

H1
2020

Half-year financial report

January – June



REVENIO

ENABLING EASY & EFFICIENT DIAGNOSIS

Revenio Group Corporation: Half-year Financial Report H1/2020

Figures in brackets refer to the same period in the previous year, unless otherwise stated.

Strong quarter despite the Covid-19 pandemic.

April–June 2020

- Net sales totaled EUR 13.7 (11.8) million, showing reported increase of 15.6%
- Operating profit was EUR 3.4 (0.9) million
- Operating profit for the reference period was weighed down by non-recurring acquisition costs amounting to EUR 1.82 million. Operating profit adjusted by non-recurring acquisition costs was EUR 2.7 million in the reference period. In relation to the adjusted operating profit for the reference period, operating profit grew by 27.7% in the reporting period.
- EBITDA was EUR 4.1 (1.4) million
- EBITDA for the reference period was weighed down by non-recurring acquisition costs amounting to EUR 1.82 million. EBITDA adjusted by non-recurring acquisition costs was EUR 3.2 million in the reference period. In relation to the adjusted EBITDA for the reference period, EBITDA grew by 27.4% in the reporting period.
- Gross margin was EUR 9.8 (7.6) million, an increase of 28.6%
- Cash flow from operating activities totaled EUR 2.9 (3.2) million, a decline of 10.7%
- The currency-adjusted growth of net sales in April–June was 15.2%, or 0.4% percentage points weaker than reported
- Product development projects have been continued as planned throughout the quarter
- On 2 April 2020, Revenio withdrew its financial guidance for the current year due to the uncertainty caused by the coronavirus outbreak. The company is assessing its outlook for the rest of 2020 as part of its Half-year Financial Report instead of providing financial guidance
- On May 18, 2020, Jouni Toijala was appointed CEO of the Revenio Group
- Undiluted earnings per share came to EUR 0.097 (0.018)
- The Annual General Meeting confirmed a dividend of EUR 0.30 (0.28)

January–June 2020

- Net sales totaled EUR 25.6 (20.3) million, showing reported increase of 26.4%
- Operating profit was EUR 5.9 (3.5) million
- Operating profit for the reference period was weighed down by non-recurring acquisition costs amounting to EUR 2.1 million. Operating profit adjusted for non-recurring acquisition costs was EUR 5.5 million in the reference period. In relation to the adjusted operating profit for the reference period, operating profit grew by 6.0% in the reporting period
- EBITDA was EUR 7.2 (4.3) million
- EBITDA for the reference period was weighed down by non-recurring acquisition costs amounting to EUR 2.1 million. EBITDA adjusted by non-recurring acquisition costs was EUR 6.4 million in the

reference period. In relation to the adjusted EBITDA for the reference period, EBITDA grew by 13.1% in the reporting period

- Gross margin was EUR 18.3 (13.9) million, up by 31.4%
- Cash flow from operating activities totaled EUR 2.6 (3.8) million, a decline of 32.4%
- The currency-adjusted growth of net sales in January–June was 25.5%, or 0.9 percentage points weaker than reported
- The effects of the Covid-19 pandemic began to appear towards the end of the first quarter. April was a clear low point for sales in the first half of the year, with the market gradually starting to recover thanks to the dismantling of the restriction measures in May
- The Annual General Meeting confirmed a dividend of EUR 0.30 (0.28)
- Undiluted earnings per share came to EUR 0.172 (0.105)

Key consolidated figures, EUR million

	Apr–Jun/2020	Apr–Jun/2019	Change %	Jan–Jun/2020	Jan–Jun/2019	Change %
Net sales	13.7	11.8	15.6	25.6	20.3	26.4
Operating profit, EBIT	3.4	0.9	291.5	5.9	3.5	70.1
Operating profit, %, EBIT, %	25.2	7.4	17.7	22.9	17.0	5.9
EBITDA	4.1	1.4	191.3	7.2	4.3	68.3
EBITDA, %	30.1	11.9	18.2	28.1	21.1	7.0
Return on investment (ROI), %	3.7	1.6	2.1	6.4	6.5	-0.1
Return on equity (ROE), %	4.1	1.4	2.7	7.3	7.0	0.3
Earnings per share, undiluted	0.097	0.018		0.172	0.105	
				Jun 30, 2020	Jun 30, 2019	Change, %
Equity ratio, %				57.6	53.4	4.2
Net gearing, %				14.8	18.2	-3.4

Outlook for 2020

On April 2, 2020, Revenio withdrew its financial guidance for 2020 due to the uncertainty caused by the coronavirus outbreak. Due to the uncertainty and general downward economic trend caused by the Covid-19 pandemic, market conditions have become very exceptional, resulting in a significant decline in the predictability of financial development. As it is not yet possible to assess the full impact of the situation towards the end of the year, Revenio Group Corporation withdrew the financial guidance for 2020 issued on February 20, 2020. Visibility to the end of the year remains weak, which is why Revenio expects that it will not be able to provide guidance for 2020. In the second half of the year, the company expects its business and operating environment to develop as follows:

- Visibility towards the end of the year is still weak due to a possible second wave of the pandemic, , but the company estimates that net sales for the rest of the year will increase from the previous year.

