

2020



Interim Report January - March 2020

OPT  **MED**

Optomed Plc: Interim report January–March 2020

First quarter 2020 highlights

- Revenue decreased by 6.3 percent to EUR 3,034 (3,240) thousand
- Adjusted EBITDA amounted to EUR -575 (93) thousand corresponding to -19.0 (2.9) percent of revenue
- The COVID-19 pandemic has negatively affected the Devices segment whereas the Software segment remains largely unaffected
- Market expansion to the USA has started with the establishment of a US subsidiary and recruitment of a US-based Executive President
- The outlook 2020 announced 19 March 2020 remains as is

Key figures

EUR, thousand	Q1/2020	Q1/2019	Change, %	2019
Revenue	3,034	3,240	-6.3%	14,977
Gross profit *	1,977	2,518	-21.5%	9,944
Gross margin *, %	65.2%	77.7%		66.4%
EBITDA	-575	-113	-407.5%	-335
EBITDA margin *, %	-19.0%	-3.5%		-2.2%
Adjusted EBITDA *	-575	93	-720.9%	-196
Adjusted EBITDA margin *, %	-19.0%	2.9%		-1.3%
Operating result (EBIT)	-1,061	-664	-59.8%	-2,596
Operating margin (EBIT) *, %	-35.0%	-20.5%		-17.3%
Adjusted operating result (EBIT) *	-1,061	-458	-131.7%	-2,457
Adjusted operating margin (EBIT margin) *, %	-35.0%	-14.1%		-16.4%
Net profit/ loss	-1,250	-575	-117.5%	-2,875
Earnings per share	-0.12	-0.06	-90.3%	-0.32
Cash flow from operating activities	-2,920	-539	-441.5%	161
Net debt	-5,566	9,251		-8,938
Net debt/ Adjusted EBITDA (LTM) *	6.4	5.3		45.7
Equity ratio *	66.0%	23.9%		57.2%
R&D expenses personnel	356	354	0.3%	1,245
R&D expenses other costs	82	10	753.2%	529
Total R&D expenses	438	364	20.3%	1,774

*) Alternative performance measures, see section Alternative Performance Measures for definitions and calculations.

CEO comments

The year 2020 started under extraordinary circumstances.

Healthcare priorities around the world have now temporarily shifted towards coping with the COVID-19 pandemic, and all non-urgent procedures and related investments are postponed in many clinics. Inevitably this will impact majority of businesses operating in the ophthalmic equipment industry including Optomed.

When the COVID-19 started to spread across the world, the fundus camera market slowed down significantly. Optomed sales representatives and our distributors were not able to travel or enter hospitals in majority of the 60 countries we operate in. During the first quarter, many ophthalmic clinics and optometrists postponed their non-urgent patient appointments and new investment decisions until further. These factors combined caused our Devices segment revenue to drop from expected levels. The drop in revenue was first seen in our camera sales in China, followed by other Asian countries and then Europe and Middle-East towards the end of the quarter. However, sales to our OEM customers remained on expected levels throughout the entire quarter.

The coronavirus impacts our fundus camera sales much harder than our Software segment. Despite the dramatic changes within the healthcare environment, our Software segment revenue for the first quarter grew slightly compared to previous year. Despite deliveries of new eye screening solutions to hospitals are currently on hold, our Software segment's existing customer base continues to generate stable recurring revenue for Optomed.

In the beginning of the year when the first COVID-19 news started to emerge from China, we proactively started additional material sourcing and supply chain related actions to mitigate the possible negative effects of the pandemic in our production, and purchased certain key components from various suppliers. With these actions we are able to secure the supply of fundus cameras to all our customers globally also throughout the pandemic period. These arrangements increased our COGS during the quarter but as they are temporary, not material by nature, they do not affect our long-term profitability. The effect of these arrangements is visible on our first quarter Devices segment COGS and gross margin, and may continue to have some effect for one or two more quarters as we continue using this existing material stock. These proactive measures turned out to be the right decision as the virus escalated into a global pandemic.

