDSCAPE

NATO rearmament spending is the macro input in any Theon analysis and the relevant analytical task is not to forecast where it will be in twelve months but to understand precisely how Theon's revenues and earnings respond across the full range of demand scenarios.

NATO Rearmament

European rearmament, higher defense-spending ambitions across NATO markets, and the capability gaps exposed by the Russia-Ukraine war all point to a sustained, multi-year increase in defense procurement budgets across Theon's core customer base. Night vision and thermal imaging equipment sits near the top of the priority list in soldier-modernization programmed. It is proven technology, relatively low-cost per unit compared with platforms, operationally essential and available quickly from a European supplier.

The specific demand dynamic Theon is exploiting is the shift from "as needed" NV procurement to "1:1 soldier" doctrine. Modern military doctrine, validated by the Ukraine conflict, calls for one individual NV or thermal device per frontline soldier, a target major combat units in leading NATO states are now planned to reach. Europe's ~1.5 million active-duty soldiers today have an NVG penetration rate of approximately 30% per Theon's own analysis. Closing that gap to full coverage implies demand for approximately 1 million additional NVG units across Europe alone. Adding the APAC market (~1.8 million active soldiers, ~20% penetration rate), the MENA market (~3 million soldiers, ~10% penetration, excluding the UAE where penetration already exceeds 70%), and the Americas replacement cycle (US Army replacing legacy PVS-14 monocular with binoculars), the total addressable dismounted market is projected by RSA analysis cited in Theon's Capital Markets Day to grow from €419 million in 2025 to €2,835 million by 2030, more than 6x increase over five years. The platform-based market (vehicles, aircraft, ISR systems) is separately projected at €3.6-4.5 billion per year over the same period, and is the market Kappa Optronics opens for Theon.

It is also worth noting that these demand projections are being driven by budgets, not by technology obsolescence risk. Night vision is not being replaced by a superior competing technology within the 5-year horizon. Laser rangefinders, thermal imagers and augmented reality overlays all complement rather than substitute for NV devices. The A.R.M.E.D. ecosystem itself (Theon's own clip-on digital additions to core NV hardware) is evidence that the installed NV base is being enhanced rather than replaced. Soldiers upgrading from analog NV to A.R.M.E.D.-equipped NV create both a replacement cycle and an upsell opportunity for Theon, at higher ASPs per unit. This is unlike, say, the smartphone market where a new generation obsoletes the previous one. NV hardware is platform-like; it accumulates capability through additions rather than full replacement.

The shift towards long-term framework agreements, rather than individual purchase orders, is a change in how NATO members procure NV equipment and it directly benefits Theon. Framework agreements like the OCCAR contract provide multi-year visibility on volumes and pricing. Theon's backlog now extends to 2029 because of this shift. The move to joint procurement through OCCAR, NSPA, and NORDEFECO is also expected to grow: management cited that joint procurement is projected to reach 40% of European NV spending by 2030, up from 20% today. Joint procurement bodies favor established, reliable suppliers with proven track records, criteria Theon satisfies and most newer or smaller competitors cannot.

Competitive Landscape

The competitive landscape in Theon's market can be described as a concentrated ITAR-free oligopoly. The global NV market is dominated by a small number of players. L3Harris Technologies is the global volume leader, supplying primarily the US military and US allies with ITAR-subject products. Elbit Systems is the second large player, predominantly serving the Israeli military and selected NATO partners. Both face the ITAR constraint described in Section II. On the ITAR-free side, the credible competitors are Theon, Thales, and a handful of smaller regional players. Thales is the most relevant competitor: it is a €20 billion revenue French prime contractor with a significant NV division, and has been building an ITAR-free product portfolio over the past several years. However, Thales' NV business is a small fraction of total revenues, its delivery times are longer and it does not control its IIT supply chain to the same degree as Theon.

The other named ITAR-free competitors are either Theon's supply chain partners or lack the product range, delivery capability and customer relationships to compete across the full NV and thermal catalogue. The practical implication is that in any competitive tender where the customer requires ITAR-free certification, reliable delivery within 12 months, and a product specification meeting NATO standards, the short list is short: effectively Theon and Thales. Theon's structural advantages in delivery time, IIT supply security, and ITAR-free status from inception give it a systematic edge in that two-competitor contest.

It is worth being precise about what "competition" means in this context.

For standard catalogue NV and thermal products, Theon competes on price, delivery time and product specification. For large OCCAR-type framework agreements, competition is effectively limited to consortia that can guarantee multi-year delivery at. For urgent operational requirements (UORs), competition is entirely based on who has inventory and can ship within 30 days, which Theon consistently can, and most competitors cannot.

The IIT supply bottleneck (only two freely available non-US military-grade producers globally) prevents new entrants from building a credible NV manufacturing capability at scale. The capital required to build a military-

grade IIT production facility from scratch is prohibitive and yield rates for new entrants would be extremely low. The ITAR-free certification takes years to establish and requires building a supply chain entirely free of US-origin components. The NATO procurement relationships (OCCAR, NSPA, major defense ministries) take a decade or more to develop. These barriers collectively make the competitive landscape broadly stable.

Four Geographies, Four Growth Dynamics

Europe is Theon's stronghold and will remain the largest revenue contributor. The Brussels liaison office opened in Sep 2025 and the Zaventem production facility in Belgium (co-located with major European defense OEMs) are specifically designed to capture the shift toward joint procurement. Management estimates Europe at €2.3 billion of pipeline opportunities through 2030 based on identified programs. Of that, Theon is already executing against a significant portion through the OCCAR framework and bilateral agreements.

The key variable in Europe over the next 24 months is how rapidly the OCCAR-contracted NVG deliveries ramp up and whether additional OCCAR contract expansions (the December 2025 revision already added scope) are triggered by the 5% GDP spending commitment.

APAC is the highest-growth geography on a multi-year basis. Japan, South Korea, Taiwan and Australia are all increasing defense spending significantly in response to Chinese and North Korean threat perceptions. Theon's South Korea subsidiary (established in 2025) and its partnership with existing regional distributors position it to capture the €1.35 billion opportunity pipeline management estimates in APAC. NVG penetration of ~20% across approximately 1.8 million active soldiers implies a long demand runway. APAC procurement cycles tend to be longer and more relationship-intensive than European government tenders, but the first large contracts from Japan and South Korea are expected to begin materializing from 2026 onwards.

MENA is a steady, high-margin geography. Saudi Arabia and the UAE are Theon's primary MENA customers, with a combined NVG penetration rate of approximately 10% across ~3 million active soldiers (UAE significantly higher, exceeding 70%). Management's stated MENA strategy focuses on expanding industrial co-production capabilities in KSA to capture vehicle-mounted platform optronics alongside dismounted NV. The estimated MENA pipeline is €1.3 billion through 2030.

The primary risk in MENA is geopolitical: EU arms export policy toward the Gulf has historically been variable and Theon's Greek export license regime means individual sales to Gulf customers are subject to Greek government approval in addition to EU-level frameworks. Revenue concentration in MENA remains below 10% of group revenues per the FY2024 geographic breakdown, limiting the downside from any single country disruption.

The Americas is the most constrained geography. The US military is essentially inaccessible to Theon: the US Army's preference for domestically produced ITAR-subject equipment, combined with the existing L3Harris procurement dominance, makes direct US military sales unlikely in any near-term horizon. However, the US replacement cycle for legacy PVS-14 monocular with binocular systems provides an indirect opportunity: US allies in Latin America and Canada that are not bound by Buy American requirements can and do procure from ITAR-free European suppliers. The estimated addressable Americas opportunity (excluding the two-thirds of the US market effectively inaccessible to Theon) is approximately €1.2 billion through 2030. Theon's co-production arrangement with EOTech in the US provides a platform for broader Western Hemisphere engagement without requiring ITAR classification of Theon's core products.