The company's earlier financial guidance for 2020 was:

Revenio Group's reported net sales are estimated to grow very strongly from the previous year and profitability excluding non-recurring items is to remain at a healthy level.

CEO Jouni Toijala comments on the first half of 2020:

"The general global uncertainty caused by the Covid-19 pandemic and the significant decline in economic predictability in the first quarter of the year began to clear up for Revenio's business during the spring. The second quarter turned out to be strong in relation to the circumstances, particularly due to the growth in demand for tonometers and probes. It should be noted that the CenterVue figures were not consolidated until May 1, 2019.

Some of our markets, such as Japan, the United Kingdom, and Canada, have been the fastest to show signs of recovery. In the United States, clinics are gradually reopening, and we have already agreed on the first product presentations for imaging devices. Regional differences in the US remain considerable, however, and there are significant uncertainties due to the Covid-19 pandemic in the market, which we are following closely.

Demand for tonometers started to grow during May–June, as did demand for single-use, sterile probes. The World Glaucoma Association has recommended avoiding traditional air-puff technology, as it is suspected of causing droplets, which enables the spread of viruses. During the spring, Icare has also actively campaigned for the safe use of tonometers using the "stay protected" theme, which has produced excellent results.

In the United States in particular, interest in the Icare HOME tonometer has grown strongly both among doctors and their patients. In our view, it is quite possible that the remote digital monitoring of patients will receive a significant boost as healthcare professionals need to devise new methods to monitor the health of patients without meeting the patient.

As for sales growth in retinal imaging devices, we will likely have to wait for the wider lifting of the Covid-19 restrictions, as the devices are capital goods and require in-person meetings for both sales and installation. In many countries, clinics and hospitals have been either closed or banned for outsiders. Deliveries of devices already ordered were also suspended for a long time during the spring, but, most importantly, orders were not cancelled, and deliveries were gradually started at the end of the review period. In our view, we are also well positioned with our retinal imaging devices vis-à-vis our competitors when the restrictions caused by the pandemic are eased.

Sales of the DRSplus retinal imaging device launched in Europe at the end of 2019 has started, and the launch of the product in the United States will start in earnest as soon as the country's pandemic situation calms down. The product has been very well received, and deliveries halted due to the pandemic were started in June. DRSplus is particularly suitable for the detection of diabetic retinopathy. The product has obtained approval from the United States Food and Drug Administration FDA and is CE-certified in Europe.

The supply chain situation has been good throughout the first half of the year, and we have not observed any problems. We are still aiming to raise the stock levels of all our products to ensure the start of deliveries at full capacity as the pandemic-related restrictions are lifted.

We have successfully completed audits under the new Medical Device Single Audit Program (MDSAP) both in Finland and Italy, and, in June, Icare Finland obtained MDSAP certification. The new audit program will bring both financial and time savings, as we can in future replace audits for the ISO 13485:2016 standard according to the individual national requirements in the US, Australia, Japan, Canada, and Brazil by a single audit. The new European Medical Device Regulation (MDR) was originally due to enter into force in May 2020, but the Covid-19 pandemic caused the deadline to be postponed to May 2021. Our preparations for the transition to MDR are progressing well within the transition period.

In addition to ophthalmic diagnostic solutions, Revenio's development portfolio includes the Research function, which is currently working on two product concepts. Clinical tests related to the Ventica® and Cutica systems have been halted due to the Covid-19 pandemic, but we aim to continue them in the coming months as clinics gradually reopen

We have continued to work in Finland, Italy, and the United States throughout the first half, taking into account official guidelines. We have favored remote working to the extent feasible and used remote meeting tools efficiently. Our employees have remained healthy, for which I am extremely thankful. We have not needed to resort to temporary or permanent layoffs and our entire organization, from sales to production, warehouses, quality assurance, product development, and administration, have been working at full speed throughout the spring.

I started as CEO of Revenio Group during an exceptional period when great flexibility, creativity, and perseverance was required of our entire organization. I am truly impressed with our products and the skills, professionalism, and commitment of our people. I have been very well received and already feel that I am part of the team. For this, I owe my thanks to my predecessor, Timo Hildén, who has supported me in taking on my role.