We have evaluated the COVID-19 pandemic impact to our global business carefully and taken all reasonable actions to minimise the consequences. We expect the recovery to start during the second half of the year first in China, followed by other markets. Eye clinics and other eye examination and screening providers cannot seize their operations for too long periods. Retinal screenings and other non-urgent examinations and related equipment investments can be postponed by some months, but they cannot be postponed for years or blindness will dramatically increase.

Eye clinics around the world have started seeking alternative models to perform eye examinations to cope with the effects of the pandemic. Several hospitals, clinics and optic shops have started expanding their telemedicine, home care and remote screening services. COVID-19 will not totally disappear in any time soon, even after strict lockdown measures have been gradually removed. This means that a large number of patients who belong to risk groups such as the elderly, diabetics or people with cardiovascular disease, are not recommended to visit crowded eye clinics or optometrists for their routine eye examinations. Ophthalmologists and optometrists who have previously performed their eye examinations only inside their clinics using traditional stationary fundus cameras are now facing a new situation where a large amount of their patients should be screened outside of their clinic. It is easier to keep patients safe when screenings are performed in smaller local healthcare centres or at patients' home instead of large and crowded eye

clinics. This has made many traditional ophthalmologists and optometrists to consider buying their first handheld fundus cameras, since they need new diagnostic equipment to treat their patients in a remote way.

We see this as an opportunity to further accelerate ongoing transformation of the fundus camera market towards portable cameras and remote screenings using telemedicine and AI grading.

Despite the transient slowdown caused by the coronavirus, Optomed remains a financially solid company. We have significant cash reserves and sufficient cash flow to continue executing our strategy without major disturbance. The Optomed US subsidiary has been established and we have hired an Executive President for the subsidiary on April 1st. Our manufacturing and supply chain functions are secured and the development of our AI integrated camera and other new key products move forward without delays. The devices segment sales are affected at the moment, but recovery is expected to start from China by end of the year.

Handheld fundus cameras and AI based automated diagnosis continue growing faster than the overall market. We believe that Optomed has products that are more suitable in the current situation than many traditional alternatives. Therefore, we expect to continue taking market share from traditional desktop cameras during these times and also in the post-COVID world, and will overcome this crisis relatively stronger than our competition.

Seppo Kopsala,
CEO

Outlook 2020

We continue to progress our expansion towards the US market and grow our international distributor network. Additionally, we are currently investing in the development of our first fully integrated AI camera with expected commercial launch during 2020.

Optomed expects its revenue to decline during 2020.

The COVID-19 pandemic has a negative effect on Optomed's growth and business in 2020.

Telephone conference

A telephone conference for analysts, investors and media will be arranged at 29 May 2020 at 14.00 EEST. The event will be held in English. The presentation material will be available at www.optomed.com/investors 13.00 EEST at the latest. The participants are requested to register for the call in advance by email to sakari.knuutti@optomed.com.

Please see the call-in numbers below:

FI +358 9 85626300

SE +46 8 505 218 52

UK +46 8 505 218 52

US +1 646-838-1719

The conference id is 920 394815#.

Please note that by dialling in to the conference call, the participant agrees that personal information such as name and company name will be collected.

Group performance

January – March 2020

Group revenue decreased by 6.3 percent to EUR 3,034 (3,240) thousand in the first quarter. The Software segment performed well considering the ongoing COVID-19 situation, and revenue increased by 1.5 percent driven by stable recurring business from existing customers. On the other hand, the Devices segment's revenue decreased by 19.5 percent, as a result of the COVID-19 pandemic affecting the world economy. The gross margin decreased from 77.7 percent to 65.2 percent. In 2019, the company received a governmental grant of EUR 282 thousand, which increased the gross margin of the comparison period. The first quarter 2019 gross margin adjusted for the total amount of the grants would have been 69.0 percent. The remaining decrease was due to the new sourcing arrangement for the Devices segment and a general customer and product mix.

