

Revenio Group Corporation: Half-year financial report 1 January–30 June 2023

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

Q2/2023: Net sales below expectations due to market conditions

April–June 2023

- Net sales totaled EUR 22.3 (24.4) million, showing a decline of 8.7%
- The currency-adjusted decline of net sales in April-June was 6.0%
- Operating profit was EUR 4.7 (7.1) million, or 20.9% of net sales, down by 34.5%
- EBITDA was EUR 5.6 (8.0) million, down by 29.3%
- The EUR 0.8 million non-recurring costs of one-time projects had a negative impact on the operating profit and EBITDA for the review period. The adjusted operating profit was EUR 5.5 (7.1) million, or 24.7% of net sales, down by 22.9%. The adjusted EBITDA declined by 19.0% compared to the EBITDA in the review period.
- Cash flow from operations totaled EUR -0.2 (4.6) million. The operating cash flow was impacted by the taxes paid during the review period.
- Earnings per share was EUR 0.122 (0.203)

January–June 2023

- Net sales totaled EUR 45.5 (44.6) million, showing an increase of 2.0%
- The currency-adjusted growth of net sales in January–June was 4.3%
- Operating profit was EUR 10.8 (12.7) million, or 23.8% of net sales, down by 14.6%
- EBITDA was EUR 12.7 (14.4) million, down by 11.6%.
- The EUR 0.8 million non-recurring costs of one-time projects had a negative impact on the operating profit and EBITDA for the review period. The adjusted operating profit was EUR 11.7 (12.7) million, or 25.6% of net sales, down by 8.1%. The adjusted EBITDA declined by 5.8% compared to the adjusted EBITDA in the review period.
- Cash flow from operations totaled EUR 0.1 (4.4) million
- Earnings per share was EUR 0.281 (0.379)
- On March 23, 2023, the Annual General Meeting decided to distribute a dividend of EUR 0.36 (0.34) per share

Key consolidated figures

MEUR	4-6/2023	4-6/2022	Change-%	1-6/2023	1-6/2022	Change-%
Net sales	22.3	24.4	-8.7	45.5	44.6	2.0
Gross margin	15.8	17.4	-9.1	32.2	32.1	0.3
Gross margin - %	71.1	71.3	-0.3	70.8	71.9	-1.1
EBITDA	5.6	8.0	-29.3	12.7	14.4	-11.6

EBITDA-%	25.3	32.7	-7.4	27.9	32.2	-4.3
Operating profit, EBIT	4.7	7.1	-34.5	10.8	12.7	-14.6
Operating profit-%, EBIT	20.9	29.2	-8.3	23.8	28.4	-4.6
Return on investment-%, ROI	4.4	7.0	-2.6	10.3	12.7	-2.4
Return on equity-%, ROE	3.6	6.8	-3.2	8.3	12.8	-4.5
Earnings per share	0.122	0.203		0.281	0.379	
	30.6.2023	30.6.2022	Change, %-point			
Equity ratio-%	71.1	66.2	4.9			
Gearing-%	1.9	7.0	-5.1			

Financial guidance for 2023, updated on August 1, 2023

Revenio Group's exchange rate-adjusted net sales growth is estimated to be between 1 - 5 percent compared to the previous year and profitability, excluding non-recurring items, is estimated to remain at a good level.

Previous financial guidance for 2023, published on February 9, 2023:

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.

President and CEO Jouni Toijala comments on the first half year of 2023

"The first half year of 2023 was two-fold in terms of results: The year started strongly with double-digit growth, but the second quarter was exceptionally weak in terms of demand. The effects of high interest rates and inflation were visible especially in the private equity funded optometry sector. The net sales development for the second quarter was below our expectations and the decline in profitability was due to weakening of demand and one-time project costs. The cash flow from operations during the second quarter was significantly affected by the Italian subsidiary's income tax payments, which increased from the review period and included tax payments for the year 2022. Working capital was also impacted by the higher inventory levels, which were due to long component lead times and lower-than-expected sales.

Net sales in January–June totaled EUR 45.5 (44.6) million, representing an increase of 2.0%. Operating profit was EUR 10.8 (12.7) million, or 23.8% of net sales, noting that it was burdened by non-recurring costs of approximately EUR 0.8 million associated with one-time projects. Adjusted operating profit was EUR 11.7 (12.7) million, representing 25.6% of net sales. The exchange rate-adjusted growth of net sales was 4.3%. When assessing our performance in the first half of the year, it should be noted that the figures in the comparison period were extremely strong. While the next 6 to 9 months look challenging due to the macroeconomic outlook, our long-term growth targets and prospects remain unchanged.

