

OPTOMED

Interim report

January - September 2023



Optomed Plc: Interim report, January – September 2023

July – September 2023

- Revenue increased by 14.0 percent to EUR 4.2 (3.7) million.
- Devices segment revenue increased by 7.5 percent to EUR 1.8 (1.7) million due to increased distributor sales.
- Software segment revenue increased by 19.4 percent to EUR 2.4 (2.0) million driven by strong healthcare solution sales.
- Adjusted EBITDA amounted to EUR 0.3 (0.1) million corresponding to 6.2 (3.9) percent of revenue. EBITDA amounted to EUR -0.0 (0.1) million. The comparison period both EBITDA and Adjusted EBITDA were positively affected by a EUR 0.8 million loan waiver.
- Record-breaking cash flow from operating activities amounted to EUR 767 (-504) thousand.
- Juho Himberg started as the CEO on 1 October 2023.
- Optomed successfully completed directed share issue raising gross proceeds of EUR 4.3 million.
- Outlook unchanged: Optomed expects its full year 2023 revenue to grow compared to 2022.

January – September 2023

- Revenue increased by 7.4 percent to EUR 11.4 (10.6) million.
- Devices segment revenue decreased by 3.3 percent to EUR 4.0 (4.1) million.
- Software segment revenue increased by 14.2 percent to EUR 7.5 (6.5) million.
- Adjusted EBITDA amounted to EUR -0,7 (-1,6) million corresponding to -6.2 (-15.1) percent of revenue.

Key figures

EUR, thousand	Q3/2023	Q3/2022	Change, %	Q1-Q3/2023	Q1-Q3/2022	Change, %	2022
Revenue	4,218	3,700	14.0%	11,440	10,648	7.4%	14,660
Gross profit *	2,841	2,967	-4.2%	7,803	7,305	6.8%	10,069
Gross margin % *	67.4%	80.2%		68.2%	68.6%		68.7%
EBITDA	-48	145	-133.2%	-1,024	-1,604	36.2%	-1,952
EBITDA margin *, %	-1.1%	3.9%		-8.9%	-15.1%		-13.3%
Adjusted EBITDA *	263	145	80.9%	-713	-1,604	55.6%	-1,952
Adjusted EBITDA margin *, %	6.2%	3.9%		-6.2%	-15.1%		-13.3%
Operating result (EBIT)	-603	-1,411	57.3%	-2,655	-4,227	37.2%	-5,097
Operating margin (EBIT) *, %	-14.3%	-38.1%		-23.2%	-39.7%		-34.8%
Adjusted operating result (EBIT) *	-291	-1,411	79.3%	-2,343	-4,227	44.6%	-5,097
Adjusted operating margin (EBIT margin) *, %	-6.9%	-38.1%		-20.5%	-39.7%		-34.8%
Net profit/ loss	-439	-1,377	68.1%	-2,911	-4,075	28.6%	-5,472
Earnings per share	-0.03	-0.10	71.9%	-0.18	-0.29	37.1%	-0.37
Cash flow from operating activities	767	-504	252.2%	-120	-2,093	94.3%	-2,370
Net Debt	-4,890	-271	1,707.5%	-4,890	-271	1,707.5 %	-3,251
Net debt/ EBITDA (LTM) *	3.6	0.1		3.6	0.1		1.7
Net debt/ Adjusted EBITDA (LTM) *	4.6	0.1		4.6	0.1		1.7
Equity ratio *	68.9%	63.3%		68.9%	63.3%		65.0%
R&D expenses personnel	297	251	18.0%	942	850	10.9%	1,198
R&D expenses other costs	192	124	55.2%	505	480	5.4%	661
Total R&D expenses	489	375	30.3%	1,447	1,329	8.9%	1,859

*) Alternative performance measures, see section Alternative Performance Measures for definitions and calculations. Optomed presents Adjusted EBITDA and Adjusted operating result as alternative performance measures to enhance comparability of business performance between reporting periods. In July-September 2023, items affecting comparability amounted to EUR 311 thousand and related to increased credit risk with respect to an overdue trade receivable from a customer in China.