We have launched the update work of our strategy, focusing especially on ophthalmic diagnostic solutions and our role as a global pioneer in this area. We will report on this work in more detail at the end of the year.

I wish our personnel, customers, distributors, partners, and shareholders good health and a safe summer."

Effects of the Covid-19 pandemic and actions taken

The risks and uncertainties related to the global Covid-19 pandemic grew significantly during the first quarter of 2020. During the second quarter of 2020, a gradual market reopening could already be observed around the world. With regard to Revenio Group's business, Asian countries, in particular, have

already shown signs of recovery, as have numerous European countries and North America. The risk of a possible second wave applies equally to all of Revenio Group's markets.

In the early stages of the pandemic, the entire Revenio Group transitioned widely to remote working at all its locations, and customer meetings were conducted mainly via remote tools. During the spring, our sales and marketing organization arranged several product webinars for customers and distributors to positive feedback. Despite the Covid-19 pandemic, Revenio has continued its R&D projects without interruption.

During the spring, the Group has raised the stock levels of all its products so that deliveries can be started quickly as soon as the situation normalizes. The pandemic has not had a significant impact on the supply chain. Sales of probes have been brisk, boosted by the hygiene challenges of the competing air-puff technology reported in countries such as China, Japan, and Ireland. Imaging devices, on the other hand, are capital goods, and their market is expected to recover more slowly, as they require both face-to-face presentations and physical installation and deployment.

Revenio's balance sheet and cash flow remained strong throughout the period. The Covid-19 pandemic has not had a significant impact on Revenio's financial position, except to the extent that the company agreed on a six-month grace period for its loan arrangement. No material changes have been observed in customers' liquidity.

FINANCIAL REVIEW

Net sales, profitability and profit

April–June 2020

Revenio Group's consolidated net sales in April 1–June 30, 2020 totaled EUR 13.7 (11.8) million. This represented a net sales growth of 15.6%. The currency-adjusted growth of net sales in April–June was 15.2%, or 0.4% percentage points weaker than reported. The acquisition of CenterVue has only had a minor impact on the exchange rate adjustments in April–June. EBITDA was EUR 4.1 (1.4) million, representing 30.1% of net sales, an increase of 191.3%. EBITDA for the reference period was weighed down by non-recurring acquisition costs amounting to EUR 1.82 million. EBITDA adjusted by non-recurring acquisition costs was EUR 3.2 million in the reference period. In relation to the adjusted EBITDA for the reference period, EBITDA grew by 27.4% in the reporting period.

Earnings before tax totaled EUR 3.3 (0.7) million, a growth of 363.2% from the preceding year. Consolidated operating profit totaled EUR 3.4 (0.9) million, an increase of 291.5% from the previous year. Operating profit for the reference period was weighed down by non-recurring acquisition costs amounting to EUR 1.82 million. Operating profit adjusted by non-recurring acquisition costs was EUR 2.7 million in the reference period. In relation to the adjusted operating profit for the reference period, operating profit grew by 27.7% in the reporting period. Fixed costs were lower than expected during the

review period due to the restrictions caused by the Covid-19 pandemic, including factors such as remote working and the cessation of travel.

Undiluted earnings per share came to EUR 0.097 (0.018). Equity per share was EUR 2.27 (2.11).

January–June 2020

Revenio Group's consolidated net sales in January 1–June 30, 2020 totaled EUR 25.6 (20.3) million. This represented net sales growth of 26.4%. The currency-adjusted growth of net sales in January–June was 25.5%, or 0.9% percentage points weaker than reported.

EBITDA was EUR 7.2 (4.3) million, representing 28.1% of net sales, an increase of 68.3%. EBITDA for the reference period was weighed down by non-recurring acquisition costs amounting to EUR 2.1 million. EBITDA adjusted by non-recurring acquisition costs was EUR 6.4 million in the reference period. In relation to the adjusted EBITDA for the reference period, EBITDA grew by 13.1% in the reporting period.

Earnings before tax totaled EUR 5.7 (3.3) million, a growth of 73.2% from the preceding year.

Operating profit totaled EUR 5.9 (3.5) million, up 70.1% from the previous year. Operating profit for the reference period was weighed down by non-recurring acquisition costs amounting to EUR 2.1 million. Operating profit adjusted by non-recurring acquisition costs was EUR 5.5 million in the reference period. In relation to the adjusted operating profit for the reference period, operating profit grew by 6.0% in the reporting period.

Undiluted earnings per share came to EUR 0.172 (EUR 0.105). Equity per share was EUR 2.27 (2.11).

