



2018

REVENIO GROUP CORPORATION  
**INTERIM REPORT**  
JANUARY-MARCH 2018

Due to an amendment to the Securities Market Act, which came into force on November 26, 2015, the descriptive sections of Revenio's interim reports Q1/2018 and Q1-Q3/2018 will be shorter and more concise. The table sections will be reported in accordance with previous practices. The figures are unaudited.

## **Strongest first quarter in the company's history. Net sales up by 16%, currency-adjusted growth 24%. Operating profit up by 26%.**

### **January–March 2018 in brief, continuing Group operations**

- Net sales totaled EUR 7.0 (6.0) million, up 15.9%
- Operating profit was EUR 2.1 (1.7) million, up 25.9%
- The weakening of the US dollar had a significant impact on net sales growth. The currency-adjusted growth of net sales in January-March was 23.5%, or 7.6 percentage points stronger than reported
- The sales organization was strengthened in both the United States and EMEA
- Earnings per share, undiluted EUR 0.07 (0.06)

### **Key figures, continuing operations, EUR million**

|                               | <b>Jan 1–Mar 31,<br/>2018</b> | <b>Jan 1–Mar 31,<br/>2017</b> | <b>Change %</b>             |
|-------------------------------|-------------------------------|-------------------------------|-----------------------------|
| Net sales, Group              | 7.0                           | 6.0                           | 15.9                        |
| Operating profit, Group       | 2.1                           | 1.7                           | 25.9                        |
| Net sales, Health Tech        | 7.0                           | 6.0                           | 15.9                        |
| Operating profit, Health Tech | 2.7                           | 2.3                           | 19.4                        |
| Earnings per share, undiluted | 0.069                         | 0.059                         |                             |
| Cash flow from operations     | 1.8                           | 1.7                           |                             |
|                               | <b>Mar 31, 2018</b>           | <b>Mar 31, 2017</b>           | <b>Change, %<br/>points</b> |
| Equity ratio, %               | 74.8                          | 66.6                          | 8.2                         |
| Net leveraging, %             | -33.6                         | -31.7                         | -1.9                        |

### **Financial guidance for 2018**

Net sales growth is expected to remain strong. Profitability is expected to remain at a healthy level despite relatively increasing growth investments.

## **CEO Timo Hildén comments on the first quarter of 2018:**

"Year 2018 started very strongly and we achieved the best first-quarter growth in our history, even though the exchange rate of the dollar decreased net sales by about 8 percentage points. Our net sales increased to EUR 7.0 (6.0) million, year-on-year growth of 15.9%. When assessing our performance so far in 2018, it is noteworthy that there were some large individual deliveries in the first quarter, the kind we are not expecting to get later in the year.

Excellent sales growth was seen in the United States, as well as in the Nordic countries, UK, Canada, South-Korea and Russia.

Device sales were strong, thanks in part to the 2017 launch of the Tonovet Plus tonometer, designed for the measurement of intraocular pressure in animals, and sales of the Icare HOME tonometer. In addition, our cloud-based mHOME mobile application has attracted plenty of interest in the countries where it already has been launched.

We have stepped up marketing of the Icare HOME tonometer in all key markets. We have also started selling the product directly to patients in selected markets.

Towards the end of the year, we will launch the new ic200 tonometer for professional use, replacing the earlier model Icare PRO. Intended in particular for use by eye surgeons, we are applying for CE marking during the spring and will later seek FDA approval in order to begin sales.

Growth continued in probe sales, as before, thanks to the active use of the installed devices.

We have strengthened our export organization with two new regional managers, covering the Middle East, Africa and South America. In addition, we have hired a marketing manager for the US sales organization, who will primarily focus on promoting sales of the Icare HOME tonometer. We believe that these measures will generate additional sales during the current year.

Our hyperspectral camera for skin cancer detection has been named Cutica®. Development of the product is proceeding according to plan. We seek to complete the commercial model by the end of the year, after which we will apply for CE marking to start up sales work.