EBITDA amounted to EUR -575 (-113) thousand and adjusted EBITDA totaled EUR -575 (93) thousand. The first quarter of 2019 was affected by EUR 206 thousand of IPO expenses classified as items affecting comparability. The main reasons for the adjusted EBITDA variance versus 2019 were lower revenue and lower gross margin which is partly compensated by lower other operating expenses while travelling and external events have been cancelled or postponed due to the COVID-19 situation. Optomed also strengthened its management, sales and marketing functions in 2019 as key investments in future growth, which partly explains the weakened EBITDA as compared to 2019. EBIT was EUR -1,061 (-664) thousand and adjusted EBIT was EUR -1,061 (-458) thousand.

Net financial items amounted to EUR -209 (70) thousand and consisted mainly of interest payments to financial institutions and the translation effect of Chinese RMB to EUR. First quarter 2020 was also affected by a decline in investments in low risk money market funds.

Cash flow and financial position

In the first quarter, the cash flow from operating activities amounted to EUR -2,920 (-539) thousand, of which the decrease in payables of EUR 2.4 million mainly relates to previous year IPO fees and expenses that was concluded in late December. Net cash used in investing activities was EUR -354 (-399) thousand and relates to capitalized development expenses. Net cash from financing activities amounted to EUR -3,452 (-4) and are mainly related to loan restructuring.

Consolidated cash and cash equivalents at the end of the period amounted to EUR 12,145 (1,066) thousand. Interest-bearing net debt totalled EUR -5,566 (9,251) thousand at the end of the period.

Net working capital was EUR 3,529 (2,125) thousand at the end of the period.

Devices segment

Optomed has two synergistic business segments: Devices and Software.

The Devices segment develops, commercializes and manufactures easy-to-use, and affordable handheld fundus cameras, that are suitable for any clinic for screening of various eye diseases, such as diabetic retinopathy, glaucoma and AMD (Age Related Macular degeneration).

EUR, thousand	Q1/2020	Q1/2019	Change,%	2019
Revenue	974	1,210	-19.5%	7,309
Gross profit *	396	996	-60.2%	4,200
Gross margin% *	40.7%	82.2%		57.5%
EBITDA	-421	-233	-80.6%	-408
EBITDA margin *,%	-43.2%	-19.3%		-5.6%
Operating result (EBIT)	-758	-640	-18.6%	-1,913
Operating margin (EBIT) *,%	-77.9%	-52.8%		-26.2%

**) Alternative performance measures, see section Alternative Performance Measures for definitions and calculations.*

January-March 2020

The Devices segment revenue decreased 19.5 percent in the first quarter, mainly caused by the COVID-19 pandemic outbreak initially affecting the China sales, and later on the APAC and the rest of the world.

The gross margin decreased to 40.7 percent from 82.2 percent of the previous year. In the first quarter 2019, the company received governmental grants of EUR 217 thousand, which increased the gross margin of the comparison period. In 2019, the first quarter gross margin adjusted for the total amount of the grants would have been 64.4 percent. The first quarter 2020 was affected by sourcing arrangements and purchases of certain key components to secure our

manufacturing capability in the current COVID-19 situation. This arrangement combined with higher than normal OEM share of the revenue lowered the gross margin for the period.

EBITDA was EUR -421 (-233) thousand or -43.2 (-19.3) percent of revenue. The key driver for the decrease in EBITDA was the decreased revenue and gross margin partly compensated by lower operating expenses due to COVID-19 outbreak affecting traveling and external events and the reallocation of certain costs to group wide expenses.

Software segment

Optomed has two synergistic business segments: Devices and Software.

The Software segment develops and commercializes screening software for diabetic retinopathy and cancer screening for healthcare organizations. The segment also distributes off-the-shelf products from selected partners to supplement its own solutions and expertise and provides software consultation to support the Devices segment screening solution projects.

