

Revenio Group Corporation: Half-year financial report 1 January–30 June 2021

The figures in parentheses refer to the corresponding period in the previous year unless otherwise stated.

Q2/2021: An excellent quarter, supported by very strong growth in imaging devices

April–June 2021

- Net sales totaled EUR 18.9 (13.7) million, showing an increase of 37.9%
- The currency-adjusted growth of net sales in April-June was 43.0%, or 5.1% stronger than the reported growth
- The strong development of business was attributable to good sales performance in all of Revenio's key markets. Sales of imaging devices developed very strongly in the second quarter
- Operating profit was EUR 4.4 (3.4) million, or 23.5% of net sales, up by 28.7%
- EBITDA was EUR 5.2 (4.1) million, up 25.4%
- The Oculo acquisition was finalized in April. Oculo is an Australian eye care software platform that combines clinical communication, telehealth, remote patient monitoring, and data analytics capabilities. Oculo's operational development costs will affect the company's relative profitability in 2021 and 2022
- Cash flow from operations totaled EUR 4.0 (2.9) million
- Undiluted earnings per share came to EUR 0.130 (0.097)
- After the review period, Revenio updated its financial guidance for 2021

January–June 2021

- Net sales totaled EUR 35.6 (25.6) million, showing an increase of 39.2%
- The currency-adjusted growth of net sales in January–June was 43.7%, or 4.5% stronger than the reported growth
- The key products in most markets delivered very strong sales growth
- Operating profit was EUR 9.0 (5.9) million, or 25.4% of net sales, up by 54.1%. Operating profit adjusted by non-recurring acquisition costs of EUR 0.678 million was EUR 9.7 million, or 27.3% of net sales, up by 65.7%
- EBITDA was EUR 10.4 (7.2) million, up 45.3%. EBITDA adjusted by non-recurring acquisition costs of EUR 0.678 million was EUR 11.1 million, or 31.2% of net sales, up by 54.8%
- Cash flow from operations totaled EUR 4.7 (2.6) million
- Undiluted earnings per share came to EUR 0.271 (0.172)
- On March 17, 2021, the Annual General Meeting decided to distribute a dividend of EUR 0.32 (0.30) per share
- At its Capital Markets Day held in March, Revenio presented its revised strategy that focuses on clinical eye care solutions

Key consolidated figures, EUR million

	4–6/2021	4–6/2020	Change, %	1–6/2021	1–6/2020	Change, %
Net sales	18.9	13.7	37.9	35.6	25.6	39.2
Gross margin	13.0	9.8	33.6	25.0	18.3	36.9
Gross margin, %	69.1	71.2	-2.2	70.3	71.5	-1.2
EBITDA	5.2	4.1	25.4	10.4	7.2	45.3
EBITDA, %	27.4	30.1	-2.7	29.3	28.1	1.2
Operating profit, EBIT	4.4	3.4	28.7	9.0	5.9	54.1
Operating profit, %, EBIT, %	23.5	25.2	-1.7	25.4	22.9	2.5
Return on investment, % (ROI)	4.7	3.7	1.0	9.7	6.4	3.3
Return on equity, % (ROE)	5.0	4.1	0.9	10.5	7.3	3.2
Earnings per share, undiluted	0.130	0.097		0.271	0.172	
				6/30/2021	6/30/2020	Change, %
Equity ratio, %				61.9	57.6	4.3
Net gearing, %				20.7	14.8	5.9

Financial guidance for the year 2021

Revenio Group's exchange rate adjusted net sales are estimated to grow very strongly from the previous year and profitability is to remain at a good level without non-recurring items. COVID-19 pandemic continues to cause uncertainty related to the markets.

Previous, April 23, 2021 published financial guidance:

COVID-19 pandemic continues to cause uncertainty related to the markets. Revenio Group's exchange rate adjusted net sales are estimated to grow strongly from the previous year and profitability is to remain at a good level without non-recurring items.

President and CEO Jouni Toijala comments on the first half year of 2021:

"Our operations developed favorably during the first half of the year. Compared to last year's COVID-19 spring, the sales of retinal imaging devices were very strong. The demand for intraocular pressure (IOP) measurement devices was very good as well, and the growth of probe sales continued. Our key markets have adjusted to the operating environment characterized by the COVID-19 pandemic, which is reflected in the increased demand of all our products.

During the second quarter the sales growth was very strong. It should be noted that in the second quarter, the impact of exchange rates reduced the net sales by almost one million euros. The corresponding impact on our operating profit was EUR 0.7 million. Furthermore, extraordinarily high personnel related costs had an impact on the profitability in the second quarter.

As stated earlier, Oculo's operational development costs will affect company's relative profitability in 2021 and 2022.

During the review period, our sales performance was good in all our markets, in particular in the United States and in EMEA. Sales efforts in Asia are also paying off despite the fact that COVID-19 restrictions still apply in most Asian countries.

Our Capital Markets Day in March focused on highlighting the key themes of our growth strategy that focuses fully on the eye care market. We play an important role in the society by improving the quality of clinical diagnostics with targeted product innovations. We transform clinical care pathways towards a more holistic approach with eye care focused software solutions. In addition, we continue to develop stronger distribution channels and build on iCare brand awareness and client experience. Our objective is to continue our strong profitable growth through these measures. At the same time, we will nurture Revenio's unique culture and values and embed sustainability throughout the company. As we are focusing on the eye care market, we are actively seeking commercial partners for our non-core technologies Cutica and Ventica.

In March, we announced that we will be acquiring the Australian company Oculo and strengthening our competence in clinical eye care software solutions. Software solutions significantly enhance the patient eye care pathway and the processes of eye care professionals. We improve the profitability and quality of eye care through reliable communications and teleophthalmology as well as continuity of care. We see important opportunities for utilizing the high-quality data generated by the iCare retinal imaging devices, perimeters and intraocular pressure (IOP) measurement devices as support for clinical decision-making. Oculo's innovative approach to connecting clinical teams and bridging their electronic health records and imaging systems is unique.

Sales related to the SaaS-based Oculo software solution will increase the share of company's recurring revenue in the future. The integration work related to the acquisition has progressed well, and we are preparing future roadmaps and action programs based on the shared vision.

We have a strong product strategy that included the launching of iCare HOME2 tonometer in March, with product sales and shipments starting during the second quarter. The new iCare PATIENT2 mobile app allows patients to monitor their intraocular pressure measurement results via iOS or Android mobile devices and send the results to professionals to be monitored via the iCare CLINIC cloud service. In the first half of the year, we also launched the new iCare EIDON Ultra-Widefield fundus imaging device for ultra-high-resolution imaging.