Further research on the asthma product Ventica® has produced valuable information. We seek to update the product algorithm and begin sales efforts during the current year."

## Business review, January 1–March 31, 2018, continuing operations

Revenio Group's net sales amounted to EUR 7.0 (6.0) million, up by 15.9%. Sales performance in the review period was excellent, especially in the United States, the Nordic countries, UK, Canada, South-Korea and Russia.

Device sales saw strong year-on-year growth, particularly due to the 2017 launch of the Tonovet Plus tonometer, designed for the measurement of intraocular pressure in animals, and Icare HOME. The significance of all-day monitoring of eye pressure in the treatment of glaucoma has gained the undisputed acceptance of the research community, which can be seen in the sales figures of the product.

The development of Revenio Research Oy's Cutica® for the detection of skin cancer into a commercial product is progressing according to plan. Updates to the algorithms of the asthma product Ventica® are ongoing and it is expected that the product will be ready to be submitted for official approval during the current year.

Revenio Group's operating profit in the review period was EUR 2.1 (1.7) million, showing a year-on-year increase of 25.9%. The decline of the dollar against the euro in January–March had a decreasing effect on net sales amounting to about 8 percentage points. The currency-adjusted organic growth of net sales in January–March was 23.5%, or 7.6 percentage points stronger than reported.

The Annual General Meeting, held on March 20, 2018, reelected Ari Kohonen, Pekka Rönkä, Kyösti Kakkonen, Ann-Christine Sundell, and Pekka Tammela as members of the Board of Directors. At its organization meeting, held after the Annual General Meeting, the Board of Directors elected Pekka Rönkä as Chairman of the Board.

By a decision made at the Annual General Meeting, Deloitte Oy was appointed company auditor, with Merja Itäniemi, Authorized Public Accountant, as the principal auditor.

## Financial review January 1–March 31, 2018

| <b>Consolidated key figures (MEUR)</b>    | <b>Jan–<br/>Mar/2018</b> | <b>Jan–<br/>Mar/2017</b> | <b>Jan–<br/>Dec/2017</b> |
|---|--------------------------|--------------------------|--------------------------|
| Net sales, continuing operations          | 7.0                      | 6.0                      | 26.8                     |
| EBITDA, continuing operations             | 2.2                      | 1.9                      | 10.2                     |
| EBITDA %, continuing operations           | 32.2                     | 30.9                     | 38.2                     |
| Operating profit, continuing operations   | 2.1                      | 1.7                      | 8.1                      |
| Operating profit %, continuing operations | 30.5                     | 28.1                     | 30.3                     |
| Pre-tax profit, continuing operations     | 2.1                      | 1.7                      | 8.3                      |

|  |       |       |       |
|--|-------|-------|-------|
| Pre-tax profit %, continuing operations                  | 30.4  | 27.8  | 30.9  |
| Net profit from discontinued operations                  | 0.0   | 0.0   | 0.0   |
| Net profit, continuing operations                        | 1.6   | 1.4   | 6.8   |
| Net profit %, continuing operations                      | 23.3  | 22.6  | 25.6  |
| Gross capital expenditure                                | 0.3   | 0.1   | 0.8   |
| Gross capital expenditure, % of net sales                | 5.0   | 1.5   | 3.0   |
| R&D costs  | 0.9   | 0.5   | 2.4   |
| R&D costs, % of net sales                                | 12.3  | 8.6   | 8.9   |
| Net leveraging, %  | -33.6 | -31.7 | -47.6 |
| Equity ratio, %  | 74.8  | 66.6  | 84.0  |
| Return on investment (ROI), %                            | 61.3  | 50.7  | 53.2  |
| Return on equity (ROE), %                                | 47.3  | 42.8  | 44.3  |
| Undiluted earnings per share, EUR, continuing operations | 0.07  | 0.06  | 0.29  |
| Diluted earnings per share, EUR, continuing operations   | 0.07  | 0.06  | 0.29  |
| Equity per share, EUR                                    | 0.48  | 0.44  | 0.67  |
| Average no. of employees, continuing operations          | 41    | 39    | 41    |
| Cash flow from operating activities                      | 1.8   | 1.7   | 7.9   |
| Cash flow from investing activities                      | -0.3  | -0.1  | -0.8  |
| Cash flow from financing activities                      | -5.2  | -4.9  | -6.1  |
| Total cash flow  | -3.8  | -3.3  | 1.0   |

