Report by the Board of Directors and Financial Statements

2021

REVENIO

We aspire to keep the wonderful world visible for all

Content

Report by the Board of Directors

JANUARY 1–DECEMBER 31, 2021

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

Revenio is a pioneer in the ophthalmic diagnostic solutions. The Group operates globally. Following the strategic acquisition of CenterVue in April 2019, Revenio has significantly strengthened its position in the diagnostic eye care pathway. Revenio Group took a first step towards building integrated software solutions for the global eye care markets by acquiring the Oculo business, in early 2021.

Revenio's ophthalmic diagnostic offering includes a range of devices and software solutions that allow ophthalmologists to detect many, mostly age-related, eye diseases — such as glaucoma, macular degeneration, diabetic retinopathy and cataracts — at an early stage.

The Group's expertise in medical technology, a rigorous quality system encompassing the entire supply chain and a deep understanding of the various markets all provide a strong basis for the company to maintain global leadership in its chosen business segment.

Through continued investment in research and development, Revenio's goal is to maintain the Group's successful strategy of bringing product innovations and new software solutions to the ophthalmic diagnostic solutions market.

The Revenio Group comprises Revenio Group Corporation, Icare Finland Oy, Icare USA Inc., Revenio Italy S.R.L, CenterVue SpA, Revenio Research Oy, Revenio Australia Pty Ltd, Icare World Australia Pty Ltd, CT Operations International UK Ltd, Done Medical Oy, and Oscare Medical Oy.

Changes in the Group structure during the financial period

On 27 April, 2021, the Revenio Group finalized the Oculo acquisition which was 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 (approximately 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. The results of the Oculo business are included in Revenio Group's consolidated financial statements effective from April 28, 2021.

Development of business operations and the operating environment in 2021

Revenio's global markets are influenced by structural long-term growth drivers, primarily the increasing incidence of eye diseases among aging populations, diseases such as glaucoma, diabetic retinopathy, and macular degeneration. Revenio's position in the ophthalmic care pathway is strong. The company's profitable growth relies on maintaining comprehensive range of products for the entire ophthalmic diagnostic care pathway, proprietary technology, and an effective global distribution network.

Sales of retinal imaging devices grew strongly in 2021. In the coming years, it is estimated that sales of Revenio's imaging products will grow faster than sales of tonometers (intraocular pressure measurement devices) as the retinal imaging device market is larger and the Group has succeeded in gaining market share in all its main markets. Sales of tonometers also increased strongly in 2021. During the year Revenio tonometers were used to perform over 30 million patient measurements. With the continued strong sales of probes, the Group is now finalizing the installation of a new tonometer probe production line.

Revenio has resolutely implemented the updated Group strategy, announced in March 2021. Based on customer feedback, the Group's products are competitive and management's efforts in sales, digital marketing and the building of brand awareness have been successful. The Group's capacity to deliver products remained good despite global component shortages, an issue which is expected to continue into 2022.

Innovative, high-quality products, global sales channels and delivery performance are key factors in the Group's competitive success. In March 2021, a next-generation tonometer, the iCare HOME2 was launched. When used together with the new iCare PATIENT2 mobile application, patients themselves can monitor variations in intraocular pressures while the treating physician can review the readings using the cloud-based iCare CLINIC software. After the end of the financial year, FDA clearance to market the iCare HOME2 device in the USA was received.

The iCare EIDON Ultra-Widefield fundus imaging device, which offers sharp, wide-angle lens image quality at a competitive price, had an excellent reception from the market following its launch during the first half of the year. Offering functionality, ease of use and price/quality ratio, the iCare DRSplus retinal imaging device, launched earlier in 2020, saw very strong demand throughout 2021.

In early 2021, Revenio acquired the Oculo business. Oculo is a SaaS-based eye care platform combining clinical communication, telehealth, remote patient monitoring and data analytics. Oculo enhances clinical collaboration between health care professionals by bridging disconnected data silos, allowing for the sharing of patient data and images and, overall, facilitating better and more cost-effective eye care. Software solutions offer Revenio a significant opportunity to increasingly broaden the utilization of the high-quality data generated by the Group's iCare retinal imaging devices, perimeters, and tonometers to support clinical decision-making. The Group started several software-related pilot projects in 2021 and work on developing a comprehensive eye care solution comprising both devices and the software platform has been initiated.

Over the next two years, the Revenio Group will be further intensifying product development efforts. The Group's goal is to maintain the strong product strategy by bringing product innovations and new software solutions to the market.

As announced earlier, the Cutica skin cancer camera and the Ventica asthma system are no longer strategic focus areas for the Group. The possibility of other interested parties continuing these businesses outside the Revenio Group is being explored.

Impact of the Covid-19 pandemic and actions taken in 2021

The level of risk and uncertainty related to the global COVID-19 pandemic increased significantly again in the last quarter of 2021. However, despite the exceptional circumstances, customers and cooperation partners succeeded in organizing meetings and operating via remote access. Limitations on in-person meetings emphasized the importance of successful multi-channel sales approaches.

Since the early stages of the pandemic, Revenio Group employees have largely been working remotely at all the locations, with customer meetings mostly also being held remotely. The Group transitioned from the recommendation to work remotely to a hybrid working model in early autumn 2021, taking local authority guidelines into consideration. Following the emergence of the COVID-19 virus Omicron variant the Group mandated a return to remote working at the end of 2021, to the extent allowed by individual duties. Work on research and development projects has continued without interruption during the COVID-19 pandemic.

Towards the end of 2021, global challenges over the availability of components increased. The Group is monitoring the situation diligently. Due to the increase in component costs, we will also increase the prices of our products during 2022.

As the COVID-19 situation has called for increased attention to hygiene, sales of our tonometers and probes have been strong. Sales of imaging devices, on the other hand, require both in-person demonstrations as well as hands-on installation and training and any restrictions reflected in imaging device sales more easily.

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

Net sales, profitability and profit

Revenio Group's net sales January 1–December 31, 2021 were EUR 78.8 (61.1) million. Net sales increased by 29.0%. The currency-adjusted growth of net sales in January–December was 28.4%, or 0.6%-points weaker than the reported growth. EBITDA was EUR 25.7 (21.7) million, or 32.7% of net sales, up by 18.6%.

The Group's operating profit in January–December was EUR 22.1 (17.1) million, up 29.0%. Operating profit for the reporting period, adjusted for the EUR 0.7 million non-recurring acquisition costs and the Cutica-related EUR 0.6 million impairment, was EUR 23.4 million. Adjusted operating profit increased by 22.8% compared to the adjusted operating profit for the comparison period. The comparison period adjustment includes the Cutica-related 1.9 million impairment.

Profit before taxes was EUR 22.1 (16.7) million, up 32.2% year-on-year.

Undiluted earnings per share came to EUR 0.652 (0.505). Equity per share came to EUR 2.94 (2.61).

Balance sheet, financing activities and cash flow

The Group's balance sheet total totaled EUR 124.6 (114.4) million on December 31, 2021. The value of goodwill on the balance sheet totaled EUR 59.8 (50.4) million on December 31, 2021.

The Group's equity was EUR 78.4 (69.7) million. The Group's net debt at the end of the period totaled EUR -0.8 (-1.7) million, and net gearing was -1.0 (-2.4)%. The Group's equity ratio was 63.0 (60.9)%. The Group's liquid capital at the end of the financial period on December 31, 2021 totaled EUR 25.2 (28.9) million. Cash flow from operations totaled EUR 21.5 (15.2) million.

Personnel and management

On December 31, 2021, the members of Revenio Group's Management Team were Jouni Toijala, President and CEO of Revenio Group Corporation (Chair); Giuliano Barbaro, Vice President, Devices; Heli Huopaniemi, Vice President, Quality ; Ari Isomäki, Vice President, Operations; Tomi Karvo, Vice President, Sales and Marketing; Robin Pulkkinen, CFO; Mika Salkola, Vice President, Research; Kate Taylor, Vice President Eye Care Solutions (from May 28, 2021); and Hanna Vuornos, Vice President, People & Culture (from August 16, 2021).

The annualized average number of personnel employed by the Group in January–December amounted to 167 (135). At the end of the period on December 31, 2021, the number of employees was 184 (135), an increase of 41 employees. The growth was mainly due to new recruitments.

Loans granted to key management personnel

During the financial year 2020, Revenio Group Corporation's President & CEO Jouni Toijala took out a loan of EUR 50,000 granted by the company on market terms for the purchase of Revenio's shares. The shares acquired using the loan will act as security for the loan. This arrangement was entered into at the request of Revenio's Board of Directors in order to secure the commitment and motivation of the CEO. The CEO has agreed to hold the company shares he acquired using the loan financing granted by the company for a period of five (5) years. The CEO's obligation to hold the acquired shares ends if the CEO's employment relationship ends before the end of the five-year period.

AVERAGE NUMBER OF PERSONNEL DURING THE FINANCIAL YEAR

	JAN-DEC/2021	JAN-DEC/2020
Revenio Group	167	135

Wages, salaries and other remuneration paid in January–December amounted to EUR 14.4 (11.0) million.

Shares, share capital, and management and employee holdings

On December 31, 2021, 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 shares, and all shares confer the same voting rights and an equal right to dividends and the Company's funds. On December 31, 2021, the President & CEO, members of the Board of Directors and their related parties held 0.20% of the Company's shares, or 54,159 shares.

The Company did not buy back any of its shares during the financial period. At the end of the financial period, the Company held 117,759 of its own shares.

During the financial period, the number of shares increased by 22,164 following subscriptions made on the basis of the 2015C option schemes. After these subscriptions, the number of Revenio Group Corporation's shares and votes increased to 26,681,116.

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

The Annual General Meeting of March 17, 2021 decided that 40% of Board members' emolument will be settled in the form of Company shares.

By December 31, 2021, a total of 1,046 shares has been transferred.

Authorization for the purchase of own shares

The Annual General Meeting of March 17, 2021, authorized the Board to make a 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. 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.

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 of March 17, 2021, 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 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.

Share option schemes

Based on the share issue authorization granted by the Annual General Meeting of March 19, 2015, the Board of Directors decided, on August 10, 2015, to implement an 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 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 the Revenio share quoted on Nasdaq Helsinki 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 was reduced by the amount of dividends decided before the share subscription, on the record date of each dividend payment.

In 2021, a total of 22,164 new shares were subscribed to, based on the option rights. At the end of the financial period the Company has no existing option schemes.

Share incentive plans

On 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 key personnel 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 objective of key personnel and Company shareholders in growing shareholder value. In addition, if certain conditions are met, the CEO is entitled to a restricted share plan under which the CEO would be entitled to receive a total of 3,000 shares in the Company during 2022–2024.

Based on the ended earning period of the share-based incentive plan 2018-2020, a total of 12,253 company shares were transferred to the company's key personnel participating in the plan on February 15, 2021.

Furthermore, the Company's Board of Directors decided during March 2021, on a restricted share plan for five key employees of the Oculo business. The plan was established as part of a long-term incentive and commitment program to support the realization of Revenio Group's strategy, harmonize the interests of shareholders and plan participants and increase the Company's value and profits in the long term, as well as to strengthen the participants' commitment to Revenio. The plan has a restricted maximum number of shares. Under the plan, shares in the Company will be issued for a total maximum value of 1,660,000 Australian dollars, calculated using the trade-weighted average price of the Revenio share on the date of the completion of the Oculo acquisition. The performance-based, three-year plan covers the years 2021—2023.

Trading on Nasdaq Helsinki

During the period January 1–December 31, 2021, Revenio Group Corporation's share turnover on the Nasdaq Helsinki exchange totaled EUR 538.6 (446.8) million, representing 9.5 (14.4) million shares or 35.6% (54.1) of all shares outstanding. The highest transaction price was EUR 72.00 (51.50) and the lowest was EUR 45.70 (18.48). The closing price at the end of the financial period was EUR 55.55 (50.30) and the weighted average price for the financial period was EUR 56.65 (30.98). Revenio Group Corporation's market value stood at EUR 1,482 (1,341) million on December 31, 2021.

SUMMARY OF TRADING ON NASDAQ HELSINKI

JANUARY 1–DECEMBER 31, 2021

JANUARY–DECEMBER 2021	TURNOVER, NUMBER OF SHARES	VALUE TOTAL, EUR	HIGHEST, EUR	LOWEST, EUR	AVERAGE PRICE, EUR	LATEST, EUR
REG1V	9,506,333	538,562,291	72.00	45.70	56.65	55.55

	DEC 31, 2021	DEC 31, 2020
Market value, EUR	1,482,135,994	1,340,945,286
Number of shareholders	22,634	20,184

Flagging notifications

In the period January 1–December 31, 2021, Revenio Group Corporation did not receive any notifications of changes in holdings as referred to in Chapter 9, Section 10, of the Securities Markets Act.

Management transactions

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

MAJOR SHAREHOLDERS

DECEMBER 31, 2021*

		NO. OF SHARES	%
1	William Demant Invest A/S	3,509,837	13.15%
2	SEB Funds	1,295,568	4.86%
3	Columbia Threadneedle	1,156,515	4.33%
4	Capital Group	792,790	2.97%
5	Vanguard	701,508	2.63%
6	Groupama Asset Management	612,274	2.29%
7	Ilmarinen Mutual Pension Insurance Company	520,000	1.95%
8	BlackRock	410,444	1.54%
9	Nordea Funds	371,113	1.39%
10	TIN Funds	367,869	1.38%

* Monitor by Modular Finance AB. Compiled and processed ownership data from various public sources, including Euroclear Finland and Morningstar, and from direct shareholder disclosures. While 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.

Corporate Governance

In its decision-making and corporate governance, Revenio Group Corporation abides by the Finnish Limited Liability Companies Act, other legal provisions concerning listed companies, Revenio Group Corporation's Articles of Association, and the rules and guidelines issued by Nasdaq Helsinki Ltd. The company complies with the Finnish Corporate Governance Code approved on September 19, 2019 and issued on January 1, 2020 by the Securities Market Association.

Revenio's Corporate Governance statements are published annually on the company website at **www.reveniogroup.fi/en/investors/corporate_governance**

The company's Corporate Governance statements are available in the Investors section of the company website at **www.reveniogroup.fi/en/investors/corporate_governance**

Annual General Meeting and Board authorizations in effect

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

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, 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 shall be entitled to an annual emolument of EUR 48,000, the Board Members who act as the Chairman of the Committee shall 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 remote 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. DISTRIBUTION OF PROFIT SHOWN IN THE BALANCE SHEET AND DIVIDEND DISTRIBUTION

The AGM decided to accept the Board's proposal on profit distribution, according to which a dividend of EUR 0.32 per share will be paid for the financial year 2020. 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 was March 25, 2021.

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 1,332,947 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, to finance or 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 case, the Company shall 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 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 AGM 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 may 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 shares 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.

Board of Directors and Auditors

Until the Annual General Meeting March 17, 2021, the Company's Board of Directors comprised Pekka Rönkä (Chair), Kyösti Kakkonen, Arne Boye Nielsen, Ann-Christine Sundell, Pekka Tammela and Bill Östman. After the Annual General Meeting 2021, the Company's Board of Directors comprises Pekka Rönkä (Chair), Arne Boye Nielsen, Ann-Christine Sundell, Pekka Tammela and Bill Östman.

At its organizing meeting, held after the Annual General Meeting 2021, the Board re-elected from amongst its members the following members to serve on its Audit Committee: Pekka Tammela (Chair), Pekka Rönkä and Ann-Christine Sundell.

At its organizing meeting, held after the Annual General Meeting 2021, the Board elected from amongst its members the following members to serve on its Nomination and Remuneration Committee: Ann-Christine Sundell (Chair), Arne Boye Nielsen and Bill Östman.

In 2021, the Board of Directors met 17 times, and the average attendance of Board members at meetings was 97.8%. In 2020, the attendance rate was 99%.

In 2021, the Audit Committee met 5 times, and the attendance rate was 100%. In 2021, the Nomination and Remuneration Committee met 3 times, and the attendance rate was 100%

In the course of the financial year, the company paid, in total, EUR 137,900 in payments as Board emoluments. In addition, a total of 1,046 Revenio Group Corporation shares were granted as Board emoluments. Members of the Audit Committee were paid a fee of EUR 600 per meeting for attendance in person and a fee of EUR 300 per meeting for attendance via remote access, a total of EUR 6,300. Members of the Nomination and Remuneration Committee were paid a fee of EUR 600 per meeting for attendance in person and a fee of EUR 300 per meeting for attendance via remote access, a total of EUR 1,800.