Our relevant global market, the market for eye diagnostic devices, has an average annual growth rate of just over 4%; the estimated annual market growth rate for intraocular pressure measurement devices is around 2–3%, just over 4% for retinal imaging devices, and around 2% for perimeters (source: Market

Scope). Although we saw a slowdown in demand in our key market areas in the second quarter, we were able to grow faster than the market in the first half of the year in tonometry and fundus imaging. Sales of intraocular pressure measurement devices have returned to pre-COVID-19 levels.

Our strategy continues to provide a solid foundation for our long-term profitable growth. Our product portfolio is competitive in terms of both intraocular pressure measuring devices and retinal imaging devices. We continue to invest heavily in product development to bring new product and solutions innovations to market. Our iCare DRSpplus retinal imaging device is, according to the feedback we have received, the best product on the market for taking high-quality images in a user-friendly, fully automated and fast manner. The screening solution, comprising of iCare DRSpplus and iCare ILLUME, further expands our product range. The iCare ILLUME screening solution that uses AI was introduced in the spring of 2022 for the screening of diabetic retinopathy. During the review period, its features were expanded to screen for age-related macular degeneration and glaucoma. The solution helps the detection of these increasingly common eye diseases. In addition to the cooperation with the Dutch company Thirona, iCare and the French company OphtAI launched distributor cooperation during the review period. iCare will also offer OphtAI AI analysis in the EMEA area as well as in Canada for its iCare ILLUME retinal image screening solution. We have also listened carefully to the wishes of our customers; we added the Quick Measure feature to the iCare IC200 intraocular pressure measurement device. The feature enables measuring intraocular pressure with two or three individual measurements instead of the normal six measurements. Furthermore, in the US market, remote measurement with our iCare HOME2 intraocular pressure measuring device has already been approved for Medicare reimbursement. The industry expert working group we have assembled is preparing a consensus document that recommends extending the reimbursement policy to cover also the device, either in full or in part, as part of the patient's care pathway. This would be a significant step towards increasing iCare HOME2 sales in the US.

As stated in the profit warning published on August 1, 2023, our current operating environment appears challenging. The second half of the year is still uncertain due to factors such as inflation and high-interest rates, which we expect to influence the purchasing behavior of our customers. We have seen signs of cautious investing among optometry chains. This is likely to affect the demand for our products and, consequently, our net sales in the second half of 2023. When assessing the outlook for the second half of 2023, we took into account a large non-recurring delivery of nearly EUR 5 million that was related to a multinational clinical trial and took place in the second half of the previous year. The product in question was a microperimeter already at the end of its life and is no longer included in our product portfolio. The replacing microperimeter will be launched during 2024.

We will hold a capital markets day (CMD) in November 2023, focusing on the progress of our strategy and our performance in implementing the strategy. We will release the invitation to the event separately in the early autumn.

To conclude, despite the short-term challenges caused by the macroeconomic outlook, we have an up-to-date growth strategy and a strong global team that implements it. We renewed our organisational structure as of February 1, 2023. Our business is based on sustainable and profitable growth. With the new

organizational model, we will support our growth and clarify the management and transparency of our strategic priorities. I expect the full effects of the new organizational structure with its new operating model to become visible during the next year. Our product portfolio is competitive, and our iCare brand is widely esteemed among eye-care professionals. We offer our customers an extensive range of devices and software solutions that cover the essential products for the screening, monitoring and diagnostics of eye diseases. We are committed to systematically implementing our strategy focusing on profitable growth, regardless of short-term fluctuations.”

Strategy

The cornerstones of Revenio’s strategy are:

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

Financial review

Net sales, profitability and profit

April–June 2023

Revenio Group’s net sales April 1–June 30, 2023 totaled EUR 22.3 (24.4) million. Net sales declined by 8.7%. The currency-adjusted decline of net sales in April–June was 6.0%. Adjusted EBITDA was EUR 6.5 (8.0) million, or 29.0% of net sales, down by 19.0%.

Profit before taxes was EUR 4.4 (7.0) million, down by 37.0% year-on-year. The operating profit in April–June was EUR 4.7 (7.1) million, down by 34.5%.