### Consolidated comprehensive income statement (MEUR)

|   | Jan–<br>Mar/2018 | Jan–<br>Mar/2017 | Jan–<br>Dec/2017 |
|---|------------------|------------------|------------------|
| NET SALES                                       | 7.0              | 6.0              | 26.8             |
| Other operating income                          | 0.1              | 0.0              | 0.2              |
| Materials and services                          | -1.7             | -1.6             | -6.9             |
| Employee benefits                               | -1.3             | -1.2             | -4.2             |
| Depreciation, amortization, and impairment      | -0.1             | -0.2             | -2.1             |
| Other operating expenses                        | -1.8             | -1.4             | -5.6             |
| OPERATING PROFIT, CONTINUING OPERATIONS         | 2.1              | 1.7              | 8.1              |
| Financial income and expenses (net)             | 0.0              | 0.0              | 0.2              |
| PRE-TAX PROFIT, CONTINUING OPERATIONS           | 2.1              | 1.7              | 8.3              |
| Income taxes                                    | -0.5             | -0.3             | -1.4             |
| NET PROFIT                                      | 1.6              | 1.4              | 6.8              |
| Other comprehensive income items                | 0.0              | 0.0              | 0.0              |
| Other comprehensive income items<br>after taxes | 0.0              | 0.0              | 0.0              |
| TOTAL COMPREHENSIVE INCOME                      | 1.6              | 1.4              | 6.8              |
| Net profit attributable to:                     |                  |                  |                  |
| Parent company shareholders                     | 1.6              | 1.4              | 6.8              |
| Non-controlling interests                       | 0.0              | 0.0              | 0.0              |
| Total comprehensive income attributable to:     |                  |                  |                  |
| Parent company shareholders                     | 1.6              | 1.4              | 6.8              |
| Non-controlling interests                       | 0.0              | 0.0              | 0.0              |

|   |      |      |      |
|---|------|------|------|
| Earnings per share, undiluted, EUR, continuing operations | 0.07 | 0.06 | 0.29 |
| Earnings per share, diluted, EUR, continuing operations   | 0.07 | 0.06 | 0.29 |