Balance sheet, financing and cash flow

The consolidated balance sheet total stood at EUR 104.9 (104.3) million on June 30, 2020. The consolidated goodwill recorded in the balance sheet on June 30, 2020 was EUR 50.4 (50.4) million. Shareholders' equity amounted to EUR 60.4 (55.7) million. At the end of the reporting period, interest-bearing liabilities amounted to EUR 28.6 (30.3) million and gearing stood at 14.8% (18.2%). The consolidated equity ratio was 57.6% (53.4). The Group's liquid assets amounted to EUR 19.7 (20.2) million on June 30, 2020.

The Group's financial position remained stable in the period under review.

The debt financing package negotiated with bank to finance the acquisition of CenterVue in 2019 consists of a fixed-term loan of EUR 30 million, which is amortized by EUR 1.05 million repayments per quarter with the outstanding amount payable 3.5 years from the completion of the acquisition. Revenio agreed on a six-month grace period for its loan arrangement. The arrangement will improve the Group's cash flow from financing activities by EUR 2.1 million during the current year.

Cash flow from operating activities totaled EUR 2.6 (3.8) million. The decrease in cash flow from operating activities has been influenced by the increase in inventory values, decrease in trade payables, and taxes paid. The Group's purchases of PPE and intangible assets totaled EUR 0.8 (58.6) million. Investments in the reference period focused mainly on the CenterVue acquisition.

Governance

Changes in the Group structure

CenterVue Inc. was merged with Icare USA Inc. As of April 1, 2020, Revenio Group's subsidiary in the United States is Icare USA Inc.

Personnel and management

Jouni Toijala, B.Sc., MBA, (b. 1968) started as the CEO of Revenio Group Corporation and its subsidiaries on May 18, 2020.

The Management Team of Revenio Group includes 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, and R&D Director of Tonometers Mika Salkola.

Average number of personnel during the period

	Jan– Jun/2020	Jan– Jun/2019
Revenio Group	127	75

The number of employees at the end of the review period was 130 (118), an increase of 12 people. Salaries and remunerations paid in January–June totaled EUR 5.3 (4.1) million.

Board of Directors

The members of the company's Board of Directors are Pekka Rönkä (chair), Kyösti Kakkonen, Arne Boye Nielsen, Ann-Christine Sundell, Pekka Tammela, and Bill Östman.

Audit Committee

At its organization meeting, held after the Annual General Meeting of 2020, the Board of Directors re-elected from among its members the following previous members to continue to serve on the Audit Committee: Pekka Tammela, Pekka Rönkä, and Ann-Christine Sundell. Pekka Tammela will continue as Chair of the Audit Committee.

Auditor

Deloitte Oy was re-appointed as the company auditor, with Mikko Lahtinen, Authorized Public Accountant, appointed by it as the principal auditor. The auditor's fee shall be paid in accordance with the reasonable invoice.

Shares, share capital, and management and employee holdings

On June 30, 2020, 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 26,627,236.

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, 2020, the CEO, members of the Board of Directors and their related parties held 0.3% of the company's shares, or 66,853 shares and 0.0% of the option rights.

The company bought 80,000 of its own shares during the review period. At the end of the review period, the company holds 133,184 own shares.

During the review period, the number of shares increased by 49,545 following subscriptions made on the basis of the 2015B stock option scheme and by 32,949 following subscriptions made on the basis of the 2015C option scheme. A total of 82,494 subscriptions were made. Following these subscriptions and the share issue, the number of shares and votes of Revenio Group Corporation increased to 26,627,236.

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 system is widely used by the employees.

The Annual General Meeting of Revenio Group Corporation held on June 8, 2020 decided that 40% of Board members' emoluments will be settled in the form of company shares.

Authorization for the purchase of own shares

On June 8, 2020, the AGM authorized the Board to make the decision to buy back a maximum of 1,329,951 of the company's own shares in one or several tranches using the company's non-restricted equity capital. The authorization is valid until the end of the AGM to be held in 2021, but no later than until June 30, 2021. The authorization shall supersede the buyback authorization granted at the AGM of March 20, 2019.

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

On June 8, 2020, the AGM authorized the Board of Directors to decide to issue a maximum of 1,329,951 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 will be used to finance and implement any prospective corporate acquisitions or other transactions, to implement the company's share-based incentive schemes, or for other purposes determined by the Board.

The authorization is valid until the end of the AGM to be held in 2021, but no later than until June 30, 2021. The authorization shall supersede the share-issue authorization granted at the AGM of March 20, 2019.

Current 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%. On 30 June 2020, the subscription price for Series C options was EUR 12.48. In accordance with the terms and conditions of the option scheme, the subscription price will be reduced by the amount of dividends decided before the share subscription, on the record date of each dividend payment.