Deloitte Oy, Authorized Public Accountants, acts as the company's auditors, with Mikko Lahtinen, Authorized Public Accountant, as the principal auditor.

Audit Committee

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

The duties of the Audit Committee are to:

- monitor and assess the financial reporting system
- monitor and assess the efficiency of internal controls, internal auditing and risk management systems
- monitor and assess how legal agreements and other transactions 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 by the auditor
- monitor the company's auditing
- formulate the proposal for the appointment of the Company's auditor by the Annual General Meeting

In addition, the tasks of the 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 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 to the Annual General Meeting

- 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 organizing meeting, held after the Annual General Meeting 2021, the Board elected from amongst its members the following members to serve on its Nomination and Remuneration Committee: Ann-Christine Sundell (Chair), Arne Boye Nielsen and Bill Östman.

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 appointment 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

Remuneration reporting

Revenio's remuneration reporting consists of the Remuneration Policy presented to the Annual General Meeting at least once every four years and, from 2020, the Remuneration Report, presented each year, which provides information on the fees paid to the company's governing bodies in the financial period. The company will publish the Remuneration Report for 2021 as a separate document on March 17, 2022 on the company's website at **www.reveniogroup.fi/en/investors/corporate_governance/remuneration**.

In addition, the company's website provides information on the current remuneration schemes for the Board of Directors and the President and CEO as well information on the remuneration of the Group Management Team on an aggregate level.

Assessment of risks and uncertainty factors

Risks Revenio Group is exposed to include strategic, operational, business cycle, damage, 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 segments, threats posed by new competing products and other actions by rivals that may affect the competitive situation. There are strategic risks also related to the ability of the Group to succeed in its R&D activities and to maintain a competitive product mix. The Group develops new technologies at Icare Finland Oy, Revenio Research Oy, CenterVue SpA and iCare World Australia Pty Ltd, and any failure in the commercialization of individual development projects may result in the impairment of capitalized development expenses, with an impact on the financial result. Strategic risks also relate to the successful management and development of key human resourcesas well as management of the subcontractor and supplier network.

Acquisitions and the purchase of health technology-related assets with growth potential are part of the Group's strategy. The success of acquisitions by the Group may have a significant impact on Revenio Group meeting its growth and profitability targets. Acquisitions may also change the Group's risk profile.

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

Operational risks are associated with the retention and development of major customer relationships, activities amongst the distribution network, and success in expanding the customer base and markets. In the health technology sector, there are particular operational risks related to business expansion into new markets, such as countries' marketing authorizations and other national regulatory activities related to medical devices and the local health care market. Success in strategic health technology R&D projects can also be classified as an operational risk. Furthermore, global shortage of electronics components may cause operational risks.

Due to the health technology sector's stringent quality requirements, operational risks related to the manufacture, product development, and production control of medical devices are estimated to be higher than average for industry.

Damage-related risks are covered by insurance. Property and business interruption insurance provides protection against risks in these areas. The business activities of the Group are 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 credit insurance covering all the Group's companies. The Board assesses financial risks and other financial matters in its monthly meetings, or more frequently, as necessary. If required, the Board provides decisions and guidelines for the management of financial risks including, for example, interest rate and currency hedging decisions. Liquidity risk can be affected by the availability of external financing, the development of the Group's credit standing, trends in business operations, and changes in the payment behavior of customers. Cash forecasts, drawn up for periods of up to 12 months are employed to monitor liquidity risks.

The management of corporate responsibility risks is a part of the Company's risk management process. Under this process, the risks are assessed yearly.

Revenio Group products are sold in nearly 100 countries. Uncertainty over trade policy or unstable political situations, including possible protective tariffs following the UK's exit from the EU, may affect demand for our products. Revenio actively monitors political developments in various market areas from a risk management perspective. Developments in national government policies or changes to relevant legislation may have an impact on the Group's business.

Moreover, global pandemics such as Covid-19 may have direct and indirect effects on Revenio Group's business, including an increased risk of personnel being incapacitated. Government-mandated closures of factories or borders may weaken Revenio Group's operating environment and restrictions on the movement of people could hamper the sales and delivery of our products.

Disputes

The company is not currently involved in any disputes or legal proceedings that, in the opinion of the Board, would have a significant impact on the Group's financial position.

Corporate responsibility

Revenio sees sustainability as consisting of four main themes from which critical sustainability factors have been identified. These four themes are: improving the quality of life among patients with eye diseases, growing together, preserving the environment, and acting responsibly and transparently. The Revenio Group will publish its first Environmental, Social, and Corporate Governance (ESG) report in spring 2022.

Revenio places sustainability at the heart of the business. During the year, the Group continued to further develop its corporate responsibility program and define sustainability goals. Corporate responsibility priorities are based on the Group's strategic guidelines and the value created for the stakeholders and the impact of the business on society and the environment. In all activities, the Group supports the UN's declared Sustainable Development Goals, while considering aspects unique to the business and an operating environment specific to the health technology sector.

Research and development activities

R&D expenditure during the financial year totaled EUR 6.5 (4.6) million. A total of EUR 0.7 (0.1) million of R&D costs were capitalized during the year.

Events after the financial period

Revenio has re-negotiated the payment schedule for its short-term bank loans. Based on the new schedule the interest-bearing bank loan will be paid in EUR 1,050,000 quarterly installments until the end of 2024 and final installments to be settled in 2025.

Financial guidance for 2022

Revenio Group's exchange rate-adjusted net sales are estimated to grow strongly from the previous year and profitability, excluding non-recurring items, is estimated to remain at a good level.

The Board's Proposal to the Annual General Meeting

The Group's profit for the financial year 2021 was EUR 17,321 thousand and the parent Company's profit was EUR 14,597,451.91. The parent Company's distributable assets at December 31, 2021, amounted to EUR 75,196,776.11. The Board proposes to the Annual General Meeting of April 8, 2022, that the parent Company's distributable assets are used in such a way that a dividend of EUR 0.34 (0.32) per share, total EUR 9,071,579.44, be paid out for the number of shares at December 31, 2021 with the remaining distributable assets to be added to equity.

The Board of Directors finds that the proposed distribution of profit does not endanger the liquidity of the parent Company or the Group.

Key figures

12 MONTHS, IFRS

	1–12/2021	1–12/2020	1–12/2019	1–12/2018	1–12/2017
Net sales, TEUR	78,778	61,067	49,474	30,658	26,791
Net sales, TEUR	22,103	17,130	12,593	10,205	8,120
Operating profit, TEUR	28.1	28.1	25.5	33.3	30.3
Profit before taxes, TEUR	22,099	16,719	12,273	10,235	8,290
Profit before taxes, %	28.1	27.4	24.8	33.4	30.9
Net profit for financial period, TEUR	17,321	13,362	9,343	8,103	6,850
Net profit, %	22.0	21.9	18.9	26.4	25.6
Gross capital expenditure in non-current assets, TEUR	15,665	2,389	68,167	1,895	816
Gross capital expenditure, % of net sales	19.9	3.9	137.8	6.2	3
R&D expenses, TEUR	6,518	4,602	4,227	3,477	2,379
R&D expenses, %	8.3	7.5	8.5	11.3	8.9
Return on equity, %	23.4	19.9	22.7	47.6	44.3
Return on investment, %	22.4	18.1	22.6	59.5	53.2
Equity ratio, %	63.0	60.9	58.6	81.8	84
Net leveraging, %	-1.0	-2.4	2.2	-55.6	-47.6
Leveraging, %	31.1	39.0	44.8	1.8	2.1
Average number of personnel	167	135	88	48	41

12 MONTHS, IFRS

KEY INDICATORS PER SHARE	1–12/2021	1–12/2020	1–12/2019	1–12/2018	1–12/2017
Earnings per share, EUR	0.65	0.50	0.36	0.34	0.29
Equity attributable to equity owners of the parent company per share, EUR	2.94	2,61	2.42	0.75	0.67
Dividend per share, EUR	0.34	0.32	0.30	0.28	0.26
Dividend payout ratio, %	52.1	63,4	85.1	82.6	90.3
Effective dividend yield, %	0.6	0,6	1.1	2.2	2.2
P/E ratio	85.2	99,6	72.0	37.0	41.7
Diluted number of shares at end of period	26,681,116	26,658,952	26,544,742	24,016,476	7,979,406
Diluted number of shares av-erage during period (acquired own shares excluded)	26,557,463	26,476,975	25,645,898	23,960,263	7,975,947
Share price, year low, EUR	45.70	18.48	12.56	11.35	29.23
Share price, year high, EUR	72.00	51.5	28.05	16.6	41.41
Share price, average, EUR	56.65	30.98	20.8	13.93	34.09
Share price at the end of period, EUR	55.55	50.30	26.25	12.56	36.00
Market capitalization at end of period, MEUR	1,482	1,341	696.8	301.6	287.3
Turnover, number of shares	9,506,333	14,420,198	5,957,650	6,521,878	6,611,787
Turnover, %	35.6	54.1	22.4	27.2	27.6

Formulas used

EBITDA	Operating profit + amortization + impairment
EARNINGS PER SHARE	$\dfrac{\text{Net profit for the period (attributable to the parent company's shareholders)}}{\text{Average number of shares during the period – own shares purchased}}$
PROFIT BEFORE TAXES	Operating profit + financial income – financial expenses
EQUITY RATIO, %	$\dfrac{\text{Shareholders' equity on the balance sheet + non-controlling interest}}{\text{Balance sheet total – advance payments received}} \times 100$
NET GEARING, %	$\dfrac{\text{Interest-bearing debt – cash and cash equivalents}}{\text{Total equity}} \times 100$
RETURN ON EQUITY (ROE), %	$\dfrac{\text{Profit for the period}}{\text{Shareholders' equity + non-controlling interest}} \times 100$
RETURN ON INVESTMENT (ROI), %	$\dfrac{\text{Profit before taxes + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing debt}} \times 100$
EQUITY PER SHARE	$\dfrac{\text{Equity attributable to shareholders}}{\text{Number of shares at the end of the period}}$

Alternative growth indicators used in financial reporting

Revenio Group Corporation 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 reported 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, TEUR	1–12/2021
Reported net sales	78,778
Effect of exchange rates on net sales	786
Net sales adjusted by the effect of exchange rates	79,564
Growth in net sales, adjusted by the effect of exchange rates	28.4%
Reported net sales growth	29.0%
Difference, % points	-0.6%

Distribution of shareholdings and information about shareholders

SHAREHOLDERS BY SECTOR

DEC 31, 2021*

	NO. OF SHARES	PERCENTAGE OF SHARES AND PERCENTAGE OF VOTING RIGHTS
Treasury shares	117,759	0.44%
Fund company	8,756,174	32.82%
Investment & PE	3,509,837	13.15%
Pension & Insurance	993,565	3.72%
State, municipal & country	176,046	0.66%
Foundation	42,340	0.16%
Private individuals	9,837,842	36.87%
Other	1,374,498	5.15%
Anonymous ownership	**1,873,055**	**7.02%**
Total	**26,681,116**	**100.00%**

* Source: Monitor by Modular Finance AB. Compiled and processed 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 Revenio Group nor Modular Finance can guarantee the accuracy of the data.

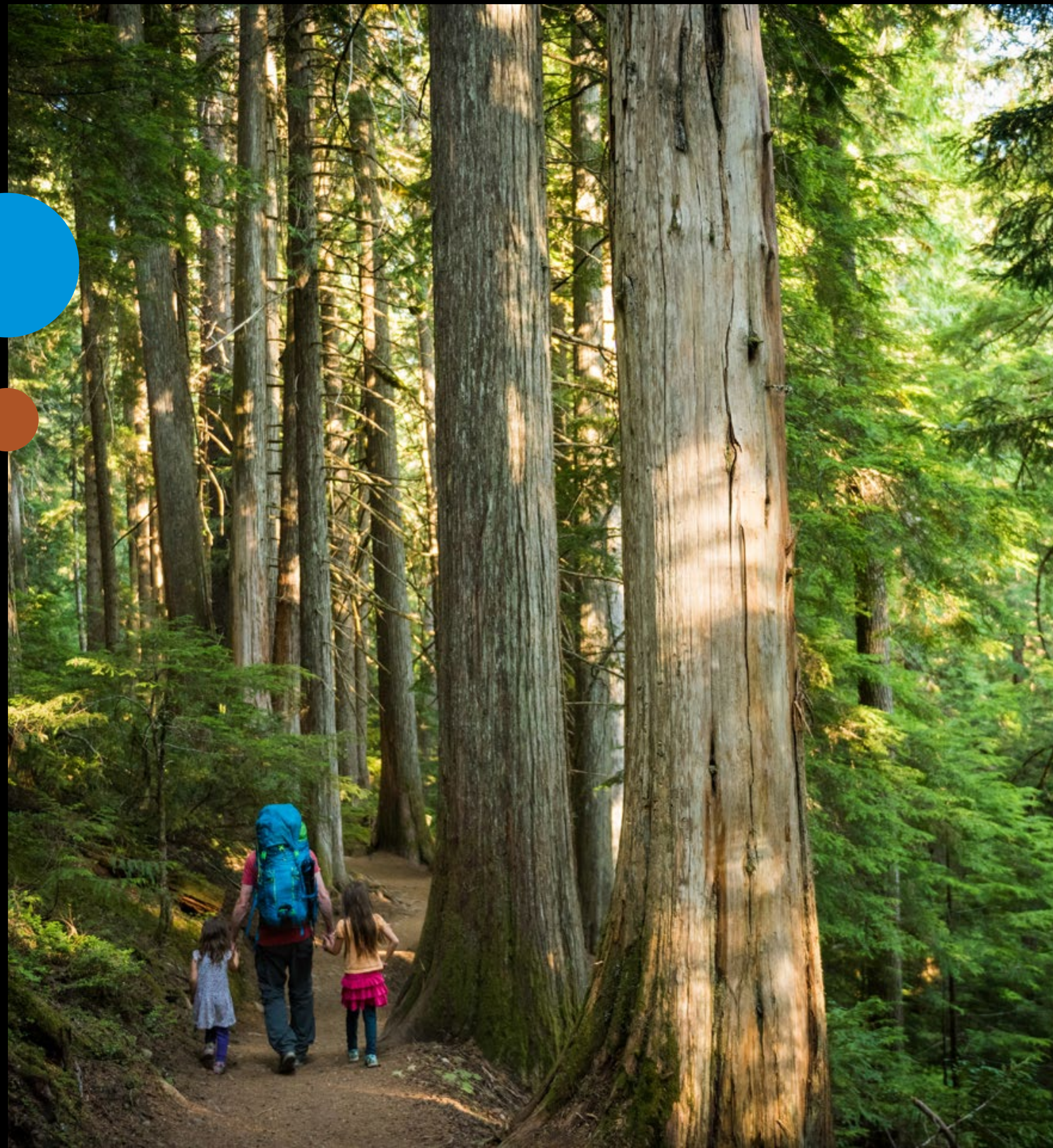
SHAREHOLDERS BY SHARE OWNERSHIP

DEC 31, 2021*

SHARES, GTY	NO. OF SHARES	PERCENTAGE OF SHARES AND PERCENTAGE OF VOTING RIGHTS	NO. OF SHARE-HOLDERS	PERCENTAGE OF SHARE-HOLDERS
1 - 100	517,776	1.94%	14,430	63.79%
101 - 200	410,168	1.54%	2,685	11.87%
201 - 500	846,519	3.17%	2,552	11.28%
501 - 1000	918,073	3.44%	1,264	5.59%
1001 - 2000	1,065,107	3.99%	745	3.29%
2001 - 5000	1,721,105	6.45%	543	2.40%
5001 - 10000	1,363,462	5.11%	197	0.87%
10001 - 20000	1,183,268	4.43%	85	0.38%
20001 - 50000	2,186,078	8.19%	70	0.31%
50001 - 100000	1,555,213	5.83%	22	0.10%
100001 - 200000	1,367,687	5.13%	10	0.04%
200001 - 500000	3,079,017	11.54%	11	0.05%
500001 - 1000000	2,604,079	9.76%	4	0.02%
1000001 - 2000000	2,487,046	9.32%	2	0.01%
2000001 - 5000000	3,509,837	13.15%	1	0.00%
5000001 -	0	0.00%	0	0.00%
Anonymous ownership	1,866,681	7.00%		
Total	**26,681,116**	**100.00%**	**22,621**	**100.00 %**