Earnings per share came to EUR 0.122 (0.203). Equity per share came to EUR 3.30 (2.98).

January–June 2023

Revenio Group’s net sales January 1–June 30, 2023 totaled EUR 45.5 (44.6) million. Net sales increased by 2.0%. The currency-adjusted growth of net sales in January–June was 4.3%. EBITDA was EUR 12.7 (14.4) million, or 27.9% of net sales, down by 11.6%. The EUR 0.8 million non-recurring costs of one-time projects had a negative impact on the EBITDA for the review period. The adjusted EBITDA decreased by 5.8% compared to the EBITDA in the comparison period.

Profit before taxes was EUR 10.2 (12.9) million, down by 20.7% year-on-year.

The Group’s operating profit in January–June was EUR 10.8 (12.7) million, down by 14.6%.

Earnings per share came to EUR 0.281 (0.379) Equity per share came to EUR 3.30 (2.98).

Balance sheet, financial position, and cash flow

The Group's balance sheet total on June 30, 2023 totaled EUR 124.0 (120.1) million. The value of goodwill on the balance sheet on June 30, 2023 totaled EUR 59.4 (60.1) million.

The Group's equity was EUR 88.1 (79.4) million. The Group's interest bearing debt at the end of the review period totaled EUR 19.5 (22.5) million, and net gearing was 1.9% (7.0%). The Group's equity ratio was 71.1% (66.2%). The Group's liquid capital at the end of the review period on June 30, 2023 totaled EUR 17.9 (17.0) million. Cash flow from operations totaled EUR 0.1 (4.4) million. The cash flow from operations was significantly affected by the Italian subsidiary's income tax payments, which increased from the review period and included tax payments for year 2022. The Group's working capital was impacted by the increase in inventory levels, which were due to long component lead times and lower than expected sales.

Administration

Personnel and management

On June 30, 2023 the members of the Leadership Team of Revenio Group are Revenio Group Corporation's President & CEO Jouni Toijala, Vice President, Research and Product Development Giuliano Barbaro, Vice President, Sales John Floyd, Vice President, Quality Heli Huopaniemi, Vice President, Operations Ari Isomäki, Vice President, Products, Brand and Marketing Tomi Karvo, CFO Robin Pulkkinen, Vice President, Strategy and Business Development Kate Taylor and Vice President, People & Culture Hanna Vuornos.

As announced on February 1, 2023, Giuliano Barbaro has taken up new responsibilities outside the company as of July 1, 2023. The search for a new Vice President, Research and Product Development is in progress.

Average number of personnel during the review period

	1–6/2023	1–6/2022	1–12/2022
Revenio Group	214	188	194

Personnel at the end of the review period on June 30, 2023, was 217 (194).

Board of Directors

The Annual General Meeting 2023 decided to elect Arne Boye Nielsen, Riad Sherif, Ann-Christine Sundell, Pekka Tammela, and Bill Östman as Board members. In the board meeting held after the AGM, the Board of Directors elected Arne Boye Nielsen as Chair of the Board and Bill Östman as Vice Chair of the Board.

Audit Committee

At its organization meeting, held after the Annual General Meeting 2023, the Board elected the members of the Audit Committee amongst the Board members. Pekka Tammela (Chair of the Audit Committee), Arne Boye Nielsen, and Ann-Christine Sundell were elected to the Committee.

The duties of the Audit Committee are described in more detail in the 2022 Report by the Board of Directors, 2022 Corporate Governance Statement, and on the company's website at www.reveniogroup.fi/en/investors/corporate_governance/board_of_directors

Nomination and Remuneration Committee

At its organization meeting, held after the Annual General Meeting 2023, the Board elected the members of the Nomination and Remuneration Committee amongst the Board members. Ann-Christine Sundell (Chair of the Committee), Riad Sherif, and Bill Östman were elected.

The duties of the Nomination and Remuneration Committee are described in more detail in the 2022 Report by the Board of Directors, 2022 Corporate Governance Statement, and on the company's website at www.reveniogroup.fi/en/investors/corporate_governance/board_of_directors

Auditor

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

Shares, share capital, and management and employee holdings

On June 30, 2023, the Revenio Group Corporation's fully paid-up share capital registered with the Trade Register was EUR 5,314,918.72 and the number of shares totaled 26,681,116.