IV. EARNINGS QUALITY & CASH FLOW FORENSICS

“Earnings are an opinion, cash is a fact.”

The Revenue-to-FCF Bridge

The correct framework for understanding Theon’s cash generation is the bridge from revenue down to free cash flow, step by step. Unlike the majority of defense primes, Theon does not carry heavy fixed manufacturing infrastructure, making each incremental revenue euro highly cash-generative. The table below shows the full revenue-to-FCF waterfall for FY2023, FY2024 and FY2025, with key metrics from H1 2025 and FY2025 preliminary results.

Investment (€M)	FY2023	FY2024	FY2025
Revenue	218.7	352.4	443.5
<i>Less: Cost of Goods Sold (est.)</i>	(131.5)	(211.4)	(266.1)
<i>Less: Operating Expenses (SG&A, R&D, other net)</i>	~(30.7)	~(50.2)	~(61.3)
▶ Adjusted EBIT	56.5	90.8	116.1
<i>Plus: D&A and non-cash items</i>	1.2	2.5	4.0
▶ Adjusted EBITDA	57.7	93.3	120.1
IFRS Operating Cash Flow (actual, incl. WC movements)	~37.7	~(26.1)	n/a.
<i>Less: Capital Expenditure</i>	(7.6)	(10.7)	(18.6)
▶ Adj. EBITDA minus Capex	~50.1	~82.6	~101.5
<i>Less: Net Working Capital absorption</i>	-	-	(~182.0)
<i>Less: Dividends paid</i>	(10.0)	(14.4)	(23.8)
<i>Less: Acquisitions & Investments (cash)</i>	-	(~0.77)	(~77.7)
<i>Less: Share buybacks</i>	(~2.4)	(7.8)	(0.8)
▶ Net change in cash position	~30.1	(6.6)	85.0
<i>Adj. EBIT margin</i>	n/a	25.8%	26.2%
<i>Cash conversion (Adj. EBITDA-Capex)/Adj. EBITDA</i>	n/a	88.5%	84.5%

Table notes: (1) COGS and Operating Expenses represent Sifter Research’s internal allocation of statutory cost categories for analytical comparability; individual line items do not correspond directly to IFRS income statement line items (FY2024 IFRS COGS = €243.2M; FY2023 IFRS COGS = €148.5M). The EBIT line is source-verified in all years. (2) FY2023 share buybacks of (~€2.4M) per FY2024 Annual Report cash flow statement. FY2024 dividends (€14.4M) and buybacks (€7.8M) per FY2024 Annual Report; FY2025 dividends are a Sifter Research estimate. (3) “Net change in cash” for FY2023 and FY2024 is derived from the Adj. EBITDA-Capex line less disclosed cash outflows; it excludes IPO/ rights-issue proceeds and does not reconcile directly to the IFRS statement of cash flows. FY2025 net cash change of €85.0M per FY2025 Preliminary Results (net cash €126.9M at Dec-25 vs €41.9M at Dec-24).

Several features of this bridge deserve explicit attention.

First, the capex line. In a hardware defense business, capex intensity is the critical variable that separates a compounder from a capital-incinerator. Theon's capex was approximately €7.6M in FY2023, €10.7M in FY2024 and €18.6M in FY2025, respectively 3.5%, 3.0% and 4.2% of revenues. At 4.2% capex intensity, Theon is at the extreme low end of the hardware manufacturing spectrum. For comparison, traditional defense manufacturers typically run capex at 4-8% of revenues and those with heavy platform integration often exceed 10%. The primary reason for Theon's low capex is the assembly-line model: manufacturing infrastructure is leased or partner-provided; Theon's owned assets are predominantly engineering facilities, test equipment and optical labs in Greece. The FY2026 capex guidance of €30 million (approximately 5% of guided revenues) reflects the start of construction on a new platform-products facility in Greece, a one-time growth investment.

Second, the working capital line. NWC absorption is the most significant drag on Theon's reported free cash flow and it is frequently misunderstood. NWC as a percentage of revenues ran at 44.2% in FY2024 and declined to 41.0% in FY2025. This high ratio reflects a deliberate strategic decision: Theon builds strategic inventory of IITs and finished components in advance of anticipated orders, including urgent operational requirements (UORs) that arrive with little warning at year-end. The CEO has characterized this explicitly as a competitive advantage, being able to fill orders within 30 days that competitors cannot fill for 6-12 months. The working capital build is a pre-positioning for orders that generate very high margins when they arrive. Management has guided NWC normalization toward 35-40% of revenues as the business scales and delivery cadence becomes more predictable with longer-term framework agreements. The improvement from 44.2% to 41.0% in FY2025 is the first visible step in this normalization.

Third, the cash conversion ratio. Theon defines cash conversion as Adj. EBITDA minus Capex divided by Adj. EBITDA, per its own MD&A. This was 88.5% in FY2024 and 84.5% in FY2025. The slight decline reflects the higher capex in FY2025 (Kappa Optronics integration, capacity expansion). At 84.5%, Theon converts approximately €101 of every €120 of EBITDA into pre-tax, pre-WC cash, a ratio that compares very favorably to industrial peers and reflects the asset-light model in action.

Fourth, the net cash trajectory. Reported net cash grew from approximately €93.9M at IPO (February 2024) to €41.9M at December 2024 (per FY2025 Preliminary Results, excluding the €6.7M share-buyback liability from the net debt calculation; the Q3 trading update showed €35.1M using a slightly different treatment of that liability) (reduced by the Harder Digital acquisition of €34M and NWC absorption) and then to €126.9M at December 2025 (supported by the €147.7M rights issue). The pro-forma net debt position after closing the Kappa and Exosens acquisitions in January 2026 is approximately €212M, representing a leverage ratio of approximately 1.8x LTM EBITDA, a comfortable level for a business with high-visibility backlog and mid-

twenties EBIT margins. Management has a €300M revolving credit facility signed in October 2025 providing liquidity headroom.

Theon's Earnings Quality

Theon's IFRS net income is a legitimate performance measure, but it understates the underlying cash-generative capacity of the business in the short term due to two specific dynamics. Understanding precisely why requires examining the NWC absorption and the earnings seasonality pattern individually.

NWC seasonality: Theon's reported OCF is heavily influenced by quarterly NWC timing. In the nine-month period ended September 2025, operating cash flow was an inflow of €26.1 million, a marked improvement from the €38.1 million outflow in 9M 2024, but still modest relative to the €72.3M of adj. EBITDA generated in the first nine months. The gap is NWC absorption: Theon builds inventory and extends credit to customers ahead of Q4 deliveries when roughly 25-30% of annual revenues are recognized. Q4 is Theon's strongest quarter because defense budgets must be spent before year-end. Q4 2025 revenue was €164.2M and adj. EBIT was €46.7M (28.4% margin), the highest quarterly absolute EBIT in company history (Q4 2024 margin was 29.7%, higher on a percentage basis but on a smaller revenue base). The implication is that full-year OCF cannot be read from nine-month data; the Q4 cash flush is the key reporting period. Investors assessing Theon's cash generation should weight the full-year and trailing-twelve-months figures, not any individual quarter.

Earnings seasonality: Because defense budgets close in Q4, Theon's annual EBITDA and revenue are heavily back-weighted. FY2025 illustrates this precisely: H1 2025 revenue was €183.7M (41% of full year), H2 was €259.8M (59%), with Q4 alone contributing €164.2M (37% of full year). An investor looking at H1 2025 results in September 2025 and annualizing would estimate FY2025 revenue at approximately €367M, a material underestimate of the actual €443.5M. The correct approach is to use full-year trailing figures or to explicitly model the Q4 loading. Management guidance ("Q4 is always the best for booking new business", per the H1 2025 earnings call) is the most reliable signal. The FY2026 guidance of €570-600M similarly should not be assessed on H1 2026 results alone.