Consolidated Financial Statements

JANUARY 1–DECEMBER 31, 2021



Consolidated comprehensive profit & loss statement

TEUR

	NOTE NO.	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Net sales	1, 2	**78,778**	**61,067**
Other operating income	3	**850**	**1,316**
Use of materials and services			
Materials:			
Purchases during the financial period		-18,879	-14,095
Change in inventories		1,537	759
External services		-5,681	-4,392
Materials and services total		**-23,023**	**-17,728**
Employee benefit expenses	4, 5, 6		
Salaries and fees		-14,369	-11,023
Indirect personnel costs			
Pension costs		-1,036	-1,444
Other indirect personnel expenses		-1,020	-250
Employee benefit expenses total		**-16,425**	**-12,718**
Depreciation, amortization, and impairment	12, 13		
Depreciation		-2,992	-2,606
Impairments		-628	-1,956
Depreciation, amortization, and impairment total		**-3,620**	**-4,563**

	NOTE NO.	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Other operating expenses	7, 8	**-14,457**	**-10,244**
Operating profit		**22,103**	**17,130**
Financial income and expenses	9		
Financial income		248	1
Financial expenses		-252	-412
Financial income and expenses total		**-4**	**-411**
Profit before taxes		**22,099**	**16,719**
Taxes	10		
Income taxes		-4,778	-3,357
Taxes total		**-4,778**	**-3,357**
Profit for the period		**17,321**	**13,362**
Other comprehensive income items			
Items that may be reclassified subsequently to profit or loss			
Translation differences from foreign operations		291	-386
Items that are not reclassified to profit or loss			
Remeasurements of defined benefit liabilities		-99	-194
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**17,514**	**12,782**
Earnings per share calculated from the profit Earnings per share	11		
Undiluted earnings per share (EUR)		0.652	0.505
Diluted earnings per share (EUR)		0.652	0.504

Consolidated balance sheet

TEUR

ASSETS	NOTE NO.	DEC 31, 2021	DEC 31, 2020
Non-current assets			
Goodwill	12	59,815	50,409
Other intangible assets	12	18,169	16,861
Property, plant, and equipment	12	2,554	2,018
Right-of-use assets	13	1,690	932
Other receivables		195	157
Non-current assets total		**82,423**	**70,378**
Current assets			
Inventories	14	6,414	4,875
Trade and other receivables	15	9,082	8,565
Deferred tax assets	10	1,308	1,009
Assets for current tax		139	714
Cash and cash equivalents		25,216	28,878
Current assets total		**42,160**	**44,041**
ASSETS TOTAL		**124,583**	**114,419**

EQUITY AND LIABILITIES	NOTE NO.	DEC 31, 2021	DEC 31, 2020
Equity	16, 17		
Share capital		5,315	5,315
Fair value reserve		300	300
Reserve for invested unrestricted equity		52,597	52,505
Other reserves		280	280
Retained earnings		22,125	13,971
Translation differences		-38	-329
Own shares		-2,149	-2,333
SHAREHOLDERS' EQUITY TOTAL		**78,429**	**69,710**

LIABILITIES	NOTE NO.	DEC 31, 2021	DEC 31, 2020
Non-current liabilities			
Deferred tax liabilities	10	3,608	3,856
Interest-bearing non-current liabilities	19	0	21,659
Lease liabilities		901	376
Pension obligations	6	777	701
Non-current liabilities total		**5,287**	**26,591**
Current liabilities			
Deferred tax liabilities	10	301	425
Current tax liabilities	21	1,253	2,108
Interest-bearing current liabilities	19	22,709	4,604
Lease liabilities		814	581
Provisions	20	476	330
Trade and other payables	21	15,314	10,071
Current liabilities total		**40,867**	**18,118**
LIABILITIES TOTAL		**46,154**	**44,709**
EQUITY AND LIABILITIES TOTAL		**124,583**	**114,419**

Consolidated cash flow statement

TEUR

CASH FLOW FROM OPERATIONS	NOTE NO.	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Profit for the period		17,321	13,362
Adjustments:			
Depreciation, amortization, and impairment	12	3,620	4,563
Non-cash items		569	539
Financial income and expenses	9	4	411
Taxes	10	4,778	3,357
Other adjustments		-1,077	0
Change in working capital:			
Change in trade and other receivables	15	362	-2,893
Change in inventories	14	-1,539	-1,423
Changes in trade and other payables	21	2,231	1,014
Change in working capital, total		1,054	-3,302
Interests paid	9	-247	-265
Interest received	9	1	1
Taxes paid	10	-4,513	-3,436
Net cash flow from operations		**21,509**	**15,230**

CASH FLOW FROM INVESTING ACTIVITIES	NOTE NO.	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Acquisitions of subsidiaries less cash and cash equivalents at acquisition time		-11,322	0
Purchase of tangible assets	12	-1,235	-840
Purchase of intangible assets	12	-980	-702
Loans granted		0	-50
Net cash flow from investing activities		**-13,538**	**-1,591**

CASH FLOW FROM FINANCING ACTIVITIES	NOTE NO.	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Repayments of loans	19	-3,209	-2,159
Dividends paid	17	-8,498	-7,948
Share subscription through exercised options	17	275	1,304
Acquisition of own shares		0	-1,613
Payments of lease agreement liabilities		-708	-659
Net cash flow from financing activities		**-12,140**	**-11,075**
Net change in cash and credit accounts		**-4,169**	**2,564**
Cash and cash equivalents at beginning of period		28,878	26,675
Effect of exchange rates		507	-360
Cash and cash equivalents at end of period		25,216	28,878

Consolidated statement of changes in equity

PARENT COMPANY SHAREHOLDERS' EQUITY, EUR THOUSAND

	EQUITY	RESERVE FOR INVESTED UNRESTRICTED EQUITY	OTHER RESERVES	OWN SHARES	TRANSLATION DIFFERENCES	RETAINED EARNINGS	TOTAL EQUITY
EQUITY JAN 1, 2020	**5,315**	**51,152**	**580**	**-740**	**57**	**7,999**	**64,363**
Comprehensive profit							
Net profit for the period						13,362	**13,362**
Other comprehensive income					-386	-194	**-580**
Total comprehensive income for the period	**0**	**0**	**0**	**0**	**-386**	**13,168**	**12,782**
Transactions with owners							
Dividend distribution						-7,948	**-7,948**
Share-based remuneration		49		21			**70**
Purchase of own shares				-1,613			**-1,613**
Share-based payments adjusted by taxes						536	**536**
Other direct entries to retained earnings						216	**216**
Exercised options		1,304					**1,304**
Transactions with owners total	**0**	**1,353**	**0**	**-1,593**	**0**	**-7,196**	**-7,435**
Equity Dec 31, 2020	**5,315**	**52,505**	**580**	**-2,333**	**-329**	**13,971**	**69,710**
EQUITY JAN 1, 2021	**5,315**	**52,505**	**580**	**-2,333**	**-329**	**13,971**	**69,710**
Comprehensive profit							
Net profit for the period						17,321	**17,321**
Other comprehensive income					291	-99	**192**
Total comprehensive income for the period	**0**	**0**	**0**	**0**	**291**	**17,223**	**17,514**
Transactions with owners							
Dividend distribution						-8,498	**-8,498**
Share-based remuneration		-183		183			**0**
Share-based payments adjusted by taxes						-556	**-556**
Other direct entries to retained earnings						-15	**-15**
Exercised options		275					**275**
Transactions with owners total	**0**	**91**	**0**	**183**	**0**	**-9,069**	**-8,794**
Equity Dec 31, 2021	**5,315**	**52,597**	**580**	**-2,149**	**-38**	**22,125**	**78,429**

Notes to the consolidated financial statements

DEC 31, 2021

General

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

Revenio Group Corporation (1700625-7) is the parent company of the Revenio Group. The company is a public limited company registered in Finland, with its domicile in the City of Vantaa, and is listed on the Nasdaq Helsinki Stock Exchange since October 2001. The company's registered address is Äyritie 22, 01510 Vantaa, Finland.

The Board of Directors of the Revenio Group Corporation approved these financial statements for publication at its meeting on March 16, 2022. According to the Finnish Limited Liability Companies Act, shareholders have the right to approve or reject the financial statements at the Annual General Meeting following their issuance. The AGM may also decide on amendments to the financial statements.

Copies of the financial statements are available on the company's website at **www.reveniogroup.fi**.

Accounting principles for the consolidated financial statements

§ Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS, approved for use in the EU. The IAS and IFRS Standards and SIC and IFRIC Interpretations in effect on December 31, 2021 have been applied. International Financial Reporting Standards refer to the Standards and their interpretations approved for application in the EU in accordance with the procedure stipulated in Regulation (EC) No 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation complementing the IFRS Standards.

The consolidated financial statements are presented in thousands of euros. The euro is the operating currency and presentation currency of the Group's parent company and all of its subsidiaries with the exception of Icare USA Inc, which has the US dollar as its operating currency, and the subsidiaries Icare World Australia Pty Ltd and Revenio Australia Pty Ltd, which have the Australian dollar as their operating currency.

Application of new or revised IFRS Standards and IFRIC Interpretations

The consolidated financial statements have been drawn up in accordance with the same accounting principles as in 2020, with the exception of the following new standards, interpretations and amendments to existing standards, which the Group has applied effective from January 1, 2021:

- IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16; Phase 2 of Interest Rate Benchmark Reform and Covid-19

The amendments to the above-mentioned standards have not had a significant impact on these financial statements.

Critical accounting estimates and assumptions

The preparation of the financial statements requires the use of estimates and assumptions about the future. The actual results may differ from these estimates and assumptions. In addition, judgment needs to be exercised in the application of accounting principles. The most significant items of the financial statements where the management has been required to use its judgment and for which the estimates include uncertainty are presented below.

- **Note 6)** Pension liabilities

Assumptions and judgment have been exercised to determine the actuarial assumptions used for calculating the present value of the defined benefit pension plans.

- **Note 12)** Intangible and tangible assets, section Goodwill

The Group tests goodwill annually and assesses indications of impairment as described under accounting principles. The recoverable amounts of cash-generating units are defined based on value in use. These calculations require the use of estimates on the profitability of the business and on all factors that may affect it.

- **Note 12)** Intangible and tangible assets, section Other intangible assets

For other intangible assets with a limited useful life, it is estimated annually whether any indications of their impairment exist. If such indications are detected, the other intangible assets are subjected to impairment testing. These calculations require the use of estimates.

Besides the Group strategy, and action and financial plans and prognoses for the coming years, Group management bases its prognoses on estimates about the macro and micro-economic factors that affect demand in the business. The estimates used reflect actual history and are consistent with external information.

Consolidation principles

The consolidated financial statements include the parent company Revenio Group Corporation and all subsidiaries in which the Group has a controlling interest. The Group has a controlling interest in a company if the interest exposes the Group to the company's variable returns or entitles it to such returns, and the Group is able to influence these returns by exercising its power over the company. Subsidiary companies are consolidated wholly from and including the date on which the Group has acquired the right of control. The consolidation will cease when the right of control ends.

The acquisition of subsidiaries is handled using the procurement method. The consideration paid for the acquisition is the fair value of the assets transferred, the equity interests issued, and the liabilities incurred to the former owners. Any contingent consideration is recognized at fair value on the acquisition date and classified as a liability or shareholder equity. Contingent consideration classified as a liability is measured at fair value on the last day of each reporting period. The resulting profit or loss is recognized in the consolidated income statement. The identifiable assets acquired, liabilities assumed and contingent liabilities are initially measured at their acquisition-date fair values. Goodwill is recognized as the amount by which the transferred consideration exceeds the fair value of the net assets acquired. If the acquisition cost is less than the net assets acquired, the resulting profit is recognized through profit or loss at the date of acquisition. All acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received, with the exception of costs arising from the issuance of debt or equity securities.

All intercompany transactions, receivables, payables, unrealized profits, and internal distribution of profit between subsidiaries are eliminated as part of the consolidation process. Unrealized losses are not eliminated if the loss is a result of impairment.

Foreign currency items

In Group companies, transactions are recorded in the operating currencies of each Group company. Foreign currency transactions are recognized at the exchange rate on the transaction date rate in the operating currency. At the end of the financial period, outstanding receivables, liabilities and monetary items are measured at the exchange rate prevailing on the balance sheet date through profit or loss. Exchange rate gains and losses are included in the corresponding items above operating profit. Exchange rate gains and losses from financing are recorded in financial gains and losses.

The presentation currency of the consolidated financial statements is the euro and the parent company's operating currency is the euro. The income statements of Group companies outside the euro zone have been translated into euros at the average exchange rate for the financial period and balance sheets have been translated at the exchange rate on the closing date. Goodwill for an acquired Group company that operates in a foreign currency and fair value adjustments to book values are translated to euros at the average exchange rate for the financial period where the income statement is concerned and at the exchange rate on the closing date where the balance sheet is concerned. Translating the income statement and balance sheet at different exchange rates creates a translation difference that is recognized in equity and whose effect is recognized in other comprehensive income. When a foreign Group company has been established by the Group itself, its acquisition does not involve goodwill or fair value adjustments of book values and subsequent asset items that would need to be translated into euros. Changes in translation differences arising from the translation of equity items accumulated after a Group company's establishment or acquisition are recognized in other comprehensive income. When a company is sold, the accumulated translation differences are recognized as part of the gain or loss on the sale.

1) Operating segments

The Group consists of a single reportable segment formed out of its independent subsidiaries with business operations and the parent company.

Revenio's ophthalmic diagnostic solutions include intraocular pressure (IOP) measurement devices (tonometers), perimeter and fundus imaging devices under the iCare brand. In addition, the Group's eye care software platform Oculo offers clinical communication, telehealth, remote patient monitoring and data analytics capabilities.

INFORMATION ABOUT GEOGRAPHICAL AREAS

2021, TEUR	FINLAND	OTHER EUROPE	OTHERS	TOTAL
Net sales	1,796	12,046	64,936	**78,778**
Non-current assets	5,490	64,311	12,622	**82,423**

2020, TEUR	FINLAND	OTHER EUROPE	OTHERS	TOTAL
Net sales	871	12,554	47,642	**61,067**
Non-current assets	6,151	61,297	2,930	**70,378**

2) Net sales

§ Basis of preparation

Net sales consists of revenue accrued from selling products, services and software licenses at the amount the Group expects to be entitled to in exchange for the goods and services promised to the customer. Revenue from sales is recognized when the customer obtains control over a good, service or software license that the customer can benefit from on a stand-alone basis (performance obligation). A performance obligation is an identifiable meter, device, service or license. In the case of imaging devices, the performance obligation includes the device as well as its delivery and installation. As a rule, control is transferred to the customer in connection with delivery in accordance with the terms of agreement. Over 99% of the Group's net sales consists of the the sale of tonometers and sensors, retinal imaging devices, software licenses and services at a point of time.

The sale of tonometers, probes, macular imaging devices and software licenses represents more than 99% of the Group's net sales.

3) Other operating income

§ Basis of preparation

Other operating income is income that is not considered to be related to operational activities. Government grants for offsetting realized expenses are recorded under other operating income. Government grants are recognized at the same time as the expenses relating to the target of the grant are recorded as an expense. The Group estimates that it will fulfil the conditions for the grants and considers it reasonably certain that the recognized grants will be awarded.

TEUR	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Grants and subsidies received	577	244
Change in additional purchase price debt	0	986
Others	273	87
Total	**850**	**1,316**

The conditions of the additional purchase price related to the acquisition completed in 2019 were not met, so the company has recorded an adjustment of EUR 986,000 in 2020 for other income and additional purchase price debt.

4) Personnel and personnel expenses

AVERAGE NUMBER OF PERSONNEL DURING FINANCIAL PERIOD	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
	167	135

EMPLOYEE BENEFIT EXPENSES	JAN 1–DEC 31, 2021 TEUR	JAN 1–DEC 31, 2020 TEUR
Salaries and wages	-13,638	-10,297
Share-based remuneration, paid in shares	-731	-726
Pension costs – defined contribution plans	-1,035	-1,356
Pension costs – defined benefit plans	-1	-88
Other indirect personnel expenses	-1,020	-250
Total	**-16,425**	**-12,718**

Information on management's employment benefits are presented in Note 5 Sharebased payments and Note 24 Related parties and remuneration of management.