We keep a close eye on the challenges in the availability of electronics components and the increased price level in the global market. As a preventative action, we have been increasing our inventories since last year, and estimate that this will guarantee our ability to deliver even when component delivery times get longer, or significant disturbances occur in deliveries.

As required, we adopted the new European Medical Device Regulation (MDR) in May and have initiated the MDR certification of our products in accordance with the transitional provisions.

I wish our personnel, customers, distributors, cooperation partners and shareholders an excellent continuation of the summer.”

Impact of the COVID-19 pandemic and actions taken

The risks and uncertainties related to the global COVID-19 pandemic remained present in the global business environment in the first half of 2021 and the pandemic continues to create an atmosphere of uncertainty globally.

The entire Revenio Group has worked largely remotely, to the extent allowed by various job duties, since the early stages of the pandemic. Meetings have mostly been conducted remotely. The remote work recommendation has been continued for the time being, following the guidelines issued by the local authorities. The sales and marketing organization has arranged a number of product webinars for customers and distributors, and we have received positive feedback on these. Revenio has continued its research and development projects without interruption in spite of the COVID-19 pandemic.

The pandemic has not had a significant impact on the supply chain. The COVID-19 pandemic requires that additional attention is paid to hygiene. The tonometers and probes are a good fit for this, resulting in additional product sales. Imaging devices, on the other hand, are capital goods, and their market has recovered more slowly, as they require both face-to-face presentations and physical installation and deployment.

Revenio’s balance sheet and profit remained strong throughout the review period. The COVID-19 pandemic has not had a significant impact on Revenio’s financial position. No material changes have been observed in customers’ liquidity.

Strategy

The cornerstones of Revenio’s strategy are:

1. Focus fully on the eye care market
2. Improve the quality of clinical diagnostics with targeted product innovations
3. Transform clinical care pathways with eye care focused software solutions
4. Continue to develop stronger distribution and build on iCare brand awareness and client experience
5. Continue strong profitable growth

Financial review

Net sales, profitability and profit

April–June 2021

Revenio Group's net sales April 1–June 30, 2021 totaled EUR 18.9 (13.7) million. Net sales increased by 37.9%. The currency-adjusted growth of net sales in April–June was 43.0%, or 5.1%-points stronger than the reported growth. EBITDA was EUR 5.2 (4.1) million, or 27.4% of net sales, up by 25.4%.

Profit before taxes was EUR 4.3 (3.3) million, up 29.8% year-on-year. The operating profit in April–June was EUR 4.4 (3.4) million, showing a growth of 28.7%.

Undiluted earnings per share came to EUR 0.130 (0.097). Equity per share came to EUR 2.54 (2.27).

January–June 2021

Revenio Group's net sales 1 January–30 June, 2021 totaled EUR 35.6 (25.6) million. Net sales increased by 39.2%. The currency-adjusted growth of net sales in January–June was 43.7%, or 4.5% stronger than the reported growth. EBITDA was EUR 10.4 (7.2) million, or 29.3% of net sales, up by 45.3%. EBITDA in the comparison period was reduced by non-recurring expenses of EUR 0.678 million related to the acquisition. EBITDA adjusted by non-recurring acquisition costs was EUR 11.1 million. EBITDA in the review period went up by 54.8% compared to the adjusted EBITDA for the comparison period.

Profit before taxes was EUR 9.0 (5.7) million, up 58.0% year-on-year.

The Group's operating profit in January–June was EUR 9.0 (5.9) million, up 54.1%.

Undiluted earnings per share came to EUR 0.271 (0.172) Equity per share came to EUR 2.54 (2.27).

Balance sheet, financial position, and cash flow

The Group's balance sheet total on June 30, 2021 totaled EUR 109.2 (104.9) million. The value of goodwill on the balance sheet on June 30, 2021 totaled EUR 59.7 (50.4) million.

The Group's equity was EUR 67.6 (60.4) million. The Group's net debt at the end of the review period totaled EUR 26.1 (28.6), and net gearing was 20.7 (14.8)%. The Group's equity ratio was 61.9 (57.6)%. The Group's liquid capital at the end of the review period on June 30, 2021 totaled EUR 12.1 (19.7) million. Cash flow from operations totaled EUR 4.7 (2.6) million.

The Oculo acquisition

On March 19, 2021, Revenio announced the acquisition of the entire share capital of the Australian CERA Technologies Pty Ltd ("Oculo"). The acquisition was finalized on April 27, 2021. The acquisition had no impact on Revenio's financial guidance for 2021.

Oculo is an Australian eye care software platform that combines clinical communication, telehealth, remote patient monitoring, and data analytics capabilities. Oculo is a SaaS based software platform that is transforming eye care by enabling and enhancing clinical collaboration, bridging disconnected data silos

for sharing data and images, and facilitating better and more cost-effective patient care in the eye care market. Oculo allows the sharing of clinical imaging, referrals, and other clinical correspondence securely and instantly between health care professionals. In Australia, already more than 3,300 optometrists and 800 ophthalmologists are using the Oculo software, and they have processed over one million patients using it.

The acquisition is an integral part of Revenio’s strategy, and it represents a significant step toward software connected eye care. Also, the Corporate Acquisition supports Revenio's position as a key player in the field of comprehensive clinical eye diagnostics solutions and opens up new opportunities in the rapidly growing areas of eye related telehealth and technology-enhanced eye care models. The acquisition also significantly supports Revenio’s growth strategy as the company takes a significant step towards improving the productivity and quality of eye care with targeted product innovations and to transform clinical care pathways with eye care focused software solutions. With Oculo, Revenio continues to strengthen its position in the eye care market through innovative, user-friendly products and software solutions designed to improve patient experience in the eye care pathways. Oculo’s approach to connecting clinical teams and bridging their electronic health records and imaging systems is unique.

Oculo will be included in Revenio’s consolidated statements from April 28, 2021. With the acquisition, Revenio continues to strengthen its position as a leading global operator in the field of ophthalmological diagnostics solutions.