| <b>Consolidated balance sheet (MEUR)</b>                              | <b>Mar 31, 2018</b> | <b>Mar 31, 2017</b> | <b>Dec 31, 2017</b> |
|---|---------------------|---------------------|---------------------|
| <b>ASSETS</b>   |                     |                     |                     |
| <b>NON-CURRENT ASSETS</b>   |                     |                     |                     |
| Property, plant and equipment   | 0.8                 | 0.9                 | 0.8                 |
| Goodwill  | 1.2                 | 1.2                 | 1.2                 |
| Intangible assets   | 3.2                 | 4.2                 | 3.0                 |
| Deferred tax assets   | 0.7                 | 0.5                 | 0.9                 |
| <b>TOTAL NON-CURRENT ASSETS</b>                                       | <b>5.9</b>          | <b>6.8</b>          | <b>5.9</b>          |
| <b>CURRENT ASSETS</b>   |                     |                     |                     |
| Inventories   | 1.9                 | 2.2                 | 2.0                 |
| Trade and other receivables   | 3.2                 | 2.9                 | 3.2                 |
| Cash and cash equivalents   | 4.2                 | 3.8                 | 8.0                 |
| <b>TOTAL CURRENT ASSETS</b>   | <b>9.3</b>          | <b>8.9</b>          | <b>13.2</b>         |
| Non-current assets of discontinued operations                         | 0.0                 | 0.0                 | 0.0                 |
| <b>TOTAL ASSETS</b>   | <b>15.2</b>         | <b>15.7</b>         | <b>19.0</b>         |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>                           |                     |                     |                     |
| <b>SHAREHOLDERS' EQUITY</b>   |                     |                     |                     |
| Share capital   | 5.3                 | 5.3                 | 5.3                 |
| Share premium   | 0.0                 | 2.4                 | 0.0                 |
| Fair value reserve  | 0.3                 | 0.3                 | 0.3                 |
| Invested unrestricted capital reserve                                 | 7.1                 | 4.6                 | 7.1                 |
| Retained earnings   | -1.3                | -1.4                | 3.3                 |
| <b>TOTAL EQUITY, attributable to holders of parent company equity</b> | <b>11.4</b>         | <b>11.3</b>         | <b>16.0</b>         |
| Non-controlling interests   | 0.0                 | -0.8                | 0.0                 |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                                     | <b>11.4</b>         | <b>10.4</b>         | <b>16.0</b>         |
| <b>LIABILITIES</b>  |                     |                     |                     |
| <b>NON-CURRENT LIABILITIES</b>  |                     |                     |                     |
| Deferred tax liabilities  | 0.0                 | 0.0                 | 0.0                 |
| Financial liabilities   | 0.3                 | 0.8                 | 0.3                 |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                                  | <b>0.3</b>          | <b>0.8</b>          | <b>0.3</b>          |
| <b>CURRENT LIABILITIES</b>  |                     |                     |                     |
| Trade and other payables  | 3.5                 | 4.4                 | 2.7                 |
| Financial liabilities   | 0.0                 | 0.0                 | 0.0                 |
| <b>TOTAL CURRENT LIABILITIES</b>                                      | <b>3.5</b>          | <b>4.4</b>          | <b>2.7</b>          |
| <b>TOTAL LIABILITIES</b>  | <b>3.8</b>          | <b>5.2</b>          | <b>3.1</b>          |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>                     | <b>15.2</b>         | <b>15.7</b>         | <b>19.0</b>         |

## Consolidated statement of changes in equity (MEUR)

|   | Share capital | Share premium | Other reserves | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---------------|---------------|----------------|-------------------|-------|---------------------------|--------------|
| Balance, Jan 1, 2018                      | 5.3           | 0.0           | 7.4            | 3.3               | 16.0  | 0.0                       | 16.0         |
| Dividend distribution                     | 0.0           | 0.0           | 0.0            | -6.2              | -6.2  | 0.0                       | -6.2         |
| Other direct entries to retained earnings | 0.0           | 0.0           | 0.0            | 0.0               | 0.0   | 0.0                       | 0.0          |
| Total comprehensive income                | 0.0           | 0.0           | 0.0            | 1.6               | 1.6   | 0.0                       | 1.6          |
| Balance, Mar 31, 2018                     | 5.3           | 0.0           | 7.4            | -1.3              | 11.4  | 0.0                       | 11.4         |

|                            | Share capital | Share premium | Other reserves | Retained earnings | Total | Non-controlling interests | Total equity |
|----------------------------|---------------|---------------|----------------|-------------------|-------|---------------------------|--------------|
| Balance, Jan 1, 2017       | 5.3           | 2.4           | 4.9            | 3.1               | 15.7  | -0.8                      | 15.0         |
| Dividend distribution      | 0.0           | 0.0           | 0.0            | -5.9              | -5.9  | 0.0                       | -5.9         |
| Acquisition of own shares  | 0.0           | 0.0           | 0.0            | 0.0               | 0.0   | 0.0                       | 0.0          |
| Used option rights         | 0.0           | 0.0           | 0.0            | 0.0               | 0.0   | 0.0                       | 0.0          |
| Total comprehensive income | 0.0           | 0.0           | 0.0            | 1.4               | 1.4   | 0.0                       | 1.4          |
| Balance, Mar 31, 2017      | 5.3           | 2.4           | 4.9            | -1.4              | 11.3  | -0.8                      | 10.4         |