The correct summary metric for Theon is adjusted EBITDA, which the company defines consistently and reconciles in each filing. Across three data points (FY2023-FY2025), this metric has been: approximately €57.7M EBITDA (FY2023 per company investor materials), €93.3M (FY2024), and €120.1M (FY2025), a compound annual growth rate of approximately 44%. At the FY2025 share count of approximately 78.6 million shares (and a share price of €33.00 as of April 20, 2026), this implies a trailing P/Adj. EBITDA of

approximately 21.6x (market cap €2,594M / €120.1M), a multiple that looks reasonable for a business growing EBITDA at ~38% CAGR with structural demand tailwinds, best-in-class margins and an asset-light model.

The Unit Economics: Revenue Per Employee and ROCE

Theon's unit economics are best understood through two lenses: revenue per employee and return on capital employed. Both metrics capture the asset-light, IP-driven nature of the business in a way that traditional P&L ratios do not.

Metric	FY2024	FY2025
Revenue (€M)	352.4	443.5
<i>Adj. EBITDA (€M)</i>	93.3	120.1
Adj. EBITDA Margin	26.5%	27.1%
<i>Capex (€M)</i>	10.7	18.6
<i>Capex as % of Revenue</i>	3.0%	4.2%
Cash Conversion (Adj. EBITDA-Capex)/EBITDA	88.5%	84.5%
<i>NWC as % of Revenue</i>	44.2%	41.0%
<i>Revenue per Employee (est., €k)</i>	~570	~720
ROCE (FY2024 LTM per Q3 2025 update; FY2025 Sifter est.)	36%	33%
ROE (LTM, per Q3 2025 trading update)	31%	31%
Net Cash / (Net Debt) (€M)	41.9	126.9
<i>Pro-forma Net Debt (post Jan 2026 M&A)</i>	n/a	~1.8x LTM EBITDA
Shares outstanding (approx.)	~78.6M	79M
Market cap (Apr. 20, 2026)	~€2,594M	~€2,594M
<i>EV / Adj. EBIT (FY2025)</i>	n/a	~24.2x

The key metrics from this table reveal a business with exceptional capital productivity.

Revenue per employee: Theon generated approximately €720,000 of revenue per employee in FY2025 (443.5M / ~615 employees). For context, the defence sector average revenue per employee is approximately €300-350k. Theon's figure is more than 2x the sector average and is the direct consequence of the assembly-line model, where the majority of the actual manufacturing work is performed by partner facilities rather than

Theon's own headcount. The company's R&D, engineering and management functions are the value-add; the physical assembly is outsourced.

ROCE: Theon's return on capital employed was 33% on an LTM basis as at September 2025, per the Q3 2025 trading update (LTM Adj. EBIT of €107.2M / Invested Capital of €321.4M). ROE was 31% on the same basis. These are exceptional returns for a hardware manufacturer. (Note: ROCE is calculated on EBIT, not EBITDA, as is standard.) The ROCE of 33% sits approximately 25 percentage points above a reasonable estimate of Theon's cost of capital. ROCE will evolve as the Kappa and Exosens acquisitions are digested into the capital base, but management's consistent mid-twenties Adj. EBIT margin guidance (mid-to-high-twenties EBITDA), if maintained, implies continued ROCE significantly above the cost of capital on a growing equity base.

EV/Adj. EBITDA: At €33.00 per share and approximately 78.6 million shares, the market cap is approximately €2,594 million ($€33.00 \times 78.6\text{M shares}$). With pro-forma net debt of approximately €212 million (post Kappa and Exosens), EV is approximately €2,806 million. On FY2025 Adj. EBITDA of €120.1M, this implies EV/Adj. EBITDA of approximately 23.4x (trailing), or approximately 18.5x on FY2026 estimated EBITDA of €152M (~26% margin on €585M revenues). At 18.5x forward EBITDA for a business growing EBITDA at 38%+, the valuation is discussed in Section IX. P/Adj. EBITDA (trailing) is approximately 21.6x ($€2,594\text{M} / €120.1\text{M}$).

The FY2026 outlook makes the forward metrics more compelling. Revenue guidance of €570-600M at maintained mid-to-high-twenties EBITDA margins implies Adj. EBITDA of approximately €150-165M. On the current EV of approximately €2,806M, forward EV/Adj. EBITDA is approximately 17-19x, a multiple that leaves meaningful room for re-rating if the vertical integration margin expansion thesis materialises as guided or if the APAC and MENA order cycle begins to broaden the revenue base beyond the OCCAR framework agreement.

V. THE BALANCE SHEET

“Debt kills silently.” Mohnish Pabrai

On a reported basis, Theon ended FY2025 with €126.9 million in net cash, a record and more than 3x the year-end 2024 level, boosted by the €147.7 million rights issue completed in December 2025. On a pro-forma basis, after the January 2026 closings of Kappa Optronics (€69.9 million) and the 9.8% Exosens stake (€268.7 million), net debt is approximately €212 million, a leverage ratio of approximately 1.8x LTM EBITDA. That leverage ratio is comfortable, supported by the €300 million revolving credit facility signed in October 2025.

For balance-sheet structure, the most recent audited-equivalent statement is the Q3 2025 trading update (30 September 2025), which showed total assets of €437.7M, total equity of €253.9M, and a current ratio of 3.11x. The FY2025 Annual Report will provide the fully audited 31 December 2025 balance sheet. The pro-forma balance sheet after January 2026 M&A closings shows net debt of approximately €212M, gross debt of approximately €340M (€300M RCF plus acquisition facilities), leverage of approximately 1.8x LTM EBITDA, and a total enterprise value, equity plus net debt, of approximately €2,806M.

Consolidated Balance Sheet: Key Metrics

The table below presents the consolidated balance sheet as at 30 September 2025 and 31 December 2024 (FY2024 Annual Report, audited). All figures in EUR thousands (€'000) as reported.

Balance Sheet Item (€ '000)	Sep 30, 2025	Dec 31, 2024
<i>CURRENT ASSETS</i>		
Cash and cash equivalents	99,209	87,805
Term deposits	-	30,000
Trade and other receivables	145,819	134,893
Inventories (NV devices & components)	111,343	75,897
Prepaid and other current assets	5,722	3,500
▶ Total Current Assets	362,195	331,495
<i>NON-CURRENT ASSETS</i>		
Investment in equity-accounted investees	5,853	3,546
Intangible assets and goodwill	27,275	22,116
Deferred tax & other non-current	1,756	1,863

Property, plant and equipment	39,065	32,383
Right-of-use assets	1,565	1,034
▶ Total Non-Current Assets ¹	75,515	60,941
(Total Assets = Current Assets + Non-Current Assets)	437,710	392,435
▶ TOTAL ASSETS	437,710	392,435
<i>CURRENT LIABILITIES</i>		
Trade payables and accrued liabilities	58,267	52,437
Current debt obligations	32,158	28,280
Contract liabilities, income tax & other	25,086	27,036
Income tax payable	n/a	n/a
▶ Total Current Liabilities	116,312	107,553
<i>NON-CURRENT LIABILITIES</i>		
Long-term debt obligations	64,961	46,767
Lease liabilities & other non-current	2,545	1,912
n/a	n/a	n/a
n/a	n/a	n/a
▶ Total Non-Current Liabilities	67,506	48,680
▶ TOTAL LIABILITIES	183,818	156,233
<i>EQUITY</i>		
Equity attributable to owners of the Company	241,925	224,365
Non-controlling interests	11,968	11,837
n/a	n/a	n/a
n/a	253,892	236,203
▶ Total Equity	253,892	236,203
▶ TOTAL LIABILITIES AND EQUITY	437,710	392,435
<i>KEY LIQUIDITY METRICS</i>		
Net cash / (net debt) reported	2,998	41,900
Pro-forma net debt after Jan 2026 M&A	~(212,000)	n/a

Net working capital (Sep 2025 est.)	245,883	223,942
NWC as % of LTM revenues	~41%	~44%

Capital Structure

Theon's capital structure is straightforward: common ordinary shares (Euronext Amsterdam), one equity class, no convertibles, no preference shares, no dual-class voting. Following the December 2025 rights issue, approximately 78.6 million shares are outstanding. Venetus Limited and CHRE Investments Limited, the majority shareholders controlled by founder Hadjiminas, irrevocably committed to subscribe for approximately €107M of new shares (approximately 71% of the new shares issued), with strong existing shareholder support, exactly the behavior expected of a founder who believes the acquisitions being funded are genuinely value-accretive.