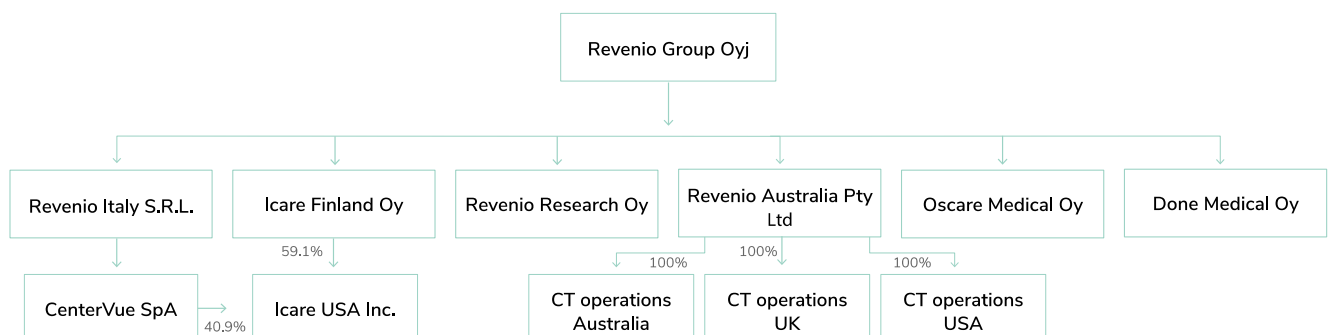
Financial impacts of the acquisition

Revenio’s relative investment level in R&D and sales and marketing will be on a somewhat higher level during 2021 and 2022 than during 2020. Oculo has very low variable costs which is expected to improve the groups gross margin going forward. Sales of the SaaS-based Oculo software solution will also increase the recurring revenue portion of the Revenio sales going forward.

Administration

Changes in Group structure

In connection with the acquisition, Revenio acquired the entire share capital of the target company. The below organization chart illustrates the Group structure on June 30, 2021:



Personnel and management

Dr. Kate Taylor MBBS MPH, (born 1971), Director of Eye Care Solutions, was appointed to Revenio's Management Team on May 28, 2021. She is a founding partner of Oculo.

From June 30, 2021 onward, the members of the Management Team of Revenio Group are Revenio Group Corporation's CEO Jouni Toijala (Chair), R&D Director of Imaging Devices Giuliano Barbaro, QA Director Heli Huopaniemi, Operations Director Ari Isomäki, Sales and Marketing Director Tomi Karvo, CFO Robin Pulkkinen, R&D Director of Tonometers Mika Salkola and Director of Eye Care Solutions Kate Taylor.

Master of Social Sciences Hanna Vuornos (born 1978) was appointed Director, People & Culture of the Revenio Group and as a member of the Group's Management Team on 18 June, 2021. She will begin in her new position on August 16, 2021.

Average number of personnel during the review period

	1–6/2021	1–6/2020	1–12/2020
Revenio Group	155	127	135

Personnel at the end of the review period on June 30, 2021, was 167 (130), up by 37. The growth mainly results from new recruitments and acquisition. Wages, salaries, and other remuneration paid in January–June amounted to EUR 6.4 (5.3) million.

Board of Directors

The Annual General Meeting decided to re-elect Pekka Rönkä, Ann-Christine Sundell, Pekka Tammela, Arne Boye Nielsen and Bill Östman as Board members. In the board meeting held after the AGM, the Board of Directors elected Pekka Rönkä as Chair of the Board.

Audit Committee

At its organization meeting, held after the Annual General Meeting 2021, the Board elected the members of the Audit Committee amongst the Board members. Pekka Tammela (Chair of the Audit Committee), Pekka Rönkä and Ann-Christine Sundell were re-elected to the Committee.

The duties of the Audit Committee are to:

- monitor and assess the financial reporting system;
- monitor and assess the efficiency of internal control and auditing as well as of the risk management systems;
- monitor and assess how agreements and other legal acts between the company and its related parties meet the requirements of the ordinary course of business and market terms;

- monitor and evaluate the independence of the auditor and, in particular, the offering of services other than auditing services by the auditor;
- monitor the company's auditing;
- prepare the appointment of the company's auditor.

In addition, the tasks of the company Audit Committee include:

- monitoring the statutory auditing of the financial statements and consolidated financial statements as well as the reporting process and ensure their accuracy;
- supervising the financial reporting process;
- reviewing the effectiveness of Revenio Group Corporation's internal control and risk management systems, the Group's risks, and the quality and scope of risk management;
- approving the internal audit guidelines and reviewing the internal audit plans and reports;
- reviewing the description of the main features of the internal control and risk management systems in relation to the financial reporting process, which is included in the company's Corporate Governance Statement;
- evaluating the independence and work of the statutory auditor and proposing a resolution on the election and fee of the auditor;
- evaluating compliance with laws, regulations, and Company policies and monitoring significant litigations of Group companies;
- executing any other duties bestowed upon it by the Board.

Nomination and Remuneration Committee

At its organization meeting, held after the Annual General Meeting 2021, the Board elected the members of the Nomination and Remuneration Committee amongst the Board members. Ann-Christine Sundell, Arne Boye Nielsen and Bill Östman were re-elected. Ann-Christine Sundell was re-elected as the Chair of the Committee.

The duties of the Nomination and Remuneration Committee include:

- preparing a proposal to the Annual General Meeting on the members of the Board of Directors;
- preparing a proposal to the Annual General Meeting on the remuneration of Board members;
- preparatory work for the nomination of the President & CEO;
- preparing proposals related to the salary and other financial benefits of the President & CEO and other management;
- preparing matters related to the Company's remuneration schemes;
- assessing the remuneration of the President & CEO and other management and ensuring the appropriateness of the remuneration schemes;
- preparing the Remuneration Report;
- answering questions related to the Remuneration Report at the Annual General Meeting.

Auditor

Deloitte Oy, Authorized Public Accountants, were re-appointed as the company's auditors, with Mikko Lahtinen, Authorized Public Accountant, as the principal auditor. The Auditor's Fee is paid upon the invoice approved by the company.

Shares, share capital, and management and employee holdings

On June 30, 2021, the Revenio Group Corporation's fully paid-up share capital registered with the Trade Register was EUR 5,314,918.72 and the number of shares totaled 26,681,116.

The company has one class of share, and all shares confer the same voting rights and an equal right to dividends and the company's funds. On June 30, 2021, the President & CEO, members of the Board of Directors and their related parties held 0.2% of the company's shares, or 54,399 shares.

During the review period, the company did not buy its own shares. At the end of the review period, the company held 117,759 of its own shares.

During the review period, the number of shares increased by 22,164 following subscriptions made on the basis of the 2015C option schemes. Following these subscriptions, the number of shares and votes of Revenio Group Corporation increased to 26,681,116. The subscription price of the shares is recorded in their entirety in the reserve for invested unrestricted equity.

