

5 August 2021, Seppo Kopsala, CEO / Lars Lindqvist, CFO

# Result presentation Q2/2021

OPTO MED



# Highlights

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1.

**Very strong growth:** Revenue increased 55%. Software growth was 21% and Devices 124% against a weak Covid-19 affected comparison period

2.

**Sinopharm-Phoebus:** cooperation started in Q1 and continues, and it is currently driving our growth in China

3.

**Favourable megatrends continue:** supports our decision to continue the investments in expanding the sales channels, focusing on clinical research, and developing and launching new products

# Focus areas

## China:

- The Sinopharm-Phoebus deliveries continued to increase
- Training of the regional sales organizations have started
- Currently it is hard to forecast revenue for H2-2021 in China and the long-term potential can only be assessed after 12-18 months

## USA:

- Direct sales performing well and as planned
- Distribution network expansion continues
- The clinical trials with the aim to the FDA approval for Aurora AEYE, a handheld camera with autonomous AI for retinal screening, are progressing as planned



# COVID-19 Coronavirus

- Delta variant spreading; vaccinations progressing
- What does it mean to Optomed:
  - The Software segment is performing well due to the recurring revenue model
  - The travel restrictions continue to slow down the global screening solution sales
  - Device segment's traditional marketing and sales affected by travel restrictions
  - Possible lockdowns may affect negatively on especially on Devices segment's sales



# Q2/2021 Financial highlights (KEUR)

	Q2/2021	Q2/2020	Change
<b>Revenue</b>	4,012	2,597	54.5%
<b>Gross profit <sup>1)</sup></b>	3,324	1,907	74.3%
<b>Gross margin <sup>2)</sup></b>	82.9%	73.4%	9.5 bps
<b>Adjusted EBITDA</b>	177	-325	154.5%
<b>Adjusted EBITDA margin</b>	4.4%	-12.5%	16.9 bps
<b>Net profit/ loss</b>	-864	-976	11.5%
<b>Earnings per share</b>	-0.06	-0.08	22.5%
<b>Cash flow from operating activities</b>	-1,403	107	-1,408.0%
<i>1) Of which grants: Business Finland waived loan of EUR 538 thousand that was recorded as a grant</i>	621	71	
<i>2) Gross margin without grants</i>	67.4%	70.7%	-3.3 bps



# H1/2021 Financial highlights (KEUR)

	H1/2021	H1/2020	Change
<b>Revenue</b>	7,956	5,631	41.3%
<b>Gross profit <sup>1)</sup></b>	5,901	3,884	51.9%
<b>Gross margin <sup>2)</sup></b>	74,2%	69.0%	5.2 bps
<b>Adjusted EBITDA</b>	-138	-900	84.7%
<b>Adjusted EBITDA margin</b>	-1.7%	-16.0%	14.3 bps
<b>Net profit/ loss</b>	-1,480	-2,226	33.5%
<b>Earnings per share</b>	-0.11	-0.19	41.7%
<b>Cash flow from operating activities</b>	-1,659	-2,814	41.0%
<i>1) Of which grants: Business Finland waived loan of EUR 538 thousand that was recorded as a grant</i>	704	71	
<i>2) Gross margin without grants</i>	65.3%	67.7%	-2.4 bps



# Devices segment highlights

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1.

Revenue grew by 123.5% mainly driven by solid performance in China, but also other key markets and sales channels showed good progress

2.

Disposable eye cups for handheld cameras and two traditional desktop cameras launched to complement our screening solutions portfolio

3.

Medical devices registration for Aurora in Brazil



	Q2/2021	Q2/2020	Change
<b>Revenue</b>	1,896	848	123.5%
<b>Gross profit</b>	1,811	543	233.2%
<b>Gross margin</b>	95.5% <sup>1)</sup>	64.1%	31.4 bps
<b>EBITDA</b>	593	-121	591.1%
<b>EBITDA margin</b>	31.3%	-14.2%	45.5 bps

<sup>1)</sup> Business Finland waived loan of EUR 538 thousand. The gross margin adjusted for grants and the total amount of other operating income would have been 62.6%



# Software segment highlights

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1.

The Software segment continued its solid performance recurring business. Global screening solution projects progressed in Asia and the Middle-East

2.

Optomed was selected as a partner to develop Pihlajalinna's imaging archive and distribution system

3.

The profitability was affected by additional recruitments and development work made to support the long-term growth

	Q2/2021	Q2/2020	Change
<b>Revenue</b>	2,116	1,749	21.0%
<b>Gross profit</b>	1,513	1,363	11.0%
<b>Gross margin</b>	71.5%	78.0%	-6.5 bps
<b>EBITDA</b>	248	366	-32.3%
<b>EBITDA margin</b>	11.7%	20.9%	-9.2 bps



A woman in a white lab coat and glasses is using a tablet computer. Next to her, a man is using an OPTOMED eye scanner. The scene is overlaid with a blue tint. The text "Outlook 2021" is centered in white.