EUR, thousand	Q1/2020	Q1/2019	Change,%	2019
Revenue	2,060	2,030	1.5 %	7,668
Gross profit *	1,581	1,523	3.8 %	5,744
Gross margin % *	76.7%	75.1%		74.9%
EBITDA	481	514	-6.4 %	1,667
EBITDA margin *, %	23.3%	25.3%		21.7%
Operating result (EBIT)	333	370	-10.0 %	909
Operating margin (EBIT) *, %	16.2%	18.2%		11.9%

**) Alternative performance measures, see section Alternative Performance Measures for definitions and calculations.*

January – March 2020

The Software segment had a solid first quarter and the revenue increased 1.5 percent and was EUR 2,060 (2,030) thousand. The Software segment performance remained on good level in spite of the COVID 19 pandemic due to its stable recurring business with the current customer base. 2019 gross margin included governmental grants of EUR 65 thousand. EBITDA was EUR 481 (514) thousand or 23.3 (25.3) percent of revenue.

Group-wide expenses

Group-wide expenses relate to functions supporting the entire group such as treasury, group accounting, legal, HR, IT and public listing expenses.

January – March 2020

Group-wide operating expenses amounted to EUR 635 (394). The increase is related strengthened management functions and transfer of marketing from Devices segment to group-wide expenses. The first quarter of 2019 include IPO expenses of EUR 206 thousand.

Personnel

Number of personnel at the end of the reporting period.

	3/2020	3/2019
Devices	55	60
Software	37	40
Group common	18	7
Total	110	107

The increase in group common functions is mainly related to the transfer of staff from Devices and Software segments to group common functions as a consequence of establishing an operating segment in accordance with IFRS 8, which was concluded in late 2019 in conjunction with the listing of the Company on the Nasdaq Helsinki main list.

Corporate Governance

Optomed complies with Finnish laws and regulations, Optomed's Articles of Association, the rules of Nasdaq Helsinki and the Finnish Corporate Governance Code 2020 issued by the Securities Market Association of Finland. The code is publicly available at <http://cgfinland.fi/en/>. Optomed's has corporate governance statement 2019 is available on the company website www.optomed.com/investors/.

Annual General Meeting

The proposal of the Optomed shareholder's nomination board was announced 3 February 2020.

The Nomination Board proposed to the Annual General Meeting that:

- Seppo Mäkinen, Petri Salonen, Reijo Tauriainen and Jun Wu are re-elected as Board members
- Anna Tenstam is elected as a new Board member

In addition, the proposal of the nomination board included board remuneration proposal.

After the review period on 19 May 2020, the Company announced the notice for the Annual General Meeting. The meeting will be held on Thursday, 11 June 2020 at 10:00 a.m. (EEST) at Life Science Center Keilaniemi, Keilaranta 16 B, FI-02150 Espoo, Finland. In order to prevent the spread of the COVID-19 pandemic, the company has resolved to

take actions enabled by the temporary legislation in order to hold the meeting in a predictable manner, taking into account the health and safety of the Company's shareholders, personnel and other stakeholders. For these reasons, the Annual General Meeting will be held without shareholders' and their proxy representatives' presence at the venue of the meeting. Shareholders and their proxy representatives can only participate in the meeting and use shareholders' rights by voting in advance as well as by posing counterproposals and questions in advance.

Shares and shareholders

The company has one share series with all shares having the same rights. At the end of the review period Optomed Plc's share capital consisted of 14,003,144 shares and the company held 811,000 shares in the treasury which corresponds approximately 5.8 percent of the total amount of the shares and votes. Additional information with respect to the shares, shareholding and trading can be found on the company's website www.optomed.com/investors/.

Risks and uncertainties

The key risks and uncertainties are described in the company's annual report 2019 that was published 20 March 2020. The complete report is available at <https://www.optomed.com/investors/>. In this financial report, the company describes only the changes to the complete risks and uncertainties described in the annual report.

