

18 February 2021, Seppo Kopsala, CEO / Lars Lindqvist, CFO

Result presentation: Q4/2020

OPTO MED

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 device. The entire image is overlaid with a blue tint.

Highlights

OPTO MED

1.

Revenue declined 6.6%;
Gross margin and Gross profit
increased

2.

Software sales and Optomed
branded products sales
increased despite pandemic;
OEM sales declined

3.

Adjusted EBITDA increased
and operating cash flow was
positive

4.

Devices segment's revenue
increased 13% versus Q3,
driven by strong recovery in
China and distributor sales

5.

Software segment continued its
solid performance exceeding
Q4'19 in all key metrics

6.

Optomed expects its revenue to
grow in 2021 - forecasting is
challenging due to the
pandemic

Focus areas

China:

- Positive overall market outlook
- Deliveries to our major Chinese customer continued strong with a good pipeline
- Optomed Aurora CFDA approval received

USA:

- Market entry proceeding as planned
- Revenue continued to grow

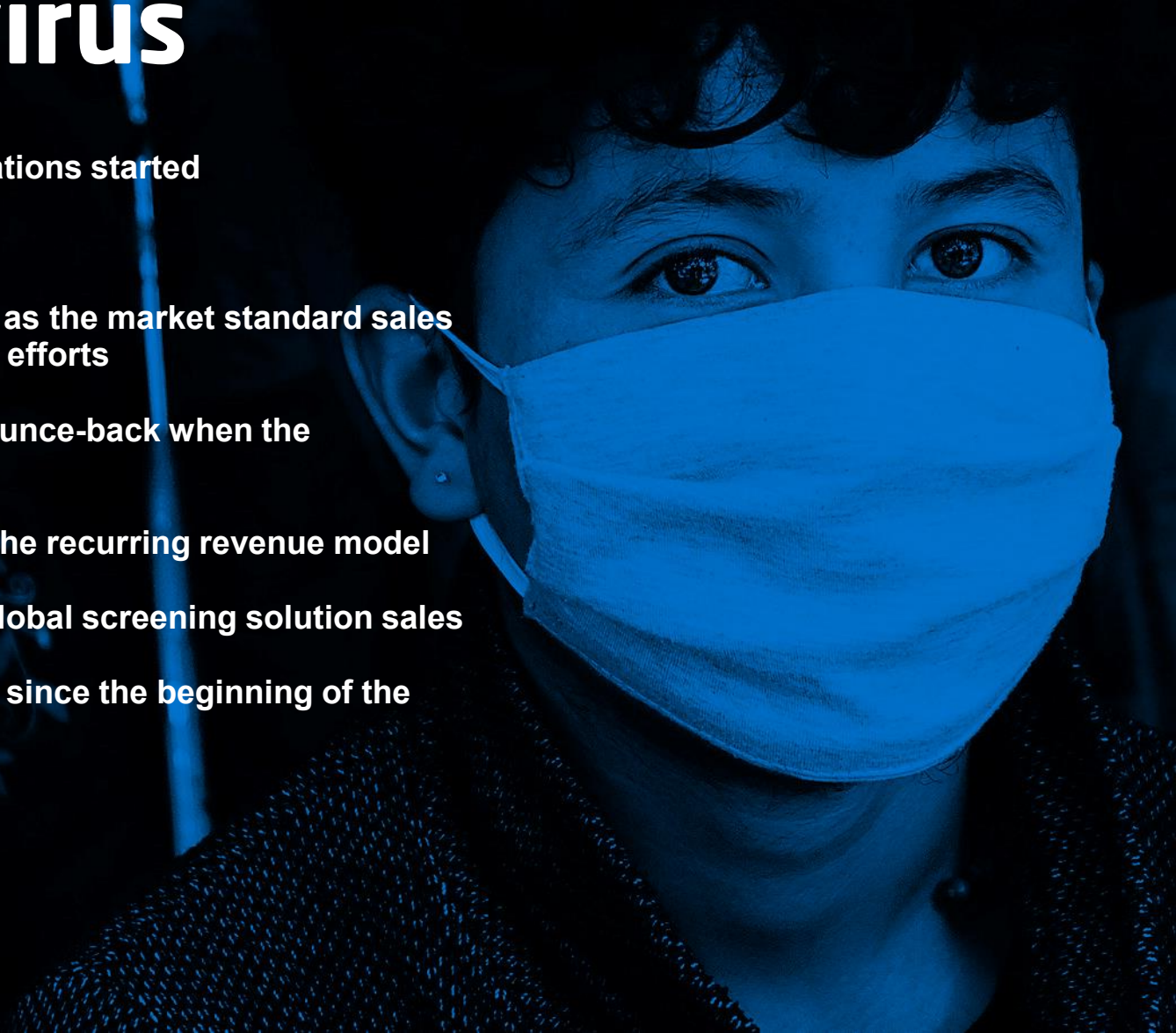
Other

- Aurora IQ, the first fully integrated AI camera launched successfully: positive feedback from the market but sales still low due to logistics
- Significant increase of global sales and marketing activities started