The company has one class of share, and all shares confer the same voting rights and an equal right to dividends and the company's funds. On June 30, 2023, the President & CEO, members of the Board of Directors, the Leadership team members and their related parties held 0.26% of the Company's shares, or 68,898 shares.

During the review period, the company did not buy its own shares. At the end of the review period, the company held 88,342 of its own shares, which represents 0.33% of the total number of all shares.

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

The valid authorizations of the Board of Directors are documented in the Annual general meeting section below.

Existing incentive schemes

Information on the remuneration schemes used currently in the Revenio Group can be found at the company's website at www.reveniogroup.fi/en/investors/corporate_governance/remuneration. At the end of the review period, the company has no valid stock option plans.

Flagging notifications

The company was not notified of any flaggings during the review period of January 1–June 30, 2023.

Management transactions

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

Trading on Nasdaq Helsinki

During the period January 1–June 30, 2023, Revenio Group Corporation's share turnover on the Nasdaq Helsinki exchange totaled EUR 128.0 (175.9) million, representing 3.6 (3.8) million shares or 13.5% (14.4) of all shares outstanding. The highest trading price was EUR 41.50 (58.70) and the lowest was EUR 30.44 (37.20). At the end of the period, the closing price was EUR 31.72 (42.52), and the average share price was EUR 35.45 (45.69). Revenio Group Corporation's market value stood at EUR 846.3 (1,134.5) million on June 30, 2023.

Summary of trading on Nasdaq Helsinki on January 1–June 30, 2023

January–June 2023	Turnover, number of shares	Value total, EUR	Highest, EUR	Lowest, EUR	Average price, EUR	Latest, EUR
REG1V	3,609,718	127,959,027	41.50	30.44	35.45	31.72

	June 30, 2023	June 30, 2022
Market value, EUR	846,325,000	1,134,481,052
Number of shareholders	23,016	22,243

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 resources, and 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. 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 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. The security situation in Europe has changed drastically since Russia invasion of Ukraine. Revenio stopped all its business in Russia and Belarus in the first quarter of the year 2022. Revenio's sales in Russia have been limited prior to the war, accounting for less than two per cent of net sales.

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.

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

Decisions by the Annual General Meeting of Revenio Group Corporation on March 23, 2023

1. Financial statements, Board and Auditors

The AGM confirmed the company's financial statements for the financial year 1 January – 31 December 2022 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 elected Arne Boye Nielsen, Riad Sherif, Ann-Christine Sundell, Pekka Tammela, and Bill Östman as members of the Board of Directors. In the board meeting held after the AGM, the Board of Directors elected Arne Boye Nielsen as Chair of the Board and Bill Östman as Vice Chair of the Board. The Board of Directors also decided the members of Audit Committee and elected Pekka Tammela, Ann-Christine Sundell and Arne Boye Nielsen. 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 elected Ann-Christine Sundell, Riad Sherif and Bill Östman. The Board of Directors elected Ann-Christine Sundell as Chair of the Nomination and Remuneration Committee.

The AGM decided that the Chair of the Board be entitled to an annual emolument of EUR 60,000, the possible deputy chair of the Board of Directors be entitled to an annual emolument of EUR 45,000, the Board Members be entitled to an annual emolument of EUR 30,000, the chair of the Audit Committee be entitled to an annual emolument of EUR 20,000, the chair of the Nomination and Remuneration Committee be entitled to an annual emolument of EUR 10,000, and the members of the Board Committees be entitled to an annual emolument of EUR 5,000.

Approximately 40 per cent of the Board members' annual remuneration (gross) will be settled in the form of the company's shares held in its treasury, however not exceeding a maximum of 3,200 shares in total, while approximately 60 per cent will consist of a monetary payment. Tax will be deducted from the monetary payment, calculated on the amount of the entire annual remuneration. The shares will be

assigned to the Board members within two weeks of the release of Revenio Group Corporation's interim report for the period of 1 January - 31 March 2023, using the trade volume weighted average price on the day following the release of the interim report as the share value.

The AGM further decided that an attendance allowance of EUR 1,000 for members of the Board or Board Committees per Board or Committee meeting and EUR 600 per short teleconference, Board members EUR 600 for Board and Board Committee meetings and EUR 300 for short teleconferences per meeting, yet so that the aforementioned attendance allowance for the Board and Board Committee meetings for Board and Committee chairs who live outside of Finland and travel to Finland for the meeting is EUR 2,000 and the aforementioned attendance allowance for the Board and Board Committee meetings for members is EUR 1,200.