The COVID-19 coronavirus risk as disclosed in the annual report has been updated as follows:

COVID-19 coronavirus

The COVID-19 outbreak has turned into a pandemic the length and prolonged effect of which are uncertain.

The company's software segment remains largely unaffected due to recurring nature of the business, however, the Devices segment sales have been negatively affected by the pandemic. The medical sector as a whole is concentrated on addressing the immediate pandemic and other supplier meetings and purchases are postponed. This has an effect on the company's ability to sell its devices and increase its customer base. The length of the pandemic and its possible after-effect remain uncertain so the company has taken precautions to protect its currently strong cash position by executing temporary lay-offs and various other cost cuts.

Other events

On 18 February 2020, Optomed announced that Health Canada has granted a medical device license to Optomed's handheld fundus camera. Previously, the similar medical devices license (FDA) has been granted to the US market. The Canadian registration now allows commercial activities throughout North America.

Later during the review period, Optomed incorporated a subsidiary in the USA and hired the leader for the US operations.

Events after the review period

On 1 April 2020, Optomed announced that it starts employee co-operation negotiations. The negotiations were completed 14 April 2020 and they resulted into approximately 50 temporary part time lay offs for a maximum of 90 days. The group leadership team was included in the part time lay-offs. The lay-offs in combination with other cost saving measures are expected to generate cost savings of approximately EUR 400 thousand in 2020.

Audit review

This Interim report has not been audited by the company's auditors.

Financial reporting in 2020

27 August 2020

Half-Year Financial Report for 1 January – 30 June 2020

25 November 2020

Interim Report for 1 January – 30 September 2020

For more information, contact

Lars Lindqvist, CFO

Tel: +46 702 59 57 89

E-mail: lars.lindqvist@optomed.com

Seppo Kopsala, CEO

Tel.: +358 40 555 1050

E-mail: seppo.kopsala@optomed.com

About Optomed

Optomed is a Finnish medical technology company and one of the leading providers of handheld fundus cameras. Optomed combines handheld fundus cameras with software and artificial intelligence with the aim to transform the diagnostic process of blinding eye-diseases such as rapidly increasing diabetic retinopathy. In its business Optomed focuses on eye-screening devices and software solutions related R&D in Finland and sales through different channels in over 60 countries. The company has an extensive portfolio of 55 international patents protecting the technology. In 2019, Optomed's revenue reached EUR 15 million and pro forma revenue amounted to EUR 14.5 million. At the end of 2019, Optomed employed 108 professionals.

Alternative Performance Measures

Optomed uses certain alternative performance measures (APMs) with the purpose to provide a better understanding of how the business develops. These APMs, as defined, cannot be fully compared with other companies' APMs.

Alternative Performance Measures	Definition
Gross profit	Revenue + Other operating income – Materials and services expenses
Gross margin, %	Gross profit / Revenue
EBITDA	Operating result before depreciation, amortisation and impairment losses
EBITDA margin, %	EBITDA / Revenue
Operating result	Profit/loss after depreciation, amortisation and impairment losses
Operating margin, %	Operating result / Revenue
Adjusted operating result	Operating result excluding items affecting comparability
Adjusted operating margin, %	Adjusted operating result / Revenue
Adjusted EBITDA	EBITDA excluding items affecting comparability
Adjusted EBITDA margin %	Adjusted EBITDA / Revenue
Items affecting comparability	Material items outside ordinary course of business including restructuring costs, net gains or losses from sale of business operations or other non-current assets, strategic development projects, external advisory costs related to capital reorganisation, impairment charges on non-current assets incurred in connection with restructurings, compensation for damages and transaction costs related to business acquisitions.
Net Debt	Interest-bearing liabilities (borrowings from financial institutions, government loans and subordinated loans) – cash and cash equivalents (excl. lease liabilities according to IFRS 16)
Net Debt / Adjusted EBITDA (LTM), times	Net Debt / Adjusted EBITDA (for the last twelve months, LTM)
Earnings per share	Net result / Number of outstanding shares (reflecting changes in the number of shares following the resolution of the EGM to split the shares of the company with a ratio of 1:20)
Equity ratio, %	Total equity / Total assets
R&D expenses	Employee benefit expenses for R&D personnel and other operational expenses related to R&D activities

