

25 November 2020, Seppo Kopsala, CEO / Lars Lindqvist, CFO

# Result presentation Q3/2020

OPTO MED





# Highlights

OPT  MED

1.

Deliveries to the major Chinese customer continued

2.

Gross Profit, Gross Margin and EBITDA all increased

3.

Successful quarter for the Software segment due to the recurring revenue model

4.

Devices segment's revenue picking up from Q2

5.

Long term prospects remain unchanged in spite of the pandemic

6.

The outlook 2020 announced on 19 March 2020 remains as-is

# Focus areas

## China:

- Deliveries to our major Chinese customer continued
- Sales of EY80 for new-born eye screenings have started
- Optomed Aurora CFDA approval received after the review period

## USA:

- The US expansion progressing as planned, first sales to key customers
- FDA study with AEYE Health started
- Distribution agreement with Eyenuk, Inc signed

## Product development:

- The launch of Aurora IQ, the first fully integrated AI camera, is scheduled for 26 November 2020



# COVID-19 Coronavirus

- COVID-19 Coronavirus pandemic continues
- What does it mean to Optomed:
  - Devices segment sales continue to be affected as the market standard sales model is face-to-face: adjusting to virtual sales efforts
  - OEM customers continue to decrease their inventories by postponing orders: possibility for a bounce-back when the inventories are refilled
  - The Software sales are protected by the recurring revenue model
  - The travel restriction have slowed down the global screening solution sales.
  - Year-on-year adjusted EBITDA improved despite the revenue decline due to the effective cost-cutting
  - Long-term prospects remain unchanged

# Q3/2020 Financial highlights (KEUR)

	Q3/2020	Q3/2019	Change
Revenue	3,338	3,551	-6.0%
Gross profit <sup>1)</sup>	2,262	2,035	11.2%
Gross margin <sup>2)</sup>	67.8%	57.3%	10.5 bps
Adjusted EBITDA	229	-160	243.1%
Adjusted EBITDA margin	6.9%	-4.5%	+11.4 bps
Net profit/ loss	-299	-1,256	76.2%
Earnings per share	-0.02	-0.14	83.7%
Cash flow from operating activities	-400	-530	24.5%
<i>1) Of which grants</i>	29	-232	
<i>2) Gross margin without grants</i>	66.9%	63.8%	3.1 bps

# 1-9/2020 Financial highlights (KEUR)

	1-9/2020	1-9/2019	Change
<b>Revenue</b>	8,969	10,649	-15.8%
<b>Gross profit <sup>1)</sup></b>	6,146	7,199	-14.6%
<b>Gross margin <sup>2)</sup></b>	68.5%	67.6%	0.9 bps
<b>Adjusted EBITDA</b>	-671	19	-3565.4%
<b>Adjusted EBITDA margin</b>	-7.5%	0.2%	-7.7 bps
<b>Net profit/ loss</b>	-2,525	-2,817	10.4%
<b>Earnings per share</b>	-0.19	-0.32	38.8%
<b>Cash flow from operating activities</b>	-3,215	-1,839	-74.8%
<b>1) Of which grants</b>	117	242	
<b>2) Gross margin without grants</b>	67.2%	65.3%	1.9 bps



# Devices segment highlights

OPT<sup>o</sup>MED



**1.** Revenue increased from Q2 despite the market is still affected by the pandemic

**2.** Deliveries to a major Chinese customer continued

**3.** EBITDA improved due to cost cutting and improved gross margin

	7-9/2020	7-9/2019	Change
<b>Revenue</b>	1,537	1,863	-17.5%
<b>Gross profit</b>	933	768	21.4%
<b>Gross margin</b>	60.7%	41.2%	19.5 bps
<b>EBITDA</b>	290	-155	-287.7%
<b>EBITDA margin</b>	18.9%	-8.3%	27.2 bps



# Software segment highlights

OPT<sup>o</sup>MED

1.

Successful quarter due to the recurring revenue model

2.

The travel restriction due to the pandemic have slowed down the global screening solution sales

3.

EBITDA margins remain on a healthy level

	7-9/2020	7-9/2019	Change
<b>Revenue</b>	1,802	1,688	6.7%
<b>Gross profit</b>	1,330	1,267	5.0%
<b>Gross margin</b>	73.8%	75.0%	-1.2 bps
<b>EBITDA</b>	444	426	4.2%
<b>EBITDA margin</b>	24.6%	25.2%	-0.6 bps

A woman in a white lab coat and glasses is using a handheld device to examine a man's eye. The man has a beard and is looking towards the camera. The entire image is overlaid with a blue tint.

# Outlook 2020

OPTO MED

# 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.

*(Unchanged, announced 19 March 2020)*

**OPTOMED**

# Financial targets

## Revenue Growth

Optomed's medium-term target is to deliver a double-digit annual organic revenue growth. In the long-term Optomed's target is to deliver an average annual organic revenue growth above 20%

## Adjusted EBITDA

Optomed's target is to prioritise investments in the organisation to support growth in the medium-term and achieve an adjusted EBITDA margin above 30% in the long-term

# Balance sheet

- Equity ratio of 66.5 (28.0) percent
- Total borrowings of EUR 6.5 (10.1) million. EUR 3.2 million was repaid in the end of the first quarter 2020
- Net working capital of EUR 3.9 (2.7) million
- Interest-bearing net debt of -4.4 (8.4) million