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

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

2. Annual profit distribution, dividend distribution and capital repayment

The AGM decided to accept the Board's proposal on profit distribution, according to which the parent company's profit for the financial period, EUR 17,686,519.09, will be added to retained earnings, and a dividend of EUR 0.36 per share will be paid. Dividend 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 27, 2023. The dividend payment date was April 3, 2023.

3. Authorizing the Board of Directors to change the Articles of Association

The AGM authorized the Board of Directors to change Articles 4 ("Board of Directors"), 8 (currently "Notice of general meetings of shareholders") and 10 ("Annual General Meeting") of the Articles of Association so that Article 4 is changed by increasing the maximum number of ordinary members of the Board of Directors, provisions concerning the place of the meeting and the holding of the remote meeting are added to Article 8 and the provision concerning the place of the meeting is deleted from Article 10. Following the changes, the above-mentioned sections of the Articles of Association read as follows:

"4 Board of Directors

A Board of Directors comprising no fewer than three (3) and no more than seven (7) ordinary members elected by the Annual General Meeting is responsible for the management of the company and the appropriate organization of its business operations.

A Board member's term of office ends at the close of the Annual General Meeting following his or her election.

The Board of Directors will elect a Chairman from among its members. The Board of Directors is quorate when more than half of its members are present.”

*“8 Notice of general meetings of shareholders and the place of the meeting
Notice of a General Meeting shall be given no earlier than two months and no later than twenty-one (21) days prior to the meeting by publishing the notice on the company’s website at www.reveniogroup.fi or in at least one Finnish-language national daily newspaper determined by the Board of Directors.*

An Annual General Meeting may be held at the company's domicile or at another Finnish location decided by the Board of Directors. The Board of Directors may also decide that the Annual General Meeting will be held without a meeting venue so that the shareholders will exercise their decision-making power full-on and on an up-to-date basis by means of a telecommunications connection and a technical device during the meeting.”

“10 Annual General Meeting

An Annual General Meeting must be held annually on a date determined by the Board of Directors, no more than six months after the end of the financial year.

The AGM must decide:

- 1) whether to adopt the Financial Statements;*
- 2) how to dispose of the profit shown in the balance sheet;*
- 3) whether to discharge the President & CEO and the members of the Board of Directors from liability;*
- 4) what remuneration and compensation for travel expenses should be paid to members of the Board of Directors;*
- 5) the number of members of the Board of Directors;*
- 6) who will be elected to the Board of Directors;*
- 7) who will be the company’s auditor;*
- 8) on any mandatory items contained in the Limited Liability Companies Act and any other matters mentioned in the invitation.”*

4. Authorizing the Board of Directors to decide on the acquisition of own shares

The AGM authorized the Board of Directors to resolve on the acquisition of a maximum of 1,334,055 of the company's own shares in one or more tranches using the company's unrestricted equity. The company may buy back shares in order to develop its capital structure, finance or implement any corporate acquisitions or other transactions, implement share-based incentive plans, pay board fees or otherwise transfer or cancel them.

The company may buy back shares in public trading on marketplaces whose rules and regulations allow the company to trade in its own shares. In such a case, the company buys back shares through a directed purchase, i.e. in a proportion other than its shareholders' holdings of company shares, with the consideration paid 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 their maximum price equals the highest market price quoted in public trading during that period.

The authorization is effective until the end of the Annual General Meeting held in 2024, yet no further than until June 30, 2024. This authorization shall supersede the authorization granted at the Annual General Meeting of April 8, 2022.

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

The AGM decided to authorize the Board of Directors to decide on issuing a maximum of 2,668,111 shares in a share issue or by granting special rights (including stock options) entitling holders to shares as referred to in Chapter 10 Section 1 of the Companies Act, in one or several tranches. This authorization is to be used to finance and implement any prospective corporate acquisitions or other transactions, to implement the company's share-based incentive plans, or for other purposes determined by the Board.

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

The authorization is effective until the end of the Annual General Meeting held in 2024, yet no further than until June 30, 2024. This authorization shall supersede the issue authorization granted at the Annual General Meeting of April 8, 2022.

Events after the review period

After the review period on August 1, 2023, Revenio Group lowered its 2023 guidance for net sales development and kept profitability guidance unchanged.

Financial information in 2023

Interim report 1–9/2023 will be published on Thursday, October 26, 2023.