# Outlook 2021

OPTOMED



# Outlook 2021

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

*(Announced 8 April 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 64.5 (66.0) percent
- Total borrowings of EUR 5.8 (6.6) million.
- Net working capital of EUR 4.8 (3.2) million
- Interest-bearing net debt of -2.0 (-5.2) million

	30 June 2021	30 June 2020
<b><u>ASSETS</u></b>		
Goodwill	4,256	4,256
Development costs	5,531	5,273
Other intangible assets	2,635	2,999
<b>Total intangible assets</b>	<b>12,422</b>	<b>12,528</b>
<b>Total tangible assets</b>	<b>1,352</b>	<b>1,259</b>
<b>Total non-current assets</b>	<b>13,774</b>	<b>13,787</b>
Inventories	2,552	2,850
Trade and other receivables	5,501	2,970
Cash and cash equivalent	7,818	11,742
<b>Total current assets</b>	<b>15,871</b>	<b>17,562</b>
<b>TOTAL ASSETS</b>	<b>29,646</b>	<b>31,349</b>
<b><u>LIABILITIES</u></b>		
<b>Total equity</b>	<b>19,129</b>	<b>20,676</b>
<b>Non-current liabilities</b>	<b>6,081</b>	<b>7,476</b>
<b>Total current liabilities</b>	<b>4,436</b>	<b>3,197</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,646</b>	<b>31,349</b>

# Cash flow

- Cash flow from operating activities amounted to EUR -1,4 (0.1) million
- The increase in working capital is due to higher product delivery volumes and increased trade receivables, especially in China

	Q2 2021	Q2 2020
<b>Loss for the financial year</b>	-864	-976
Cash flows before change in net working capital	-253	-254
Change in net working capital	-1,112	393
Cash flows before finance items	-1,365	139
Cash flows from finance items	-38	-32
<b>Net cash from operating activities</b>	<b>-1,403</b>	<b>107</b>
Net cash used in investing activities	-489	-411
Net cash from financing activities	-6	-92
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-1,897</b>	<b>-397</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>9,767</b>	<b>12,145</b>
<b>Cash and cash equivalents at end of period</b>	<b>7,818</b>	<b>11,742</b>

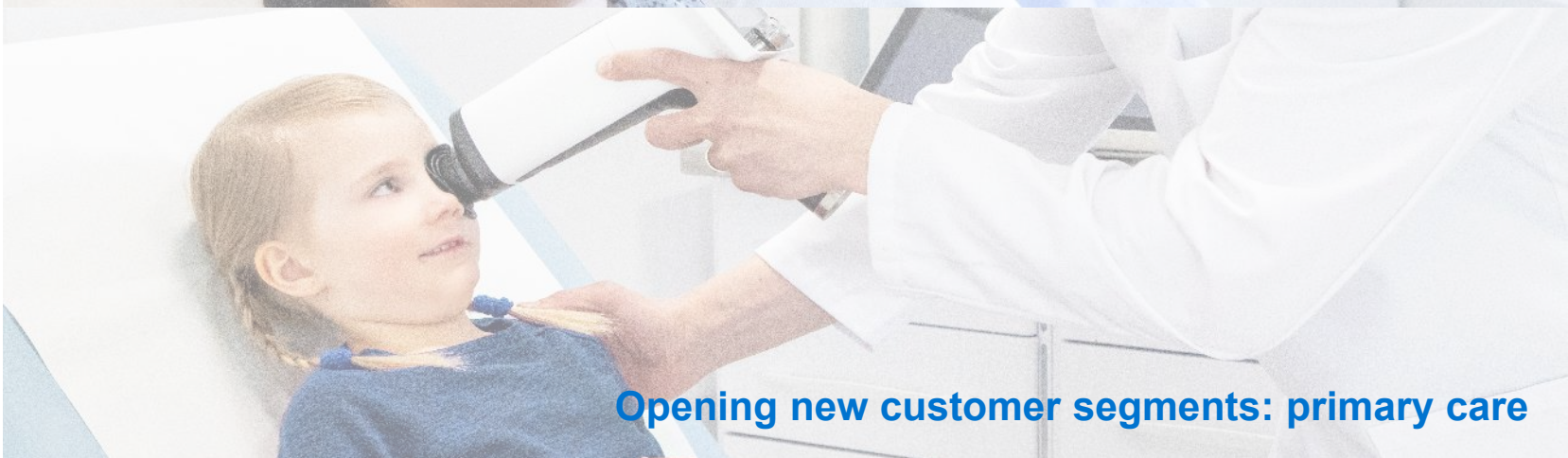
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**Optomed's mission is to prevent blindness by improving access to eye screening globally**

**OPTOMED**



**Expansion into new geographical markets**



**Opening new customer segments: primary care**



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





# Appendix

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# Devices Segment H1/2021 financials

	H1/2021	H1/2020	Change %
Revenue	3,343	1,822	83.4%
Gross profit	2,653	940	182.4%
Gross margin	79.4%	51.6%	27.8 bps
EBITDA	362	-542	166.9%
EBITDA margin	10.8%	-29.7%	40.5 bps

# Software Segment H1/2021 financials

	H1/2021	H1/2020	Change %
Revenue	4,613	3,809	21.1%
Gross profit	3,248	2,944	10.3%
Gross margin	70.4%	77.3%	-6.9 bps
EBITDA	788	847	-6.9%
EBITDA margin	17.1%	22.2%	-5.1 bps



# Cash flow H1/2021

	H1 2021	H1 2020
<b>Loss for the financial year</b>	-1,480	-2,226
Cash flows before change in net working capital	-465	-763
Change in net working capital	-1,157	-1,819
Cash flows before finance items	-1,622	-2,582
Cash flows from finance items	-37	-232
<b>Net cash from operating activities</b>	<b>-1,659</b>	<b>-2,814</b>
Net cash used in investing activities	-1,046	-766
Net cash from financing activities	-79	-3,544
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-2,784</b>	<b>-7,124</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>10,608</b>	<b>18,866</b>
<b>Cash and cash equivalents at end of period</b>	<b>7,818</b>	<b>11,742</b>