CEO Review

Optomed had a great third quarter and I'm very delighted about our performance. Our results were beyond satisfactory. During the quarter, we received among others large customer orders from Spain and China that provide future growth potential in both regions.

In the face of challenges, our team's dedication and strategic execution have propelled us beyond merely satisfactory outcomes. Key financial metrics, including cash flow from operating activities and adjusted EBITDA reflect the effectiveness of our initiatives. When comparing results to the previous year it is important to highlight that during the quarter Optomed received a loan waiver in the amount of EUR 841 thousand that was treated as other operating income and, therefore, affecting third quarter results positively.

While our success in Q3 is gratifying, I must also address the situation of the FDA clearance for our AI fundus camera Optomed Aurora AEYE. At this point, there are no further updates. We are actively collaborating with our partners and regulatory authorities to expedite the clearance process.

Looking forward, we are energized by the momentum gained and remain steadfast in our pursuit of excellence. Our shareholders continued trust and investment are pivotal to our success, and we are dedicated to delivering sustained value. We remain optimistic but cautious.

Thank you for your confidence in our company.

Juho Himberg
CEO

Outlook 2023

Optomed expects its full year 2023 revenue to grow compared to 2022.

Telephone conference

A telephone conference for analysts, investors and media will be arranged on 3 November 2023 at 11.00 EET, (10.00 CET). The event will be held in English. The presentation material will be available at www.optomed.com/investors 10.00 EET at the latest.

The participants are requested to register for the call-in advance by email to sakari.knuutti@optomed.com.

Please see the call-in numbers below:

FI +358 9 856 263 00
SE +46 8 505 218 52
UK +44 20 3321 5273
US +1 646 838 1719
FR +33 1 70 99 53 92

The conference id is 197 712 168#.

Please note that by dialing into the conference call, the participant agrees that personal information such as name and company name will be collected.

Group performance

July – September 2023

In July-September 2023, Group revenue increased by 14.0 percent to EUR 4,218 (3,700) thousand. Devices segment revenue increased by 7.5 percent to EUR 1,825 (1,697) thousand. The Software segment revenue increased by 19.4 percent to EUR 2,393 (2,003) thousand. All sales channels in both Software and Devices segments performed well, except for OEM sales channel.

In July-September 2023, the gross margin decreased to 67.4 from 80.2 percent of last year. During the comparison period, the gross margin was negatively affected by an inventory provision of EUR 200 thousand, and Optomed was granted a loan waiver in the amount of EUR 841 thousand treated as other operating income and, therefore, affecting the gross margin positively. The gross margin for the third quarter of 2023 adjusted for grants and other operating income is 68.2 percent compared to comparison period 57.4 percent.

EBITDA decreased and it was EUR -48 (145) thousand and adjusted EBITDA was EUR 263 (145) thousand. The comparison period EBITDA was positively affected by the previously mentioned loan waiver.

EBIT improved and it was EUR -603 (-1,411) thousand and adjusted EBIT was EUR -291 (-1,411) thousand.

In July-September 2023, net financial items amounted to EUR 144 (15) thousand and consisted mainly of interest payments to financial institutions and the translation effect of CNY and USD to EUR.

January – September 2023

In January-September 2023, Group revenue increased by 7.4 percent to EUR 11,440 (10,648) thousand. The growth was driven by the Software segment as the Devices segment's revenue decreased by 3.3 percent while the Software segment's revenue increased by 14.2 percent.

The gross margin decreased to 68.2 percent from 68.6 percent last year.

EBITDA amounted to EUR -1,024 (-1,604) thousand and adjusted EBITDA was EUR -713 (-1,604) thousand.

EBIT was EUR -2,655 (-4,227) thousand and adjusted EBIT was EUR -2,343 (-1,604) thousand. The improvement is due to the combination of improved gross profit and decreased OPEX.

