

Optomed IR presentation November 2022

# Optomed in Brief

**OPTOMED**



# Global megatrends increasing demand



## Aging population

Prevalence of serious eye diseases (causing vision loss) increase strongly with age.<sup>1</sup>



## Diabetes growing

Diabetic Retinopathy (causing vision loss) affects ~35% of all diabetics but can be prevented by laser treatment.<sup>2</sup>



## AI

Technological advances in artificial intelligence enable faster diagnostics.<sup>3</sup>

## Screening and diagnosis

Sources: 1) National Eye Institute 2) International Diabetes Federation. IDF Diabetes Atlas 9<sup>th</sup> Edition (2019) 3) Du Li & Hu Application of artificial intelligence in ophthalmology (2018)



# The prevalence of eye diseases is expected to increase rapidly which will again increase the need for screening

## Diabetic retinopathy

463 M at risk.

The leading cause of vision loss in adults.

*(IDF Diabetes Atlas 2019)*

## Glaucoma

895 M over 60 years old at risk.

Prevalence increases by age. The leading cause of vision loss for black adults.

*(2017 World Population by Age, census gov)*

## AMD

604 M over 65 years old at risk.

The leading cause of loss of vision in people over 65 years of age.

*(Wong et al, Lancet Global Health)*

Normal  
Vision



Diabetic Retinopathy



Glaucoma

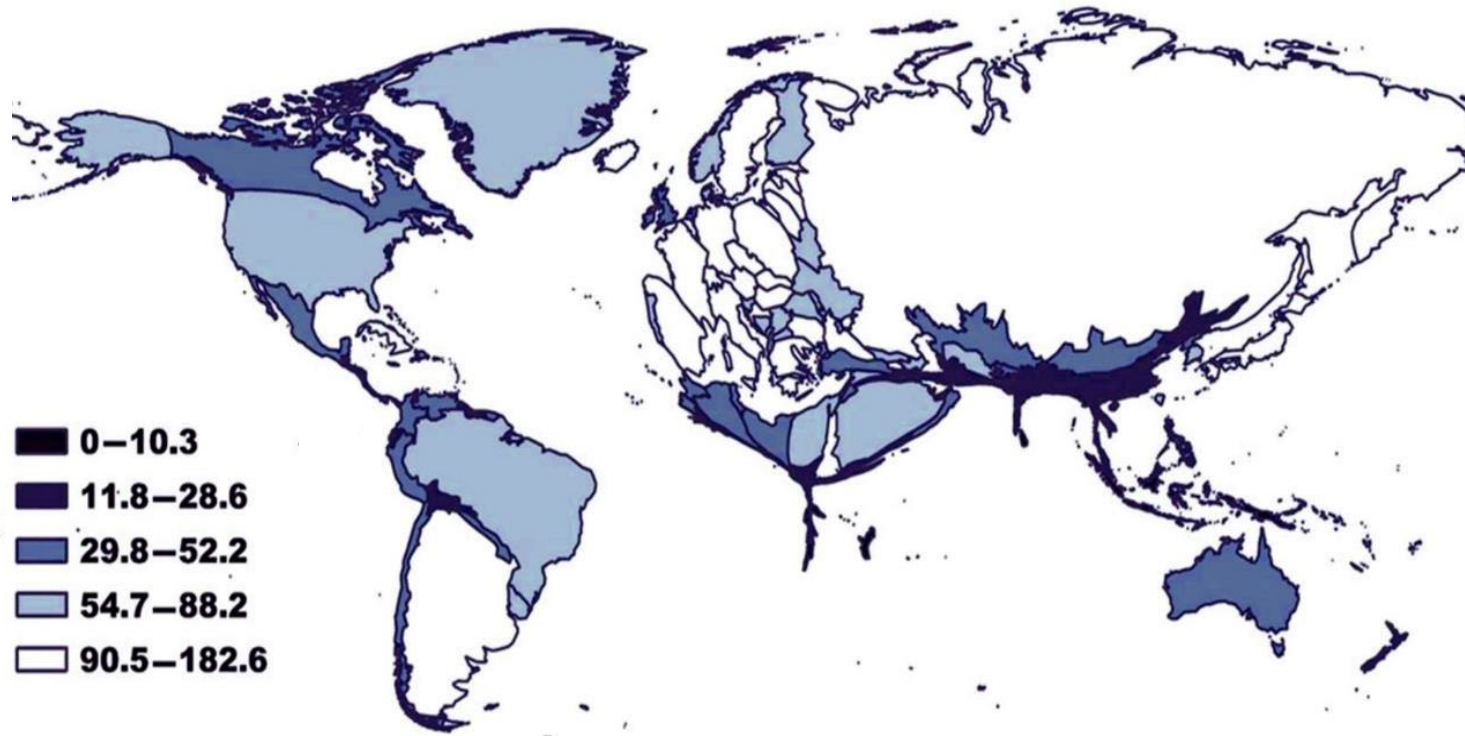


Macular Degeneration





# Globally, there is only <250 000 eye doctors and the geographical dispersion is high



*Resnikoff S, Lansingh VC, Washburn L, et al British Journal of Ophthalmology 2020;104:588-592.*

→ Traditional screening methods are not sufficiently scalable to address the need



# Transition from traditional desktop cameras to AI integrated handheld cameras has started

Traditional equipment



- Large initial investments
- Space constrains
- For professional use

Optomed's handheld camera...