A total of 82,494 new shares were subscribed for in January–June 2020.

Performance share plans

On March 20, 2018, June 20, 2019, and March 13, 2020, the Board of Directors of Revenio Group Corporation decided on a long-term incentive scheme directed towards the 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 2021–2023.

Flagging notifications

On June 5, 2020, Revenio Group Corporation was notified of a change in shareholder ownership, in accordance with chapter 9, section 5 of the Securities Market Act, in which the number of shares and votes in Revenio Group Corporation held by William Demant Invest A/S rose above 10%.

On June 5, 2020, William Demant Invest A/S held 10.17% of Revenio Group Corporation's shares and votes. On June 5, 2020, William Demant Invest A/S held a total of 2,705,336 shares in Revenio Group Corporation.

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/investors/releases>.

Trading on Nasdaq Helsinki

During the period January 1–June 30, 2020, Revenio Group Corporation's share turnover on the Nasdaq Helsinki exchange totaled EUR 205.5 (46.7) million, representing 8.1 (2.6) million shares or 30.3 (9.9) percent of all shares outstanding. The highest trading price was 31.00 (21.75) and the lowest was EUR 18.48 (12.56). At the end of the period, the closing price was EUR 28.15 (20.00), and the average share price for the period was EUR 25.45 (17.86). Revenio Group Corporation's market value stood at EUR 749,6 (528,2) million on June 30, 2020.

Summary of trading on Nasdaq Helsinki January 1–June 30, 2020

January–June 2020	Turnover, number of shares	Value total, EUR	Highest, EUR	Lowest, EUR	Average price, EUR	Latest, EUR
REG1V	8,074,987	205,501,629	31.00	18.48	25.45	28.15

	Jun 30, 2020	Jun 30, 2019
Market value, EUR	749,556,693	528,225,260
Number of shareholders	19,086	10,229

Risks and uncertainty factors

Revenio Group's typical risks are divided into strategic, operational, trade cycle, hazard, financial, and political risks. In addition, the growing threat of global impact of pandemics has 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 the name Revenio Research Oy and CenterVue SpA, 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' regulation of sales permits for medical instruments imposed at national level 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.

The operational risks related to the manufacture, product development, and production control of medical instruments are estimated to be higher than average, because of 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 taken out credit insurance that covers all companies in the Group. Every month, and more frequently if necessary, the Board, in its meetings, assesses matters related to financial issues. 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, Brexit, 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 the pandemic could also 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 Board authorizations in effect

Decisions by the Annual General Meeting of Revenio Group Corporation on June 8, 2020

1. Financial statements, Board and auditors

The Annual General Meeting (AGM) confirmed the company's financial statements for the financial year January 1–December 31, 2019 and discharged the members of the Board of Directors and the Managing Directors from liability.

The AGM decided to elect six members to the Board of Directors. Pekka Rönkä, Kyösti Kakkonen, Ann-Christine Sundell, and Pekka Tammela were re-elected, while Arne Boye Nielsen and Bill Östman were elected as new members. At its organization meeting, held after the Annual General Meeting, the Board of Directors elected Pekka Rönkä as Chair of the Board. The Board of Directors also decided on the composition of the Audit Committee and re-elected Pekka Rönkä, Pekka Tammela, and Ann-Christine Sundell as members. Pekka Tammela was re-elected as Chair of the Audit Committee.

The AGM decided that the Chair of the Board be entitled to an annual emolument of EUR 48,000, Board members who act as Chairs of Committees 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% of Board members' emoluments will be paid out in the form of company shares, while 60% will comprise a monetary payment.

The Annual General Meeting also decided that the members of the Board of Directors and committees will be paid a fee of EUR 600 for board and committee meetings and EUR 300 per meeting for telephone meetings.

The AGM re-appointed Deloitte Oy, Authorized Public Accountants, as the company's auditors, with Mikko Lahtinen, Authorized Public Accountant, as the principal auditor. The AGM decided to compensate the auditors upon the presentation of an invoice approved by the company.

2. Annual profit distribution and dividend distribution

In accordance with the proposal of the Board of Directors, the AGM decided that a dividend of EUR 0.30 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 June 10, 2020. The dividend payment date was June 17, 2020.

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

The AGM authorized the Board to make the decision to buy back a maximum of 1,329,951 of the company's own shares in one or several tranches using the Company's non-restricted equity capital. The company may buy back shares to develop its capital structure, to finance and implement any corporate acquisitions or other transactions, to implement share-based incentive plans, to pay Board emoluments, or otherwise transfer or cancel them.