Major shareholders on June 30, 2023*

	No. of shares	%
1. William Demant Invest A/S	4,292,299	16.09%
2. SEB Funds	1,232,759	4.62%
3. Vanguard	845,490	3.17%
4. Swedbank Robur Funds	698,565	2.62%
5. Groupama Asset Management	628,092	2.35%
6. Norges Bank	555,448	2.08%
7. La Financière de l'Echiquier	522,583	1.96%
8. Ilmarinen Mutual Pension Insurance Company	498,632	1.87%
9. Nordea Funds	470,544	1.76%
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. Whilst all efforts have been made to secure as updated and complete information as possible, neither Modular Finance nor Revenio Group can guarantee the completeness or accuracy of the data.

HALF-YEAR REPORT JANUARY 1–JUNE 30, 2023, TABLES

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

This half-year report has been drawn up in accordance with IAS 34 Interim Financial Reporting and the same principles as the financial statements for 2022, with the exception of the following amendments to the existing standards, which the Group has applied as of January 1, 2023:

Amendments made to IFRS 17, IAS 1, IAS 8, and IAS 12.

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

The figures of the half-year report are unaudited.

Consolidated comprehensive income statement

MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
NET SALES	22.3	24.4	45.5	44.6	97.0
Other operating income	0.0	0.0	0.0	0.1	0.3
Materials and services	-6.4	-7.0	-13.3	-12.5	-27.2
Employee benefits	-4.8	-5.2	-9.8	-10.0	-19.4
Depreciation, amortization, and impairment	-1.0	-0.9	-1.9	-1.7	-3.4
Other operating expenses	-5.3	-4.3	-9.6	-7.8	-17.6
NET PROFIT/LOSS	4.7	7.1	10.8	12.7	29.7
Financial income and expenses (net)	-0.2	-0.1	-0.6	0.2	-0.6
PROFIT BEFORE TAXES	4.4	7.0	10.2	12.9	29.1
Income taxes	-1.2	-1.6	-2.7	-2.8	-7.3
NET PROFIT	3.2	5.4	7.5	10.1	21.8
Other comprehensive income items	-0.5	0.8	-0.8	0.8	0.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2.8	6.2	6.7	10.9	22.1
Earnings per share, EUR	0.122	0.203	0.281	0.379	0.818

Consolidated balance sheet

MEUR	30.6.2023	30.6.2022	31.12.2022
ASSETS			
NON-CURRENT ASSETS			
Goodwill	59.4	60.1	59.8
Intangible assets	16.9	17.6	17.1
Tangible assets	3.1	3.1	2.8
Right-of-use assets	3.3	1.9	1.7
Other non-current financial assets	0.4	0.0	0.4
Other receivables	0.1	0.6	0.2
Deferred tax assets	2.4	2.0	1.6
TOTAL NON-CURRENT ASSETS	85.6	85.3	83.6
CURRENT ASSETS			
Inventories	9.0	6.2	6.7
Trade and other receivables	11.5	11.5	13.7
Cash and cash equivalents	17.9	17.0	32.1
TOTAL CURRENT ASSETS	38.4	34.8	52.5
TOTAL ASSETS	124.0	120.1	136.1
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	5.3	5.3	5.3
Fair value reserve	0.3	0.3	0.3
Reserve for invested unrestricted capital	52.2	52.4	52.4
Other reserves	0.3	0.3	0.3
Retained earnings/loss	32.3	22.4	34.3
Translation difference	-0.5	0.7	0.2

Own shares held by the company	-1.8	-1.9	-1.9
TOTAL SHAREHOLDERS' EQUITY	88.1	79.4	90.9
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	3.6	3.5	3.7
Financial liabilities	12.9	17.1	15.0
Lease liabilities	2.0	1.1	0.9
TOTAL LONG-TERM LIABILITIES	18.4	21.7	19.5
CURRENT LIABILITIES			
Trade and other payables	11.5	13.3	20.1
Provisions	0.5	0.5	0.5
Financial liabilities	4.2	4.3	4.2
Lease liabilities	1.2	0.8	0.9
TOTAL CURRENT LIABILITIES	17.4	18.9	25.7
TOTAL LIABILITIES	35.9	40.6	45.2
TOTAL SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES	124.0	120.1	136.1