- Cost efficient
- For the use of all healthcare professionals
- Possibility to increase Screening coverage

...together with AI



- Saves eye doctor resources and lowers costs

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# AI to increase the pace of transition towards primary care especially in the US



Primary Care



Traditional Fundus  
Camera Market

The number of primary care doctors is significantly higher than the number of eye doctors (USA 246 000<sup>1</sup> vs. 24 000<sup>2</sup>)

The reimbursement code for the screening of diabetic retinopathy using artificial intelligence created (CPT 92229)

Three AI companies, AEYE Health, Digital Diagnostics and Eyenuk have obtained an FDA approval with certain fundus cameras in the US market

Optomed's and AEYE Health's clinical study completed



(1) <https://www.ahrq.gov/research/findings/factsheets/primary/pcwork1/index.html>

(2) <https://www.beckersasc.com/news-analysis/10-statistics-and-facts-about-ophthalmology-and-ophthalmologists.html>

# Optomed is the leading handheld fundus camera manufacturer



Established **2004**, HQ and product development in **Oulu, Finland**



Revenue **15** MEUR (2021)



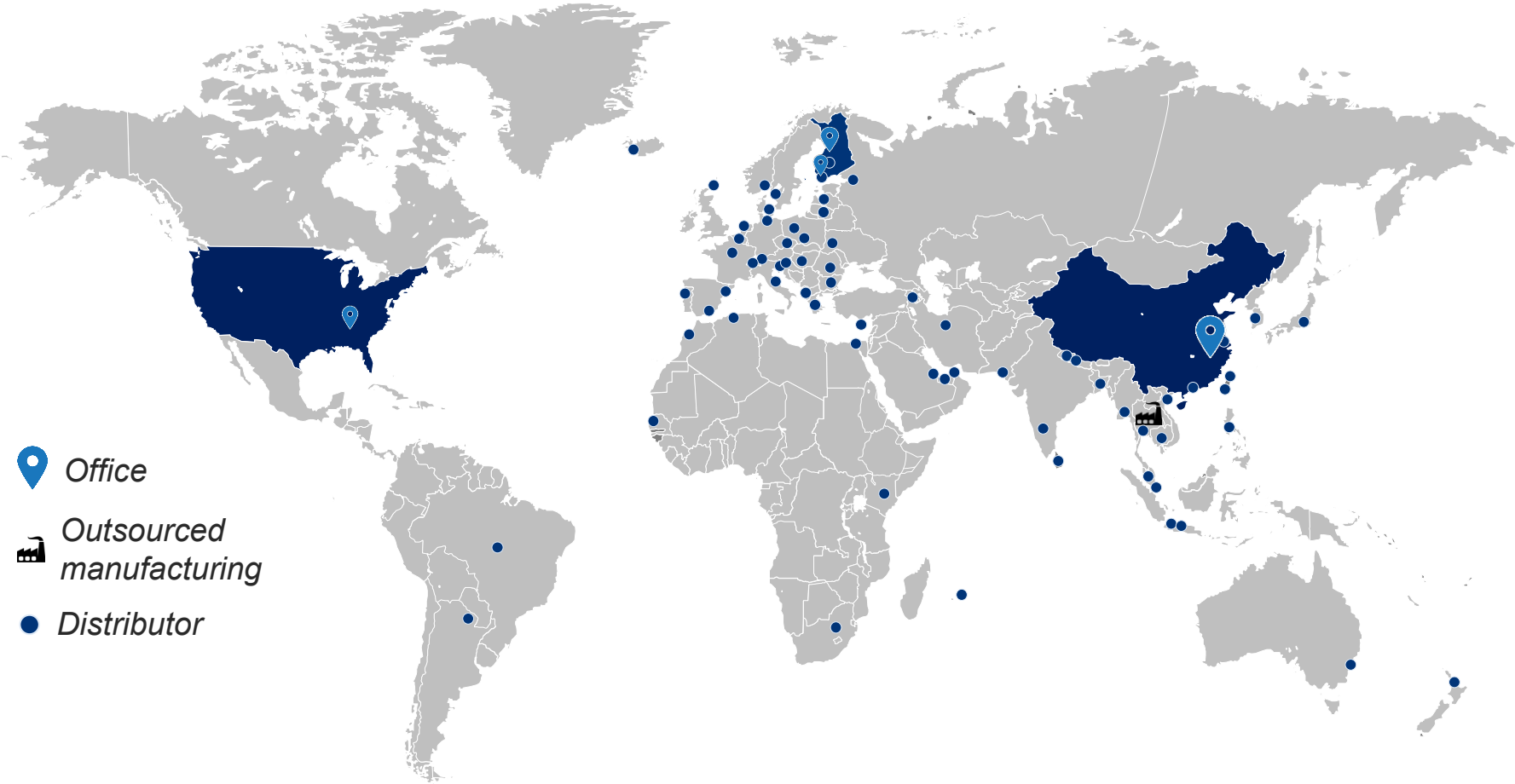
**Over 60** distributors in **50** countries; several OEM partners