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 will buy 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. This will be done in such a manner that the minimum price of the purchased shares equals the lowest market price quoted in public trading during the authorization period, and, similarly, their highest price equals the highest market price quoted in public trading during that period.

This authorization is valid until the end of the AGM to be held in 2021, but no later than until June 30, 2021. This authorization supersedes the buyback authorizations decided at AGMs.

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

The AGM authorized the Board of Directors to decide to issue a maximum of 1,329,951 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 will be used to finance and implement any prospective corporate acquisitions or other transactions, to implement the company's share-based incentive schemes, or for other purposes determined by the Board.

It grants the Board the right to decide on all terms and conditions governing the said share issue and the granting of special rights, including the subscribers or grantees of the special rights, and the consideration payable. It also includes the right to waive shareholders' preemptive subscription rights, and it covers the issue of new shares and the transfer of any shares that may be held by the company.

The authorization is valid until the end of the AGM to be held in 2021, but no later than until June 30, 2021. This authorization supersedes the buyback authorizations decided at previous AGMs.

Major events after the review period

There have been no major events since the end of the review period.

Publication of Q3/2020 Interim Report

The Interim Report Jan–Sep/2020 will be published on Thursday, October 22, 2020.

Major shareholders on June 30, 2020

	No. of shares	%
1. Ilmarinen Mutual Pension Insurance Company	558,264	2.10%
2. Evli Finnish Small Cap investment fund	460,000	1.73%
3. Siik Rauni Marjut	310,595	1.17%
4. SEB Finland Small Cap	299,010	1.12%
5. Fennia Mutual Insurance Company	269,466	1.01%
6. Investment Fund Aktia Capital	250,000	0.94%
7. Longhorn Capital Oy	200,000	0.75%
8. Nordea Pro Finland Fund	193,459	0.73%
9. Alpisalo Mia Elisa	156,024	0.59%
10. Investment Fund Aktia Nordic Micro Cap	155,000	0.58%
Nominee-registered owners, total	10,577,609	39.73%

HALF-YEAR FINANCIAL REPORT January 1–June 30, 2020, TABLE SECTION

Statement of accounting policies

This Half-year Financial Report has been prepared in compliance with IAS 34 Interim Financial Reporting. The report has been prepared on the same principles as the 2019 financial statements, with the exception of the following amendments to existing Standards, which the Group has applied as of January 1, 2020:

- IAS 1 and IAS 8; amendments to definition of materiality
- IFRS 3; amendments to definition of a business
- IFRS 9, IAS 39 and IFRS 7; interest rate benchmark reform

According to the management's assessment, the adoption of the standards listed above has no impact on the Group's financial statements.

The figures of the Half-year Financial Report are unaudited.

Consolidated comprehensive income statement (EUR million)

	Apr– Jun/2020	Apr– Jun/2019	Jan– Jun/2020	Jan– Jun/2019	Jan– Dec/2019
NET SALES	13.7	11.8	25.6	20.3	49.5
Other operating income	0.0	0.0	0.1	0.1	1.3
Materials and services	-3.9	-4.3	-7.3	-6.3	-14.9
Employee benefits	-3.2	-2.5	-6.0	-3.9	-9.8

Depreciation, amortization, and impairment	-0.7	-0.5	-1.3	-0.8	-2.0
Other operating expenses	-2.5	-3.7	-5.2	-5.8	-11.5
NET PROFIT/LOSS	3.4	0.9	5.9	3.5	12.6
Financial income and expenses (net)	-0.1	-0.2	-0.1	-0.1	-0.3
PROFIT BEFORE TAXES	3.3	0.7	5.7	3.3	12.3
Income taxes	-0.8	-0.2	-1.2	-0.7	-2.9
NET PROFIT	2.6	0.5	4.5	2.6	9.3
Other comprehensive income items	-0.1	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2.5	0.5	4.6	2.6	9.4
Earnings per share, undiluted, EUR	0.097	0.018	0.172	0.105	0.365
Earnings per share, diluted, EUR	0.097	0.018	0.172	0.104	0.364

Consolidated balance sheet (EUR million)

	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	1.8	1.5	1.8
Goodwill	50.4	50.4	50.4
Intangible assets	19.3	19.7	19.4
Right-of-use assets	1.2	0.9	0.8
Other receivables	0.1	0.1	0.1
Deferred tax assets	0.0	0.0	0.0
TOTAL NON-CURRENT ASSETS	72.7	72.7	72.5
CURRENT ASSETS			
Inventories	4.8	3.6	3.5
Trade and other receivables	6.7	7.4	6.4
Deferred tax assets	1.1	0.4	0.8
Cash and cash equivalents	19.7	20.2	26.7
TOTAL CURRENT ASSETS	32.2	31.6	37.3
TOTAL ASSETS	104.9	104.3	109.8
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 equity	52.1	49.5	51.2
Other reserves	0.3	0.3	0.3
Retained earnings	4.8	1.0	8.0
Translation differences	0.1	0.0	0.1

