



REVENIO GROUP CORPORATION  
**INTERIM REPORT**  
JANUARY-SEPTEMBER 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.

## **Strong third quarter; Net sales increased by 14.8%. The operating profit accounted for 34.4% of net sales.**

### **July–September 2018 in brief, continuing Group operations**

- Net sales totaled EUR 7.4 (6.4) million, showing an increase of 14.8%
- Operating profit was EUR 2.5 (2.5) million, up by 2.6%
- Fluctuations in the exchange rate of the US dollar had only a slight effect on net sales. The currency-adjusted organic growth of net sales in July–September was 15.7%, or 0.8 percentage points greater than reported
- The asthma product Ventica<sup>®</sup> was introduced in Paris in September at the European Respiratory Congress (ERS)
- The Icare ic200 for professional use received the CE mark in September and was presented at the ESCRS Congress in Vienna at the end of September
- Earnings per share, undiluted EUR 0.085 (0.080)

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

- Net sales totaled EUR 22.0 (19.2) million, showing an increase of 14.7%
- Operating profit was EUR 7.2 (6.4) million, up by 11.6%
- The exchange rate fluctuations of the US dollar have had an impact on net sales over the past year. The currency-adjusted organic growth of net sales in January–September was 16.1%, or 1.4 percentage points greater than reported
- Earnings per share, undiluted EUR 0.239 (0.213)

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

	July 1–Sep 30, 2018	July 1–Sep 30, 2017	Change %	Jan 1- Sep 30, 2018	Jan 1- Sep 30, 2017	Change %
Net sales, Group	7.4	6.4	14.8	22.0	19.2	14.7
Operating profit, Group	2.5	2.5	2.6	7.2	6.4	11.6
Net sales, Health Tech	7.4	6.4	14.8	22.0	19.2	14.7
Operating profit, Health Tech	3.0	2.9	4.3	8.9	7.9	12.4
Earnings per share, undiluted	0.085	0.080		0.239	0.213	

Cash flow from operating activities			6.9	5.4
	<b>Sep 30, 2018</b>	<b>Sep 30, 2017</b>	<b>Change, %</b>	
			<b>points</b>	
Equity ratio, %	81.2	76.8	4.4	
Net leveraging, %	-46.3	-39.3	-7.0	

## 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.

### Timo Hildén, CEO, comments on Q3/2018:

"Our net sales for July-September were 7.4 (6.4) million, representing an increase of 14.8%. During the third quarter, sales were strong among others in the United States, the United Kingdom, Japan, Sweden, Norway, and India, as well as in many smaller Far East countries. Fluctuations in the exchange rate of the US dollar only had a slight decreasing effect of 0.8% on organic net sales.

Our operating profit was EUR 2.5 (2.5) million, up by 2.6%. We continued strong investments in both new products and product marketing. Two product launches (Ventica and Icare ic200) as well as clinical trials took place during the third quarter which had an impact on the Q3 operating profit.

The asthma product Ventica<sup>®</sup> was introduced in Paris in September at the European Respiratory Congress (ERS). The product was well received, and the event offered us the opportunity to form valuable contacts with new opinion leaders and doctors who have expressed interest in trying out the new measurement technique on child patients in their own countries.

The development of the hyperspectral camera Cutica<sup>®</sup> for skin cancer detection is progressing according to plan and schedule. We aim to apply for the European CE marking for the product in the beginning of 2019. We will continue to carry out clinical trials, and starting new ones will be easier once the CE marking has been obtained. Increasingly many dermatologists have shown interest in our product.

The demand for the Icare ic100 tonometer has been strong, which is currently creating a good basis for growth. We have used customer feedback for product development, which has contributed to strong demand. The language versions of the product have enabled the product to spread in the Far East countries, for example.

The new-generation tonometer for professionals, Icare ic200, was granted a CE marking in September. The marking will enable the launch of sales and marketing efforts in Europe. The product was presented at the ESCRS Congress in Vienna at the end of September. Based on the

feedback we received there, we expect high demand for the product in Europe. The product will replace the Icare PRO, which has been a popular product among ophthalmologists who perform surgery. A sales license application will be submitted for the product in the United States as soon as clinical trials have ended.