Several AI partnerships  
e.g.. AEYE Health Ltd, Eyenuk Inc, EyRIS Pte. Ltd.




**55+** international patents



# Optomed's current Product Portfolio



**Optomed  
Aurora IQ**



**Smartscope  
PRO**



**Volk  
Picture Plus  
& Prestige**



**Topcon  
Signal**



**Zeiss  
Visuscout**



**Haag-Streit  
Fundus  
Module 300**



**Optomed  
Polaris**

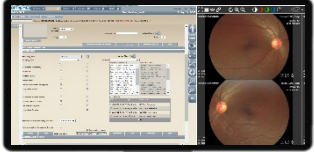


**Optomed  
Halo**




**Optomed  
E-Safe**


## Optomed Avenue



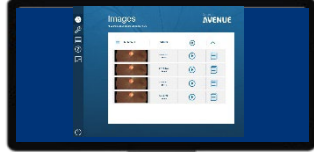
**Avenue Screen**  
Optomed Screen is a workflow management software for optimizing screening processes.



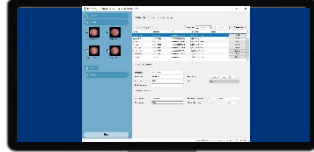
**Avenue Archive**  
Specialised retinal image viewer



**Avenue  
Telemedicine**  
Telemedicine solution enabling remote image analysis



**Avenue AI**  
Automated diabetic retinopathy screening service



**Avenue Sync**  
Optomed dicom interphase software to send images to hospital PACS





# Clinical Trial

- **91.9%** sensitivity
- **93.6%** specificity
- **99+%** imageability
- Only a single image per eye

Optomed and AEYE Health are seeking FDA clearance for the solution.

The companies expect that they are able to address the latest feedback from the FDA in the coming months after which they will revert back to the agency.



*CAUTION - Investigational device. Limited by United States law to investigational use.*

# New Recurring Revenue Model in the US

## Complete Solution

From product sales to complete screening solutions with diagnosis



AEYE HEALTH AI

## Recurring Revenue Model



**Solution leased, not sold – enables recurring revenue**



**Fixed annual subscription price**



**High revenue share on Optomed sales**



**Highly effective sales model** with direct sales managers, KOL managers and independent sales reps

## Customer Benefits



**No initial investments**  
Only monthly rental fee



**Excellent clinical results,**  
91.9% sensitivity,  
93.6% specificity,  
>99% imageability



**High reimbursement**  
>USD 55/ diabetic



**Profit also for clinics**  
with low screening  
volume



**Improves clinic HEDIS score** (Medicare star rating)

# Optomed's Artificial Intelligence

2022

Near-term future

Future opportunities

## Eye-diseases

Diabetic Retinopathy, age-related macular degeneration (AMD), glaucoma

## Expansion to other diseases

All eye disorders, neurological disorders, kidney disease, cardiovascular risk

## Preventive health-check in primary care

Eye disease, neurological disorders, Alzheimer's disease, cardiovascular disease, kidney disease, pulmonary disease

**The markets for other diseases and preventive health-checks in primary care are significantly larger than the current ophthalmology market**



# Optomed's growth strategy - status update

## Growth in existing markets and entering geographical new markets



- Optomed USA established
- Regulatory approvals received for Optomed Aurora for China, Brazil, Canada and Japan
- New distribution networks established in USA, South America, Canada, Asia (especially China)

## Expansion into new customer segments



- Building of sales and distribution networks in the neurology segment started
- Expansion of sales network to include primary care on-going
- Clinical trials to support the expansion started
- Scientific Advisory Board established to support the expansion

## Focus on bringing new products and solutions to the market



- Aurora IQ, the first fundus camera that seamlessly integrates AI, launched in 2020
- Integration work with several AI companies either completed or progressing fast (Eyris, AEYE Health, Eyenuk)
- Clinical trial aiming for **FDA clearance for autonomous AI handheld fundus camera** for retinal screening completed