	30.9.2020	30.9.2019
<b><u>ASSETS</u></b>		
Goodwill	4,256	4,256
Development costs	5,386	5,257
Other intangible assets	2,910	3,168
<b>Total intangible assets</b>	<b>12,552</b>	<b>12,681</b>
<b>Total tangible assets</b>	<b>1,129</b>	<b>1,310</b>
<b>Total non-current assets</b>	<b>13,681</b>	<b>13,991</b>
Inventories	2,721	2,335
Trade and other receivables	3,590	3,745
Cash and cash equivalent	10,899	1,721
<b>Total current assets</b>	<b>17,209</b>	<b>7,801</b>
<b>TOTAL ASSETS</b>	<b>30,890</b>	<b>21,791</b>
<b><u>LIABILITIES</u></b>		
<b>Total equity</b>	<b>20,547</b>	<b>6,102</b>
<b>Non-current liabilities</b>	<b>7,284</b>	<b>10,292</b>
<b>Total current liabilities</b>	<b>3,058</b>	<b>5,397</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,890</b>	<b>21,791</b>

# Cash flow

- Cash flow from operating activities amounted to EUR -0.4 (-0.5) million
- Strong cash position providing a significant buffer for the future

	Q3 2020	Q3 2019
<b>Loss for the financial year</b>	-299	-1,256
Cash flows before change in net working capital	306	-488
Change in net working capital	-692	76
Cash flows before finance items	-386	-412
Cash flows from finance items	-14	-118
<b>Net cash from operating activities</b>	<b>-400</b>	<b>-530</b>
Net cash used in investing activities	-398	-314
Net cash from financing activities	-82	-43
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-880</b>	<b>-887</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>11,742</b>	<b>2,607</b>
<b>Cash and cash equivalents at end of period</b>	<b>10,899</b>	<b>1,721</b>



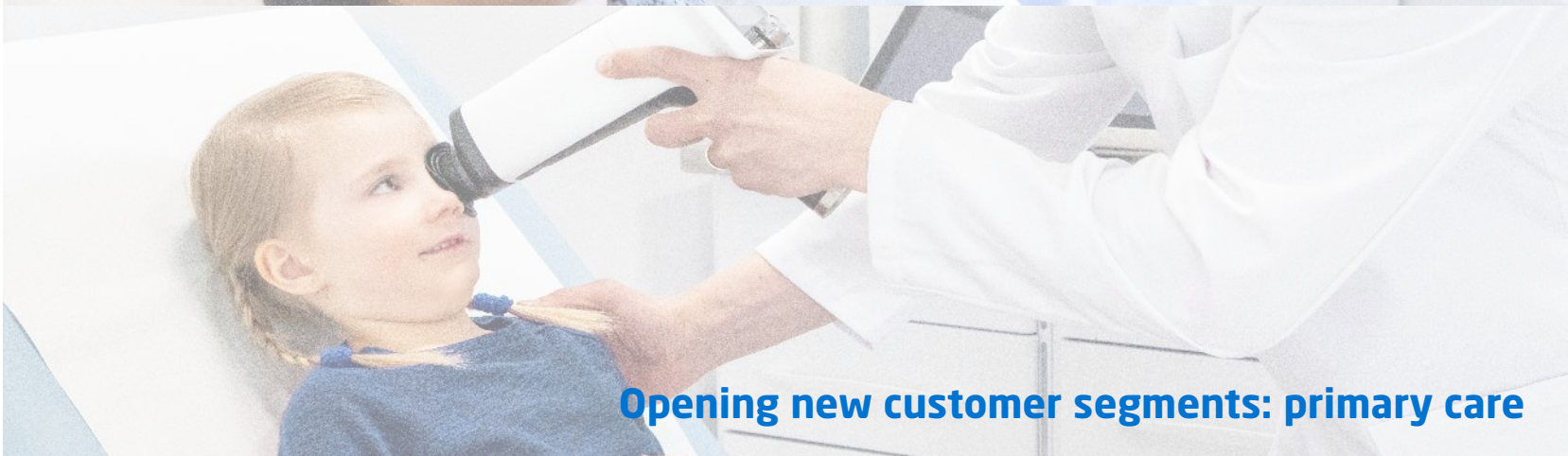
“

Optomed's mission is to prevent blindness by improving access to eye screening globally

**OPTOMED**



**Expansion into new geographical markets**



**Opening new customer segments: primary care**



**Bringing AI-integrated health screening to the market**

# Appendix

# Devices Segment 1-9/2020 financials

	1-9/2020	1-9/2019	Change %
Revenue	3,359	5,152	-34.8%
Gross profit	1,872	3,087	-39.4%
Gross margin	55.7%	59.9%	-4.2 bps
EBITDA	-251	-240	-4.8%
EBITDA margin	-7.5%	-4.7%	-2.8 bps



# Software Segment 1-9/2020 financials

	1-9/2020	1-9/2019	Change %
Revenue	5,610	5,497	2.1%
Gross profit	4,274	4,112	3.9%
Gross margin	76.2%	74.8%	1.4 bps
EBITDA	1,291	1,190	8.4%
EBITDA margin	23.0%	21.7%	1.3 bps

# Cash flow 1-9/2020

	1-9/2020	1-9/2019
<b>Loss for the financial year</b>	-2525	-2,817
Cash flows before change in net working capital	-457	-545
Change in net working capital	-2,512	-1,035
Cash flows before finance items	-2,969	-1,580
Cash flows from finance items	-246	-259
<b>Net cash from operating activities</b>	<b>-3,215</b>	<b>-1,839</b>
Net cash used in investing activities	-1,169	-1,026
Net cash from financing activities	-3,626	2,575
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-8,010</b>	<b>-290</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>-18,866</b>	<b>2,000</b>
<b>Cash and cash equivalents at end of period</b>	<b>10,899</b>	<b>1,721</b>

# OPTOMED

CORPORATION

Optomed Plc. Yrttpellontie 1, 90230 Oulu, Finland  
Tel: +358 20 741 3380 • [investors@optomed.com](mailto:investors@optomed.com)  
[www.optomed.com](http://www.optomed.com)