As regards the Icare HOME tonometer, we have a number of collaborative projects ongoing around the world, and we have continued to invest heavily in the product, especially in the United States and Europe. The increasing interest in the product has been clearly apparent at industry conferences. In Finland, we cooperate with Instrumentarium; Icare HOME has been in trial use at the Instrumentarium stores in Lappeenranta and Kemi, Finland, and these localities have also invested heavily in outdoor advertising. Glaucoma associations across Finland are interested in Icare HOME, and we have held numerous presentations on the product during the review period. The number of visitors to the Silmänpaine.fi website we opened in May 2018 is increasing.

In the United States, Icare Inc. moved to new premises in Raleigh in September. The new efficient facilities will enable continuing growth also in the future.

Probe sales have increased according to our expectations. In the United States, approximately 25% of probe sales are obtained through the online store."

## Financial review January 1 - September 30, 2018

<b>Consolidated key figures (MEUR)</b>	<b>Jan– Sep/2018</b>	<b>Jul – Sep/2 018</b>	<b>Jan– Sep/20 17</b>	<b>Jul- Sep/2 017</b>	<b>Jan– Dec/2017</b>
Net sales, continuing operations	22.0	7.4	19.2	6.4	26.8
EBITDA, continuing operations	7.6	2.7	7.0	2.7	10.2
EBITDA %, continuing operations	34.5	36.4	36.7	41.8	38.2
Operating profit, continuing operations	7.2	2.5	6.4	2.5	8.1
Operating profit %, continuing operations	32.7	34.4	33.6	38.4	30.3
Pre-tax profit, continuing operations	7.2	2.5	6.3	2.4	8.3
Pre-tax profit %, continuing operations	32.8	34.3	32.7	37.3	30.9
Net profit from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net profit, continuing operations	5.7	2.0	4.9	1.9	6.8
Net profit %, continuing operations	26.1	27.5	25.7	28.8	25.6
Gross capital expenditure	1.2	0.4	0.6	0.2	0.8
Gross capital expenditure, % of net sales	5.5	5.1	3.0	3.4	3.0
R&D costs	2.4	0.8	1.6	0.5	2.4
R&D costs, % of net sales	11.0	10.3	8.5	7.6	8.9
Net leveraging, %	-46.3	-46.3	-39.3	-39.3	-47.6
Equity ratio, %	81.2	81.2	76.8	76.8	84.0
Return on investment (ROI), %	59.7	63.1	56.2	64.7	53.2
Return on equity (ROE), %	48.0	51.2	45.3	51.1	44.3

Undiluted earnings per share, EUR, continuing operations	0.239	0.085	0.213	0.080	0.29
Diluted earnings per share, EUR, continuing operations	0.238	0.084	0.213	0.080	0.29
Equity per share, EUR	0.66	0.66	0.59	0.59	0.67
Average no. of employees, continuing operations	47	51	41	41	41
Cash flow from operating activities	6.9	3.3	5.4	1.6	7.9
Cash flow from investing activities	-1.2	-0.4	-0.6	-0.2	-0.8
Cash flow from financing activities	-6.1	0.1	-5.8	0.0	-6.1
Total cash flow	-0.4	3.0	-1.0	1.4	1.0

### Consolidated comprehensive income statement (MEUR)

	Jan– Sep/2018	Jan– Sep/2017	Jan– Dec/2017
NET SALES	22.0	19.2	26.8
Other operating income	0.1	0.1	0.2
Materials and services	-5.6	-5.0	-6.9
Employee benefits	-3.9	-3.2	-4.2
Depreciation, amortization, and impairment	-0.4	-0.6	-2.1
Other operating expenses	-5.0	-4.1	-5.6
OPERATING PROFIT, CONTINUING OPERATIONS	7.2	6.4	8.1
Financial income and expenses (net)	0.0	-0.2	0.2
PRE-TAX PROFIT, CONTINUING OPERATIONS	7.2	6.3	8.3
Income taxes	-1.5	-1.3	-1.4
NET PROFIT	5.7	4.9	6.8
Other comprehensive income items	0.0	0.0	0.0
Other comprehensive income items after taxes	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME	5.7	4.9	6.8
Net profit attributable to:			
Parent company shareholders	5.7	5.1	6.8
Non-controlling interests	0.0	-0.2	0.0
Total comprehensive income attributable to:			
Parent company shareholders	5.7	5.1	6.8
Non-controlling interests	0.0	-0.2	0.0
Earnings per share, undiluted, EUR, continuing operations	0.239	0.213	0.29
Earnings per share, diluted, EUR, continuing operations	0.238	0.213	0.29