## Consolidated cash flow statement (MEUR)

|   | Jan–<br>Mar/2018 | Jan–<br>Mar/2017 | Jan–<br>Dec/2017 |
|---|------------------|------------------|------------------|
| Net profit  | 1.6              | 1.4              | 6.8              |
| Adjustments to net profit   | 0.2              | 0.1              | 2.1              |
| Taxes   | 0.5              | 0.3              | 1.4              |
| Change in working capital   | -0.1             | 0.2              | 0.2              |
| Interest paid   | 0.0              | 0.0              | 0.0              |
| Interest received   | 0.0              | 0.0              | 0.0              |
| Taxes paid  | -0.4             | -0.3             | -2.3             |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  | <b>1.8</b>       | <b>1.7</b>       | <b>7.9</b>       |
| Proceeds from sale of subsidiary/associated company<br>less cash and cash equivalents at time of sale | 0.0              | 0.0              | 0.0              |
| Purchase of<br>PPE  | -0.1             | 0.0              | -0.2             |
| Purchase of intangible<br>assets  | -0.3             | -0.1             | -0.6             |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>  | <b>-0.3</b>      | <b>-0.1</b>      | <b>-0.8</b>      |
| Share subscription through exercised options  | 0.0              | 0.0              | 0.0              |

|  |      |      |      |
|--|------|------|------|
| Acquisition of own shares                        | 0.0  | 0.0  | 0.0  |
| Dividends paid and capital repayment             | -5.2 | -5.0 | -5.9 |
| Repayments of loans                              | 0.0  | 0.0  | -0.1 |
| Loans drawn                                      | 0.0  | 0.0  | 0.0  |
| Payments of finance lease liabilities            | 0.0  | 0.0  | 0.0  |
| CASH FLOW FROM FINANCING ACTIVITIES              | -5.2 | -4.9 | -6.1 |
| Total cash flow                                  | -3.8 | -3.3 | 1.0  |
| Cash and cash equivalents at beginning of period | 8.0  | 7.1  | 7.1  |
| Exchange rate impact                             | 0.0  | 0.0  | -0.1 |
| Cash and cash equivalents at end of period       | 4.2  | 3.8  | 8.0  |

### Segment net sales and operating profit (MEUR), continuing operations

|                                      | Revenio Health Tech | Parent company | Group |
|--------------------------------------|---------------------|----------------|-------|
| Net sales, 1-3/2018                  | 7.0                 | 0.0            | 7.0   |
| Net sales, 1-3/2017                  | 6.0                 | 0.0            | 6.0   |
| Change (%)                           | 16                  | 0              | 16    |
| Segment's operating profit, 1-3/2018 | 2.7                 | -0.6           | 2.1   |
| Segment's operating profit, 1-3/2017 | 2.3                 | -0.6           | 1.7   |
| Change (%)                           | 19                  | 0              | 26    |

### Major shareholders on March 31, 2018

|  | No. of shares | %    |
|--|---------------|------|
| 1 Joensuun Kauppa ja Kone Oy                 | 1,056,600     | 4.41 |
| 2 Gerako Oy                                  | 1,020,000     | 4.26 |
| 3 Evli Finnish Small Cap Fund                | 692,397       | 2.89 |
| 4 Merivirta Jyri Tapio                       | 600,000       | 2.51 |
| 5 Ilmarinen Mutual Pension Insurance Company | 554,001       | 2.31 |
| 6 Eyemaker's Finland Oy                      | 453,000       | 1.89 |
| 7 Alpisalo Mia Elisa                         | 324,000       | 1.35 |
| 8 Evli Finland Select Fund                   | 320,454       | 1.34 |
| 9 Siik Rauni Marjut                          | 306,000       | 1.28 |
| 10 Fennia Mutual Insurance Company           | 269,466       | 1.13 |

### Events after review period

The Board of Directors of Revenio Group Corporation decided after the review period on March 20, 2018 on two new share-based Long-term Incentive Plans for the management team. The plan will form a part of Revenio Group Corporation's remuneration program for its key employees, and



the aim of the plans is to support the implementation of the company's strategy and to align the objectives of key employees with the shareholders to increase the value of the company.