Organic growth, %

Organic growth refers to revenue growth excluding (i) growth attributable to acquisitions and divestments; and (ii) growth attributable to fluctuations in exchange rates. The various components in organic growth is calculated as follows:

Acquisitions and divestments: Shows how acquisitions and divestments completed during the relevant period have affected the reported revenues. To estimate the impact of acquisitions on reported revenue, the revenue from the contributions of the acquired units for the current period is subtracted from the total revenue for the same period. To estimate the impact of divestments on reported revenue, the revenue from the contributions from the divested units for the current period is subtracted from the total revenue from the previous respective comparison period.

Currency Fluctuations: Shows how the reported revenue has been affected by the translation of revenue generated in other currencies than the euro (which is the Group's accounting currency) when there are exchange rate differences between the current period and the corresponding comparative period. Income in currencies other than euro for the comparative period is recalculated using the applicable exchange rate for the current period to eliminate the effects of exchange rate fluctuations for the relevant period.

Reconciliation of Alternative Performance Measures

In thousands of euro	Q1/2020	Q1/2019	2019
Revenue	3,034	3,240	14,977
Other operating income	1	288	254
Material and services	-1,059	-1,010	-5,287
Gross profit	1,977	2,518	9,944
Operating profit/loss (EBIT)	-1,061	-664	-2,596
Items affecting comparability			
IPO related expenses	0	206	139
Acquisition related expenses	0	0	0
Adjusted EBIT	-1,061	-458	-2,457
Depreciation, amortization and impairment losses	485	550	2,261
Adjusted EBITDA	-575	93	-196

Consolidated income statement

The principles for describing events after the interim period are the same as for events after the balance sheet date (IAS 10).

In thousands of euro	Jan 1 - Mar 31, 2020	Jan 1 - Mar 31 2019	Jan 1 - Dec 31, 2019
Revenue	3,034	3,240	14,977
Other operating income	1	288	254
Materials and services	-1,059	-1,010	-5,287
Employee benefit expenses	-1,916	-1,741	-7,299
Depreciation, amortisation and impairment losses	-485	-550	-2,261
Other operating expenses	-636	-890	-2,980
Operating result	-1,061	-664	-2,596
Finance income	75	143	8
Finance expenses	-284	-74	-365
Net finance expenses	-209	70	-356
Profit (loss) before income taxes	-1,270	-594	-2,952
Income tax expense	20	19	76
Loss for the period	-1,250	-575	-2,875
Loss for the period attributable to			
Owners of the parent company	-1,250	-575	-2,875
Loss per share attributable to owners of the parent company			
Weighted average number of shares	10,212,475	8,935,654	8,935,654
Basic loss per share (euro)	-0,12	-0,06	-0,32

Consolidated condensed comprehensive income statement

In thousands of euro	Jan 1 - Mar 31, 2020	Jan 1 - Mar 31 2019	Jan 1 - Dec 31, 2019
Loss for the period	-1,250	-575	-2,875
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation difference	9	-78	14
Other comprehensive income, net of tax	9	-78	14
Total comprehensive income for the period	-1,241	-653	-2,861
Total comprehensive loss attributable to			
Owners of the parent company	-1,241	-575	-2,861

Consolidated balance sheet

In thousands of euro	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
ASSETS			
Non-current assets			
Goodwill	4,256	4,256	4,256
Development costs	5,311	5,201	5,218
Customer relationships	1,774	1,996	1,829
Technology	814	916	840
Other intangible assets	502	448	540
Total intangible assets	12,657	12,817	12,662
Tangible assets	386	684	406
Right-of-use assets	974	987	1,075
Deferred tax assets	9	8	8
Total non-current assets	14,026	14,495	14,151
Current assets			
Inventories	2,773	1,632	2,468
Trade and other receivables	3,659	3,563	4,125
Cash and cash equivalents	12,145	1,066	18,866
Total current assets	18,577	6,261	24,459
Total assets	32,603	20,757	39,611