### Consolidated comprehensive income statement (MEUR)

	7-9/2018	7-9/2017	1- 12/2017
NET SALES	7.4	6.4	26.8
Other operating income	0.0	0.1	0.2

Materials and services	-2.0	-1.7	-6.9
Employee benefits	-1.3	-0.9	-4.2
Depreciation/amortization	-0.2	-0.2	-2.1
Other operating expenses	-1.5	-1.2	-5.6
OPERATING PROFIT, CONTINUING OPERATIONS	2.5	2.5	8.1
Financial income and expenses (net)	0.0	-0.1	0.2
PRE-TAX PROFIT, CONTINUING OPERATIONS	2.5	2.4	8.3
Income tax expense	-0.5	-0.5	-1.4
Net profit from continuing operations	2.0	1.9	6.8
Net profit from discontinued operations	0.0	0.0	0.0
NET PROFIT	2.0	1.9	6.8
Other comprehensive income items	0.0	0.0	0.0
Income tax expense for comprehensive income	0.0	0.0	0.0
Other comprehensive income items after taxes	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME	2.0	1.9	6.8
Net profit attributable to:			
Parent company shareholders	2.0	1.9	6.8
Non-controlling interests	0.0	-0.1	0.0
Total comprehensive income attributable to:	0.0	0.0	0.0
Parent company shareholders	2.0	1.9	6.8
Non-controlling interests	0.0	-0.1	0.0
Earnings per share, undiluted, EUR, continuing operations	0.239	0.085	0.288
Earnings per share, diluted, EUR, continuing operations	0.238	0.084	0.288

## Consolidated balance sheet (MEUR)

Sep 30, 2018    Sep 30, 2017    **December 31, 2017**

ASSETS			
NON-CURRENT ASSETS			
Tangible assets	0.9	0.9	0.8
Goodwill	1.2	1.2	1.2
Intangible assets	3.8	4.2	3.0
Deferred tax assets	0.6	0.4	0.9
TOTAL NON-CURRENT ASSETS	6.4	6.7	5.9
CURRENT ASSETS			
Inventories	1.9	2.2	2.0
Trade and other receivables	3.6	3.4	3.2
Cash and cash equivalents	7.7	6.1	8.0
TOTAL CURRENT ASSETS	13.1	11.6	13.2
Non-current assets of discontinued operations	0.0	0.0	0.0
TOTAL ASSETS	19.5	18.3	19.0
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	5.3	5.3	5.3

Share premium	0.0	0.0	0.0
Fair value reserve	0.3	0.3	0.3
Invested unrestricted capital reserve	7.3	7.1	7.1
Retained earnings	2.9	2.3	3.3
TOTAL EQUITY, attributable to holders of parent company equity	15.8	15.0	16.0
Non-controlling interests	0.0	-1.0	0.0
TOTAL SHAREHOLDERS' EQUITY	15.8	14.1	16.0
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	0.0	0.0	0.0
Financial liabilities	0.2	0.8	0.3
TOTAL NON-CURRENT LIABILITIES	0.2	0.8	0.3
CURRENT LIABILITIES			
Trade and other payables	3.3	3.4	2.7
Financial liabilities	0.1	0.0	0.0
TOTAL CURRENT LIABILITIES	3.5	3.4	2.7
TOTAL LIABILITIES	3.7	4.2	3.1
TOTAL SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES	19.5	18.3	19.0