The free float of approximately 30% (approximately 23.7 million shares) creates real liquidity constraints for institutional investors. Average daily trading volume on Euronext Amsterdam is modest relative to the market cap and a large institutional buyer building a 1-3% position would need to work carefully over several weeks without moving the price materially. This is a risk for professional investors with position-size constraints. It is also an opportunity: the same illiquidity that keeps large institutional money on the sideline means the stock is unlikely to be efficiently priced and that patient individual or smaller institutional capital can build a position at prices that a fully liquid market would not sustain.

VI. CAPITAL ALLOCATION & RETURNS ON CAPITAL

“Is management great at running the business or at allocating capital?”

The two questions are not the same. A management team that runs operations competently but destroys value through bad acquisitions, excessive dilution or undisciplined capital deployment can take a great business and make it a mediocre investment. For Theon, the capital-allocation record since IPO in February 2024 is one of the most important and least-analyzed aspects of the investment case.

Return on Capital Employed (ROCE)

Theon’s ROCE and ROE are among the most compelling in the European defense sector. The Q3 2025 trading update discloses return metrics directly: ROCE (LTM) was 33% and ROE (LTM) was 31% as at September 2025. Both are computed on the LTM earnings and September 2025 capital base, which includes the Harder Digital acquisition (November 2024) but not the December 2025 rights issue (which closed after the measurement date). Post the January 2026 acquisitions, the capital base will expand materially (Exosens €268.7M + Kappa €69.9M), and ROCE will temporarily compress as these assets are absorbed. The key analytical question is what steady-state ROCE looks like once integration is complete.

The table below uses the company-disclosed ROCE and ROE metrics. The cost-of-capital section is a Sifter Research house estimate, not a company-reported figure.

Return Assessment	Sep 30, 2025	FY2024 (Annual Report)
<i>CAPITAL BASE (€M)</i>		
Total assets (invested + cash)	437.7	392.4
Less: cash and deposits	(99.2)	(117.8)
Less: current liabilities	(116.3)	(107.6)
Invested Capital	321.4	284.9
<i>RETURNS (€M)</i>		
LTM Adj. EBITDA margin	27.1%	26.5%
Adj. EBIT (LTM)	116.1	90.8
Adj. EBITDA (€M)	120.1	93.3

IFRS net income	~90-95 (est.)	~67.4
<i>RETURN RATIOS</i>		
ROCE (LTM Adj. EBIT / Invested Capital)	33.3%	31.9%
ROE (LTM Net income / Equity)	31%	31%
EBITDA / Invested Capital	37.4%	32.7%
Revenue / Invested Capital (asset turns)	1.38x	1.24x
Adj. EBITDA margin	27.1%	26.5%
Capex intensity (% of revenue)	4.2%	3.0%
<i>COST OF CAPITAL</i>		
Risk-free rate (EUR 10yr Bund)	~2.5%	~2.3%
Equity risk premium (est.)	~5.0%	~5.0%
Small-cap / liquidity premium	~2.0%	~1.5%
Estimated Cost of Equity (CAPM)	~9.5%	~9.3%

¹ Invested Capital taken directly from company-disclosed ROCE calculation (Q3 2025 trading update p.9; FY2024 Annual Report). The bridge inputs above are indicative; IC does not reconcile arithmetically from them due to differences in netting treatment of certain current items.

The ROCE spread of approximately 27-33 percentage points above the estimated cost of equity (~9.5%) is exceptional for a hardware manufacturer. For context, a ROCE of 10-15% above WACC is considered excellent for a technology company with a genuine competitive moat. Theon is generating a spread roughly double that. The drivers are: asset-light model eliminates fixed capital requirements; ITAR-free supply chain and EBITDA margins structurally above peers create durable pricing power; and the Harder Digital / Exosens vertical integration provides both supply security and future margin expansion. Post the January 2026 acquisitions, the capital base will expand and ROCE will temporarily compress toward 20-25%, still materially above WACC on any reasonable estimate.

The steady-state ROCE depends on two variables: (1) whether the IIT vertical integration delivers the guided 500-700 basis point gross margin expansion, which would push Adj. EBITDA toward 32%+ of revenues on the existing capital base; and (2) whether the acquisitions of Kappa and Exosens generate synergies that exceed their standalone returns. Both are plausible but not yet proven.

The M&A Track Record

Capital allocation through M&A is where great businesses are most commonly destroyed. At Theon, the M&A track record since IPO is early but clean. Three acquisitions have been announced and closed since IPO:

Harder Digital (60%, €34M, November 2024, within 18 months of the February 2024 IPO), Kappa Optronics (100%, €69.9M, announced August 2025 at the 18-month mark, closed January 2026), and the Exosens stake (9.8%, €268.7M, announced October 2025, closed January 2026).

The acquisitions were not opportunistic in the distressed-seller sense; they were strategic. Harder Digital was the only available M&A target that addressed Theon's most critical supply chain vulnerability: IIT availability. Kappa Optronics opened a new market (platforms) that would otherwise have required years of organic R&D and relationship-building. Exosens provided supply chain security on the non-Harder Digital IIT supply line while also giving Theon economic exposure to a business that benefits from the same NATO demand wave.

Dividend Policy and Capital Returns

Theon operates a dividend program alongside a small share-repurchase program for employee-plan purposes. Historically, management targeted a dividend payout of 35-40% of net income. Following the January 2026 acquisition closings, management revised the forward payout policy to 20-30% of net income (per FY2025 Preliminary Results) to reflect the higher pro-forma leverage of approximately 1.8x EBITDA. The historical 35-40% payout target is expected to be restored once leverage normalizes.

The capital allocation framework that Theon has demonstrated since IPO is coherent and shareholder-aligned: invest strategically in moat-widening assets (Harder Digital, Kappa, Exosens) when available at reasonable prices; maintain a consistent dividend program; use equity only when the purpose is clearly strategic and the founder participates proportionally; keep share repurchases modest. At €33.00 and approximately 18.5x forward EV/Adj. EBITDA (€2,806M / €152M FY2026e base case), continued M&A-funded TAM expansion remains a better use of capital than buybacks at this price.

VII. THE PEOPLE RUNNING THE BUSINESS

“Invest with managers who think like owners, not promoters.”

The checklist question ‘*does management talk like an owner or a promoter?*’ has a specific meaning. Owners discuss trade-offs, admit difficult quarters and explain downside scenarios with precision. Promoters sell the upside and reframe every problem as a temporary setback. Theon’s leadership passes this test. The four IPO commitments, the December 2025 rights issue backstop and the willingness to revise guidance downward are all the behavior of an owner, not a promoter.

The Key People

Christian Hadjiminis (Founder and CEO) founded Theon in Greece in 1997 and has led it through 29 years of growth. He owns approximately 70% of the company, draws no salary and derives his entire income from dividends and share price appreciation. Every strategic decision affects his personal wealth directly, proportionally, and without the cushion of a fixed salary.

Dimitris Parthenis (Group CFO) has overseen the financial architecture of Theon’s post-IPO phase, including the €150 million rights issue (December 2025), the €300 million revolving credit facility (October 2025), the acquisition accounting for Harder Digital and Kappa Optronics, and the FY2025 guidance upgrade process. His disclosures in quarterly and half-year results presentations are precise, reconcile IFRS to non-IFRS measures explicitly, and never misrepresent the working capital dynamics that make trailing FCF look worse than it is.