# OPTOMED

CORPORATION

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# Q3/2022 Key Figures



	Q3/2022	Q3/2021	Change
<b>Revenue</b>	3,700	3,342	10.7%
<b>Gross profit <sup>1)</sup></b>	2,967	2,250	31.8%
<b>Gross margin <sup>2)</sup></b>	80.2%	67.3%	
<b>EBITDA</b>	145	-337	143.1%
<b>EBITDA margin</b>	3.9%	-10.1%	
<b>Net profit / loss</b>	-1,377	-833	-65.3%
<b>Earnings per share</b>	-0.10	-0.06	-56.2%
<b>Cash flow from operating activities</b>	-504	-764	34.0%
<i>1) Of which grants: Business Finland waived a loan of the Company in the amount of EUR 841 thousand related to a closed product development project</i>	841	0	
<i>2) Gross margin without grants</i>	57.4%	65.9%	

# Balance Sheet



- Equity ratio of 63.3 (62.7) percent
- Total borrowings of EUR 5.4 (6.8) million
- Net working capital was EUR 4,138 (5,298)
- Interest-bearing net debt totalled EUR -271 (-1,052) thousand

	30 September 2022	30 September 2021
<b>ASSETS</b>		
Goodwill	4,256	4,256
Development costs	6,287	5,735
Other intangible assets	1,220	1,441
<b>Total intangible assets</b>	<b>12,683</b>	<b>12,528</b>
<b>Total tangible assets</b>	<b>1,867</b>	<b>1,347</b>
<b>Total non-current assets</b>	<b>14,549</b>	<b>13,875</b>
Inventories	2,833	2,902
Trade and other receivables	4,782	5,454
Cash and cash equivalent	5,668	7,827
<b>Total current assets</b>	<b>13,283</b>	<b>16,183</b>
<b>TOTAL ASSETS</b>	<b>27,832</b>	<b>30,058</b>
<b>LIABILITIES</b>		
<b>Total equity</b>	<b>17,613</b>	<b>18,850</b>
<b>Non-current liabilities</b>	<b>5,553</b>	<b>6,915</b>
<b>Total current liabilities</b>	<b>4,666</b>	<b>4,293</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27,832</b>	<b>30,058</b>

# Cash Flow Q3/2022



- Cash flow from operating activities amounted to EUR -504 (-764) thousand
- Comparison period net cash from financing activities was supported by share subscriptions of EUR 501 thousand and EUR 1 million loan

	Q3 2022	Q3 2021
<b>Loss for the financial year</b>	-1,377	-833
Cash flows before change in net working capital	-565	-207
Change in net working capital	116	-540
Cash flows before finance items	-449	-748
Cash flows from finance items	-55	-16
<b>Net cash from operating activities</b>	-504	-764
Net cash used in investing activities	-797	-646
Net cash from financing activities	-172	1,404
<b>Net increase (decrease) in cash and cash equivalents</b>	-1,473	-5
<b>Cash and cash equivalents at the beginning of period</b>	7,079	7,818
<b>Cash and cash equivalents at end of period</b>	5,668	7,827



# Cash Flow 1-9/2022



	1-9/2022	1-9/2022
<b>Loss for the financial year</b>	-4,075	-2,313
Cash flows before change in net working capital	-2,204	-673
Change in net working capital	243	-1,701
Cash flows before finance items	-1,962	-2,373
Cash flows from finance items	-132	-77
<b>Net cash from operating activities</b>	<b>-2,093</b>	<b>-2,450</b>
Net cash used in investing activities	-2,471	-1,691
Net cash from financing activities	3,380	1,347
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-1,184</b>	<b>-2,794</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>6,804</b>	<b>10,608</b>
<b>Cash and cash equivalents at end of period</b>	<b>5,668</b>	<b>7,827</b>

# 1-12/2021 Financial highlights (KEUR)

	1-12/2021	1-12/2020	Change
<b>Revenue</b>	14,850	13,011	14.1%
<b>Gross profit <sup>1)</sup></b>	10,558	8,955	17.9%
<b>Gross margin <sup>2)</sup></b>	71.1%	68.8%	+230 bps
<b>Adjusted EBITDA</b>	-2,002	-733	-173.2%
<b>Adjusted EBITDA margin</b>	-13.5%	-5.6%	-790 bps
<b>Net profit/ loss</b>	-4,249	-3,177	-33.8%
<b>Earnings per share</b>	-0.32	-0.24	-32.0%
<b>Cash flow from operating activities</b>	-2,940	-2,801	-5.0%
<i>1) Of which grants: Business Finland waived loan of EUR 538 thousand that was recorded as a grant</i>	810	157	
<i>2) Gross margin without grants</i>	65.6%	67.6%	-200 bps