5) Share-based payments

Option rights of personnel

§ Basis of preparation

The company has had a stock option program decided by the Board of Directors on August 10, 2015, based on the authorization of the Annual General Meeting on March 19, 2015. The stock option program ended during 2021.

The benefits granted on the basis of the arrangement are recognized at fair value at grant date, and they are recognized as expenses in the income statement on a straight-line basis during the vesting period. The expense at grant date is based on fair value calculated according to the Black-Scholes option pricing model. The fair value of the shares is based on actual quotations. The expected volatility is determined on the basis of actual historical share price development. The effect on the financial result of the arrangement is recorded in the income statement under employee benefit expenses and equity earnings. Granted options are equity instruments. When option rights are exercised, the considerations received on the basis of share subscriptions are recorded in the unrestricted equity reserve under shareholders' equity.

CHANGES IN OPTIONS	2021
Exercisable options at end of financial period	10,388
New options granted during financial period	0
Options returned to the company	0
Reallocated options	0
Used options	7,388
Expired options	3,000
Outstanding options at end of financial period	0
Exercisable options at end of financial period	0

Members of the Management Team and the managing directors of subsidiaries did not hold any option rights at the end of the financial period.

Management incentive scheme

§ Basis of preparation

The Board of Directors of Revenio Group Corporation has decided on four long-term share-based incentive schemes directed at key personnel. The 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 aligning the goals of key personnel and the company in order to increase the company's value.

The Board of Directors decides separately on the minimum, target and maximum bonus for each participant as well as the performance criteria and related targets. The amounts of the bonuses paid to the participants depends on the achievement of previously set targets. The bonus is not paid if the targets are not achieved or if the participant's employment relationship or service relationship is terminated before the payment of the bonus. The targets of the incentive scheme are related to the total absolute shareholder return of the company's share and cumulative operating result over a three-year period.

If the targets of the incentive scheme are achieved, the bonuses are paid in the spring of the year following the end of the performance period. The total amount of share-based bonuses payable based on the performance period under the scheme is equal to gross earnings minus any cash component deducted from it in order to cover taxes and any other tax-like charges arising from the share-based incentive, with the remaining net bonus paid in shares. However, the company has the right to pay the bonus fully in cash in certain situations.

The number of shares granted is based on the value of the share on the date of granting the shares. The present value of the dividends earned during the performance period is deducted from the fair value. Benefits granted under the share-based incentive scheme are recognized as expenses in the income statement evenly over time during the period in which the right arises, until the time of payment. In addition, the CEO is entitled to a restricted share-based incentive scheme provided that certain conditions are met.

EARNING YEARS	TIME OF BONUS PAYMENT	MAXIMUM NUMBER OF PARTICIPANTS	MAXIMUM AMOUNT OF SHARE BONUS
2018-2020	2021	**6**	Ended
2019-2021	2022	**7**	32,455
2020-2022	2023	**8**	24,239
2021-2023	2024	**22**	18,212
Restricted share-based incentive scheme	2022–2024	**5**	3,000

The company's Board of Directors has decided in March 2021 on a restricted share-based incentive scheme directed at five key employees of Oculo. The scheme was established for certain key employees of Oculo as part of the long-term incentive and retention scheme. The purpose of the plan is to support the execution of the company's strategy, to align the interests of shareholders and the scheme participants, to increase the company's shareholder value and profits in the long term and to engage the participants' commitment to the company following the acquisition. The scheme has a restricted maximum number of shares. Under the scheme, shares will be issued for a total maximum value of AUD 1,660,000, calculated using the weighted average price on the end date of the Oculo acquisition. The scheme is a three-year performance-based share-based incentive scheme that covers the calendar years 2021, 2022, and 2023.

6) Pension liabilities

§ Basis of preparation

The Group's pensions are handled by external pension insurance companies. The Group has both defined contribution and defined benefit pension plans. Expenses related to defined contribution plans are recorded as expenses for the financial period they arise.

Revenio also has an individual supplementary pension scheme for a limited personnel group. The insured retirement age is 63 years. These supplementary pensions are arranged with external pension insurance companies.

Defined benefit pension plans

§ Basis of preparation

The Group has a defined benefit pension plan (TFR) in Italy. In the TFR plan, employees are entitled to an accrued benefit that is paid as a lump sum either upon retirement or termination of the employment relationship. The plan is unfunded and the Group has no related asset items.

The defined benefit pension plan is recognized in the balance sheet as a liability based on the difference between the present value of the pension obligations and the fair value of plan assets. Liabilities are calculated as the present values of estimated cash flows discounted at the interest rate corresponding to the interest rate of high-quality bonds issued by companies. Actuarial gains and losses are recognized in comprehensive income and are not subsequently reclassified to profit or loss. Current service cost, past service cost, and net interest on the net defined benefit liability are recognized in the income statement.

If the yields of the bonds on which the discount rate is based change, the Group may have to adjust the discount interest rate. This will affect both net defined benefit liabilities and items recognized in other comprehensive income due to remeasurements. TFR benefits are linked to inflation, and growth in the inflation rate will increase the defined benefit obligation. If the development of the employer's productivity lags behind inflation, the acceleration of inflation may increase the deficit of defined benefit plans.

The Group's defined benefit obligations relate to the provision of benefits for employed members. The expected increase in life expectancy will increase the amount of the defined benefit obligations. The TFR benefit is accrued annually on the basis of the employee's annual salary. If actual salary growth is higher than the salary increase rate assumption used for calculating the pension obligation, this may increase the amount of the pension obligation.

DEFINED BENEFIT PENSION LIABILITIES RECOGNIZED IN THE BALANCE SHEET	DEC 31, 2021 TEUR	DEC 31, 2020 TEUR
Present value of funded obligations	777	701
Fair value of assets	0	0
Present value of funded obligations on Dec 31	**777**	**701**

DEFINED BENEFIT PENSION COSTS RECOGNIZED IN THE INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT	JAN 1–DEC 31, 2021 TEUR	JAN 1–DEC 31, 2020 TEUR
Current service cost	0	-86
Interest costs	-1	-2
Pension costs in the income statement	-1	-88
Actuarial gains and losses	-137	-194
Defined benefit pension costs recognized in the income statement and comprehensive income statement	**-138**	**-282**

PRESENT VALUE OF FUNDED OBLIGATIONS	DEC 31, 2021 TEUR	DEC 31, 2020 TEUR
Obligation at the beginning of the period	701	428
Acquired businesses	0	0
Service cost	0	86
Interest costs	1	2
Actuarial gains and losses arising from changes in financial assumptions	137	194
Benefits paid	-62	-9
Present value of funded obligations	**777**	**701**

CHANGES IN FAIR VALUES OF PLAN ASSETS	31.12.2021 TEUR	31.12.2020 TEUR
Fair value of plan assets on Jan 1	0	0
Interest income from assets	0	0
Contributions paid by the employer to the plan	62	9
Benefits paid	-62	-9
Fair values of plan assets on Dec 31	**0**	**0**

CHANGES OF LIABILITIES PRESENTED IN THE BALANCE SHEET	DEC 31, 2021 TEUR	DEC 31, 2020 TEUR
Liabilities Jan 1	701	428
Acquired businesses	0	0
Pension costs in the income statement	1	88
Pension costs in the comprehensive income statement	137	194
Benefits paid	-62	-9
Liabilities Dec 31	**777**	**701**

ACTUARIAL ASSUMPTIONS USED	DEC 31, 2021 TEUR	DEC 31, 2020 TEUR
Discount rate, %	0.6 %	0.2%
Inflation assumption, %	1.9 %	1.1%
Employee turnover, %	5.3 %	5.5%

IMPACT OF CHANGES IN KEY ASSUMPTIONS ASSUMPTION	CHANGE IN ASSUMPTION	EFFECT OF GROWTH IN ASSUMP-TION, TEUR	EFFECT OF GROWTH IN ASSUMP-TION, %
Discount rate	0.5 percentage point	-50	**-6%**
Future salary increase rate	0.5 percentage point	55	**7%**
Employee turnover	0.5 percentage point	-8	**-1%**

7) Research and development expenses

§ Basis of preparation

Research expenses are recognized through profit or loss. Development expenses for new or more advanced products are capitalized on the balance sheet as intangible goods from the moment the product is technically feasible, it can be utilized commercially, and it is estimated that commercial benefits can be extracted from it. Capitalized development expenses include those material, work, and testing costs directly attributable to the completion of the product for its intended use. Development expenses recognized as expenses earlier are not capitalized later.

Amortization is recognized for a good from the moment it is ready for use. A good not yet ready for use is annually tested for impairment. After initial recording, capitalized R&D expenses are recognized adjusted by amortization on the purchase cost and impairment. The useful life of capitalized R&D costs is 10 years on average, during which period they are recorded as expenses through straight-line amortization.

The research and development expenses included in the income statement are presented in Note 8 Other operating expenses.

8) Other operating expenses

	JAN 1–DEC 31, 2021 TEUR	JAN 1–DEC 31, 2020 TEUR
Voluntary personnel expenses	-1,036	-571
Office space expenses	-363	-277
IT, machinery, and equipment expenses	-1,328	-1,112
Marketing and travel expenses	-3,205	-2,134
Research and development	-2,574	-1,768
Administrative services	-5,902	-4,447
Other operating expenses	-50	63
Total	**-14,457**	**-10,244**

Administrative services include the auditor’s fees as itemized below.

AUDITOR’S FEES	JAN 1–DEC 31, 2021 TEUR	JAN 1–DEC 31, 2020 TEUR
Deloitte		
Auditing fees	-105	-102
Certificates and statements	-13	-25
Tax services	-7	0
Total	**-126**	**-127**

9) Financing expenses (net)

	JAN 1–DEC 31, 2021 TEUR	JAN 1–DEC 31, 2020 TEUR
Interest on financial liabilities	-223	-236
Exchange rate losses	0	-160
Other financial expenses	-29	-17
Interest income	1	1
Exchange rate ganes	246	0
Total	**-4**	**-411**

10) Income taxes

§ Basis of preparation

The tax expense in the income statement consists of tax based on taxable income for the financial period and change in deferred taxes. Tax based on taxable income for the financial period is calculated on the Group companies' taxable income at the applicable tax rate. The tax is adjusted by taxes related to previous financial periods, if any. Deferred taxes are calculated based on temporary differences between book values and taxable values. However, a deferred tax liability is not recognized in the initial recognition of an asset or liability in a transaction that is not a business combination. Deferred tax is not recognized if the recognition of the asset or liability affects neither accounting nor taxable income at the date of the transaction. Deferred tax is not recognized for non-tax-deductible goodwill or for subsidiaries' retained earnings to the extent that it is probable that the temporary difference will not reverse in the foreseeable future.

The principal temporary differences, i.e. deferred taxes, arise from internal margins on inventories and changes in the fair value of intangible rights arising in connection with acquisitions.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit, against which the temporary differences can be utilized, will be available.

INCOME TAXES IN THE INCOME STATEMENT

	JAN 1–DEC 31, 2021 TEUR	JAN 1–DEC 31, 2020 TEUR
Tax based on taxable income for the current period	-5,421	-4,096
Tax from previous financial periods	58	-3
Change in deferred tax liabilities and assets	586	741
Total	**-4,778**	**-3,357**

Reconciliation of tax expenses in the income statement and taxes calculated using the parent company tax rate 20% (20%):

TAX RATE RECONCILIATION	JAN 1–DEC 31, 2021 TEUR	JAN 1–DEC 31, 2020 TEUR
Profit before taxes	22,099	16,719
Income tax using parent company tax rate	-4,420	-3,344
Different tax rates of foreign subsidiaries	-255	-100
Non-taxable income and non-deductible expenses	226	90
Unused losses fo the period	-387	0
Tax adjustments for previous fiscal years	58	-3
Taxes recognized in the income statement	**-4,778**	**-3,357**

Deferred tax assets and liabilities

ITEMIZATION OF DEFERRED TAX ASSETS, 2021	JAN 1, 2021 TEUR	ACQUIRED BUSINESSES TEUR	RECOGNIZED IN THE INCOME STATEMENT TEUR	DEC 31, 2021 TEUR
Internal inventory margin	827	0	47	**874**
Other temporary differences	182	46	207	**435**
Total	**1,009**	**46**	**254**	**1,308**

ITEMIZATION OF DEFERRED TAX ASSETS, 2020	JAN 1, 2020 TEUR	ACQUIRED BUSINESSES TEUR	RECOGNIZED IN THE INCOME STATEMENT TEUR	DEC 31, 2020 TEUR
Internal inventory margin	551	0	276	**827**
Other temporary differences	215	0	-33	**182**
Total	**766**	**0**	**243**	**1 009**

ITEMIZATION OF DEFERRED TAX LIABILITIES, 2021	JAN 1, 2021 TEUR	ACQUIRED BUSINESSES TEUR	RECOGNIZED IN THE INCOME STATEMENT TEUR	DEC 31, 2021 TEUR
Measurement of tangible and intangible assets at fair value in connection with combina-tions of business	3,856	0	-279	**3,578**
Other temporary differences	425	0	-93	**332**
Total	**4,281**	**0**	**-372**	**3,909**

ITEMIZATION OF DEFERRED TAX LIABILITIES, 2020	JAN 1, 2020 TEUR	ACQUIRED BUSINESSES TEUR	RECOGNIZED IN THE INCOME STATEMENT TEUR	DEC 31, 2020 TEUR
Measurement of tangible and intangible assets at fair value in connection with combi-nations of business	4,120	0	-264	**3,856**
Other temporary differences	225	0	200	**425**
Total	**4,344**	**0**	**-63**	**4,281**

	DEC 31, 2021	DEC 31, 2020
Deferred tax liabilities net	**2,601**	3,272

11) Earnings per share

§ Basis of preparation

The basic earnings per share are calculated by dividing profit for the period by the weighted average number of outstanding shares during the financial period. The diluted earnings per share are calculated by dividing profit for the period by the weighted average number of outstanding shares during the financial period, including the diluting effect of stock options.

The 0 (10,388) stock options had no diluting effect at the end of the financial period.

	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Profit for the period (TEUR)	17,321	13,362
Profit for the period attributable to owners of parent (TEUR)	17,321	13,362
Weighted average number of outstanding shares during the financial period (own shares deducted), qty	26,557,464	26,608,033
Undiluted earnings per share (EUR)	0,652	0.505
Diluted earnings per share (EUR)	0,652	0.504

12) Intangible and tangible assets

§ Basis of preparation

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired company at the date of acquisition. For companies acquired before January 1, 2004, goodwill represents the excess of the cost of the acquisition over the book value of the Group's share of the net assets of the acquired company at the date of acquisition. The justifications for recognizing goodwill have been separately assessed in connection with each corporate acquisition. The justification for recognizing Icare Finland Oy's goodwill at the time of acquisition is the proprietary intraocular pressure measurement technology it has developed and owns, and the strong competitiveness and market potential of the products based on the technology. The justification for recognizing CenterVue S.p.A.'s goodwill at the time of acquisition is the proprietary macular imaging technologies it has developed and owns, and their strong competitiveness and market potential. The justification for recognizing Revenio Australia Pty Ltd's (previously CERA Technologies Pty Ltd) goodwill at the time of acquisition is the proprietary software solutions it has developed, which enable Revenio's access to ophthalmology-related clinical communication, remote health care, remote patient monitoring and data analytics expertise.

Goodwill is not amortized but tested for any impairment on an annual basis, or more frequently if there are any indications of impairment. For the assessment of the recoverable amount, goodwill is allocated to the two cash-generating units in the Group that the Group expects to benefit from the business combination from which goodwill arose. Goodwill is valued at acquisition cost less impairment losses. An impairment loss is recognized in the income statement when the book value of an asset item is greater than its recoverable amount. The impairment loss is recognized in the income statement.

Breakdown of book values of goodwill	**JAN 1–DEC 31, 2021 TEUR**	JAN 1–DEC 31, 2020 TEUR
Cash-generating units (CGU)		
CGU1: Intraocular pressure measurement technology	1,191	1,191
CGU2: Macular imaging technologies	49,218	49,218
CGU3: Clinical software solutions	9,405	0
Book value Dec 31	**59,815**	**50,409**

§ Basis of preparation

Other intangible assets

An intangible asset is recognized on the balance sheet only if its acquisition cost can be reliably determined and it is likely that the asset will generate commercial benefit to the Group.