Philippe Mennicken (Deputy CEO and Business Development Director) manages the commercial pipeline and is the architect of the Hensoldt JV relationship that delivered the circa €1 billion OCCAR contract in December 2025. He is also responsible for the company’s expansion into APAC, MENA and Americas markets. His public commentary at the H1 2025 results call and Capital Markets Day demonstrates detailed engagement with customer dynamics. Nikos Malesiotis (Head of Investor Relations) manages the IR programme for the listed entity; the company’s disclosures have generally been timely and detailed for a newly listed small-cap.

The Management Team

Theon’s Board comprises seven members including the founder and CEO. The Chair is Kolinda Grabar-Kitarovic, former President of Croatia and former NATO Assistant Secretary General, whose geopolitical and defense-sector relationships are directly relevant to Theon’s core customer base of NATO member

governments. The independent directors include professionals with backgrounds in defense procurement, European capital markets, and corporate governance. The Board also includes representatives of the founder's holding company, reflecting the concentrated ownership structure. The overall governance structure is standard for a founder-controlled company listed on Euronext and is consistent with the company's Cyprus incorporation and Dutch listing regulatory framework. The Audit Committee is chaired by an independent director and oversees the financial reporting process, including the reconciliation of IFRS to non-IFRS measures that is central to understanding Theon's earnings quality. The Remuneration Committee reviews executive compensation, which — given the founder takes no salary, is primarily focused on the management team below Hadjiminias. The PSU/RSU long-term incentive plan for management is tied to relative total shareholder return versus peers, aligning the broader management team with minority shareholders. No major governance controversy is evident in the public record reviewed for this report.

Related-Party Transactions and Key Person Risk

The public filings and company disclosures since IPO (February 2024) do not indicate any obviously problematic related-party transactions. The disclosed related-party items appear to be ordinary-course items rather than transfers of value away from minority shareholders. There are no loans to or from directors, no acquisitions from related parties, and no royalty or streaming arrangements benefiting the founding shareholder.

Key person risk is real and concentrated. Hadjiminias' 70% ownership, zero salary and personal involvement in every major strategic decision means the company is built around one individual to an unusual degree. His specific combination of deep optronics technology knowledge (29 years in the sector), long-standing supplier and customer relationships in the European NV market, the more recently established corporate relationships with Exosens and Harder Digital (both formalized through acquisitions since 2024), and the Hensoldt JV channel to OCCAR procurement, together these form a constellation of relationships not easily replaceable from within. A sudden departure would create genuine uncertainty about the M&A pipeline, the Hensoldt JV relationship management, and investor confidence built around a specific management narrative over two years. However, it would not impair the day-to-day operational capacity of the company: the management team (Parthenis, Mennicken, Malesiotis, and the operational directors) is capable and experienced. The monitoring signal: any change in the founder's public engagement cadence, any large-scale equity sale in the secondary market (which would be disclosed), or any Board announcement regarding succession planning would warrant immediate attention. None of those signals are present in the current public record.

VIII. WHAT COULD GO WRONG

“Don’t ask what can go right. Ask what can go wrong.”

The discipline to argue against the thesis is the most important analytical exercise in this report. Every risk identified below is stated in its strongest form. The reader should finish this section having confronted the ways in which this investment could fail. The subsequent valuation section builds from that honest foundation.

The table below summarizes the seven material risks, each assessed on probability and financial impact. The risk register is followed by a detailed analysis of each.

Risk	Probability	Financial Impact	Mitigant Quality
1. Defense budget reversal / NATO commitment erosion	Low	Medium	Moderate: ~2.4yr backlog / ~3.9yr incl. options; provides strong near-term revenue floor
2. IIT margin expansion fails to materialize	Low	Medium-High	Moderate: supply security still valuable even without full margin benefit
3. Acquisition integration risk (Kappa, Harder Digital, Exosens)	Low-Medium	Medium	Moderate: each acquisition is small relative to group; Harder Digital already improving
4. NWC normalization stalls, FCF structurally weak	Medium	Medium	Moderate: structural issue not one-year; improves with longer-term framework agreements
5. Thales competitive catch-up	Medium	Medium	Moderate: Theon’s delivery time advantage and IIT supply lock are durable advantages
6. Founder departure / key person	Low	Low-Medium	Moderate: operational team capable; strategic pipeline most at risk
7. EU arms embargo on major customer geography	Low	Medium	Moderate: 71-country diversification; no single non-German customer is large

All assessments are Sifter Research estimates based on publicly available information. They are not forecasts.

Risk 1: Defense Budget Reversal and NATO Commitment Erosion

A durable Ukraine peace agreement removing the threat-based justification for rearmament, a US retreat from NATO reducing European political pressure, or a fiscal crisis in Germany forcing defense budget cuts.

The backlog provides near-term insulation. At €1,414M soft backlog, Theon has roughly 2.4 years of revenue visibility at guided FY2026 levels, with the OCCAR framework running to 2029. Even if new order intake fell

sharply in 2026-2027, the contracted backlog sustains near-term revenue. The real risk is reduced future order intake once the current backlog is delivered.

Probability is low. The rearmament drivers are unlikely to reverse simultaneously. The more probable outcome is growth moderation, not absolute decline. Kill switch: formal OCCAR deferral, a German defense budget cut exceeding 15% in a single year, or NATO formally lowering the 5% GDP target. None present.

Risk 2: IIT Vertical Integration Fails to Deliver Guided Margin Expansion

Management has guided 500-700 basis points of gross margin expansion from Harder Digital and Exosens over the medium term. The bear case: Harder Digital's production costs are higher than expected, Exosens does not price below market rates to Theon, or integration creates unforeseen operational costs.

H1 2026 adj. EBIT margin versus the 25.8% H1 2025 baseline is the first meaningful test.

Crucially, the base case does not require margin expansion to generate a positive return. At current 26-27% EBITDA margins, the investment case stands on growth and backlog alone. The guided expansion is optionality, not a necessity. Kill switch: H1 2026 adj. EBIT margin below 20% despite revenue growth.

Risk 3: Acquisition Integration Risk (Kappa, Harder Digital, Exosens)

Three acquisitions closed within 15 months of each other. Harder Digital requires manufacturing integration; Kappa Optronics is a full business with its own customers and employees; Exosens is a minority stake requiring no operational integration but careful management of a complex supply agreement with a listed French counterparty.

The risks are execution bandwidth and cultural friction. Kappa (a German company with 50 years of independent history) absorbing into a Greek-led group carries integration risk. Harder Digital's capacity ramp could yield below plan. Harder Digital is 17 months in and described as improving. Kappa formal consolidation began January 2026. Kill switch: any FY2026 guidance revision citing integration costs or Kappa underperformance.

Risk 4: NWC Normalization Stalls - FCF Remains Structurally Weak

Working capital at 41% of revenues (FY2025) is the primary drag on reported FCF. Management has guided normalization toward 35-40% as longer-term framework agreements replace urgent orders as the dominant revenue source. The bear case is that the strategic inventory pre-building that enables Theon's 30-day delivery

capability is a competitive necessity, meaning NWC as a percentage of revenues stays elevated or rises as revenues scale.

Kill switch: FY2026 full-year NWC/revenue above 42% with no improvement trend and no credible normalization timeline from management. If NWC remains above 40% through FY2027, the FCF re-rating thesis must be substantially revised and the investment case narrows to an EBITDA-multiple story.

Risk 5: Thales Competitive Catch-Up and Pricing Pressure

Thales is the only credible ITAR-free competitor with the scale and government relationships to challenge Theon's core contract pipeline. Theon's current advantages: (1) delivery (6-12 months versus Thales' 12-18+), (2) IIT supply (Theon controls Harder Digital and holds priority Exosens supply), (3) organizational focus (optronics is Theon's entire business, not a fraction of a €20B prime).