In late 2015, the employees of Revenio Group established a personnel fund, into which any bonuses earned by employees working in Finland on the basis of incentive schemes can be paid. The arrangement is widely used by the personnel.

The Annual General Meeting of Revenio Group Corporation held on March 17, 2021 decided that 40% of Board members' emoluments will be settled in the form of company shares.

Authorization for the purchase of own shares

The Annual General Meeting authorized the Board to make the decision to buy back a maximum of 1,332,947 of the company's own shares in one or several tranches using the company's non-restricted equity capital. Shares may be bought back to improve the company's capital structure, finance, and implement any prospective corporate acquisitions or other transactions, to implement the company's share-based incentive plans, to pay the remunerations for the members of the Board or for other purposes determined by the Board.

Authorization to decide on a share issue and on the granting of stock options and other special rights giving entitlement to shares

The Annual General Meeting authorized the Board of Directors to decide to issue a maximum of 1,332,947 shares or to grant special rights (including stock options) entitling to shares, as referred to in chapter 10, section 1 of the Limited Liability Companies Act, in one or several tranches. The authorization is effective

until the end of the Annual General Meeting held in 2022, yet no further than until June 30, 2022. This authorization supersedes the authorization granted at the Annual General Meeting of June 8, 2020.

Option schemes

Based on the share issue authorization granted by the Annual General Meeting of March 19, 2015, Revenio Group Corporation's Board of Directors decided, on August 10, 2015, to implement a new option scheme comprising a maximum of 150,000 option rights. One option right entitles its holder to subscribe for three shares. New shares subscribed for via the option program entitle the holder to a dividend from the year of subscription onwards. The option rights will be allocated, as determined by the Board of Directors, to key personnel employed or to be employed by the Revenio Group in accordance with the terms and conditions of the option scheme.

These option rights are divided into three series: Series A (50,000), Series B (50,000), and Series C (50,000). The subscription periods for options were as follows: Series A: May 31, 2017–May 31, 2019; Series B: May 31, 2018–May 31, 2020; and Series C: May 31, 2019– May 31, 2021. The share subscription price for Series C options is the trade-weighted average price of a Revenio share quoted on Nasdaq Helsinki Oy during the period September 1–October 15, 2017, plus 15 per cent. On May 31, 2021, the share subscription price for Series C options was EUR 12.16. In accordance with the terms and conditions of the option scheme, the subscription price is reduced by the amount of dividends decided before the share subscription, on the record date of each dividend payment.

In January–June 2021, a total of 22,164 new shares were subscribed based on the option rights.

At the end of the review period, the company has no valid stock option plans.

Share plans

On March 20, 2018, June 20, 2019, March 13, 2020 and January 26, 2021, the Board of Directors of Revenio Group Corporation decided on a long-term incentive scheme directed towards the President & CEO and other Management Team of Revenio Group. Long-term incentive schemes form part of the company's remuneration program for key personnel and are aimed at supporting the implementation of the company's strategy and harmonizing the objectives of key personnel and company shareholders in order to grow the company's value. Moreover, the CEO is entitled to a restricted share plan if certain conditions are met. According to the plan, the CEO would be entitled to receive a total of 3,000 company shares during 2022–2024.

In addition, on March 19, 2021 the Board of Directors has launched a restricted share plan arrangement which is directed to five key employees of Oculo. The arrangement is established to form part of the long-term incentive and commitment program for certain key employees of Oculo. The aim of the arrangement is to support the implementation of the company's strategy, combine the interests of the shareholders and the participants in order to increase the value and performance of the company in the long-term, to commit participants to the Company after the acquisition. The maximum number of shares in the program is limited. Under the program, shares will be issued for a maximum total value of AUD 1,660,000, calculated

at the trading-weighted average price on the closing date of the Oculo acquisition. The Arrangement is a three-year performance share plan for the calendar years 2021, 2022 and 2023, respectively.

Information on the remuneration schemes used currently in the Revenio Group can be found at the company's website at: https://www.reveniogroup.fi/en/investors/corporate_governance/remuneration

Flagging notifications

The company was not notified of any flaggings during the review period of January 1–June 30, 2021.

Management transactions

Transactions in Revenio securities by members of Revenio Group Corporation's management during the review period have been published as stock exchange releases and can be viewed on the company website at: <https://www.reveniogroup.fi/en/releases>

Trading on Nasdaq Helsinki

During the period January 1–June 30, 2021, Revenio Group Corporation's share turnover on the Nasdaq Helsinki exchange totaled EUR 324,3 (205.5) million, representing 5.9 (8.1) million shares or 22.1% (30.3) of all shares outstanding. The highest trading price was EUR 64.8 (31.00) and the lowest was EUR 45.7 (18.48). At the end of the period, the closing price was EUR 63.9(28.15), and the average share price was EUR 54.98 (25.45). Revenio Group Corporation's market value stood at EUR 1,704.9 (749.6) million on June 30, 2021.

Summary of trading on Nasdaq Helsinki on January 1–June 30, 2021

January–June 2021	Turnover, number of shares	Value total, EUR	Highest, EUR	Lowest, EUR	Average price, EUR	Latest, EUR
REG1V	5,898,463	324,318,027	64.80	45.70	54.98	63.90

	6/30/2021	6/30/2020
Market value, EUR	1,704,923,312	749,556,693
Number of shareholders	22,350	19,086

Risks and uncertainty factors

Revenio Group's typical risks are divided into strategic, operational, trade cycle, hazard, financial, and political risks. In addition, the threat of the global impact of pandemics and the risk of cyber threats have increased.

The Group's strategic risks include competition in all sectors, the threat posed by new competing products, and any other actions of the company's rivals that may affect the competitive situation. Another strategic risk is related to the ability to succeed in R&D activities and to maintain a competitive product mix. The Group develops new technologies under Icare Finland Oy, Revenio Research Oy, CenterVue SpA and Revenio Australia Pty, and any failure in the commercialization of individual development projects may result in the depreciation of capitalized development expenses, with an impact on the result. Strategic risks in the Group's segments that require special expertise are also associated with the successful management and development of key human resources and the management of the subcontractor and supplier network.

Corporate acquisitions and the purchase of assets with growth potential related to health tech are part of the Group strategy. The success of these acquisitions has a significant impact on the achievement of growth and profitability targets. Acquisitions may also change the Group's risk profile.