Other intangible assets with a limited useful life are recognized on the balance sheet and expensed on a straight-line basis over their useful lives. For acquisitions after January 1, 2004, intangible assets are valued at fair value. Estimated useful lives for various assets are:

Technology-based intangible assets	straight-line depreciation 7-17 years
Customer-based intangible assets	straight-line depreciation 15 years
Patents, trademarks, and brands	straight-line depreciation 10 years
Software	straight-line depreciation 3–7 years
Capitalized product development expenses	straight-line depreciation 3-10 years

The Group has no intangible assets with an unlimited useful life.

Basis of preparation

Property, plant, and equipment

Property, plant, and equipment are valued at original acquisition cost less accumulated depreciation and amortization as well as impairment losses. Property, plant, and equipment are amortized using the straight-line method based on the estimated useful life of the asset. The estimated useful lives for machinery and equipment are 3–10 years. When a part of property, plant and equipment is dealt with as a separate entity, costs related to its replacement are capitalized. In other cases, costs arising later are included in the accounting for a tangible asset only if it is likely that the asset will generate commercial benefit to the Group, and the acquisition cost of the asset can be reliably determined. Other repair and maintenance costs are recognized through profit or loss as realized.

The residual value and useful life of assets are checked at least in connection with each financial statement and, if necessary, adjusted to reflect changes in the expectation of economic benefit. Gains and losses from disposals are determined by comparing the disposal proceeds with the book amount and are included in other operating income or expenses.

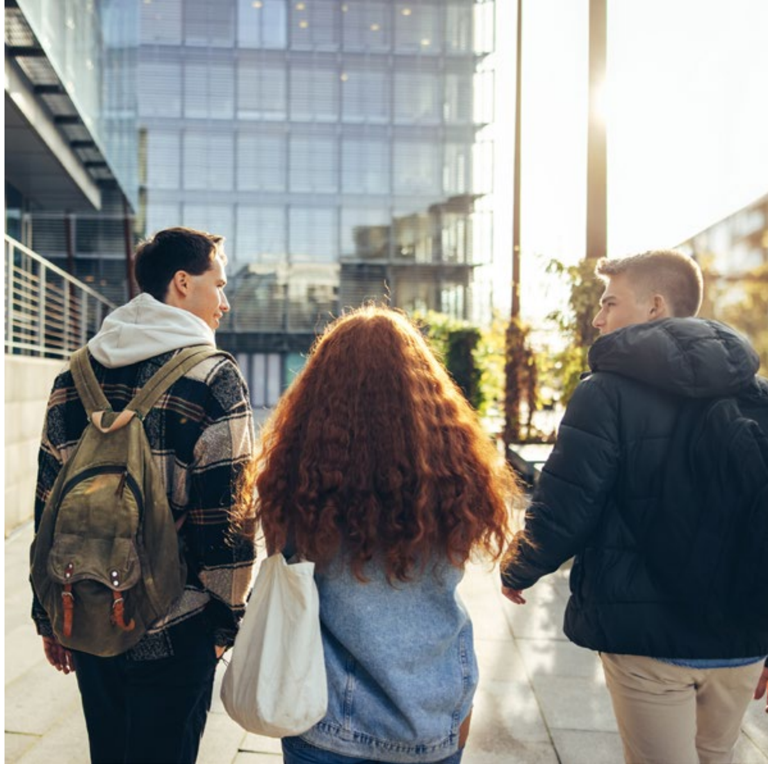
Basis of preparation

Impairment

The Group management continuously reviews Group items for any indication of impairment. If there are such indications, the amount recoverable from the said asset item is assessed. The recoverable amount is the higher of the asset item's fair value less the cost arising from disposal and its value in use. When determining value in use, the expected future net cash flows from the asset item or cash-generating unit are discounted based on their present values. The interest rate calculated using the WACC method (Weighted Average Cost of Capital) before taxes is used as the discount interest rate. Factors that affect the interest in the WACC calculation include a risk-free interest rate, the cost of borrowed capital, the risk premium on the stock market, the beta coefficient, and the industry's capital structure.

An impairment loss is recognized in the income statement when the book value of an asset item is greater than its recoverable amount. The impairment loss is recognized in the income statement. For other asset items except goodwill, the impairment loss can later be reversed if a change in the estimates used for determining the recoverable amount has occurred. The impairment loss is, however, not reversed by more than what the book value of the asset would be without the recognition of the impairment loss.

Factors considered by the Group management as central to determining whether impairment testing should be done include the asset item's significantly lower profit in comparison with previous or expected future profits, negative changes in the industry or market conditions or threats thereof, and significant changes in the way the asset item is used or in the business strategy.



INTANGIBLE ASSETS

JAN 1–DEC 31, 2021 TEUR	GOODWILL	TECHNOLOGY-BASED	CUSTOMER-BASED	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost Jan 1	50,409	8,606	5,211	6,869	**71,096**
Increase during the period	0	0	0	1,121	**1,121**
Acquired businesses	9,405	2 447	0	0	**11,852**
Impairment	0	0	0	-567	**-567**
Acquisition cost Dec 31	59,815	11,053	5,211	7,424	**83,503**
Accumulated depreciation Jan 1	0	-844	-579	-2,403	**-3,826**
Depreciation during the year	0	-739	-347	-608	**-1,695**
Impairment	0	0	0	1	**1**
Accumulated depreciation Dec 31	0	-1,583	-926	-3,010	**-5,519**
Book value Dec 31	**59,815**	**9,470**	**4,285**	**4,414**	**77,984**
Book value Jan 1	**50 409**	**7,762**	**4,632**	**4,466**	**67,270**

JAN 1–DEC 31, 2020 TEUR	GOODWILL	TECHNOLOGY-BASED	CUSTOMER-BASED	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost Jan 1	50,409	8,606	5,211	8,058	**72,285**
Increase during the period	0	0	0	767	**767**
Impairment	0	0	0	-1,956	**-1,956**
Acquisition cost Dec 31	50,409	8,606	5,211	6,869	**71,096**
Accumulated depreciation Jan 1	0	-337	-232	-1,869	**-2,438**
Depreciation during the year	0	-506	-347	-528	**-1,381**
Impairment	0	0	0	-6	**-6**
Accumulated depreciation Dec 31	0	-844	-579	-2,403	**-3,826**
Book value Dec 31	**50,409**	**7,762**	**4,632**	**4,466**	**67,270**
Book value Jan 1	**50,409**	**8,268**	**4,980**	**6,189**	**69,847**

PROPERTY, PLANT, AND EQUIPMENT

MACHINERY AND EQUIPMENT	JAN 1–DEC 31, 2021 TEUR	JAN 1–DEC 31, 2020 TEUR
Acquisition cost Jan 1	4,510	3,901
Increase during the period	609	626
Acquired businesses	30	0
Decreases during period	-257	-17
Acquisition cost Dec 31	4,892	4,510
Accumulated depreciation Jan 1	-2,726	-2,194
Depreciation during the year	-685	-549
Decreases during period	235	17
Accumulated depreciation Dec 31	-3,176	-2,726
Book value Dec 31	**1,715**	**1,784**
Book value Jan 1	**1,784**	**1,707**

ADVANCE PAYMENTS AND PURCHASES IN PROGRESS	JAN 1–DEC 31, 2021 TEUR	JAN 1–DEC 31, 2020 TEUR
Acquisition cost Jan 1	234	101
Increase during the period	973	574
Decreases during period	-368	-442
Acquisition cost Dec 31	839	234
Book value Dec 31	**839**	**234**
Book value Jan 1	**234**	**101**

Impairment testing

The need for impairment of goodwill and intangible assets in progress is assessed annually, and continuously if there are indications that the value of the asset item has decreased. The recoverable amounts from CGUs are determined by the value-in-use method.

The cash flow forecasts serving as the basis for these calculations are based on management-approved forecasts, generally for a five-year period. In addition to strategy, latest budgets, and forecasts, management bases its cash flow projections on an estimate of the effect of the recent trade cycle changes on the capability of the CGUs to generate cash flows, and on other external information management deems to have this effect. The assumptions used are consistent with past developments, and, in the management's opinion, moderate in respect of the growth and profitability opportunities in the coming years. According to IAS 36, goodwill does not generate cash flows that are independent of those from other assets or asset groups.

Cash flows are most affected by discount interest rates, closing values, as well as the assumptions and estimates used in assessing cash flows. The pre-tax discount interest rate used for calculating value-in-use is determined separately for each cash-generating unit using the WACC (Weighted Average Cost of Capital) method, which projects the total cost of own and borrowed capital taking into account the specific risks of the assets. Even though management estimates that the assessments have been made with due diligence, the estimates may differ significantly from actual future values. The terminal value growth rate is assumed to be 2%, based on the inflation rate assumption, and WACC 9.25-18.6%.

Goodwill impairment testing sensitivity analysis

The management's view is that no reasonably possible change in the key assumption(s) would cause the carrying values of CGU1 or CGU2 to exceed their recoverable amounts.

The recoverable amount of CGU3 exceeds the carrying value by EUR 4.8 million. The sensitivity analysis indicated that the following reasonably possible changes in key assumptions could lead to the impairment of goodwill:

Profitability (EBITDA) declining by 3.4 percentage points and a simultaneous increase of the discount rate by 2.3 percentage points.

Impairment of intangible assets

During the financial year, indications emerged that bringing the Cutica skin cancer camera to market will take longer than originally estimated. The clinical testing for Cutica will be completed, but the decision was made to discontinue the product development efforts in other respects. As there are no commercial opportunities on the horizon, the second stage of Cutica's development has been cancelled. The developed technology will remain under the Group's ownership, but there are no expected future returns on the horizon. Accordingly, the Group has recognized impairment on Cutica's full carrying value of EUR 0.6 million.

13) Lease agreements

§ Basis of preparation

The Group acts as a lessee andleases the warehouses and office premises it uses, as well as equipment and vehicles, under non-cancelable operating leases. Shortterm lease agreements and leases concerning low-value assets are recognized in the income statement as an expense on a straight-line basis over the period of the lease. All other leases are recognized in tangible assets at the lower of the fair value of the leased asset at the commencement of the lease term or the present value of the minimum lease payments. Lease obligations are entered in the lease liability. Assets entered under intangible assets are amortized based on the estimated useful life of the asset or over the lease period, if shorter. Lease payments are apportioned between repayment of principal and the financing charge so as to produce a constant rate of interest on the remaining balance of the liability. The Group does not act as a lessor towards external parties.

RIGHT-OF-USE ASSETS

TEUR	BUSINESS PREMISES	CARS	DEVICES	JAN 1–DEC 31, 2021 TOTAL
Acquisition cost Jan 1	2,135	356	41	2,532
Increase during the period	1,062	338	31	1,431
Decreases during period	0	-170	0	-170
Acquisition cost Dec 31	3,196	525	72	3,793
Accumulated depreciation Jan 1	-1,376	-215	-8	-1,599
Depreciation during the year	-524	-144	-5	-673
Decreases during period	0	170	0	170
Accumulated depreciation Dec 31	-1,900	-189	-13	-2,102
Book value Dec 31	1,296	335	59	**1,690**
Book value Jan 1	759	141	32	**932**

TEUR	BUSINESS PREMISES	CARS	DEVICES	JAN 1–DEC 31, 2020 TOTAL
Acquisition cost Jan 1	1,382	374	29	1,786
Increase during the period	806	55	41	902
Decreases during period	-54	-73	-29	-156
Acquisition cost Dec 31	2,135	356	41	2,532
Accumulated depreciation Jan 1	-887	-118	-24	-1,029
Depreciation during the year	-516	-125	-14	-655
Decreases during period	28	28	29	85
Accumulated depreciation Dec 31	-1,376	-215	-8	-1,599
Book value Dec 31	759	141	32	**932**
Book value Jan 1	495	256	6	**757**

AMOUNTS RECOGNIZED FOR LEASES IN THE INCOME STATEMENT

TEUR	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Depreciation	-673	-655
Interest on lease liabilities	-19	-15
Other operating expenses, leases		
Expenses from short-term leases	-206	-95
Expenses from low-value leases	-2	-1
Expenses related to variable lease payments not included in lease liabilities	-74	-98

TEUR	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Cash outflow from leases		
Payments of lease liabilities	-708	-659
Items recognized in the income statement, excluding depreciation	-301	-209

14) Inventories

§ Basis of preparation

Inventories are recognized at the lower of cost and net realizable value. The acquisition cost is determined using the FIFO method. The net realizable value is the estimated selling price in a conventional transaction less the cost to make the sale. The acquisition cost of completed products and work in progress comprises direct costs such as materials, direct costs of labor, other direct costs, and the allocation of the variable manufacturing overheads and fixed overhead at normal operating capacity.

INVENTORIES

TEUR	DEC 31, 2021	DEC 31, 2020
Materials and supplies	1,194	870
Work in progress/advance payments	1,312	458
Finished products	3,908	3,547
Total	**6,414**	**4,875**

15) Financial assets

§ Basis of preparation

The Group's financial assets are classified into the following categories: measured at amortized cost, measured at fair value through other comprehensive income items or measured subsequently at fair value through profit or loss. Financial assets are classified and valued when recorded for the first time in the balance sheet. Classification is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets that are valued at amortized costs are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms for items falling under financial assets give rise on specified dates to cash flows to be realized at specific times that constitute solely payments of principal and interest on the principal outstanding.

Financial assets that are valued at fair value through other comprehensive income items are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and the contractual terms for items falling under financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets subsequently measured at fair value through profit and loss are assets that are not measured at amortized cost or at fair value through other comprehensive income items.

FINANCIAL ASSETS — RECOGNITION AND MEASUREMENT

The Group estimates the expected credit losses for the full lifetime of the sales receivables. For the assessment of expected credit losses, sales receivables are grouped geographically and by customer group, and the credit loss provision is recognized based on past experience. The balance sheet values of sales and other receivables constitute the maximum credit risk amounts. No significant credit risk concentrations are included in the receivables. A final impairment loss is recognized when evidence exists that the company cannot collect its receivables in accordance with the initial terms and conditions. The impairment loss is the difference between the book value of the receivables and their recoverable amount, and it corresponds to the present value of expected cash flows.

Evidence is generally considered appropriate when the receivable is more than 180 days outstanding when no credit insurance or a security through other means is available. External evidence of a risk related to a receivable even before it is 180 days outstanding will lead to the recognition of impairment loss. Such evidence may be, for example, the debtor's significant economic difficulties, company reorganization, or bankruptcy proceedings. The impairment loss is recognized in the income statement in other operating expenses.

Loans and other receivables are measured at amortized cost using the effective interest method.

Unrealized and realized gains and losses due to changes in fair value relating to assets categorized as financial assets at fair value through profit or loss are recognized in operating profit in the accounting period in which they arise. Dividend income from financial assets recognized at fair value, through profit or loss, are recorded on the balance sheet as other income when the right to payment has arisen for the Group.

The fair values of quoted investments are based on current bid prices. If there is no active market for a financial asset, fair value is established by using valuation techniques. These include the use of recent arm's length transactions, the fair values of other instruments that are substantially the same, or the present value of discounted cash flows.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, bank deposits withdrawable on demand, and other liquid short-term investments with original maturities of one month or less from acquisition.