Consolidated statement of changes in equity

MEUR	Share capital	Reserve for invested		Retained earnings	Translation difference	Own shares	Total equity
		unrestricted equity	Other reserves				
Balance 1 Jan 2023	5.3	52.4	0.6	34.3	0.2	-1.9	90.9
Dividend distribution	0.0	0.0	0.0	-9.6	0.0	0.0	-9.6
Disposal and purchase of own shares	0.0	-0.1	0.0	0.0	0.0	0.1	0.0
Other direct entries to retained earnings	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Total comprehensive income	0.0	0.0	0.0	7.5	-0.8	0.0	6.7
Balance 30 June 2023	5.3	52.2	0.6	32.3	-0.5	-1.8	88.1

MEUR	Share capital	Reserve for invested		Retained earnings	Translation difference	Own shares	Total equity
		unrestricted equity	Other reserves				
Balance 1 Jan 2022	5.3	52.6	0.6	22.1	0.0	-2.1	78.4
Dividend distribution	0.0	0.0	0.0	-9.0	0.0	0.0	-9.0
Disposal and purchase of own shares	0.0	-0.2	0.0	0.0	0.0	0.2	0.0
Other direct entries to retained earnings	0.0	0.0	0.0	-0.8	0.0	0.0	-0.8
Total comprehensive income	0.0	0.0	0.0	10.1	0.8	0.0	10.9
Balance 30 June 2022	5.3	52.4	0.6	22.4	0.7	-1.9	79.4

Consolidated cash flow statement

MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
CASH FLOW FROM OPERATIONS					
Profit for the period	3.2	5.4	7.5	10.1	21.8
Adjustments:					
Depreciation, amortization, and impairment	1.0	0.9	1.9	1.7	3.4
Other non-cash items	0.1	-0.5	0.3	0.2	0.5
Interest and other financial expenses	0.4	0.1	1.1	0.2	1.3
Interest income and other financial income	-0.1	-0.1	-0.4	-0.4	-0.6
Taxes	1.2	1.6	2.7	2.8	7.3
Other adjustments	0.0	0.0	-0.5	-0.8	-1.0
Change in working capital:					
Changes in sales and other receivables	0.6	-1.8	2.2	-2.3	-4.6
Changes in current assets	-2.0	-0.2	-2.2	0.2	-0.3
Changes in trade and other payables	-0.4	0.9	-6.2	-3.4	1.7
Change in working capital, total	-1.8	-1.1	-6.2	-5.5	-3.2
Interest paid	-0.2	-0.1	-0.3	-0.1	-0.3
Interest received	0.0	0.0	0.1	0.0	0.1
Taxes paid	-4.0	-1.6	-6.0	-3.8	-6.0
NET CASH FLOW FROM OPERATING ACTIVITIES	-0.2	4.6	0.1	4.4	23.2
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of tangible assets	-0.6	-0.3	-0.7	-1.0	-1.1
Purchase of intangible assets	-0.5	-0.1	-0.8	-0.6	-0.9
Investments in other investments	0.0	0.0	0.0	-0.4	-0.2
NET CASH FLOW FROM INVESTING ACTIVITIES	-1.1	-0.4	-1.5	-2.0	-2.2
CASH FLOW FROM FINANCING ACTIVITIES					
Repayments of loans	-1.1	-1.1	-2.1	-2.1	-4.3
Dividends paid	-9.6	-9.0	-9.6	-9.0	-9.0
Payments of lease agreement liabilities	-0.3	-0.2	-0.5	-0.4	-0.8
NET CASH FLOW FROM FINANCING ACTIVITIES	-10.9	-10.3	-12.2	-11.6	-14.1
Net change in cash and credit accounts	-12.2	-6.1	-13.7	-9.1	6.9
Cash and cash equivalents at beginning of period	30.2	22.6	32.1	25.2	25.2
Effect of exchange rates	-0.1	0.5	-0.5	0.9	-0.1
Cash and cash equivalents at end of period	17.9	17.0	17.9	17.0	32.1

Key figures

MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net sales	22.3	24.4	45.5	44.6	97.0
Ebitda	5.6	8.0	12.7	14.4	33.1
Ebitda-%	25.3	32.7	27.9	32.2	34.1
Operating profit	4.7	7.1	10.8	12.7	29.7
Operating profit-%	20.9	29.2	23.8	28.4	30.6
Pre-tax profit	4.4	7.0	10.2	12.9	29.1
Pre-tax profit-%	19.9	28.8	22.4	28.8	30.0