Strategic risks and the need for action are regularly assessed and are monitored in connection with day-to-day management, monthly Group reporting, and annual strategy updates.

Operational risks are associated with the retention and development of major customers, the operations of the distribution network, and success in extending the customer base and markets. In the health technology sector especially, operational risks include factors related to expansion into new markets, such as various countries' national regulations of marketing authorizations for medical instruments and the related official decisions concerning the health care market. Success in health tech R&D projects launched in accordance with the strategy can also be classified as an operational risk. Furthermore, the availability of electronics components and increased raw material prices may result in difficulties in making deliveries.

The operational risks related to the manufacture, product development, and production control of medical instruments are estimated to be higher than average due to the sector's requirements concerning quality. Hazard risks are covered by insurance. Property and business interruption insurance provides protection against risks in these areas. The business pursued is covered by international liability insurance.

Financial risks can be further categorized into credit, interest-rate, liquidity, and foreign exchange risks. To manage credit loss risks, the Group has a credit insurance covering all the Group companies. The company's Board of Directors assesses matters related to financial issues at its meetings and, if necessary, more frequently. If required, the Board provides decisions and guidelines for the management of financial risks concerning interest-rate and currency hedging, for instance. The liquidity risk can be affected by the availability of external financing, the development of the Group's credit standing, the trend in business operations, and changes in the payment behavior of customers. Liquidity risks are monitored by means of cash forecasts, which are drawn up for periods of 12 months at the most at a time.

Revenio Group sells products in nearly 100 countries. Trade policy uncertainties, an unstable political situation, and any protective tariffs may affect demand for Revenio Group's products. Revenio actively monitors political developments in different market areas from the risk management perspective. Developments in the political operating environment and legislation may have an impact on Revenio Group's business.

Moreover, global pandemics such as Covid-19 could have direct and indirect effects on Revenio Group's business, and a pandemic could increase the risk of personnel falling ill. Closures of factories and borders in accordance with government regulations could potentially weaken Revenio's business conditions, and restrictions on movement could hamper the sales and delivery of Revenio's products.

Annual General Meeting and currently valid authorizations of the Board of Directors

Decisions by the Annual General Meeting of Revenio Group Corporation on March 17, 2021

1. Financial statements, Board and Auditors

The AGM confirmed the company's financial statements for the financial year 1 January–31 December 2020 and discharged the members of the Board of Directors and the Managing Director from liability.

The AGM decided that five members be elected to the Board of Directors and re-elected Pekka Rönkä, Ann-Christine Sundell, Pekka Tammela, Arne Boye Nielsen and Bill Östman as members of the Board of Directors. In the board meeting held after the AGM, the Board of Directors elected Pekka Rönkä as Chair of the Board. The Board of Directors also decided the members of Audit Committee and re-elected Pekka Rönkä, Pekka Tammela and Ann-Christine Sundell. The Board of Directors elected Pekka Tammela as Chair of the Audit Committee. The Board of Directors also decided the members of Nomination and Remuneration Committee and re-elected Ann-Christine Sundell, Arne Boye Nielsen and Bill Östman. The Board of Directors elected Ann-Christine Sundell as Chair of the Nomination and Remuneration Committee.

The AGM decided that the Chairman of the Board be entitled to an annual emolument of EUR 48,000, the Board Members who act as the Chairman of the Committee be entitled to an annual emolument of EUR 30,000 and the other Board members to an annual emolument of EUR 24,000.

A total of 40 per cent of Board members' emoluments will be settled in the form of company shares, while 60 per cent will be comprised of a monetary payment.

The AGM further decided that an attendance allowance of EUR 600 for members of the Board or Board Committees per Board or Committee meeting and EUR 300 per telephone conference, yet so that the aforementioned attendance allowance for the Board and Committee meetings for Board and Committee members who live outside Finland and travel to Finland for the meeting is EUR 1,200.

Any travel expenses of the members of the Board or Board Committees will be compensated in accordance with the company's travel expense regulations.

The AGM re-elected Deloitte Ltd, Authorized Public Accountants, as the company's auditors, with Authorized Public Accountant (KHT) Mikko Lahtinen acting as the principal auditor. The AGM decided to pay the auditors' fees as invoiced and approved by the company.

2. Annual profit distribution and dividend distribution

The AGM decided to accept the Board's proposal on profit distribution, according to which the parent company's profit for the financial period, EUR 13,655,019.23, will be added to retained earnings, and a dividend of EUR 0.32 per share will be paid. Dividends will be paid to shareholders who have been registered in the company's shareholder register, maintained by Euroclear Finland Ltd, by the dividend record date on March 19, 2021. The dividend payment date is March 26, 2021.

3. Authorizing the Board of Directors to decide to repurchase the Company's own shares

The Annual General Meeting authorized the Board to make the decision to buy back a maximum of 1,332,947 of the company's own shares in one or several tranches using the company's non-restricted equity capital. Shares may be bought back to improve the company's capital structure, finance, and implement any prospective corporate acquisitions or other transactions, to implement the company's share-based incentive plans, to pay the remunerations for the members of the Board or for other purposes determined by the Board.

The company may buy back shares in public trading on marketplaces whose rules and regulations allow the company to trade in its own shares. In such a case, the company buys back shares through a directed purchase, that is, in a proportion other than its shareholders' holdings in company shares, with the consideration for the shares based on their publicly quoted market price so that the minimum price of the purchased shares equals the lowest market price quoted in public trading during the authorization period, and, similarly, their maximum price equals the highest market price quoted in public trading during that period.

The authorization is effective until the end of the Annual General Meeting held in 2022, yet no further than until June 30, 2022. This authorization supersedes the authorization granted at the Annual General Meeting of June 8, 2020.

4. Authorizing the Board of Directors to decide on a share issue and on granting stock options and other special rights entitling to shares

The Annual General Meeting authorized the Board of Directors to decide to issue a maximum of 1,332,947 shares or to grant special rights (including stock options) entitling to shares, as referred to in chapter 10, section 1 of the Limited Liability Companies Act, in one or several tranches.

This authorization is to be used to finance and implement any prospective corporate acquisitions or other transactions, to implement the company's share-based incentive plans, or for other purposes determined by the Board.

The authorization grants the Board the right to decide on all terms and conditions governing the share issue and the granting of said special rights, including the subscribers or the recipients of said special rights and the payable consideration. The authorization also includes the right to issue shares by deviating from the shareholders' pre-emptive rights, i.e. by issuing them in a directed manner. The authorization of the Board covers both the issue of new shares and the transfer of any shares that may be held by the company.