TRADE AND OTHER RECEIVABLES

TEUR	DEC 31, 2021	DEC 31, 2020
Sales receivables	6,847	7,047
Other receivables	722	590
Accrued income	1,513	928
Total	**9,082**	**8,565**

DEC 31, 2021 UNITED STATES, USD	NOT FALLEN DUE	< 30 DAYS	> 30 DAYS	> 60 DAYS	> 90 DAYS	TOTAL
Hospitals and public corporations						
Expected credit losses (ECL coefficient)	0%	0%	0%	0,5%	5%	
Gross book value	277	195	54	86	58	**669**
ECL over validity period	0	0	0	0	3	**3**
Other						
Expected credit losses (ECL coefficient)	0%	0%	0%	2%	4%	
Gross book value	1,674	1,220	666	234	252	**4,046**
ECL over validity period	0	0	0	5	10	**15**

DEC 31, 2020 UNITED STATES, USD	NOT FALLEN DUE	< 30 DAYS	> 30 DAYS	> 60 DAYS	> 90 DAYS	TOTAL
Hospitals and public corporations						
Expected credit losses (ECL coefficient)	0%	0%	0%	0.5%	5%	
Gross book value	105	126	838	78	590	**1,736**
ECL over validity period	0	0	0	0	29	**30**
Other						
Expected credit losses (ECL coefficient)	0%	0%	0%	2%	4%	
Gross book value	1,191	1,120	630	606	0	**3,547**
ECL over validity period	0	0	0	12	0	**12**

OTHER COUNTRIES, EUR	NOT FALLEN DUE	< 30 DAYS	> 30 DAYS	> 60 DAYS	> 90 DAYS	TOTAL
Expected credit losses (ECL coefficient)	0%	1%	2%	3%	5%	
Gross book value	1,429	219	2	1	1	**1,651**
ECL over validity period	0	2	0	0	0	**2**
Expected credit losses (ECL coefficient)	0.5%	1%	2%	5%	13.3%	
Gross book value	874	107	0	0	0	**981**
ECL over validity period	4	1	0	0	0	**5**

OTHER COUNTRIES, EUR	NOT FALLEN DUE	< 30 DAYS	> 30 DAYS	> 60 DAYS	> 90 DAYS	TOTAL
Expected credit losses (ECL coefficient)	0%	1%	2%	3%	5%	
Gross book value	1,508	268	6	0	0	**1,772**
ECL over validity period	0	3	0	0	0	**3**
Expected credit losses (ECL coefficient)	0.5%	1%	2%	5%	13.3%	
Gross book value	890	27	36	0	8	**962**
ECL over validity period	4	0	1	0	1	**7**

AUSTRALIA, AUD	NOT FALLEN DUE	< 30 DAYS	> 30 DAYS	> 60 DAYS	> 90 DAYS	TOTAL
Expected credit losses (ECL coefficient)	0 %	0 %	0 %	1 %	2 %	
Gross book value	28	24	0	0	0	**52**
ECL over validity period	0	0	0	0	0	**0**

16) Capital structure

The Group's capital management activities seek to optimize capital structure and thereby support the Group's business activities by ensuring normal operating conditions for business activities, while also increasing shareholder value and aiming for the best possible profit.

Capital structure can be influenced by dividend distribution and the issue of shares. The Group may vary and adjust the amount of dividends paid to shareholders, or the number of new shares issued, or decide to sell assets in order to reduce its debts.

The Group monitors its capital structure through leveraging. At the end of 2021, the Group's interest-bearing net liabilities totaled EUR -0.8 million (EUR -1.7 million at the end of 2020) and leveraging stood at -1.0 percent (2.4%). When calculating leveraging, interest-bearing net liabilities are divided by shareholders' equity. Net liabilities comprise debts less receivables and cash equivalents. The Group's strategy is to keep leveraging below 25 percent. There has been no change in this strategy since the previous year.

The loan taken out by the Group for the acquisition includes the following covenants:

The ratio of net debt to EBITDA may not exceed 2
Equity ratio must be more than 35%

The Group has complied with these covenants throughout the reporting period. The ratio of net debt to EBITDA was -3.08% on December 31, 2021.

	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Financial liabilities	24,424	27,219
Cash and cash equivalents	25,216	28,878
Net liabilities	-792	-1,659
Total equity	78,429	69,710
Net leveraging, %	-1.0 %	-2.4%

CHANGES IN THE NUMBER OF SHARES AND THEIR IMPACT ON EQUITY

	NUMBER OF SHARES	SHARE CAPITAL TEUR	RESERVE FOR INVESTED UNRESTRICTED, TEUR	OWN SHARES, TEUR	TOTAL TEUR
01/01/2020	**26,544,742**	**5,315**	**51,152**	**-740**	**55,727**
Share issue with B option rights March 6, 2020	18,447		182		182
Share issue with C option rights March 6, 2020	19,119		244		244
Purchase of own shares March 18, 2020				-405	-405
Purchase of own shares March 19, 2020				-594	-594
Purchase of own shares March 20, 2020				-614	-614
Share issue with B option rights April 20, 2020	10,608		104		104
Share issue with C option rights April 20, 2020	6,105		78		78
Share issue with B option rights Jun 5, 2020	20,490		202		202
Share issue with C option rights Jun 5, 2020	7,725		99		99
Share issue with C option rights Aug 19, 2020	321		4		4
Transfer of the company's own shares Sep 18, 2020			49	21	70
Share issue with C option rights Nov 4, 2020	29,382		367		367
Share issue with C option rights Dec 29, 2020	2,013		25		25
31/12/2020	**26,658,952**	**5,315**	**52,505**	**-2,333**	**55,488**

	NUMBER OF SHARES	SHARE CAPITAL TEUR	RESERVE FOR INVESTED UNRESTRICTED, TEUR	OWN SHARES, TEUR	TOTAL TEUR
01/01/2021	**26,658,952**	**5,315**	**52,505**	**-2,333**	**55,488**
Transfer of the company's own shares Feb 15, 2021			-169	169	0
Share issue with C option rights Mar 12, 2021	16,335		204		204
Transfer of the company's own shares May 28, 2021			-15	15	0
Share issue with C option rights Jun 15, 2021	5,829		71		71
31/12/2021	**26,681,116**	**5,315**	**52,597**	**-2,149**	**55,764**

17) Equity

§ Basis of preparation

Outstanding ordinary shares are presented as share capital. Transaction costs due to the issuance of new equity instruments are presented as a deduction from equity. The own shares repurchased by Revenio Group Corporation are presented as a deduction from equity. Dividend distribution is recognized as a deduction from equity once the payment of dividend has been approved by the Annual General Meeting.

The invested unrestricted equity fund includes other equity investments and the subscription price of shares to the extent this price is not recognized in share capital by an explicit decision.

The difference between the fair value and the subscription price of directed share issues used for consideration for acquired operations is recognized in the fair value reserve.

Other reserves include the option schemes implemented in 2010–2012.

All issued shares have been paid in full. The company's share capital consists of 26,681,116 shares of a single class. At the end of the financial period, the company held 117,759 of its own shares (REG1V). All shares confer an equal right to dividends and the company's funds.

18) Management of financial risks

Financial risks and the risk management process

The management of financial risks is the responsibility of the CEO together with the Board of Directors. The Board defines the main outlines of the company's financing and the general management principles for financial risks, and it gives guidelines as necessary for any special issues such as liquidity risk, interest risk, credit risk, and the investment of surplus liquid funds. The Board of Directors discusses the Group's financial standing and funding at its monthly meetings.

According to its strategy, the company may seek growth through acquisitions of companies and business operations. The implementation of these acquisitions may require debt financing. Debt can also be used for other strategic and operational purposes decided on by the Board. Equity financing may also be used for all financing needs, in particular for acquisitions of companies and business operations.

Types of financial risks

In its operational activities, the company may be exposed to several types of financial risks, including changes in currency exchange rates, interest rates, and changes in the stock market. A central objective of financial risk management is to identify financial market risks that are relevant to the Group, and seek to minimize the harmful effects of financial market changes on the Group's profit.

The main areas of financial risk management are:

(I) CURRENCY RISK

A significant export market for the company is the United States, where the company has a subsidiary and through which sales are conducted on the U.S. market. The operating currency of the subsidiary is the U.S. dollar. In sales to and local purchases in the U.S., the company is exposed to a risk of fluctuating exchange rates between the U.S. dollar and the euro. At the end of the financial period, the company's cash and cash equivalents in U.S. dollars were USD 11,175,000. In the event the euro strengthens against the U.S. dollar by 10 percent, this would decrease the company's cash and cash equivalents on the closing date by EUR 987,000.

Invoicing between Icare Finland Oy and Icare USA Inc. and also between CenterVue S.p.A. and Icare USA Inc. takes place in USD. The currency risk is borne by Icare Finland Oy and CenterVue S.p.A. since business transactions between Group companies are not hedged against currency risks. Sales in U.S. dollars represent approximately 47.7% of the total net sales of the Group's continuing functions. Icare USA Inc. had USD 4,752,000 in account receivables from sales on the closing date. Icare USA Inc. had USD 4,808,000 cash in bank on the closing date. Icare Finland Oy and Revenio Group Corporation's USD accounts had a balance of USD 6,366,000 on the closing date.

The Group's subsidiaries Revenio Australia Pty Ltd and Icare World Australia Pty Ltd use the Australian dollar as their operating currency. The companies' AUD-denominated cash and cash equivalents totaled AUD 265 thousand on the closing date. If the euro were to appreciate against the Australian dollar by 10 percent, it would have an effect of EUR 17,000 on cash and cash equivalents on the closing date.

(II) INTEREST RATE RISK

In the company's balance sheet structure, interest rate risk is involved in borrowings. The Group's profit and cash flow from operations are to an essential extent independent of fluctuations in market interest.

When taking up new financing, for example for corporate acquisitions, the company always evaluates the need for interest rate hedging, taking into account the amount of debt, hedging costs, and expected interest rate development during the financing period. All of the Group's borrowings have fixed interest rates. As the Group does not have floating rate loans, the Group is not exposed to interest rate risk arising from changes in interest rates. The company has no interest rate investments or derivatives to which cash flow hedging would be applied.

(III) CREDIT RISK

The Group's credit policy lays down the requirements for selling on credit and the requirements for credit management. The credit quality of a new customer is controlled by applying for a credit insurance limit if necessary every time a new customer relationship is established. The credit limit and credit sales eligibility is reassessed if the customer's purchase volumes change or if the credit insurance company changes the granted credit limit as a result of a change in the customer's credit quality.

No single customer or customer group constitutes a significant credit risk concentration for the Group. During the financial period, credit losses and expected credit losses recognized through profit and loss totaled EUR 6,000 (EUR 6,000). The theoretical maximum credit risk at the end of the period corresponds to the book value of sales receivables. The aging of sales receivables is presented in Note 15.

(IV) LIQUIDITY RISK

The most significant factor affecting the sufficiency of liquid funds in the short term is the profitability of the business operations. Thus, the development of cash flows from operations is affected by management's profitability management measures, and additionally, operational risks and external risks such as general economic development, financial market conditions, and other macroeconomic demand factors over which the company management has no control.

The Group's liquidity remained good in 2021. Cash and cash equivalents were reduced in 2021 by the dividend distribution and the Oculo acquisition. On December 31, 2021, the Group's cash and cash equivalents totaled EUR 25,216,000 (EUR 28,878,000).The company continuously monitors and assesses the financing needs of its business operations to ensure sufficient liquidity for financing its operations.

The Board of Directors follows the actual and forecast development of the Group's liquidity monthly, and decides on possible corrective actions.

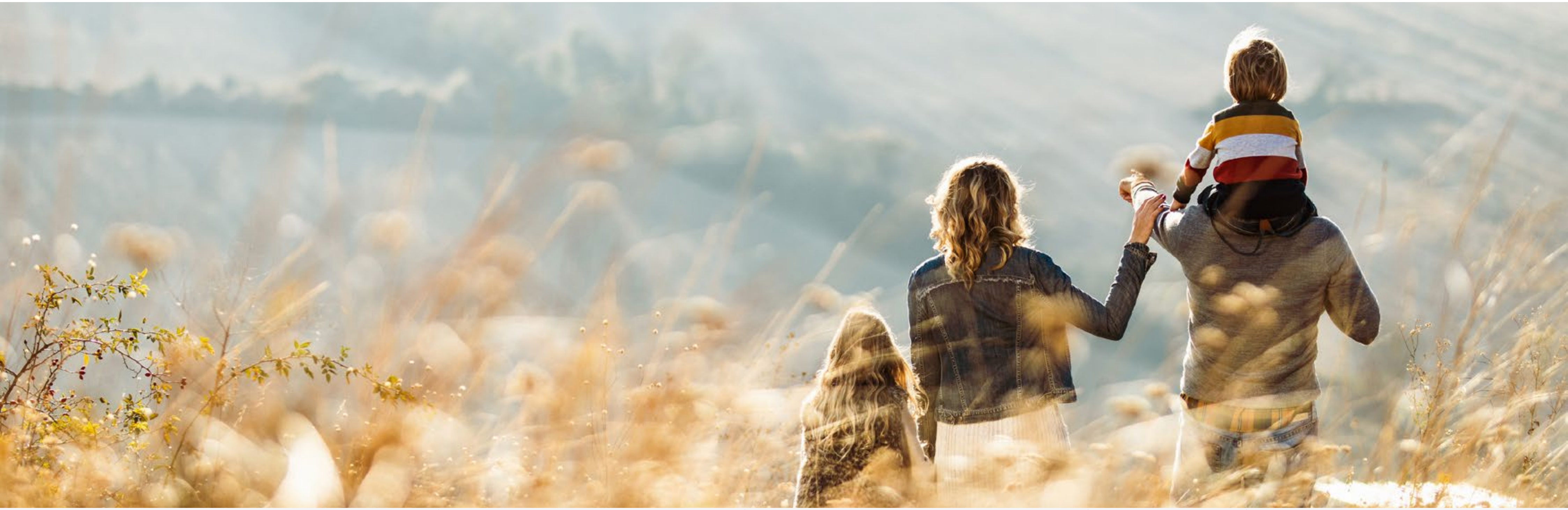
19) Financial liabilities

§ Basis of preparation

Group loans are classified at amortized cost using the effective interest method to be measured later. Loans are recognized at fair value less transaction costs at the time of acquisition. Financial liabilities include current and non-current liabilities. Financial liabilities are categorized as current unless the Group has an unconditional right to postpone payment at least for 12 months after the closing date.

Commissions associated with loan commitments are recognized as transaction costs to the extent that it is probable that the entire loan commitment or part of it will be taken up. In such a case, the commission is entered in the balance sheet until the loan is taken up. When it is, the commission associated with the loan commitment is recognized as part of the transaction cost. If the loan commitment is unlikely to be taken up, the commission is recognized as an advance payment for a liquidity service and is amortized as a cost for the period of the loan commitment.

A financial liability is removed from the balance sheet when the contractual obligations related to the liability expire. If needed, credit accounts are included in loans recognized in current debt.



CLASSIFICATION OF FINANCIAL LIABILITIES

31/12/2021	AT FAIR VALUE THROUGH PROFIT OR LOSS	AMORTIZED COST	BOOK VALUE	FAIR VALUE
Interest-bearing non-current liabilities	0	901	901	**901**
Interest-bearing current liabilities	0	23,523	23,523	**23,523**
Trade payables and other non-interestbearing current liabilities	0	16,567	16,567	**16,567**

31/12/2020	AT FAIR VALUE THROUGH PROFIT OR LOSS	AMORTIZED COST	BOOK VALUE	FAIR VALUE
Interest-bearing non-current liabilities	0	22,034	22,034	**22,034**
Interest-bearing current liabilities	0	5,185	5,185	**5,185**
Trade payables and other non-interestbearing current liabilities	0	12,603	12,603	**12,603**

All non-current loans are fixed-rate, and their book values have been measured at amortized cost. The average interest rate is 0.88% (2020: 0.75%). All of the Group's current and non-current financial liabilities are in the euro denomination. The loans will mature by the end of 2022.

THE GROUP'S INTEREST-BEARING DEBT AT END OF PERIOD:

LIABILITY	USE	INITIAL AMOUNT, TEUR	PRINCIPAL OUT-STANDING, TEUR	YEAR WHEN ESTABLISHED
TEKES loan	Initial financing of the subsidiary	502	**59**	2010–2013
Loan from financial institution	Acquired businesses	30,000	**22,650**	2019

The loan related to the acquired business operations includes covenants, which the company has complied with during the 2021 financial period. The loan is secured by mortgages on Revenio Group Corporation assets worth EUR 91,000,000.

MATURITY ANALYSIS OF CONTRACTUAL LIABILITIES

31/12/2021	UNDER 1 YEAR	1–2 YEARS	1–2 YEARS	OVER 5 YEARS	TOTAL CASH FLOW
Trade payables and other non-interest-bearing debt	16,567	0	0	0	**16,567**
Lease liabilities	833	442	526	0	**1,801**
Interest-bearing debt					
-principal	22,709	0	0	0	**22,709**
-interest payments	109	0	0	0	**109**

31/12/2020	UNDER 1 YEAR	1–2 YEARS	2–5 YEARS	OVER 5 YEARS	TOTAL CASH FLOW
Trade payables and other non-interest-bearing debt	12,603	0	0	0	**12,603**
Lease liabilities	590	170	212	0	**973**
Interest-bearing debt					
-principal	4,604	21,659	0	0	**26,262**
-interest payments	119	88	0	0	**207**

The figures are not discounted and include both interest and principal payments.