In thousands of euro	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
EQUITY			
Share capital	80	19	80
Share premium	504	565	504
Reserve for invested non-restricted equity	37,341	18,549	37,341
Translation differences	97	-3	89
Retained earnings	-15,264	-13,585	-12,500
Profit (loss) for the financial year	-1,250	-575	-2,875
Total equity	21,509	4,970	22,637
LIABILITIES			
Non-current liabilities			
Borrowings from financial institutions	3,293	0	5,104
Government loans	3,057	2,582	2,998
Lease liabilities	623	638	699
Preference share liability	0	703	0
Deferred tax liabilities	597	674	616
Total non-current liabilities	7,571	4,596	9,416
Current liabilities			
Borrowings from financial institutions	2	7,531	1,766
Government loans	226	204	60
Lease liabilities	391	387	414
Trade and other payables	2,904	3,069	5,317
Total current liabilities	3,523	11,191	7,557
Total liabilities	11,094	15,687	16,973
Total equity and liabilities	32,603	20,757	39,611

Consolidated statement of changes in shareholders equity

Equity attributable to owners of the parent company

In thousands of euro	Share capital	Share premium	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total
Balance at January 1, 2020	80	504	37,341	89	-15,376	22,637
Comprehensive income						
Profit (loss) for the period				-	-1,250	-1,250
Translation differences				9		9
Total comprehensive income for the period	-	-	-	9	-1,250	-1,241
Transactions with owners of the company						
Share issue	-	-	-	-	-	-
Share options	-	-	-	-	112	112
Total transactions with owners of the company	-	-	-	-	112	112
Balance at March 31, 2020	80	504	37,341	97	-16,513	21,509

Equity attributable to owners of the parent company

In thousands of euro	Share capital	Share premium	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total
Balance at January 1, 2019	19	565	18,549	75	-13,656	5,552
Comprehensive income						
Profit (loss) for the period	-	-	-	-	-575	-575
Translation differences	-	-	-	-78		-78
Total comprehensive income for the period	-	-	-	-3	-575	-653
Transactions with owners of the company						
Share issue	-	-	-	-	-	-
Share options	-	-	-	-	71	71
Total transactions with owners of the company	-	-	-	-	71	71
Balance at March 31, 2019	19	565	18,549	-3	-14,160	4,970

Equity attributable to owners of the parent company

In thousands of euro	Note	Share capital	Share premium	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total
Balance at January 1, 2019		19	565	18,549	75	-13,656	5,552
Comprehensive income							
Profit (loss) for the period		-	-	-	-	-2,875	-2,875
Translation differences		-	-	-	14		14
Total comprehensive income for the period		-	-	-	14	-2,875	-2,861
Transactions with owners of the company							
Share issue		61	-61	18,792	-	694	19,486
Share options		-	-	-	-	461	461
Total transactions with owners of the company		61	-61	18,792	-	1,155	19,947
Balance at December 31, 2019		80	504	37,341	89	-15,376	22,637

Consolidated cash flow statement

In thousands of euro	Jan 1 -Mar 31, 2020	Jan 1 - Mar 31, 2019	Jan 1 - Dec 31, 2019
Cash flows from operating activities			
Loss for the financial year	-1,250	-575	-2,875
Adjustments:			
Depreciation, amortisation and impairment losses	485	550	2,261
Finance income and finance expenses	209	-76	356
Other adjustments	47	77	456
Cash flows before change in net working capital	-509	-24	207
Change in net working capital:			
Change in trade and other receivables (increase (-) / decrease (+))	535	-114	-783
Change in inventories (increase (-) / decrease (+))	-303	-485	-1,346
Change in trade and other payables (increase (+) / decrease (-))	-2,444	152	2,396
Cash flows before finance items	-2,721	-470	475
Interest paid	-27	-38	-202
Other finance expenses paid	-259	-31	-136
Interest received	87	0	24
Net cash from operating activities (A)	-2,920	-539	161
Cash flows from investing activities			
Acquisition of intangible assets	307	-332	-1,175
Acquisition of tangible assets	-47	-74	-260
Acquisition of subsidiary, net of cash acquired	0	7	0
Net cash used in investing activities (B)	-354	-399	-1,434