The authorization is effective until the end of the Annual General Meeting held in 2022, yet no further than until June 30, 2022. This authorization supersedes the authorization granted at the Annual General Meeting of June 8, 2020.

Events after the review period

After the review period, Revenio updated its financial guidance for 2021.

Financial information in 2021

The interim report 1–9/2021 will be published on Thursday 21 October, 2021.

Publication of financial report

Revenio will hold an audiocast and teleconference, primarily for investors, analysts and the media, on Thursday, August 5, 2021, at 3:00 p.m. Finnish time. In the audiocast teleconference, Revenio's President and CEO Jouni Toijala and CFO Robin Pulkkinen will present the results for the first half of 2021. The invitation to the event was published as a press release on July 27, 2021, and it can be found at: <https://www.reveniogroup.fi/en/publication/mfn-reveniogroup-1b6e3123-19ee-4486-9b37-b43bfe146213>

Major shareholders on June 30, 2021*

	No. of shares	%
1. William Demant Invest A/S	2,899,237	10.87%
2. SEB Funds	1,210,203	4.54%
3. Columbia Threadneedle	1,157,397	4.34%
4. Capital Group	792,790	2.97%
5. Groupama Asset Management	633,270	2.38%
6. Vanquard	624,454	2.34%
7. Ilmarinen Mutual Pension Insurance Company	605,500	2.27%
8. BlackRock	399,445	1.50%
9. TIN Funds	367,869	1.38%

10. Nordea Funds	359,321	1.35%
Nominee-registered owners, total	10,758,939	40.33%

* Monitor by Modular Finance AB. Compiled and processed ownership data from various public sources, including Euroclear Finland and Morningstar, and from direct shareholder disclosures. Whilst all efforts have been made to secure as updated and complete information as possible, neither Modular Finance nor Revenio Group can guarantee the completeness or accuracy of the data.

HALF-YEAR REPORT JANUARY 1–JUNE 30, 2021, TABLES

Accounting policies applied in the preparation of the half-year report

This half-year report has been drawn up in accordance with IAS 34 Interim Financial Reporting and the same principles as the financial statements for 2020, with the exception of the following amendments to the existing standards, which the Group has applied as of January 1, 2020:

Amendments made to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 as part of Phase 2 of Interest Rate Benchmark Reform.

In the management's estimate, the adoption of the above-mentioned standards does not have a material impact on the Group's financial statements.

The figures of the half-year report are unaudited.

Consolidated comprehensive income statement (EUR million)

	4- 6/2021	4- 6/2020	1- 6/2021	1- 6/2020	1- 12/2020
NET SALES	18.9	13.7	35.6	25.6	61.1
Other operating income	0.0	0.0	0.1	0.1	1.3
Materials and services	-5.8	-3.9	-10.6	-7.3	-17.7
Employee benefits	-4.4	-3.2	-7.5	-6.0	-12.7
Depreciation, amortization, and impairment	-0.7	-0.7	-1.4	-1.3	-4.6
Other operating expenses	-3.5	-2.5	-7.1	-5.2	-10.2
NET PROFIT/LOSS	4.4	3.4	9.0	5.9	17.1

Financial income and expenses (net)	-0.1	-0.1	0.0	-0.1	-0.4
PROFIT BEFORE TAXES	4.3	3.3	9.0	5.7	16.7
Income taxes	-0.9	-0.8	-1.9	-1.2	-3.4
NET PROFIT	3.4	2.6	7.2	4.5	13.4
Other comprehensive income items	0.0	-0.1	0.1	0.0	-0.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3.4	2.5	7.3	4.6	12.8
Earnings per share, undiluted, EUR	0.130	0.097	0.271	0.172	0.505
Earnings per share, diluted, EUR	0.130	0.097	0.271	0.172	0.504

Consolidated balance sheet (EUR million)

Consolidated balance sheet (MEUR)	30.6.2021	30.6.2020	31.12.2020
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	2.2	1.8	2.0
Goodwill	59.7	50.4	50.4
Intangible assets	18.7	19.3	16.9
Right-of-use assets	0.9	1.2	0.9
Other receivables	0.1	0.1	0.2
Deferred tax assets	0.1	0.0	0.0
TOTAL NON-CURRENT ASSETS	81.6	72.7	70.4
CURRENT ASSETS			
Inventories	5.7	4.8	4.9
Trade and other receivables	8.4	6.7	9.3
Deferred tax assets	1.5	1.1	1.0
Cash and cash equivalents	12.1	19.7	28.9
TOTAL CURRENT ASSETS	27.7	32.2	44.0
TOTAL ASSETS	109.2	104.9	114.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	5.3	5.3	5.3
Fair value reserve	0.3	0.3	0.3
Reserve for invested unrestricted capital	52.2	52.1	52.5
Other reserves	0.3	0.3	0.3
Retained earnings/loss	11.9	4.8	14.0
Translation difference	-0.2	0.1	-0.3
Own shares held by the company	-2.1	-2.4	-2.3
TOTAL SHAREHOLDERS' EQUITY	67.6	60.4	69.7

LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	3.9	4.1	3.9
Financial liabilities	22.4	25.2	22.4
Lease liabilities	0.4	0.6	0.4
TOTAL LONG-TERM LIABILITIES	26.7	30.0	26.6
CURRENT LIABILITIES			
Trade and other payables	10.6	9.9	12.6
Provisions	0.4	0.4	0.3
Financial liabilities	3.6	3.6	4.6
Lease liabilities	0.5	0.6	0.6
TOTAL CURRENT LIABILITIES	14.9	14.5	18.1
TOTAL LIABILITIES	41.6	44.5	44.7
TOTAL SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES	109.2	104.9	114.4

Consolidated statement of changes in equity (EUR million)

Consolidated statement of change in equity (MEUR)

	Share capita l	Reserve for invested unrestricte d equity	Other Reserve s	Retaine d Earning s	Translatio n difference	Own share s	Total Equit y
Balance 1 Jan 2021	5.3	52.5	0.6	14.0	-0.3	-2.3	69.7
Dividend distribution	0.0	0.0	0.0	-8.5	0.0	0.0	-8.5
Disposal and purchase of own shares	0.0	-0.2	0.0	-0.0	0.0	0.2	-0.4
Other direct entries to retained earnings	0.0	0.0	0.0	-1.3	0.0	0.0	-0.9
Used option rights	0.0	0.3	0.0	0.0	0.0	0.0	0.3
Total comprehensive income	0.0	0.0	0.0	7.3	0.1	0.0	7.5
Balance 30 June 2021	5.3	52.6	0.6	11.5	-0.2	-2.1	67.6
	Share capita l	Reserve for invested unrestricte d equity	Other Reserve s	Retaine d Earning s	Translatio n difference	Own share s	Total Equit y
Balance 1 Jan 2020	5.3	51.2	0.6	8.0	0.1	-0.7	64.4
Dividend distribution	0.0	0.0	0.0	-7.9	0.0	0.0	-7.9
Disposal and purchase of own shares	0.0	0.0	0.0	0.0	0.0	-1.6	-1.6