20) Provisions

§ Basis of preparation

Provisions are recognized in the balance sheet when a present legal or constructive obligation has arisen as a result of a past event, and it is probable that this will cause future expenses and the amount of the obligation can be reliably estimated.

A provision for warranties is recognized when the underlying products are sold. The warranty provision is estimated on the basis of historical warranty expense data and is presented as non-current or current provision depending on the length of the warranty period. The amount and probability of provisions requires management estimates and assumptions. Actual results may differ from these estimates.

SHORT-TERM PROVISIONS	DEC 31, 2021 TEUR	DEC 31, 2020 TEUR
Provisions Jan 1	330	397
Changes in reserves	147	-67
Short-term provisions Dec 31	**476**	**330**

21) Trade and other non-interest bearing payables

TEUR	DEC 31, 2021	DEC 31, 2020
Advances received	89	6
Accounts payable	6,803	4,367
Other liabilities	2,278	938
Accrued expenses and deferred income	7,397	6,867
Total	**16,567**	**12,178**
Material items included in accrued liabilities and deferred income		
Accrued personnel expenses	3,799	3,099
Income taxes	1,253	2,108
Other accruals and deferred income	2,345	1,660
Total	**7,397**	**6,867**

22) Commitments

The company has mortgages on company assets worth EUR 91,000,000. Mortgages on company assets are used as collateral for loans.

Minimum lease payments not recognized in the balance sheet payable on the basis of other non-cancelable leases:

TEUR	DEC 31, 2021	DEC 31, 2020
Within 1 year	101	48
In more than 1 and no more than 5 years	6	3
Total	**107**	**51**

23) Acquired businesses

Purchases in the financial period 2021

On 27 April, 2021, Revenio Group finalized the Oculo acquisition announced on March 19, 2021. Revenio acquired the entire share capital of the Australian CERA Technologies Pty Ltd:n (now Revenio Australia Pty Ltd, ”Oculo”) for a total price of AUD 18.5 million (approximately 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. The results of the Oculo business are included in Revenio Group's consolidated financial statements effective from April 28, 2021. The Oculo acquisition is integral to the Group's strategy and with it Revenio takes a significant step toward integrated eye care software solutions. The acquisition also reenforces Revenio's position as a leading provider of comprehensive clinical eye diagnostics solutions—opening new opportunities in the rapidly growing fields of eye-related telehealth and technology-based eye care models. The acquisition also significantly supports the growth strategy as Revenio seeks to improve the productivity and quality of eye care through targeted product innovations while transforming 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 (approximately 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 conditions of the conditional consideration related to the acquisition completed in 2021 were not met.

A tax credit of AUD 0.1 million received after the due date has been recognized in the income statement under other operating income.

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 will be depreciated over a period of seven years.

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

The gross value of trade receivables have been collected.

In the Group's comprehensive income statement for 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–December 31, 2021, the acquired operations formed EUR 0.9 million of Revenio's net sales and EUR -1.8 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 the Oculo business. This plan is a separate incentive scheme and is not accounted for in the merger of operations.

Purchases in the financial period 2020

The Group did not acquire any new businesses during the 2020 financial year.

ACQUISITION COST CALCULATION

Preliminary recognized fair values and goodwill arising from the acquisition at the time of acquisition:

AQCQUISITION COST CALCULATION	TEUR
Purchase price	
Acquisition price	11,703
Additional purchase cost	168
Total purchase cost	**11,871**
Cash flow	
Purchase price paid	-11,703
Cash acquired	402
Total cash flow	**-11,302**
ASSETS	
Non-current assets	
Tangible assets	30
Intangible assets	2,460
Deferred tax assets	46
Non-current assets total	**2,535**
Current assets	
Trade and other receivables	412
Cash and cash equivalents	402
Current assets total	**813**
ASSETS TOTAL	**3,349**
LIABILITIES	
Non-current liabilities	
Liabilities arising from employee benefits	25
Non-current liabilities total	**25**
Current liabilities	
Trade and other payables	908
Current liabilities total	**908**
LIABILITIES TOTAL	**933**
Net assets	2,416
Purchase price	11,871
Goodwill	9,455

24) Related parties and remuneration of management

PARENT AND SUBSIDIARY RELATIONSHIPS OF THE GROUP	DOMICILE	HOLDING
Parent company Revenio Group Corporation	Vantaa	
Done Medical Oy	Seinäjoki	100%
Icare Finland Oy	Helsinki	100%
Revenio Research Oy	Vantaa	100%
Oscare Medical Oy	Helsinki	100%
Icare USA Inc	Missouri	100%
CenterVue S.p.A	Padua	100%
Revenio Italy S.R.L	Milan	100%
Revenio Australia Pty Ltd (CERA Technologies Pty Ltd)	Melbourne	100%
Icare World Australia Pty Ltd (CT Operations Pty Ltd)	Melbourne	100%
CT Operations International UK Ltd	London	100%

All Group companies are consolidated in the parent company's consolidated financial statements.

EMPLOYMENT BENEFITS FOR MANAGEMENT	JAN 1–DEC 31, 2021 TEUR	JAN 1–DEC 31, 2020 TEUR
Management includes the Board and the Group's Management Team		
Salaries and other short-term employment benefits	2,945	1,931
Other long-term benefits	62	61
Pension costs	295	268
Total	**3,302**	**2,260**

Expenses arising from incentive programs are recognized as provisions in the financial statements of the year of their determination and are presented under Related party transactions in the financial period during which the Board of Directors decides on their payment.

SALARIES AND REMUNERATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO:	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
CEO Toijala Jouni	253	132
Chair of the Board Rönkä Pekka	57	54
Board member Kakkonen Kyösti	2	30
Board member Nielsen Arne Boye	33	27
Board member Sundell Ann-Christine	39	35
Board member Tammela Pekka	39	35
Board member Östman Bill	31	27
Total	**454**	**340**

The Chair of the Board is paid a director's fee of EUR 48,000 per annum, Board members acting as Chair of a committee a fee of EUR 30,000 per annum, and other Board members a fee of EUR 24,000 per annum. In accordance with the decision of the Annual General Meeting, a total of 40% of Board members' emoluments will be paid out in the form of company shares, and 60% will comprise a monetary payment. In addition, a fee of EUR 600 per Board or committee meeting and EUR 300 per remote meeting is paid to members of the Board and any committee.

There are four share-based long-term incentive schemes for the Revenio Group Corporation Management Team as part of the company's remuneration program for key personnel. The company's Board of Directors has also decided on a restricted share-based incentive scheme for Oculo's key personnel. The incentive schemes and option schemes are described in Note 5 Share-based payments.

No option rights have been granted to members of the Board of Directors.

Loans granted to key management personnel

During the financial year 2020, Revenio Group Corporation's CEO Jouni Toijala took out a loan of EUR 50,000 granted by the company on market terms for the purchase of Revenio's shares. The shares acquired using the loan will act as security for the loan. This arrangement was entered into at the request of Revenio's Board of Directors in order to secure the commitment and motivation of the CEO. The CEO has agreed to hold the company shares he acquired using the loan financing granted by the company for a period of five (5) years. The CEO's obligation to hold the acquired shares ends if the CEO's employment relationship ends before the end of the five-year period.

TEUR	DEC 31, 2021
Loans granted to key management personnel as at January 1, 2021	50
Accrued interest	0
Loans granted to key management personnel as at December 31, 2021	**50**

The figures include both interest and principal.

During the financial period, no credit loss provisions or expenses have been recognized for lost or uncertain related party transactions.

25) Events after the financial period

Revenio has renegotiated the payment schedule for its short-term bank loans. Based on the new schedule the interest-bearing bank loan will be paid in EUR 1,050,000 quarterly installments until the end of 2024 and final installments are to be settled in 2025.

26) Published new and amended IFRS standards that are not yet in force

The Group has not adopted the following new and amended IFRS standards that have been published but have not yet entered into force.

IFRS 17 Insurance Contracts	
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current *
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020	Cycle Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies *
Amendments to IAS 8	Definition of Accounting Estimates *
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction *
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information *

The managers do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

*) The new or amended IFRS standard had not been approved for application in the EU on the date when these financial statements were approved for publication.

Parent Company Financial Statements

Parent company profit & loss statement (FAS)

EUR

	APPENDIX	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Net sales	1	**1,184,065.56**	**744,189.53**
Other operating income	2	**31,447.00**	**0.00**
Personnel expenses			
Salaries and fees	3	-582,840.78	-1,049,075.43
Indirect personnel costs			
Pension costs		-191,008.46	-172,571.39
Other indirect personnel expenses		-27,947.73	26,008.13
Personnel expenses total		**-811,796.97**	**-1,195,638.69**
Depreciation, amortization, and impairment			
Planned depreciation		-33,206.00	-8,979.00
Depreciation and amortization total		**-33,206.00**	**-8,979.00**
Other operating expenses	4	**-2,990,805.42**	**-1,599,829.14**
NET PROFIT/LOSS		**-2,620,295.83**	**-2,060,257.30**
Financial income and expenses	5		
Other financial income and interest receivable		1,576,786.83	1,601,697.09
Interest and other financial expenses		-205,772.71	-229,453.07
Financial income and expenses total		**1,371,014.12**	**1,372,244.02**
PROFIT/LOSS BEFORE APPROPRIATION AND TAXES		**-1,249,281.71**	**-688,013.28**
Appropriation	6	**19,229,830.25**	**17,795,543.15**
Income taxes for the financial period	7	**-3,383,096.63**	**-3,452,510.64**
NET PROFIT/LOSS		**14,597,451.91**	**13,655,019.23**

Parent company balance sheet (FAS)

EUR

ASSETS	APPENDIX	DEC 31, 2021	DEC 31, 2020
NON-CURRENT ASSETS	8		
Intangible assets			
Other intangible assets		115,069.50	92,697.50
Other non-current expenses in progress		200,000.00	0,00
Intangible assets total		**315,069.50**	**92,697.50**
Tangible assets			
Machinery and equipment		12,644.30	21,987.84
Tangible assets total		**12,644.30**	**21,987.84**
Investments	9		
Holdings in Group companies		20,911,906.38	8,860,993.74
Holdings total		**20,911,906.38**	**8,860,993.74**
NON-CURRENT ASSETS TOTAL		**21,239,620.18**	**8,975,679.08**
CURRENT ASSETS			
Non-current receivables			
Receivables from Group companies		63,685,864.11	64,119,322.96
Other receivables		50,000.00	50,000.00
Non-current receivables, total		**63,735,864.11**	**64,169,322.96**
Short-term receivables			
Receivables from Group companies	10	20,429,271.41	26,785,927.97
Other receivables		31,350.89	36,088.18
Advances paid	11	185,644.72	109,893.93
Short-term receivables total		**20,646,267.02**	**26,931,910.08**
Bank and cash		**530,920.58**	**4,495,750.73**
INVENTORIES AND SHORT-TERM ASSETS TOTAL		**84,913,051.71**	**95,596,983.77**
TOTAL ASSETS		**106,152,671.89**	**104,572,662.85**

EUR

SHAREHOLDER EQUITY AND LIABILITIES	APPENDIX	DEC 31, 2021	DEC 31, 2020
SHAREHOLDER EQUITY	12		
Share capital		5,314,918.72	5,314,918.72
Reserve for invested non-restricted equity		51,304,981.86	51,030,240.42
Retained earnings		9,294,342.34	4,137,397.35
Profit for the period		14,597,451.91	13,655,019.23
SHAREHOLDERS' EQUITY TOTAL		**80,511,694.83**	**74,137,575.72**
LIABILITIES			
Non-current liabilities			
Loans from financial institutions	13	0.00	21,600,000.00
Accrued expenses and deferred income		0.00	435,902.00
Non-current liabilities total		**0.00**	**22,035,902.00**
Current liabilities			
Loans from financial institutions		22,650,000.00	4,200,000.00
Accounts payable		343,083.70	217,832.13
Liabilities to Group companies	14	845,212.16	1,072,097.77
Other liabilities		29,048.27	19,023.36
Accrued expenses and deferred income	15	1,773,632.93	2,890,231.87
Current liabilities total		**25,640,977.06**	**8,399,185.13**
BORROWED CAPITAL TOTAL		**25,640,977.06**	**30,435,087.13**
LIABILITIES TOTAL		**106,152,671.89**	**104,572,662.85**

Parent company cash flow statement (FAS)

EUR

CASH FLOW FROM OPERATING ACTIVITIES	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Profit/loss before appropriations and taxes	-1,291,440.30	-688,013.28
Adjustments		
Planned depreciation	33,206.00	8,979.00
Financial income and expenses	-1,371,014.12	-1,372,244.02
Other items	-718,170.00	555,755.00
Change in working capital:		
Change in non-interest-bearing current receivables	-542,574.32	2,616,442.93
Change in non-interest-bearing current liabilities	-1,737,732.38	-1,274,118.52
Interest and payments paid from operations	-205,772.71	-193,731.51
Interest and payments received from operations	1,576,786.83	1,565,975.53
Direct taxes paid	-2,302,260.12	-1,352,380.08
Cash flow from operations	**-6,558,971.12**	**-133,334.95**

EUR

CASH FLOW FROM INVESTMENT ACTIVITIES	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Investment in tangible and intangible assets	-246,234.46	-118,039.80
Loans granted	-1,000,000.00	-50,000.00
Repayments of loan receivables	1,433,458.85	4,280,677.04
Purchased subsidiary shares	-12,050,912.64	0,00
Cash flow from investing activities	**-11,863,688.25**	**4,112,637.24**

EUR

CASH FLOW FROM FINANCING ACTIVITIES	JAN 1–DEC 31, 2021	JAN 1–DEC 31, 2020
Share subscription through exercised options	274,741.44	1,304,426.70
Acquisition of own shares	0,00	-1,613,454.01
Withdrawals and repayments of short-term borrowings	-3,150,000.00	0.00
Withdrawals and repayments of long-term borrowings	0.00	-2,100,000.00
Dividends paid and other distribution of profits	-8,498,074.24	-7,948,215.60
Group account liabilities	-226,885.61	-4,206,057.02
Group contributions received and paid	26,058,047.63	5,947,266.83
Cash flow from financing activities	**14,457,829.22**	**-8,616,033.10**
CHANGE IN CASH AND CASH EQUIVALENTS	**-3,964,830.15**	**-4,636,730.81**
Cash and cash equivalents at beginning of period	4,495,750.73	9,132,481.54
Cash and cash equivalents at end of period	530,920.58	4,495,750.73
Change in cash and cash equivalents	**-3,965,830.15**	**-4,636,730.81**

Notes to parent company financial statements Dec 31, 2021

Accounting principles for the parent company financial statements

§ Basis of preparation

The financial statements of the parent company Revenio Group Corporation have been prepared in accordance with the Finnish Accounting Act, Limited Liability Companies Act, and the Finnish Accounting Standards (FAS).

Valuation and depreciation principles

Valuation of non-current assets

The company's non-current assets are stated at acquisition cost less planned depreciation. The depreciation plan is defined based on experiences. Value adjustments are made based on the difference between the acquisition cost and the residual value and estimated useful life.

The bases for planned depreciation are as follows:

Intangible rights	3 years	straight-line depreciation
Other non-current expenses	3 years	straight-line depreciation
Machinery and equipment	3 years	straight-line depreciation

Subsidiaries

Direct expenses from the acquisition of subsidiary companies are recognized in the acquisition cost of subsidiary company holdings. The Group management continuously reviews Group items for any indication of impairment. If there are such indications, the amount recoverable from the said asset item is assessed.

Employee benefits

Personnel pension security is handled by external pension insurance companies. Pension costs are recorded as expenses in the year in which they are incurred.

The company's Management Team participates in a long-term share plan, within which programs are valid for the earning years 2019–2021, 2020-2022 and 2021-2023. The minimum, target and maximum bonus of each participant shall be decided separate, as well as performance criteria and the related targets. The accounting and financial statement treatment of share-based payment plans is described in more detail in Note 17.