COVID-19 Coronavirus

- COVID-19 Coronavirus pandemic continues; vaccinations started
- 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 sales in decline: still a possibility for a bounce-back when the inventories are refilled
 - The Software segment performing well due to the recurring revenue model
 - The travel restrictions have slowed down the global screening solution sales
 - Markets look more promising than at any point since the beginning of the pandemic



Q4/2020 Financial highlights (KEUR)

	Q4/2020	Q4/2019	Change
Revenue	4,041	4,329	-6.6%
Gross profit ¹⁾	2,809	2,745	2.3%
Gross margin ²⁾	69.5%	63.4%	6.1 bps
Adjusted EBITDA	-62	-211	70.7%
Adjusted EBITDA margin	-1.5%	-4.9%	3.4 bps
Net profit/ loss	-652	-58	-1016.5%
Earnings per share	-0.05	-0.01	-612.5%
Cash flow from operating activities	383	2000	-80.8%
<i>1) Of which grants</i>	40	11	
<i>2) Gross margin without grants</i>	68.5%	63.2%	5.3 bps

FY/2020 Financial highlights (KEUR)

	FY/2020	FY/2019	Change
Revenue	13,011	14,977	-13.1%
Gross profit ¹⁾	8,955	9,944	-9.9%
Gross margin ²⁾	68.8%	66.4%	2.4 bps
Adjusted EBITDA	-733	-196	-273.9%
Adjusted EBITDA margin	-5.6%	-1.3%	-4.3 bps
Net profit/ loss	-3,177	-2,875	-10.5%
Earnings per share	-0.23	-0.32	29.5%
Cash flow from operating activities	-2,801	161	-1839.7%
1) Of which grants	157	254	
2) Gross margin without grants	67.6%	64.7%	2.9 bps



Devices segment highlights

OPTOMED

1.

Revenue increased 13% from Q3 despite the market still is affected by the pandemic

2.

Optomed branded product sales performed well. Growth was especially strong in China. OEM sales declined

3.

EBITDA improved due to cost control and improved gross margin

	Q4/2020	Q4/2019	Change
Revenue	1,738	2,158	-19.5%
Gross profit	990	1,113	-11.1%
Gross margin	56.9%	51.6%	5.3 bps
EBITDA	1	-169	100.4%
EBITDA margin	0.0%	-7.8%	+7.8 bps

Devices Segment FY/2020 financials

	FY/2020	FY/2019	Change %
Revenue	5,097	7,309	-30.3%
Gross profit	2,862	4,200	-31.9%
Gross margin	56.1%	57.5%	-1.4 bps
EBITDA	-251	-408	38.5%
EBITDA margin	-4.9%	-5.6%	0.7 bps



Software segment highlights

OPT^oMED

1.

The Software segment continued its solid performance - Revenue, Gross profit and EBITDA increased

2.

The travel restriction due to the pandemic continue to slow down the global screening solution sales

3.

EBITDA continued strong growth due to scalability of the business model

	Q4/2020	Q4/2019	Change
Revenue	2,303	2,171	6.1%
Gross profit	1,819	1,631	11.5%
Gross margin	79.0%	75.2%	3.8 bps
EBITDA	635	476	33.3%
EBITDA margin	27.6%	21.9%	5.7 bps

Software Segment FY/2020 financials

	FY/2020	FY//2019	Change %
Revenue	7,913	7,668	3.2%
Gross profit	6,093	5,744	6.1%
Gross margin	77.0%	74.9%	2.1 bps
EBITDA	1,927	1,667	15.6%
EBITDA margin	24.4%	21.7%	2.7 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 right. The entire image is overlaid with a blue tint.

Outlook 2021

OPTO MED

Outlook 2021

Optomed expects its full year 2021 revenue to grow compared to 2020.