Own shares held by the company	-2.4	-0.7	-0.7
TOTAL SHAREHOLDERS' EQUITY	60.4	55.7	64.4
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	4.1	4.1	4.1
Financial liabilities	25.2	27.4	25.4
Lease liabilities	0.6	0.4	0.4
TOTAL NON-CURRENT LIABILITIES	30.0	31.9	29.9
CURRENT LIABILITIES			
Trade and other payables	9.9	11.2	10.5
Provisions	0.4	0.6	0.4
Financial liabilities	3.6	4.3	4.3
Lease liabilities	0.6	0.6	0.4
TOTAL CURRENT LIABILITIES	14.5	16.7	15.5
TOTAL LIABILITIES	44.5	48.6	45.4
TOTAL SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES	104.9	104.3	109.8

Consolidated statement of changes in equity (EUR million)

	Share Capital	Reserve for invested unrestricted equity	Other reserves	Retained earnings	Translation difference	Own shares	Equity total
Equity Jan 1, 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	0.0	0.0	4.6
Equity June 30, 2020	5.3	52.1	0.6	4.8	0.1	-2.4	60.4
	Share Capital	Reserve for invested unrestricted equity	Other reserves	Retained earnings	Translation difference	Own shares	Equity total
Equity Jan 1, 2019	5.3	7.8	0.6	5.1	0.0	-0.8	18.0

Dividend distribution	0.0	0.0	0.0	-6.7	0.0	0.0	-6.7
Disposal and purchase of own shares	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Other direct entries to retained earnings	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Used option rights	0.0	0.4	0.0	0.0	0.0	0.0	0.4
Share issue	0.0	42.3	0.0	0.0	0.0	0.0	42.3
Share issue costs	0.0	-1.1	0.0	0.0	0.0	0.0	-1.1
Total comprehensive income	0.0	0.0	0.0	2.6	0.0	0.0	2.6
Equity June 30, 2019	5.3	49.5	0.6	1.0	0.0	-0.7	55.7

Consolidated cash flow statement (EUR million)

	Jan– Jun/2020	Jan– Jun/2019	Jan– Dec/2019
CASH FLOW FROM OPERATIONS			
Profit for the period	4.5	2.6	9.3
Adjustments:			
Non-cash items	1.8	1.4	3.8
Interest and other financial expenses	0.1	0.1	0.4
Interest income and other financial income	0.0	0.0	-0.1
Taxes	1.2	0.7	3.1
Change in working capital:			
Changes in sales and other receivables	-0.3	-1.1	-0.4
Changes in current assets	-1.3	0.2	-0.7
Changes in trade and other payables	-1.5	1.3	1.0
Change in working capital, total	-3.1	0.4	-0.1
Interest paid	-0.1	-0.1	-0.3
Interest received	0.0	0.0	0.0
Taxes paid	-1.8	-1.3	-3.7
NET CASH FLOW FROM OPERATING ACTIVITIES	2.6	3.8	12.5
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of subsidiaries less cash and cash equivalents at acquisition time	0.0	-57.9	-58.2
Purchase of tangible assets	-0.3	-0.4	-0.8
Purchase of intangible assets	-0.5	-0.3	-0.7
Loans granted	-0.1	0.0	0.0
NET CASH FLOW FROM INVESTING ACTIVITIES	-0.8	-58.6	-59.7
CASH FLOW FROM FINANCING ACTIVITIES			
Rights issue	0.0	42.3	42.3
Share issue-related transaction costs	0.0	-1.1	-1.1
Short-term loans drawn	0.0	4.2	4.2

Long-term loans drawn	0.0	25.8	25.8
Repayments of loans	-1.1	0.0	-2.2
Dividends paid	-6.6	-6.7	-6.7
Share subscription through exercised options	0.9	0.4	1.9
Acquisition of own shares	-1.6	0.0	0.0
Payments of lease agreement liabilities	-0.3	-0.3	-0.6
NET CASH FLOW FROM FINANCING ACTIVITIES	-8.7	64.6	63.5
Net change in cash and credit accounts	-7.0	9.8	16.3
Cash and cash equivalents at beginning of period	26.7	10.4	10.4
Effect of exchange rates	-0.1	0.0	0.1
Cash and cash equivalents at end of period	19.7	20.2	26.7