Net profit	3.2	5.4	7.5	10.1	21.8
Net profit-%	14.5	22.1	16.4	22.6	22.4
Gross capital expenditure	1.1	1.1	1.4	2.6	4.5
Gross capital expenditure-%	4.9	4.4	3.2	5.9	4.7
R&D costs	2.3	2.6	4.6	4.2	8.6
R&D costs-% from net sales	10.2	10.6	10.1	9.4	8.9
Gearing-%	1.9	7.0	1.9	7.0	-13.1
Equity ratio-%	71.1	66.2	71.1	66.2	66.8
Return on investment-% (ROI)	4.4	7.0	10.3	12.7	28.2
Return on equity-% (ROE)	3.6	6.8	8.3	12.8	25.7
Earnings per share, EUR	0.122	0.203	0.281	0.379	0.818
Equity per share, EUR	3.30	2.98	3.30	2.98	3.41
Average no. of employees	216	191	214	188	194
Cash flow from operating activities	-0.2	4.6	0.1	4.4	23.2
Cash flow from investing activities	-1.1	-0.4	-1.5	-2.0	-2.2
Net cash used in financing activities	-10.9	-10.3	-12.2	-11.6	-14.1
Total cash flow	-12.2	-6.1	-13.7	-9.1	6.9

Alternative growth indicators used in financial reporting

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

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

Alternative growth indicator (EUR thousand)	1-6/2023
Reported net sales	45,474
Effect of exchange rates on net sales	124
Net sales adjusted by the effect of exchange rates	45,350
Growth in net sales, adjusted by the effect of exchange rates	4.3%
Reported net sales growth	2.0%
Difference, % points	2.3%

Alternative profitability indicator EBITDA (EUR thousand)

EBITDA = Operating profit + depreciation + impairment

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

Alternative profitability indicator EBITDA (EUR thousand)	1-6/2023	1-6/2022
Operating profit, EBIT	10,835	12,686
Depreciation, amortization, and impairment	1,872	1,686
EBITDA	12,707	14,372
Operating profit adjusted by non-recurring costs (EUR thousand)	1-6/2023	1-6/2022
Operating profit, EBIT	10,835	12,686
Costs from one-time projects	827	0
Adjusted operating profit, EBIT	11,662	12,686
EBITDA adjusted by non-recurring costs	1-6/2023	1-6/2022
EBITDA	12,707	14,372
Costs from one-time projects	827	0
Adjusted, EBITDA	13,534	14,372

Formulas

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

Audiocast and conference call

Revenio will hold an audiocast and teleconference, primarily for investors, analysts, and the media, on Thursday, August 10, 2023, at 3:00 p.m. Finnish time. In the event, Revenio's President and CEO Jouni Toijala and CFO Robin Pulkkinen will present the Company's results for Q2/2023. The invitation to the event was published as a press release on July 27, 2023.

Audiocast: <https://revenio.videosync.fi/q2-2023-result>

To ask questions, please join the teleconference by registering using the following link:

<http://palvelu.flik.fi/teleconference/?id=10010582>

After the registration, you will be provided with a phone number, user ID and a conference ID to access the conference. To ask a question, please press *5 on your telephone keypad to enter the queue.

A recording of the audiocast will be published on www.reveniogroup.fi/en/ after the event.

General statement

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

Revenio Group Corporation
Board of Directors

For further information, please contact

Jouni Toijala, President & CEO, tel. +358 50 484 0085
jouni.toijala@revenio.fi

Robin Pulkkinen, CFO, tel. +358 50 505 9932
robin.pulkkinen@revenio.fi

Distribution

Nasdaq Helsinki Oy
Financial Supervisory Authority (FIN-FSA)
Principal media
www.reveniogroup.fi/en/

Revenio Group in brief

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), fundus imaging devices, and perimeters as well as clinical software under the iCare brand. iCare is a trusted partner in ophthalmic diagnostics, offering physicians fast, easy-to-use, and reliable tools for the diagnosis of glaucoma, diabetic retinopathy, and macular degeneration (AMD). iCare Solutions provide digital clinical tools that drive greater efficiency and enhance quality in eye care.

In 2022, the Group's net sales totaled EUR 97.0 million, with an operating profit of EUR 29.7 million. Revenio Group Corporation is listed on Nasdaq Helsinki with the trading code REG1V.