None of these advantages are insurmountable for a company of Thales' resources, but closing them would take years. The IIT supply advantage is the hardest to replicate. Kill switch: Thales announces a long-term IIT supply agreement, pursues IIT M&A, or is publicly reported to have matched Theon's delivery times in a contested tender.

Risk 6: Founder Departure and Key Person Concentration

Covered in Section VII. Hadjiminis' departure would trigger an immediate and significant market reaction regardless of operational continuity. The management team is capable and the strategic direction is embodied in signed contracts and completed acquisitions. What would be lost is M&A origination capability and the informal network that surfaces opportunities ahead of formal tenders. Kill switch: any large-scale secondary sale of founder shares, CEO succession announcement. None present.

Risk 7: EU Arms Embargo on a Major Customer Geography

Theon's revenue is approximately 74% European, 19% RoW (primarily MENA and APAC), and 7% Americas. An EU arms embargo on a significant non-European geography would remove that revenue immediately.

The mitigant is diversification across 71 countries; no single non-German customer appears individually catastrophic based on available disclosures. The more serious scenario has not occurred and would require extraordinary geopolitical circumstances. Kill switch: any EU Council decision covering night vision equipment, or any Theon disclosure of revenue concentration above 10% in a single embargo-risk geography. Neither signal is currently present.

IX. VALUATION & MARGIN OF SAFETY

“Price is what you pay. Value is what you get.” Warren Buffett

Valuation of a defense hardware company is less mechanically objective than valuation of a utility or REIT (where cash flows are contractually fixed), but more grounded than valuation of an early-stage growth company (where revenue is more intangible). The correct approach is to make the valuation completely transparent across a range of revenue and growth scenarios, anchored by observable comparables and tested by multiple independent methods. All monetary figures in this section are in EUR unless stated otherwise. The share price referenced is €33.00 (as of April 20, 2026) on approximately 78.6 million shares outstanding.

At €33.00 per share, Theon trades at a market capitalization of approximately €2,594 million ($€33.00 \times 78.6\text{M}$ shares). Adding pro-forma net debt of approximately €212 million (post January 2026 Kappa and Exosens closings), enterprise value is approximately €2,806 million. This is the figure against which all value estimates should be measured.

At €33.00 per share, the trailing EV/Adj. EBITDA is approximately 23.4x on FY2025's €120.1M, or approximately 18.5x on the FY2026 base-case midpoint (~€152M at ~26% EBITDA margin on €585M revenues). On a P/Adj. EBITDA basis at the same price, trailing is approximately 21.6x and forward is approximately 17.1x. These are no longer “value” multiples in the traditional sense; they are the multiples of a high-quality, high-growth defense electronics business already pricing in a meaningful portion of the execution story. The table below presents the current valuation snapshot.

Metric	Value
Share price (Apr. 20, 2026)	€33.00
Market capitalization	€2,594M (~78.6M shares)
Pro-forma net debt (post Jan 2026 M&A)	~€(212M)
Enterprise Value (pro-forma)	~€2,806M
EV / Adj. EBIT (FY2025)	~24.2x
EV / Adj. EBITDA (FY2026e midpoint)	~18.5x
P / Adj. EBITDA (FY2025, trailing)	~21.6x
P / Adj. EBITDA (FY2026e, forward)	~17.1x
EV / Adj. EBITDA (FY2025)	~23.4x

EV / Revenue (FY2026e)	~4.8x
Adj. EBITDA margin (FY2025)	27.1%
Cash conversion (FY2025)	84.5%
NWC / Revenue (FY2025)	41.0%

Sources: FY2025 Preliminary Results (Feb 16, 2026); H1 2025 Results Presentation; Q3 2025 trading update; Capital Markets Day (Nov 2025). Market cap at €33.00/share on ~78.6M shares. EV = market cap + pro-forma net debt (€212M post Jan 2026 M&A). All monetary figures in EUR.

Two observations stand out from this snapshot. First, the ~18.5x forward EV/Adj. EBITDA at the base-case midpoint (€2,806M / ~€152M) is still reasonable relative to the company's quality and growth, but it no longer screens as obviously cheap. Theon still offers structural NATO rearmament tailwinds, a best-in-class 26%+ EBIT margin, and a deepening supply-chain moat; the question at €33 is less "is it mispriced?" and more "how much execution is already in the price?". Second, the 84.5% cash conversion ratio (FY2025) and the structural NWC normalization path toward 35-40% of revenues mean that FCF yield should still improve materially once the NWC investment cycle is complete. An investor who focuses on adj. EBIT rather than GAAP FCF still sees the real earnings power of the business.

Theon has limited directly comparable public-market peers. The closest reference set includes diversified defense-electronics groups such as Elbit Systems, L3Harris, and Thales, alongside European defense specialists such as Renk, Hensoldt, and Leonardo DRS. None is a true pure-play in night vision, so the peer exercise should be read as illustrative rather than precise. The table below therefore serves as a directional valuation cross-check rather than a strict apples-to-apples comparison.

Intrinsic Value

Intrinsic Value: Three Scenarios

At €33.00 per share, the analysis in this section produces the following valuation range. At the FY2026 guidance midpoint (€585M revenue, ~27% EBITDA margin), the base-case EV/Adj. EBITDA range of 15-22x implies an equity value per share of roughly €26-40. The current price sits around the middle of that range, no longer obviously cheap, but not unreasonable for a business of this quality if the margin-expansion and diversification thesis continues to play out.

Valuation Method	Bear (€480M rev, 24% margin)	Base (€585M rev, 26% margin)	Bull (€670M rev, 28% margin)
1. EV/ADJ. EBITDA METHOD (primary)			
Adj. EBITDA estimate	€115M	€152M	€188M
Fair EV/Adj. EBITDA multiple ¹	18x	17x	20x
Implied EV	€2,070M	€2,584M	€3,760M
Implied equity value (EV - net debt)	€1,858M	~€2,372M	~€3,548M
Per share (€)	~€23.6	~€30.2	~€45.1
2. EV/REVENUE METHOD			
Revenue estimate	€480M	€585M	€670M
Fair EV/Revenue multiple	3.8x	4.2x	4.8x
Implied EV	€1,824M	€2,457M	€3,216M
Less: net debt	(€212M)	(€212M)	(€212M)
Implied equity value	€1,612M	€2,245M	€3,004M
Per share (€)	~€20.5	~€28.6	~€38.2
3. NORMALISED FCF YIELD²			
Normalized FCF (€M, NWC at 35%)	~€(20M)	~€75M	~€155M
Fair FCF yield (EU def. hardware)	n/a (negative)	5%	5%
Implied EV (FCF / yield)	n/a	€1,500M	€3,100M
Less: net debt	n/a	(€212M)	(€212M)
Implied equity value	n/a	€1,288M	€2,888M
Per share (€)	n/a	~€16.4	~€36.7
4. PEER COMPARISON EV/ADJ. EBITDA³			
Adj. EBITDA estimate	€115M	€152M	€188M
European defense peer EV/Adj. EBITDA	14x	16x	19x

Implied EV	€1,610M	€2,432M	€3,572M
Less: net debt	(€212M)	(€212M)	(€212M)
Implied equity value	€1,398M	€2,220M	€3,360M
Per share (€)	~€17.8	~€28.2	~€42.7
RANGE SUMMARY			
Low end of range	~€17.8-23.6	~€28.2-30.2	~€36.7-42.7
High end of range	~€23.6	~€30.2	~€45.1
Current price	€33.00	€33.00	€33.00
Implied upside / (downside)	(46%) to (28%)	(15%) to (7%)	+11% to +37%

¹ EV/Adj. EBITDA multiple applied across scenarios: Bear 18x, Base 17x, Bull 20x (premium for margin expansion delivery). Range reflects European small-mid defense sector peers. ² FCF yield based on normalized FCF (post NWC normalization to 35% of revenue); current reported FCF is materially lower due to NWC absorption. ³ Per-share values are based on approximately 78.6M shares outstanding. All values in EUR. Pro-forma net debt €212M used throughout.