### **Alternative performance measures 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 profit and loss statement and balance sheet. The calculation of these figures is presented below. According to the company's view, these key figures supplement the profit and loss statement and balance sheet, providing a better picture of the company's financial performance and position.

Revenio Group's revenue is impacted heavily by the fluctuations of the EUR/ USD exchange rate. As an alternative performance measure we have presented our revenue also with constant exchange rates.

| <b>Alternative performance measure</b> | <b>Q1'2018</b> | <b>Q1'2017</b> |
|--|----------------|----------------|
| Statutory Revenue                      | € 6,965        | € 6,008        |
| Impact of foreign exchange movements   | € 505          | € 42           |
| Foreign exchange rate adjusted revenue | € 7,470        | € 6,050        |
| Adjusted revenue growth %              | 23.5%          |                |
| Statutory revenue growth %             | 15.9%          |                |
| Difference                             | 7.6%           |                |

### **IFRS standards**

The new IFRS standards effective January 1, 2018, do not have a significant impact on the profit for the period.

## Formulas

### Definition of key figures:

|                         |       |   |
|-------------------------|-------|---|
| Earnings per share:     |       | $\frac{\text{net profit for the reporting period}}{\text{average number of shares during the reporting period}}$  |
| Profit before taxes:    |       | $\text{operating profit} + \text{financing income} - \text{financing expenses}$   |
| Equity ratio %:         | 100 x | $\frac{\text{balance sheet equity} + \text{non-controlling interest}}{\text{balance sheet total} - \text{advance payments received}}$                                     |
| Net gearing, %:         | 100 x | $\frac{\text{interest-bearing debt} - \text{cash \& equivalents}}{\text{total equity}}$   |
| Return on equity %:     | 100 x | $\frac{\text{profit for the financial period}}{\text{shareholders' equity} + \text{non-controlling interest (average during period)}}$                                    |
| Return on investment %: | 100 x | $\frac{\text{profit before taxes} + \text{interest and other financial expenses}}{\text{balance sheet total} - \text{non-interest-bearing debt (average during period)}}$ |
| Average share price:    |       | $\frac{\text{total value of shares traded during the period, in euros}}{\text{total number of shares traded during financial period}}$                                    |
| Gearing %:              | 100 x | $\frac{\text{interest-bearing net debt}}{\text{total equity}}$  |

## General statement

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

Revenio Group Corporation  
Board of Directors

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Financial Supervisory Authority (FIN-FSA)

Principal media

[www.revenio.fi](http://www.revenio.fi)

**The Revenio Group in brief**

Revenio is a Finnish, globally operating health technology corporation whose worldwide success is based on a strongly patented intraocular pressure measurement technology. The Revenio Group consists of Icare Finland Oy, Revenio Research Oy and Oscare Medical Oy. The common denominators of Revenio's business operations include screening, follow-up and the global need to make cost savings through preventive health care. Revenio seeks vigorous growth in health technology. Revenio aims to develop even more efficient and easily adopted methods for the early-stage detection of diseases with significance for public health. The focus of Revenio's screening technology is on the early detection of glaucoma, osteoporosis, skin cancer and asthma, and the monitoring of these during the treatment process.

In 2017, net sales of Revenio Group totaled MEUR 26.8, with an operating margin of 35.5%, excluding non-recurring expenses. Revenio Group Corporation is listed on Nasdaq Helsinki.