Other direct entries to retained earnings	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Used option rights	0.0	0.9	0.0	0.0	0.0	0.0	0.9
Total comprehensive income	0.0	0.0	0.0	4.6	0.4	0.0	5.0
Balance 30 June 2020	5.3	52.1	0.6	4.8	0.5	-2.4	60.8

Consolidated cash flow statement (EUR million)

Consolidated cash flow statement (MEUR)	1-6/2021	1-6/2020	1-12/2020
CASH FLOW FROM OPERATIONS			
Profit for the period	7.2	4.5	13.4
Adjustments:	0.0	0.0	0.0
Depreciation, amortization, and impairment	1.4	1.3	4.6
Other non-cash items	0.2	0.5	0.5
Interest and other financial expenses	0.2	0.1	0.4
Interest income and other financial income	-0.2	0.0	0.0
Taxes	1.9	1.2	3.4
Other adjustments	-1.0	0.0	0.0
Change in working capital:			
Changes in sales and other receivables	1.3	-0.3	-2.9
Changes in current assets	-0.9	-1.3	-1.4
Changes in trade and other payables	-1.9	-1.5	1.0
Change in working capital, total	-1.5	-3.1	-3.3
Interest paid	-0.1	-0.1	-0.3
Interest received	0,0	0,0	0,0
Taxes paid	-3.3	-1.8	-3.4
NET CASH FLOW FROM OPERATING ACTIVITIES	4.7	2.6	15.2
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of subsidiaries less cash and cash equivalents at acquisition time	-11.3	0.0	0.0
Purchase of tangible assets	-0.5	-0.3	-0.8
Purchase of intangible assets	-0.2	-0.5	-0.7
Loans granted	0.0	-0.1	-0.1
NET CASH FLOW FROM INVESTING ACTIVITIES	-12.0	-0.8	-1.6
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of loans	-1.1	-1.1	-2.2
Dividends paid	-8.5	-6.6	-7.9
Share subscription through exercised options	0.3	0.9	1.3
Acquisition of own shares	0.0	-1.6	-1.6
Payments of lease agreement liabilities	-0.3	-0.3	-0.7

NET CASH FLOW FROM FINANCING ACTIVITIES	-9.6	-8.7	-11.1
Net change in cash and credit accounts	-16.9	-7.0	2.6
Cash and cash equivalents at beginning of period	28.9	26.7	26.7
Effect of exchange rates	0.1	-0.1	-0.4
Cash and cash equivalents at end of period	12.1	19.7	28.9

Key figures (EUR million)

Group key figures and ratios (MEUR)	1-6/2021	4-6/2021	1-6/2020	4-6/2020	1-12/2020
Net sales	35.6	18.9	25.6	13.7	61.1
Ebitda	10.4	5.2	7.2	4.1	21.7
Ebitda-%	29.3	27.4	28.1	30.1	35.5
Operating profit	9.0	4.4	5.9	3.4	17.1
Operating profit-%	25.4	23.5	22.9	25.2	28.1
Pre-tax profit	9.0	4.3	5.7	3.3	16.7
Pre-tax profit-%	25.4	23.0	22.4	24.5	27.4
Net profit	7.2	3.4	4.5	2.6	13.4
Net profit-%	20.2	18.3	17.8	18.8	21.9
Gross capital expenditure	12.6	12.4	1.5	1.0	2.4
Gross capital expenditure-%	35.3	65.5	6.0	7.1	3.9
R&D costs	3.2	1.8	2.5	1.3	4.6
R&D costs-% from net sales	8.9	9.8	9.7	9.5	7.5
Gearing-%	20.7	20.7	14.8	14.8	-2.4
Equity ratio-%	61.9	61.9	57.6	57.6	60.9
Return on investment-% (ROI)	9.7	4.7	6.4	3.7	18.1
Return on equity-% (ROE)	10.5	5.0	7.3	4.1	19.9
Undiluted earnings per share, EUR	0.27	0.13	0.17	0.10	0.51
Diluted Earnings per share, EUR	0.27	0.13	0.17	0.10	0.50
Equity per share, EUR	2.54	2.54	2.27	2.27	2.61
Average no. of employees	155	166	127	129	143
Cash flow from operating activities	4.7	4.0	2.6	2.9	15.2
Cash flow from investing activities	-12.0	-11.7	-0.8	-0.6	-1.6
Net cash used in financing activities	-9.6	-2.0	-8.7	-6.4	-11.1
Total cash flow	-16.9	-9.7	-7.0	-4.1	2.6

Alternative growth indicators used in financial reporting

Revenio has adopted the guidelines of the European Securities and Market Authority (ESMA) on Alternative Performance Measures. In addition to the IFRS-based key figures, the company will publish certain other generally used key figures that may, as a rule, be derived from the income statement and balance sheet. The calculation of these figures is presented below. According to the company's view, these key figures

supplement the income statement and balance sheet, providing a better picture of the company's financial performance and position.

Revenio Group's net sales are strongly affected by fluctuations in the exchange rate between the euro and the US dollar. As an alternative growth indicator, the company also presents net sales with the exchange rate effect eliminated.

Alternative growth indicator (EUR thousand)	1-6/2021
Reported net sales	35,640
Effect of exchange rates on net sales	1,285
Net sales adjusted by the effect of exchange rates	36,925
Growth in net sales, adjusted by the effect of exchange rates	43,7%
Reported net sales growth	39,2%
Difference, % points	4,5%

Alternative profitability indicator EBITDA (EUR thousand)
EBITDA = Operating profit + depreciation + impairment

As an alternative growth indicator, the company also presents profitability as an operating margin (EBITDA) key figure.