Key consolidated figures, EUR million

	Jan– Jun/202 0	Apr– Jun/202 0	Jan– Jun/201 9	Apr– Jun/201 9	Jan– Dec/201 9
Net sales	25.6	13.7	20.3	11.8	49.5
EBITDA	7.2	4.1	4.3	1.4	14.6
EBITDA, %	28.1	30.1	21.1	11.9	29.5
Operating profit	5.9	3.4	3.5	0.9	12.6
Operating profit, %	22.9	25.2	17.0	7.4	25.5
Profit before taxes	5.7	3.3	3.3	0.7	12.3
Profit before taxes, %	22.4	24.5	16.3	6.1	24.8
Net result for the period	4.5	2.6	2.6	0.5	9.3
Net result for the period, %	17.8	18.8	12.8	4.4	18.9
Gross capital expenditure	1.5	1.0	67.0	66.9	68.2
Gross capital expenditure, % of net sales	6.0	7.1	331.0	564.6	137.8
R&D costs	2.5	1.3	2.2	1.4	4.2
R&D costs, % of net sales	9.7	9.5	10.8	11.8	8.5
Net gearing, %	14.8	14.8	18.2	18.2	3.4
Equity ratio, %	57.6	57.6	53.4	53.4	58.6
Return on investment (ROI), %	6.4	3.7	6.5	1.6	22.6
Return on equity (ROE), %	7.3	4.1	7.0	1.4	22.7
Undiluted earnings per share EUR	0.172	0.097	0.105	0.018	0.365
Diluted earnings per share EUR	0.172	0.097	0.104	0.018	0.364
Equity per share, EUR	2.27	2.27	2.11	2.11	2.42
Average no. of employees	127	129	75	97	88
Cash flow from operating activities	2.6	2.9	3.8	3.2	12.4
Cash flow from investing activities	-0.8	-0.6	-58.6	-58.5	-59.7
Cash flow from financing activities	-8.7	-6.4	64.6	70.4	63.5
Total cash flow	-7.0	-4.1	9.8	15.1	16.2

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 U.S. dollar. As an alternative growth indicator, we also present our net sales with the exchange rate effect eliminated.

Alternative growth indicator (EUR thousand)	1-6/2020	1-6/2019
Reported net sales	25,597	20,253
Effect of exchange rates on net sales	-129	-428
Net sales adjusted with the effect of exchange rates	25,468	19,825
Growth in net sales, adjusted with the effect of exchange rates	25.5%	36.6%
Reported net sales growth	26.4%	38.9%
Difference, % points	-0.9%	-2.3%

Alternative profitability indicator EBITDA (EUR thousand)

EBITDA = Operating profit + depreciation + impairment

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

Alternative profitability indicator EBITDA (EUR thousand)	1-6/2020	1-6/2019
Operating profit, EBIT	5,871	3,452
Depreciation, amortization, and impairment	1,318	819
EBITDA	7,189	4,271

Operating profit adjusted by non-recurring acquisition costs

(EUR thousand)	1-6/2020	1-6/2019
Operating profit, EBIT	5,871	3,452
Non-recurring costs of the acquisition	0	2,085
Adjusted operating profit, EBIT	5,871	5,537

EBITDA adjusted by non-recurring acquisition costs (EUR thousand)

	1-6/2020	1-6/2019
EBITDA	7,189	4,271
Non-recurring costs of the acquisition	0	2,085
Adjusted EBITDA	7,189	6,356

Formulas

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

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The Revenio Group in brief

Revenio is a health tech group operating on the international market and a global leader in ophthalmological devices. Revenio Group's ophthalmic diagnostic solutions include intraocular pressure measurement devices under the Icare brand and retinal imaging devices. The main tools for the detection and diagnosis of glaucoma and its monitoring during treatment are intraocular pressure measurement (tonometry), retinal imaging, and visual field tests (perimetry).

The Revenio Group comprises Icare Finland Oy, Icare USA Inc., Revenio Italy S. R. L, CenterVue SpA, Revenio Research Oy, and Oscare Medical Oy.

The common denominators of Revenio's business operations include patient-led screening, follow-up and the global need to make cost savings in health care via preventive measures. Revenio seeks vigorous growth in health technology. Revenio aims to develop even more efficient and easily adopted methods for the early-stage detection of diseases with significance for public health. The goal is to create better quality of life through health technology solutions that enable more efficient diagnostics. The focus of the Group is on the early detection of glaucoma, diabetic retinopathy, and macular degeneration, and the monitoring of these during the treatment process. Revenio Research focuses on the commercialization of systems that support the diagnosis of skin cancer and asthma and planning their treatment.

In 2019, the Group's net sales totaled EUR 49.5 million, with its operating profit standing at 25.5%. Revenio Group Corporation is listed on Nasdaq Helsinki.