In thousands of euro	Jan 1 -Mar 31, 2020	Jan 1 - Mar 31, 2019	Jan 1 - Dec 31, 2019
Cash flows from financing activities			
Proceeds from share subscriptions	0	0	23,000
Share issue transaction costs	0	0	-4,208
Proceeds from loans and borrowings	-180	174	176
Repayment of loans and borrowings	-3,173	-82	-460
Repayment of lease liabilities	-98	-96	-385
Net cash from financing activities (C)	-3,452	-4	18,123
Net cash from (used in) operating, investing and financing activities (A+B+C)	-6,727	-942	16 849
Net increase (decrease) in cash and cash equivalents	-6,727	-942	16 849
Cash and cash equivalents at beginning of period	18,866	2,000	1,032
Effect of movements in exchange rate on cash held	5	8	17
Cash and cash equivalents at end of period	12,145	1,066	18,866

Selected notes

Corporate information and basis of accounting

Corporate information

Optomed is a Finnish medical technology group (hereafter 'Optomed' or 'Group') that specialises in hand-held fundus cameras and solutions for screening of blinding eye diseases, established in 2004.

The Group's parent company, Optomed Plc. (hereafter the 'company') is a Finnish public limited liability company established under the laws of Finland, and its business ID is 1936446-1. It is domiciled in Oulu, Finland and the Company's registered address is Yrttipellontie 1, 90230 Oulu, Finland.

Basis of accounting

Optomed's consolidated financial statements has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The preparation of this interim report also takes into account the amendments to IFRS standards that have become effective by March 31, 2020. All presented figures have been rounded. Financial ratios have been calculated using exact figures.

This report has not been prepared in accordance with IAS 34 *Interim Financial Reporting*. This Interim financial statements do not include all of the information required for a complete set of IAS 34 financial statements: selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Optomed's financial statements are assuming that the company will continue as a going concern.

The Board of Optomed Plc has approved this interim report. This report has been authorised for issue by the company's board of directors.

Reportable segments

Q1/2020

In thousands of euro	Devices	Software	Group Admin	Group
External revenue	974	2,060	0	3,034
Net operating expenses	-578	-479	0	-1,057
Margin	396	1,581	0	1,977
Depreciation and amortisation	-338	-148	0	-485
Other expenses	-817	-1,100	-635	-2,552
Operating result	-758	333	-635	-1,061
Finance items	0	0	-209	-209
Loss before tax expense	-758	333	-844	-1,270

Q1/2019

In thousands of euro	Devices	Software	Group Admin	Group
External revenue	1,210	2,030	0	3,240
Net operating expenses	-215	-506	0	-721
Margin	996	1,523	0	2,518
Depreciation and amortisation	-407	-143	0	-550
Other expenses	-1,229	-1,009	-394	-2,632
Operating result	-640	370	-394	-664
Finance items	0	0	70	70
Loss before tax expense	-640	370	-324	-594

2019

In thousands of euro	Devices	Software	Group Admin	Group
External revenue	7,309	7,668		14,977
Net operating expenses	-3,109	-1,924		-5,033
Margin	4,200	5,744	-	9,944
Depreciation and amortisation	-1,504	-757		-2,261
Other expenses	-4,609	-4,077	-1,593	-10,279
Operating result	-1,913	909	-1,593	-2,596
Finance items	0	0	-356	-356
Loss before tax expense	-1,913	909	-1,949	-2,952