The three scenarios used in the valuation table are: Bear (revenue growth stalls at €480M, margin compresses to 24%), Base (FY2026 guidance midpoint: €585M revenue, 26% margin), and Bull (revenue beats guidance at €670M, margin expands to 28% as IIT integration delivers). All per-share values use approximately 78.6 million shares. EV = market cap + pro-forma net debt €212M.

Three observations emerge from the valuation cross-checks across the three scenarios.

In the Bear scenario (€480M revenue, 24% margin), Adj. EBITDA is approximately €115M. At 18x EV/Adj. EBITDA, implied EV is €2,070M; equity value net of €212M pro-forma debt is €1,858M, or approximately €23.6/share, approximately 28% below the current price. The bear case is still not catastrophic because the €1,414M backlog means revenue of €480M is achievable even without winning a single new order in 2026. But at €33.00 the market is asking investors to underwrite continued execution.

In the Base scenario (€585M revenue, 26% margin), Adj. EBITDA is approximately €152M. At 17x EV/Adj. EBITDA, implied EV is €2,584M; equity value is approximately €2,372M (€2,584M - €212M net debt), or approximately €30.2/share, approximately 9% below the current price. This is not a margin-of-safety entry on the guidance midpoint. It implies the shares modestly exceed fair value if Theon merely delivers the base case.

In the Bull scenario (€670M revenue, 28% margin from IIT vertical integration), Adj. EBITDA is approximately €188M. At 20x EV/Adj. EBITDA (premium for margin expansion delivery and sustained

growth), implied EV is €3,760M; equity value is €3,548M, or approximately €45.1/share, approximately 37% above the current price. The bull case remains attractive, but it is now the main source of upside rather than upside layered on top of a cheap base case.

Why the Opportunity Exists

None of the valuation scenarios above attempt to value Kappa Optronics' platform business or the A.R.M.E.D. digital ecosystem at full potential. Both are included in FY2026 guidance at their near-term contribution (€40M Kappa revenue, 20-25% combined digital revenue share), but not at the long-run platform market opportunity. Kappa gives Theon a Tier-1 supplier position in European land vehicle and aviation optronics, a €3.6-4.5B/year market projected to grow through 2030. Theon's current exposure to this market is minimal; Kappa is the beachhead. If Kappa wins 1-2 major European platform OEM contracts in FY2027-2028, the incremental revenue would be €100-200M per year at margins comparable to or above the core NV business.

Second, the newness premium discount. Theon listed in February 2024, just 25 months ago. Institutional investors typically require 2-3 years of post-IPO track record before building meaningful positions in newly listed European small-caps. The current shareholder register, while growing, is still dominated by the founder and early supporters. As the track record lengthens the addressable institutional investor audience expands and the stock's liquidity improves. The April 2026 Annual Report is the next meaningful catalyst for this institutional broadening.

Third, the float constraint. With approximately 30% free float on ~78.6M shares (approximately 23.7M tradeable shares), Theon is effectively inaccessible to any institutional investor that needs to build a meaningful position without moving the price. A fund that wants to own 2% of the company needs to buy approximately 1.6M shares, representing several weeks of average daily volume. This illiquidity keeps large institutional money on the sideline. It is also an opportunity for patient individual investors and smaller funds: the same illiquidity that creates friction for institutions means the stock is unlikely to be efficiently priced at any given moment.

Three-Year Intrinsic Value and IRR Analysis (FY2028 Horizon)

For a business compounding EBITDA at 38%+ CAGR, a one-year forward multiple captures only a fraction of the value. The more relevant question is: what is Theon worth in three years, and does €33.00 today offer an adequate return through the execution period? The table below models three FY2028 scenarios anchored to management's medium-term revenue ambition of €700M-€1B. Exit multiples reflect a more mature,

moderately-growing European defense electronics business at that horizon. Net debt is estimated conservatively (declining from the current €212M pro-forma as FCF is generated over three years).

	Bear	Base	Bull
FY2028 Revenue (€M)	€650M	€800M	€1,000M
Revenue CAGR from FY2025	~14%	~22%	~31%
Adj. EBITDA margin	26% (flat)	28% (+100bps)	31% (+400bps, IIT)
Adj. EBITDA (€M)	€169M	€224M	€310M
Exit EV/EBITDA multiple	13x	15x	18x
Exit EV (€M)	€2,197M	€3,360M	€5,580M
Less: est. net debt at exit	(€150M)	(€100M)	(€50M)
Exit equity value per share	~€26	~€41	~€70
Annual IRR from €33.00 (3 years)	~(8%)	~+8%	~+29%

All figures Sifter Research estimates. Exit multiples reflect a slower-growth European defense electronics business at FY2028 (bear 13x, base 15x, bull 18x). Net debt estimated conservatively assuming partial FCF paydown from current €212M pro-forma. IRR computed as $(\text{exit per share} / \text{entry price})^{1/3}$, 1 over three years, excluding dividends (additive ~0.3% per annum at current payout). Revenue CAGR measured from FY2025 actual €443.5M.

Three conclusions emerge. First, the base case implies an exit value of approximately €41/share and an annual IRR of approximately +8% from €33.00. That is a positive but sub-hurdle return for most institutional investors. Second, generating a 15% annual return requires approximately €963M revenue at 28% margins by FY2028, trading at 15x EBITDA at exit. That is a ~29% revenue CAGR from FY2025 actuals, within management's stated medium-term ambition but requiring near-perfect execution over three years. Third, the bear case, revenue stalls at €650M with no margin expansion, implies an annual return of approximately -8% from today's price. Given the €1,414M soft backlog, this scenario requires something going materially wrong beyond a simple growth slowdown.

The asymmetry at €33.00 is real but narrow. The base case barely clears a positive return, the bull case generates strong compounding at +29% per annum, and the bear case is moderately negative. The margin of safety comes from the durability of the moat and the backlog visibility rather than from price cheapness. An investor entering at €33 is underwriting the base case and buying the bull case as optionality.

X. THE FINAL VERDICT

“The discipline to say ‘no’ is the investor’s true competitive advantage.”

The Thesis in Plain Language

Theon International is a founder-led, ITAR-free, asset-light manufacturer of night vision and thermal imaging systems for defense and security customers across 71 countries. It has grown adj. EBITDA at approximately 38% CAGR from FY2023 to FY2025 while maintaining EBIT margins above 25% and delivering the key strategic commitments made at IPO. The demand driver is real and visible in the €1,414M soft backlog. At €33.00 per share, however, the valuation is no longer obviously cheap: the stock trades at roughly 18.5x FY2026e EV/Adj. EBITDA and about 23.4x trailing EV/Adj. EBITDA, which means investors are already paying for quality and part of the execution story.

The investment thesis rests on four claims, each supported by public filings and recent operating results.

First: the business has genuine competitive advantages. The ITAR-free status, the Harder Digital and Exosens IIT supply-chain lock, and the Hensoldt/OCCAR route into large European procurement programs together create a moat that most competitors cannot replicate quickly.

Second: the management team allocates capital with discipline and has a documented track record of doing what it says. The IPO commitments were delivered, the December 2025 rights issue was backed by the founder and the acquisition program has been coherent.

Third: the balance sheet is strong enough to fund growth and absorb downside. At approximately 1.8x pro-forma net debt/LTM EBITDA, supported by a €300M revolving credit facility and a large contracted opportunity set, Theon does not face a near-term solvency problem even if execution softens.

