

6 May 2021, Seppo Kopsala, CEO / Lars Lindqvist, CFO

Result presentation: Q1/2021

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Highlights

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1.

Revenue increased 30%. At comparable exchange rates, revenue grew by 30.4%

2.

The key driver for the strong growth was the increase in demand for handheld cameras, especially in China and the US

3.

EBITDA increased and operating cash flow was close to zero

4.

Devices segment's revenue increased by 49% driven by strong demand in China and a positive start in our US camera sales

5.

Software segment continued its solid performance and revenue increased by 21%

6.

Optomed upgraded its outlook on 8 April and expects revenue to grow strongly in 2021

Focus areas

China:

- Channel reform started to expand our sales network to cover both a larger geographic area and more customer segments
- Cooperation started with a very well-known Chinese company focusing on pharmaceutical and medical devices sales

USA:

- Strong sales in the US market compared to the previous quarter
- New distribution collaborations started
- Our strategic cooperation projects with hospitals, AI companies and our partners providing telemedicine services have proceeded as planned



COVID-19 Coronavirus

- COVID-19 Coronavirus pandemic continues; vaccinations progressing
- 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 have been slower than last year, but we expect them to reactivate their orders later on this year
 - The Software segment performing well due to the recurring revenue model
 - The travel restrictions have slowed down the global screening solution sales
 - Markets continue to look very promising

Q1/2021 Financial highlights (KEUR)

	Q1/2021	Q1/2020	Change
Revenue	3,944	3,034	30.0%
Gross profit ¹⁾	2,577	1,977	30.3%
Gross margin ²⁾	65.3%	65.2%	0.1 bps
Adjusted EBITDA	-315	-575	45.37%
Adjusted EBITDA margin	-8.0%	-19.0%	11.0 bps
Net profit/ loss	-616	-1,250	50.7%
Earnings per share	-0.05	-0.12	62.2%
Cash flow from operating activities	-257	2,920	91.2%
1) Of which grants	82	1	
2) Gross margin without grants	63.3%	63.1%	5.3 bps



Devices segment highlights

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1.

Revenue grew by 49% mainly driven by demand for handheld cameras in China, boosted by demand in the US

2.

Gross margin increased due to higher share of Optomed branded products. Q1'20 was negatively affected by sourcing arrangements due to the COVID-19 outbreak

3.

EBITDA improved due to improved revenue and gross margin

	Q1/2021	Q1/2020	Change
Revenue	1,447	974	48.6%
Gross profit	842	396	112.7%
Gross margin	58.2%	40.7%	17.5 bps
EBITDA	-231	-421	45.2%
EBITDA margin	-15.9%	-43.2%	27.3 bps



Software segment highlights

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1.

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

2.

Gross margin decreased due to a different product mix in sales compared to previous year

3.

EBITDA continued strong growth due to scalability of the business model

	Q1/2021	Q1/2020	Change
Revenue	2,497	2,060	21.2%
Gross profit	1,734	1,581	9.7%
Gross margin	69.5%	76.7%	-7.2 bps
EBITDA	540	481	12.4%
EBITDA margin	21.6%	23.3%	-1.7 bps

A woman in a white lab coat and glasses is using a handheld white 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

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Outlook 2021

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

(Announced 8 April 2021)

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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 64.2 (66.0) percent
- Total borrowings of EUR 6.4 (6.6) million. EUR 3.2 million was repaid in the end of the first quarter 2020
- Net working capital of EUR 3.7 (3.5) million
- Interest-bearing net debt of -3.4 (-5.6) million

	31.3.2021	31.3.2020
<u>ASSETS</u>		
Goodwill	4,256	4,256
Development costs	5,842	5,311
Other intangible assets	2,718	3,090
Total intangible assets	12,816	12,657
Total tangible assets	1,501	1,369
Total non-current assets	14,317	14,026
Inventories	2,353	2,773
Trade and other receivables	4,410	3,659
Cash and cash equivalent	9,767	12,145
Total current assets	16,530	18,577
TOTAL ASSETS	30,847	32,603
<u>LIABILITIES</u>		
Total equity	19,813	21,509
Non-current liabilities	6,855	7,571
Total current liabilities	4,180	3,523
TOTAL EQUITY AND LIABILITIES	30,847	32,603

Cash flow

- Cash flow from operating activities amounted to EUR -0.3 (-2.9) million

	Q1/2021	Q1/2020
Loss for the financial year	-616	-1,250
Cash flows before change in net working capital	-34	-509
Change in net working capital	-223	-2,212
Cash flows before finance items	-257	-2,721
Cash flows from finance items	0	-199
Net cash from operating activities	-257	-2,920
Net cash used in investing activities	-557	-354
Net cash from financing activities	-71	-3,452
Net increase (decrease) in cash and cash equivalents	-884	-6,727
Cash and cash equivalents at the beginning of period	10,608	18,866
Cash and cash equivalents at end of period	9,767	12,145

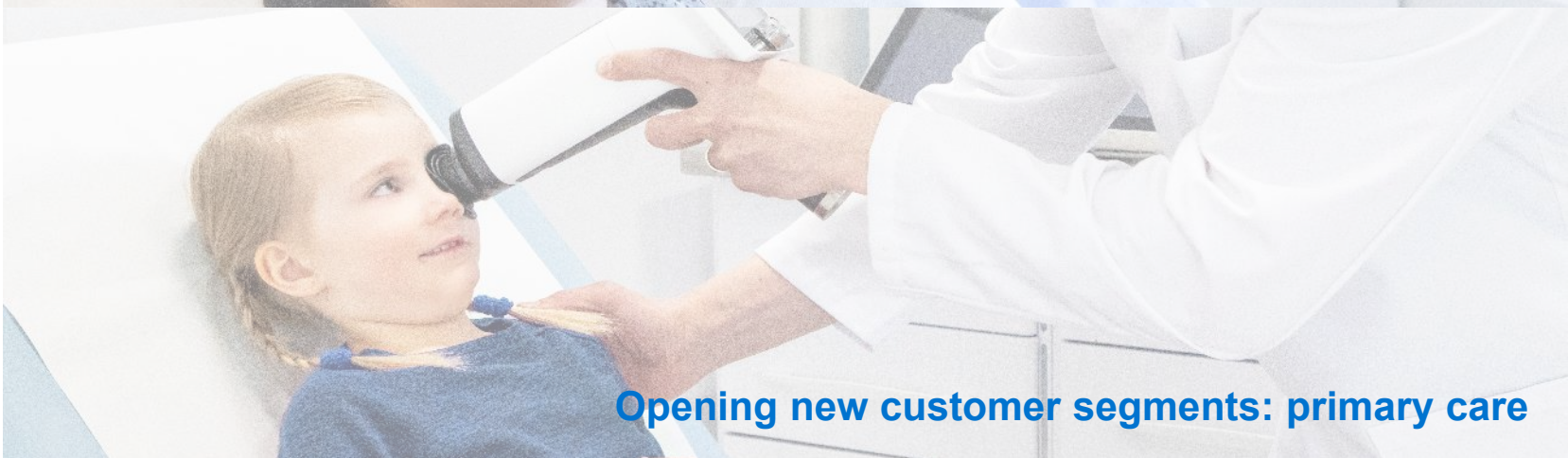
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Optomed's mission is to prevent blindness by improving access to eye screening globally

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Expansion into new geographical markets



Opening new customer segments: primary care



Bringing AI-integrated health screening to the market

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CORPORATION

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