### Consolidated statement of changes in equity (MEUR)

	Share capital	Share premium reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total
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	0.1	0.1	0.0	0.1
Total comprehensive income	0.0	0.0	0.0	5.7	5.7	0.0	5.7
Balance, Sep 30, 2018	5.3	0.0	7.6	2.9	15.8	0.0	15.8

  

	Share capital	Share premium reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total
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
Purchase of own shares	0.0	0.0	0.1	0.0	0.1	0.0	0.1
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	5.1	5.1	-0.2	4.9
Balance, Sep 30, 2017	5.3	0.0	7.4	2.3	15.0	-1.0	14.1

### Consolidated cash flow statement (MEUR)

	Jan– Sep/2018	Jan– Sep/2017	Jan– Dec/2017
Net profit	5.7	4.9	6.8
Adjustments to net profit	0.5	0.8	2.1
Taxes	1.5	1.3	1.4
Change in working capital	0.5	-0.5	0.2
Interest paid	0.0	0.0	0.0
Interest received	0.0	0.0	0.0
Taxes paid	-1.2	-1.1	-2.7
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>6.9</b>	<b>5.4</b>	<b>7.9</b>
Proceeds from sale of subsidiary/associated company			
less cash and cash equivalents at time of sale	0.0	0.0	0.0
Purchase of assets	-0.3	-0.2	-0.2
Purchase of intangible assets	-0.9	-0.4	-0.6
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-1.2</b>	<b>-0.6</b>	<b>-0.8</b>
Share subscription through exercised options	0.2	0.0	0.0
Acquisition of own shares	0.0	0.0	0.0
Dividends paid and capital repayment	-6.2	-5.9	-5.9
Repayments of loans	0.0	0.0	-0.1
Loans drawn	0.0	0.1	0.0
Payments of finance lease liabilities	0.0	0.0	0.0
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-6.1</b>	<b>-5.8</b>	<b>-6.1</b>
Total cash flow	-0.4	-1.0	1.0
Cash and cash equivalents at beginning of period	8.0	7.1	7.1
Effect of exchange rates	0.1	0.0	-0.1
Cash and cash equivalents at end of period	7.7	6.1	8.0

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

	Revenio Health Tech	Parent company	Group
Net sales, 1-9/2018	22.0	0.0	22.0
Net sales, 1-9/2017	19.2	0.0	19.2
Change (%)	15	0	15
Segment's operating profit, 1-9/2018	8.9	-1.7	7.2
Segment's operating profit, 1-9/2017	7.9	-1.5	6.4



Change (%)	12	16	12
------------	----	----	----

## Major shareholders on September 30, 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 investment fund	650,070	2.71
4 Ilmarinen Mutual Pension Insurance Company	554,001	2.31
5 Eyemaker's Finland Oy	420,000	1.75
6 Siik Rauni Marjut	306,188	1.28
7 Merivirta Jyri Tapio	300,000	1.25
8 Fennia Mutual Insurance Company	269,466	1.13
9 Alpisalo Mia Elisa	257,524	1.08
10 Evli Finland Select investment fund	255,000	1.06

## Major events after the review period

No major events after the review period.

## 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 net sales are strongly affected by fluctuations in the exchange rate between the euro and the U.S. dollar. As an alternative growth indicator, we also present our net sales with the exchange rate effect eliminated.

Alternative growth indicator	Q1-Q3'2018	Q1-Q3'2017
Reported net sales	€ 21,975	€ 19,162
Effect of exchange rates on net sales	€ 612	€ 296
Net sales adjusted with the effect of exchange rates	€ 22,587	€ 19,458
Growth in net sales, adjusted with the effect of exchange rates	16.1%	
Reported net sales growth	14.7%	
Difference, % points	1.4%	

## IFRS standards

The IFRS standards which entered into force on January 1, 2018, have no material impact on the result for the reporting 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

For further information, please contact:  
Timo Hildén, CEO, tel. +358 40 580 4774  
timo.hilden@revenio.fi  
www.revenio.fi

DISTRIBUTION:  
Nasdaq Helsinki Oy  
Financial Supervisory Authority (FIN-FSA)  
Principal media  
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.