Fourth: the upside optionality is still real, but at €33.00 it matters more than before. The IIT margin-expansion thesis, Kappa’s platform-market potential, and the scaling of A.R.M.E.D. are not fully captured in a simple base-case multiple, but investors now need those optionality pillars to work in order to earn an attractive return from this level.

The Bear Case, Stated Honestly

A credible bear would argue that Theon is an exceptional business being priced increasingly like one. The company has benefited from an extraordinary European defense spending surge, its vertical-integration margin thesis is still unproven over a multi-year period, and the January 2026 acquisitions introduced leverage

and integration complexity. If FY2026 margins disappoint or Kappa contributes less than expected, the shares could easily de-rate toward the low-to-mid €20s.

These are legitimate objections. The right way to monitor them is concrete and empirical: watch H1/FY2026 EBITDA margin versus the FY2025 baseline, order intake versus book-to-bill needs, working-capital normalization, and any change in the founder's alignment or capital-allocation discipline.

APPENDIX A. KEY FINANCIAL DATA

Consolidated Financial Summary

All figures in EUR millions unless stated. Sources: FY2025 Preliminary Results (Feb 2026); H1 2025 Results Presentation; Q3 2025 trading update; FY2024 Annual Report. FY2023 figures per the FY2024 Annual Report (published April 2025): revenue €218.7m, Adj. EBIT €56.5m / 25.8% margin, IFRS OCF €37.7m, capex €7.6m, net cash €13.8m. FY2023 net cash of €13.8m reflects the Dec 31, 2023 balance sheet (pre-IPO); the €93.9m net IPO proceeds were received in February 2024 (FY2024). Adj. EBITDA FY2023 is a Sifter Research estimate (Adj. EBIT + est. D&A ~€1.2m = €57.7m; consistent with company investor materials). FY2024 Adj. EBIT €90.8m is the restated comparative in the FY2025 Preliminary Results; original FY2024 Annual Report showed €88.4m / 25.1%. H1 2025 figures per H1 2025 results presentation. Q4 2025 Adj. EBIT and Adj. EBITDA are Sifter Research estimates (FY2025 minus 9M 2025); Adj. EBITDA not separately disclosed by the company for Q4.

Metric	FY2023	FY2024	FY2025	Q4 2025
REVENUE & ORDER METRICS (€M)				
Revenue (€M)	218.7	352.4	443.5	164.2
Order intake (€M)	n/a	466.0	1,313.9	n/a
Soft backlog (€M)	n/a	654.0	1,414.3	n/a
INCOME STATEMENT (€M)				
Adj. EBITDA (€M)	57.7	93.3	120.1	~47.8
Adj. EBITDA margin	~26.4%	26.5%	27.1%	~29.1%
Adj. EBIT (€M)	56.5	90.8	116.1	46.7
Capital expenditure (€M)	7.6	10.7	18.6	n/a
Cash conversion (Adj.EBITDA-Capex)/EBITDA	n/a	88.5%	84.5%	n/a
NWC as % of revenue	n/a	44.2%	41.0%	n/a
EPS (Adj. EBITDA/share, €)	~€0.88	~€1.17	~1.53	~€0.60
DPS declared (€)	~0.13	0.18	~0.30	n/a
IFRS net income (€M, disclosed)	36.1	67.4	n/a est.	n/a

IFRS EPS (basic, €)	0.60	0.98	n/a (FY2025 prelim pending)	n/a
P/Adj. EBITDA (at Apr. 20, 2026 price)	n/a	n/a	~21.6x	n/a
NON-IFRS MEASURES (€M)				
Revenue per employee (est., €'000)	n/a	~570	~720	n/a
ROCE (LTM, per Q3 trading update)	n/a	36%	33%	n/a
ROE (LTM, per Q3 trading update)	n/a	31%	31%	n/a
Net cash / (net debt) reported (€M)	13.8	41.9	126.9	n/a
Pro-forma net debt post Jan 2026 M&A (€M)	n/a	n/a	~(212)	n/a
Total debt (€M, Sep 2025)	n/a	n/a	n/a	n/a
Capex as % of revenue	~3.5%	3.0%	4.2%	n/a
FY2026 guidance	n/a	Revenue: €570-600M	Adj. EBITDA: mid-to-high- twenties margin	Capex: ~€30M
BALANCE SHEET SUMMARY (€M)				
Net cash (Q3 2025 update definition)	n/a	35.0	126.9	n/a
Total assets (Q3 2025 actuals)	n/a	392.4	437.7	n/a
Total equity	n/a	236.2	305.7	n/a
NWC (€M, est.)	n/a	~155	~247	n/a
Soft backlog (€M)	-	654.0	1,414.3	n/a
Options (€M)	n/a	298.2	856.4	n/a
Total backlog + options (€M)	n/a	952.2	2,270.7	n/a
KEY RATIOS				
EV / Adj. EBITDA (at Apr. 20, 2026 EV)	n/a	n/a	~23.4x	n/a
Adj. EBITDA margin	~27% (est.)	26.5%	27.1%	~29.1%
Capex as % of revenue	~3.5%	3.0%	4.2%	n/a

Order intake / revenue (book-to-bill)	n/a	n/a	2.96x	n/a
Backlog coverage (backlog / LTM revenue)	n/a	1.9x	3.2x	n/a

¹ FY2023 EBITDA and revenue are Sifter Research estimates based on 2020–2022 CAGR of 64.9% disclosed in the FY2024 Annual Report. Q4 2025 Adj. EBITDA (~€47.7M, ~29.1% margin) is a Sifter Research estimate: Q4 Adj. EBIT of €46.7M per FY2025 Preliminary Results plus estimated quarterly D&A of ~€1M; Adj. EBITDA not separately disclosed for Q4 by the company. ² Adj. EBIT, Adj. EBITDA, NWC, and cash conversion as defined and reconciled by the company in each MD&A. ³ EV / Adj. EBIT at respective year-end; FY2023 EV not independently verifiable (pre-IPO). All figures EUR unless stated.

Capital Structure (post-IPO, approximate as at April 2026)

Item	Amount	Notes
Ordinary shares outstanding	~78,600,000	Post-rights issue (Dec 2025); ~70% held by founder
Options / LTI awards outstanding	~2,600,000	Employee LTI plan; ~3.3% of diluted shares
Share buyback (employee plan)	292,751	Shares repurchased to Sep 2025; program up to 1.4M
Total diluted shares	~81,200,000	Full dilution including all LTI awards
Founder ownership (Hadjiminas)	~70%	No salary; €107M rights issue backstop Dec 2025
Free float	~30%	Euronext Amsterdam (AMS: THEON)
Market cap (Apr. 20, 2026)	€2,594M	€33.00/sh × ~78.6M shares
Pro-forma net debt (post Jan 2026 M&A)	~€(212M)	Post Kappa + Exosens; 1.8x LTM EBITDA; €300M RCF
Enterprise value (Apr. 20, 2026)	~€2,806M	Market cap + pro-forma net debt
FY2026 revenue guidance	€570-600M	Issued Nov 2025; supports ~30% organic + Kappa contribution
Sell-side analyst coverage	Limited (growing)	2 brokers as of Apr 2026; expected to broaden as post-IPO track record lengthens
Dividend policy (FY2026)	20-30% payout	Per FY2025 Preliminary Results; revised from 35-40% (pre-acquisition leverage)
Rights issue backstop (Dec 2025)	€107M	Venetus & CHRE irrevocably committed ~71% of new shares (~€107M)

Listing venue	AMS: THEON	Euronext Amsterdam; Cyprus incorporation; Dutch regulatory regime
Regulatory regime	Cyprus (incorp.) / NL (listing)	Euronext Amsterdam; Cyprus incorporation; Dutch (AFM) oversight

Sources: FY2025 Preliminary Results (Feb 2026); H1 2025 Results Presentation; Q3 2025 trading update; company press releases. Market cap and EV as at approximately April 20, 2026.