Notes to the income statement

1) Distribution of net sales

	JAN 1–DEC 31, 2021 EUR	JAN 1–DEC 31, 2020 EUR
Administrative services to subsidiaries	1,184,065.56	744,189.53
Net sales total	**1,184,065.56**	**744,189.53**

2) Other operating income

	JAN 1–DEC 31, 2021 EUR	JAN 1–DEC 31, 2020 EUR
Grants and subsidies received	31,447.00	0.00
Grants and subsidies received total	**31,447.00**	**0.00**

3) Salaries and remunerations

	JAN 1–DEC 31, 2021 EUR	JAN 1–DEC 31, 2020 EUR
CEO	-253,102.00	-468,146.97
Board Members	-156,000.00	-174,000.00
Other salaries and remunerations	-718,438.46	-597,102.07
Total	**-1,127,540.46**	**-1,239,249.04**
Accrued salaries and remunerations total	**-592,840.78**	**-1,049,075.43**

AVERAGE NUMBER OF PERSONNEL DURING PERIOD	JAN 1–DEC 31, 2021 EUR	JAN 1–DEC 31, 2020 EUR
Management	3	3
Others	5	3
Total	**8**	**6**

4) Other operating expenses

	JAN 1–DEC 31, 2021 EUR	JAN 1–DEC 31, 2020 EUR
Rent of business premises	-76,015.28	-79,007.38
Vehicle and travel expenses	-53,112.15	-111,659.34
Machinery and equipment expenses	-281,139.61	-110,640.44
Marketing and entertainment	-153,646.78	-104,282.05
Expert services purchased	-2,039,706.57	-1,017,393.57
Administrative expenses	-94,686.71	-92,461.37
Other operating expenses	-292,498.32	-84,384.99
Total	**-2,990,805.42**	**-1,599,829.14**
Auditor's fees		
Deloitte Oy		
Auditing fees	-74,000.00	-40,000.00
Certificates and statements	-12,900.00	-16,000.00
Tax services	-7,350.00	0.00
Total	**-94,250.00**	**-56,000.00**

5) Financial income and expenses

FINANCIAL INCOME AND EXPENSES FROM GROUP COMPANIES	JAN 1–DEC 31, 2021 EUR	JAN 1–DEC 31, 2020 EUR
Interest income from Group companies	1 ,547,829.29	1,594,820.79
Total	**1,547,829.29**	**1,594,820.79**

FINANCIAL INCOME AND EXPENSES FROM OTHERS	JAN 1–DEC 31, 2021 EUR	1.1.–31.12.2020 EUR
Interest income from others	1,150.38	650.42
Other financial income	27,807.16	6,225.88
Interest expenses from loans from financial institutions	-183,683.51	-193,731.51
Interest payable to others	-4,774.06	-10,678.86
Other financial expenses	-17,315.14	-25,042.70
Total	**-176,815.17**	**-222,576.77**

6) Appropriation

	JAN 1–DEC 31, 2021 EUR	JAN 1–DEC 31, 2020 EUR
Group contributions received	20,600,000.00	20,600,000.00
Group contributions paid	-1,370,169.75	-2,804,456.85
Total	**19,229,830.25**	**17,795,543.15**

7) Income taxes

	JAN 1–DEC 31, 2021 EUR	JAN 1–DEC 31, 2020 EUR
Income tax for appropriation	-3,845,966.05	-3,559,108.63
Income tax for actual operations	462,869.42	109,597.99
Income tax for previous fiscal years	0.00	-3,000.00
Total	**-3,383,096.63**	**-3,452,510.64**

Notes to balance sheet assets

8) Changes in fixed assets itemized by balance sheet item

	DEC 31, 2021 EUR	DEC 31, 2020 EUR
INTANGIBLE ASSETS		
Other intangible assets		
Acquisition cost Jan 1	104,318.28	13,429.78
Increase during the period	246,236.00	90,888.50
Acquisition cost Dec 31	350,553.28	104,318.28
Accumulated depreciation Jan 1	-11,620.78	-11,620.78
Depreciation during the year	-23,863.00	0.00
Accumulated depreciation Dec 31	-35,483.78	0.00
Book value Dec 31	**315,069.50**	**92,697.50**
Book value Jan 1	**92,697.50**	**1,809.00**
TANGIBLE ASSETS		
Machinery and equipment		
Acquisition cost Jan 1	43,464.84	33,115.96
Increase during the period	0.00	27,151.30
Decreases during period	-16,313.54	-16,802.42
Acquisition cost Dec 31	27,151.30	43,464.84
Accumulated depreciation Jan 1	-21,477.00	-29,300.42
Depreciation during the year	-9,343.00	-8,979.00
Decreases of accumulated depreciation	16,313.00	16,802.42
Accumulated depreciation Dec 31	-14,507.00	-21,477.00
Book value Dec 31	**12,644.30**	**21,987.84**
Book value Jan 1	**21,987.84**	**3,815.54**
HOLDINGS IN GROUP COMPANIES		
Acquisition cost Jan 1	8,860,993.74	8,860,993.74
Increase during the period	12,050,912.64	0,00
Acquisition cost Dec 31	**20,911,906.38**	**8,860,993.74**
Book value Dec 31	**20,911,906.38**	**8,860,993.74**

9) Holdings in other companies Dec 31, 2021

GROUP COMPANIES	DOMICILE	OWNERSHIP SHARE
Done Medical Oy	Seinäjoki	100%
Icare Finland Oy	Helsinki	100%
Oscare Medical Oy	Helsinki	100%
Revenio Australia Pty Ltd	Melbourne	100%
Revenio Italy S.R.L.	Milan	100%
Revenio Research Oy	Vantaa	100%

10) Receivables from Group companies

	DEC 31, 2021 EUR	DEC 31, 2020 EUR
NON-CURRENT RECEIVABLES FROM GROUP COMPANIES		
Capital loan receivables	400,000.00	400,000.00
Loan receivables	63,285,864.11	63,719,322.96
Total	**63,685,864.11**	**64,119,322.96**
CURRENT RECEIVABLES FROM GROUP COMPANIES		
Trade receivables	209,747.93	71,880.88
Accrued and other receivables from Icare Finland Oy	18,461,808.43	24,651,274.41
Other receivables from other group companies	914,266.66	1,553,018.06
Accrued income	843,448.39	509,754.62
Total	**20,429,271.41**	**26,785,927.97**
Receivables from Group companies, total	**84,115,135.52**	**90,905,250.93**

11) Principal items in prepaid expenses and accrued income

	DEC 31, 2021 EUR	DEC 31, 2020 EUR
Personnel expenses	30,803.29	45,200.00
Prepaid expenses	154,841.43	64,693.93
Total	**185,644.72**	**109,893.93**

Notes to balance sheet liabilities

12) Changes in equity

	DEC 31, 2021 EUR	DEC 31, 2020 EUR
Share capital		
Share capital Jan 1	5,314,918.72	5,314,918.72
Share capital Dec 31	**5,314,918.72**	**5,314,918.72**
Restricted equity total Dec 31	**5,314,918.72**	**5,314,918.72**
Reserve for invested non-restricted equity		
Reserve for invested non-restricted equity Jan 1	51,030,240.42	51,269,667.73
Share subscriptions with stock options	274,741.44	1,304,426.70
Purchase of own shares	0.00	-1,613,454.01
Transferred shares	0.00	69,600.00
Reserve for invested non-restricted equity Dec 31	**51,304,981.86**	**51,030,240.42**

	DEC 31, 2021 EUR	DEC 31, 2020 EUR
Profit/loss from previous financial periods		
Profit/loss from previous financial periods Jan 1	17,792,416.58	12,085,612.95
Dividends	-8,498,074.24	-7,948,215.60
Profit/loss from previous financial periods Dec 31	**9,294,342.34**	**4,137,397.35**
Profit/loss for the period Dec 31	**14,597,451.91**	**13,655,019.23**
Non-restricted equity total Dec 31	**75,196,776.11**	**68,822,657.00**
Equity total Dec 31	**80,511,694.83**	**74,137,575.72**
Calculation of the amount of distributable unrestricted equity on 31 Dec		
Invested unrestricted capital reserve	51,304,981.86	51,030,240.42
Retained earnings	9,294,342.34	4,137,397.35
Profit for the period	14,597,451.91	13,655,019.23
Distributable unrestricted equity Dec 31	**75,196,776.11**	**68,822,657.00**

The share capital of Revenio Group Corporation on December 31, 2021 was EUR 5,314,918.72, and the number of shares was 26,681,116. There is one class of shares. All shares confer an equal right to dividends and the company's funds.

On the closing date, the company held 117,759 of its own shares (REG1V).

13) Non-current liabilities

Loans from financial institutions

As at December 31, 2021, the parent company had not interest-bearing non-current liabilities. The company does not have any loans falling due later than within five years. At the end of 2020, the company had interest- bearing non-current liabilities totaling EUR 21.6 million.

14) Intra-group liabilities

	DEC 31, 2021 EUR	DEC 31, 2020 EUR
Current intra-group liabilities		
Intra-group bank account	0.00	226,885.61
Other liabilities	845,212.16	845,212.16
Total	**845,212.16**	**1,072,097.77**

15) Principal items of accrued liabilities and deferred income

	DEC 31, 2021 EUR	DEC 31, 2020 EUR
Personnel expenses	538,746.59	1,133,445.31
Income taxes	1,080,836.51	2,100,130.56
Other accruals and deferred income	154,049.83	92,558.00
Total	**1,773,632.93**	**3,326,133.87**

The breakdown includes both long-term and short-term accrued liabilities.

16) Notes to collateral and commitments

Banks and financial institutions have granted Revenio Group Corporation mortgages on company assets worth EUR 91,000.000, and these are used as collateral for the loan.

LEASE COMMITMENTS	DEC 31, 2021 EUR	DEC 31, 2020 EUR
Lease commitments maturing next year	19,513.35	7,557.97
Lease commitments maturing later than next year	29,649.16	3,108.00
Total	**49,162.51**	**10,665.97**

Lease agreements run for 2–5 years and do not include special notice or purchase option clauses.

RENT LIABILITIES	DEC 31, 2021 EUR	DEC 31, 2020 EUR
Rent liabilities for office premises, maturing next year	405,427.44	390,547.74
Rent liabilities for office premises, maturing later than next year	0.00	162,728.23
Total	**405,427.44**	**553,275.97**

17) Other notes

STOCK OPTION RIGHTS GRANTED TO PERSONNEL AND MANAGEMENT

Option rights of personnel

§ Basis of preparation

The company has had a stock option program decided by the Board of Directors on August 10, 2015, based on the authorization of the Annual General Meeting on March 19, 2015. The stock option program ended during 2021.

OPTION PROGRAM 2015 SERIES	TOTAL AMOUNT	SUBSCRIPTION PERIOD	TURNOVER PERIOD DETERMINING THE SUBSCRIPTION PRICE	DIVIDEND-ADJUSTED SUBSCRIPTION PRICE
A	50,000	Ended	Sep 1, 2015–Oct 15, 2015	Ended
B	50,000	Ended	Sep 1, 2016–Oct 15, 2016	Ended
C	50,000	Ended	Sep 1–Oct 15, 2017	Ended

Management incentive scheme

§ Basis of preparation

The Board of Directors of Revenio Group Corporation decided on three share-based long-term incentive schemes directed towards the 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 the company in order to grow the company's value.

The Board of Directors shall decide separately on the minimum, target and maximum bonus of each participant, as well as performance criteria and the related targets. The amount of bonus payable to the participants depends on the achievement of the pre-set targets. No bonus will be paid if the targets are not met, or if the participant's work or employment relationship ends before the bonus is paid. Each performance share plan shall cover a maximum of 10 persons and the objectives of the plan shall be related to the absolute total yield of the company's share and the cumulative operating result over a period of three years. If the targets of the incentive scheme are met, the bonuses will be paid in the spring of the year following the earning period. The total amount of share bonus to be paid on the basis of the program earning period is gross earnings minus the amount of cash required to cover taxes due on the share bonus and any other tax-like payments, after which the remaining net bonus shall be paid in shares. However, in certain circumstances the company has the right to pay the entire bonus in cash.

Benefits granted under the share plan are recognized with caution as expenses in the income statement when the Board of Directors has approved the bonuses for payment. During the financial year, the company recognized a total of EUR -259 thousand in personnel expenses related to the incentive scheme 2018–2020 and a total of EUR -246 thousand in personnel expenses related to the incentive scheme 2019–2021. On December 31, 2021, the accrued expense recognized on the balance sheet from these schemes amounted to EUR 129 thousand. Taking the objectives of the scheme into account, it is not possible to estimate the total amount of future cash considerations.

EARNING YEARS	TIME OF BONUS PAYMENT	MAXIMUM AMOUNT OF SHARE BONUS
2018–2020	2021	5 570
2019–2021	2022	5 048
2020–2022	2023	8 749
2021–2023	2024	5 303

18) Events after the financial period

Revenio Group Oyj has renegotiated the payment schedule for its short-term bank loans. Based on the new schedule the interest-bearing bank loan will be paid in EUR 1,050,000 quarterly installments until the end of 2024 and final installments are to be settled in 2025.

Signatures

Signatures to the financial statements and review of operations

VANTAA, MARCH 16, 2022

Board of Directors and CEO of Revenio Group Corporation

Pekka Rönkä
Chair of the Board

Ann-Christine Sundell
Board member

Arne Boye Nielsen
Board member

Bill Östman
Board member

Pekka Tammela
Board member

Jouni Toijala
CEO

Auditor's note

We have issued an audit report today based on the audit we have performed.

Helsinki, March 16, 2022

Deloitte Oy
Authorized Public Accountants

Mikko Lahtinen
Authorized Public Accountant

Auditor's report

TO THE ANNUAL GENERAL MEETING OF REVENIO GROUP OYJ

Auditor’s report

TO THE ANNUAL GENERAL MEETING OF REVENIO GROUP OYJ

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Revenio Group Oyj (business identity code 1700625-7) for the year ended 31 December 2021. The financial statements comprise the consolidated statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies, as well as the parent company’s income statement, balance sheet, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group’s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU

- the financial statements give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

KEY AUDIT MATTER

Revenue recognition	How our audit addressed the key audit matter
Refer to notes 1 and 2 in the consolidated financial statements. • Consolidated net sales of EUR 78.8 million consists of the income from the sale of products, services and software licenses. • Revenue from sales is recognized when the customer gains control over a good, service or software license (performance obligation). As a rule, control is transferred to the customer upon delivery as per the terms and conditions of agreement. • For audit purposes, the key is that revenue is recognized timely and in the correct amount.	• We have assessed the controls relating to the sales process and the revenue recognition. • We have reviewed the accounting principles and practices associated with revenue recognition to assess whether the recognition is in accordance with IFRS 15. • We have tested the timing and quantitative accuracy of revenue recognition by comparing individual sales transactions to sales agreements and delivery notes. • We have assessed the appropriateness of the presentation in the consolidated financial statements.
Valuation of goodwill and other intangible assets	**How our audit addressed the key audit matter**
Refer to accounting principles for the consolidated financial statements and notes 12 and 23 in the consolidated financial statements. • The consolidated statement of financial position includes goodwill of EUR 59.8 million and other intangible assets of EUR 18.2 million. • Goodwill and other intangible assets mainly result from the acquisitions of CenterVue S.p.A. in 2019 and CERA Technologies Pty Ltd (currently Revenio Australia Pty Ltd) in 2021. • In addition, other intangible assets include capitalized development costs relating to the development of health technology products. • The valuation and impairment testing of goodwill and other intangible assets involve management estimates of cash flow projections and trade cycle changes, and hence this matter is addressed as a key audit matter.	• We have reviewed and assessed the management's methods and assumptions used in impairment testing. • We have assessed the indications of impairment identified by the management and performed audit procedures on the impairment testing prepared by the management. • We have tested the mathematical accuracy of the models used in impairment testing, evaluated and challenged the projections used in the calculations and related changes, and compared the prior year forecasts to the actual figures. • We have evaluated the appropriateness of the presentation in the consolidated financial statements.

We have no key audit matters to report with respect to our audit of the parent company's financial statements. There are no significant risks of material misstatement referred to in EU regulation No 537/241, point (c) of Article 10(2) relating to the consolidated financial statements or the parent company's financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on Our Audit Engagement

We were first appointed as auditors by the Annual General Meeting on 22 March 2017, and our appointment represents a total period of uninterrupted engagement of five years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 16 March 2022

Deloitte Oy
Audit Firm

Mikko Lahtinen
Authorized Public Accountant (KHT)

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