(Announced 18 February 2021)

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 64.6 (57.1) 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 3.6 (1.3) million
- Interest-bearing net debt of -4.1 (8.9) million

	31.12.2020	31.12.2019
<u>ASSETS</u>		
Goodwill	4,256	4,256
Development costs	5,667	5,218
Other intangible assets	2,831	3,188
Total intangible assets	12,753	12,662
Total tangible assets	1,535	1,489
Total non-current assets	14,289	14,151
Inventories	2,539	2,468
Trade and other receivables	3,637	4,125
Cash and cash equivalent	10,608	18,866
Total current assets	16,784	25,459
TOTAL ASSETS	31,073	39,611
<u>LIABILITIES</u>		
Total equity	20,073	22,637
Non-current liabilities	7,512	9,416
Total current liabilities	3,489	7,557
TOTAL EQUITY AND LIABILITIES	31,073	39,611

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

	Q4/2020	Q4/2019
Loss for the financial year	-652	-58
Cash flows before change in net working capital	42	752
Change in net working capital	529	1,302
Cash flows before finance items	571	2,054
Cash flows from finance items	-188	-54
Net cash from operating activities	383	2,000
Net cash used in investing activities	-651	-407
Net cash from financing activities	-34	15,548
Net increase (decrease) in cash and cash equivalents	-302	17,139
Cash and cash equivalents at the beginning of period	18,866	1,721
Cash and cash equivalents at end of period	10,608	18,866

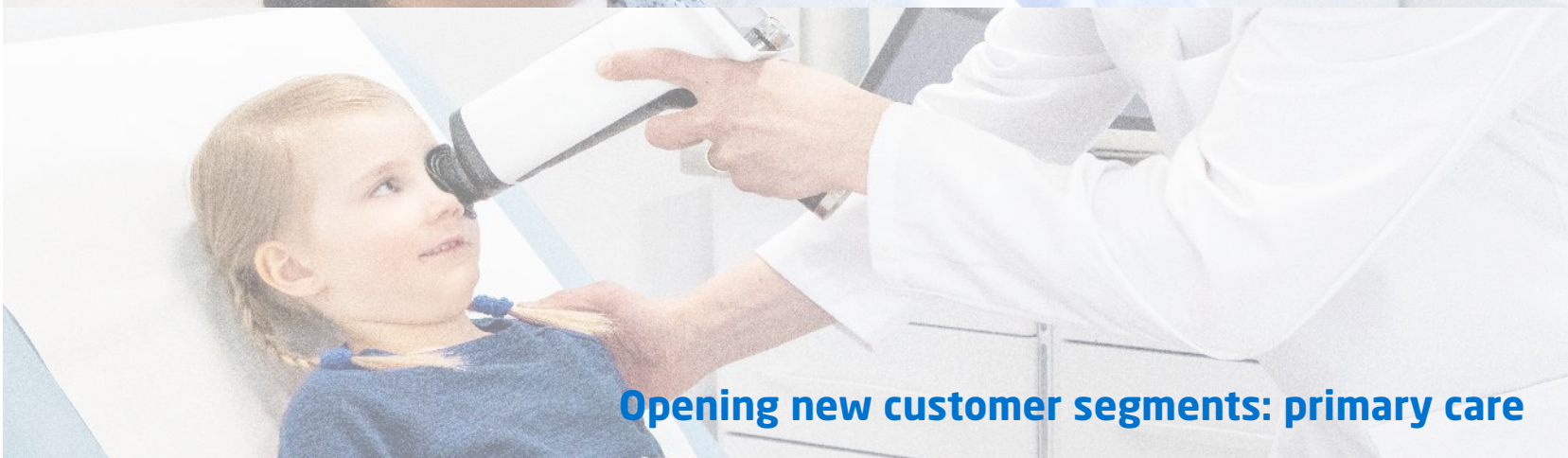
“

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

Cash flow FY/2020

	FY/2020	FY/2019
Loss for the financial year	-3,177	-2,875
Cash flows before change in net working capital	-377	207
Change in net working capital	-1,990	268
Cash flows before finance items	-2,367	475
Cash flows from finance items	-434	-314
Net cash from operating activities	-2,801	161
Net cash used in investing activities	-1,820	-1,434
Net cash from financing activities	-3,698	18,123
Net increase (decrease) in cash and cash equivalents	-8,319	16,849
Cash and cash equivalents at the beginning of period	18,866	2,000
Cash and cash equivalents at end of period	10,608	1,8866

OPTOMED

CORPORATION

Optomed Plc. Yrttpellontie 1, 90230 Oulu, Finland
Tel: +358 20 741 3380 • investors@optomed.com
www.optomed.com