Alternative profitability indicator (EBITDA) (EUR thousand)	1-6/2021	1-6/2020	1-12/2020
Operating profit, EBIT	9,049	5,871	17,130
Depreciation, amortization, and impairment	1,400	1,318	4,563
EBITDA	10,449	7,189	21,693

Operating profit adjusted by non-recurring costs (EUR thousand)	1-6/2021	1-6/2020	1-12/2020
Operating profit, EBIT	9,049	5,871	17,130
Cutica-related impairment	0	0	1,937
Non-recurring costs of the acquisition	678	0	0
Adjusted operating profit, EBIT	9,728	5,871	19,067

EBITDA adjusted by non-recurring acquisition costs (EUR thousand)	1-6/2021	1-6/2020	1-12/2020
EBITDA	10,449	7,189	21,693
Non-recurring costs of the acquisition	678	0	0
Adjusted operating profit, EBITDA	11,127	7,189	21,693

Oculo acquisition

On 27 April, 2021, Revenio finalized the Oculo acquisition announced on March 19, 2021. Revenio acquired the entire share capital of the Australian CERA Technologies Pty Ltd (“Oculo”) for a total price of AUD 18.5 million (EUR 11.9 million). The sales price was paid in cash. The sales price will be revised, and the final sales price will be determined, and the remainder of the sales price will be paid after the execution of the acquisition when the calculations of the revision instalments agreed in the deed have been completed. Oculo will be included in Revenio Group’s consolidated statements from April 28, 2021. With the acquisition, Revenio continues to strengthen its position as a leading global operator in the field of ophthalmological diagnostics device solutions. The acquisition also significantly supports Revenio’s growth strategy as the company takes a significant step towards improving the productivity and quality of eye care with targeted product innovations and to transform clinical care pathways with eye care focused software solutions. With Oculo, Revenio continues to strengthen its position in the eye care market through innovative, user-friendly products and software solutions designed to improve patient experience in the eye care pathways. Oculo’s approach to connecting clinical teams and bridging their electronic health records and imaging systems is unique.

The sales price included a conditional consideration of AUD 0.3 million (EUR 0.2 million) related to the possibility of receiving a tax credit from the Australian tax authorities. Any tax credit received by October 31, 2021, will be paid to the sellers in full. The value of the conditional consideration is expected to amount to AUD 0–0.3 million.

At the time of acquisition, the fair value of identifiable intangible assets of the target company was EUR 2.5 million, consisting of the software platform. The fair value has been determined based on the acquisition cost, and the value will be depreciated over a period of seven years.

The (preliminary) goodwill is EUR 9.5 million. Goodwill consists of personnel, synergies, growth opportunities and the software platform. The acquisition cost calculation is being finalized, and it will be completed within the one-year review period.

The gross value of trade receivables is EUR 0.4 million, and we expect that the total sum is recoverable.

In the Group’s comprehensive income statement for January–June 2021, the EUR 0.7 million expenses related to the acquisition are included in other expenses, and in the cash flow statement, they are included in the net cash flow from operations.

In the period April 28–June 30, 2021, the acquired operations formed EUR 0.3 million of Revenio’s net sales and EUR -0.4 million of Revenio’s operating profit. Had the acquisition been finalized on January 1, 2021, Revenio’s net sales would have increased by EUR 0.3 million and its operating profit would have decreased by EUR 0.5 million.

The Board of Directors of Revenio Group Corporation has approved a restricted share plan for five key employees of Oculo. Said plan is not included in the merger of operations; it is a separate scheme.

Acquisition cost calculation

The following table gives the initial fair value of the net assets acquired and the goodwill arising from the acquisition at the time of acquisition:

Provisional consideration
transferred in EUR thousand

Cash consideration	11,703
Contingent consideration	168
Total purchase consideration	11,871

Cash flow	
Cash consideration paid at closing	-11,703
Closing cash	402
Total cash flow	-11,302

ASSETS

Non-current assets

Tangible assets	30
Intangible assets	2,460
Deferred tax assets	46
Total non-current assets	2,535

Current assets

Trade and other receivables	412
Cash and cash equivalents	402
Total current assets	813
TOTAL ASSETS	3,349

LIABILITIES

Non-current liabilities

Employee benefit obligations	25
Total non-current liabilities	25

Current liabilities

Trade and other payables	908
Total current liabilities	908
TOTAL LIABILITIES	933

Net (liabilities) / assets	2,416
Purchase consideration	11,871
Goodwill	9,455

Formulas

EBITDA	=	EBITDA = Operating profit + amortization + impairment
--------	---	---

Gross margin	=		Sales revenue – variable costs
Earnings per share	=		<u>Net profit for the period (attributable to the parent company's shareholders)</u> Average number of shares during the period – own shares purchased
Profit before taxes	=		Operating profit + financial income – financial expenses
Equity ratio, %	=	100 x	<u>Shareholders' equity on the balance sheet + non-controlling interest</u> Balance sheet total – advance payments received
Net gearing, %	=	100 x	<u>Interest-bearing debt – cash and cash equivalents</u> Total equity
Return on equity (ROE), %	=	100 x	<u>Profit for the period</u> Shareholders' equity + non-controlling interest
Return on investment (ROI), %	=	100 x	<u>Profit before taxes + interest and other financial expenses</u> Balance sheet total – non-interest-bearing debt
Equity per share	=		<u>Equity attributable to shareholders</u> Number of shares at the end of the period

General statement

This report contains certain statements that are estimates based on the management's best knowledge at the time they were made. For this reason, they involve a certain amount of inherent risk and uncertainty. The estimates may change in the event of significant changes in the general economic conditions.

Revenio Group Corporation
Board of Directors

For further information, please contact:

Jouni Toijala, President & CEO, tel. +358 50 484 0085

jouni.toijala@revenio.fi

Robin Pulkkinen, CFO, tel. +358 50 505 9932

robin.pulkkinen@revenio.fi

www.revenio.fi

DISTRIBUTION:

Nasdaq Helsinki Oy

Financial Supervisory Authority (FIN-FSA)

Principal media

<https://www.reveniogroup.fi/en/>

Revenio Group in brief

Revenio is a leading company in ophthalmological devices and software solutions. Revenio Group's ophthalmic diagnostic solutions include intraocular pressure (IOP) measurement devices (tonometers), retinal imaging devices, and perimeters under the iCare brand. In addition, the Group's eye care software platform Oculo brings together clinical communication, telehealth, remote patient monitoring, and data analytics capabilities.

In 2020, the Group's net sales totaled EUR 61.1 million and its operating profit amounted to EUR 17.1 million. Revenio Group Corporation is listed on Nasdaq Helsinki with the trading code REG1V.