Net financial items amounted to EUR -315 (92) thousand and consisted mainly of interest payments to financial institutions and the translation effect of CNY and USD to EUR.

Cash flow and financial position

July – September 2023

In July-September 2023, the cash flow from operating activities amounted to EUR 767 (-504) thousand. Net cash used in investing activities was EUR -615 (-797) thousand and relates to capitalized development expenses. Net cash from financing activities amounted to EUR 3,721 (-172) thousand. Optomed completed a directed share issue consisting of 1,589,042 shares and collected gross proceeds of approximately EUR 4.3 million in September 2023.

Consolidated cash and cash equivalents at the end of the period amounted to EUR 9,565 (5,668) thousand. Interest-bearing net debt was EUR -4,890 (-271) thousand at the end of the period.

Net working capital was EUR 2,802 (4,138) thousand at the end of the period.

Optomed has large trade receivables from a Chinese customer. The customer missed a payment during the quarter and, consequently, the specific loss allowance weighted average loss rate was increased from 30% to 50%, which reflects an increase of EUR 311 thousand. The total amount of the receivable in the balance sheet is now EUR 778 thousand.

January – September 2023

In January-September 2023, the cash flow from operating activities amounted to EUR -120 (-2,093) thousand.

Net cash used in investing activities was EUR -1,828 (-2,471) thousand and relates to capitalized development expenses.

Net cash from financing activities amounted to EUR 3,024 (3,380) thousand.

Devices segment

Optomed has two synergistic business segments: Devices and Software.

The Devices segment develops, commercializes, and manufactures easy-to-use, and affordable handheld fundus cameras, that are suitable for any clinic for screening of various eye diseases, such as diabetic retinopathy, glaucoma and AMD (Age Related Macular Degeneration).

EUR, thousand	Q3/2023	Q3/2022	Change, %	Q1-Q3/2023	Q1-Q3/2022	Change, %	2022
Revenue	1,825	1,697	7.5%	3,986	4,122	-3.3%	5,398
Gross profit *	1,124	1,592	-29.4%	2,356	2,875	-18.0%	3,738
Gross margin % *	61.6%	93.8%		59.1%	69.7%		69.3%
EBITDA	-50	546	-109.2%	-693	-417	-66.2%	-670
EBITDA margin *, %	-2.7%	32.2%		-17.4%	-10.1%		-12.4%
Operating result (EBIT)	-413	-844	51.1%	-1,769	-2,550	30.6%	-3,159
Operating margin (EBIT) *, %	-22.6%	-49.7%		-44.4%	-61.9%		-58.5%

*) Alternative performance measures, see section Alternative Performance Measures for definitions and calculations.

July-September 2023

In July-September 2023, the Devices segment revenue increased by 7.5 percent to EUR 1,825 (1,697) thousand. The revenue growth was driven especially by the global distributor and China sales channels but also the revenue in the US market continued on its growth trajectory. During the quarter, Optomed provided a large device delivery to a Chinese customer and a significant diabetic retinopathy screening solution consisting of Optomed Aurora IQ fundus cameras and related software solutions to a public sector end customer in Valencia, Spain.

The gross margin was 61.6 (93.8) percent. EBITDA was EUR -50 (546) thousand or -2.7 (32.2) percent of revenue. During the comparison period Optomed was granted a loan waiver in the amount of EUR 841 thousand treated as other operating income that had a corresponding positive effect on both gross margin and EBITDA. Gross margin adjusted for grants and other operating income was 61.9 (44.2) percent.

January-September 2023

In January-September 2023, the Devices segment revenue decreased by 3.3 percent to EUR 3,986 (4,122) thousand.

The gross margin decreased to 59.1 percent from 69.7 percent and gross margin adjusted for grants and other operating income was 59.1 (48.4) percent. The improved gross margin was driven especially by the improved margins of the global distributor sales.

EBITDA was EUR -693 (-417) thousand or -17.4 (-10.1) percent of revenue. The lower profitability was due to the previously mentioned extraordinary item of the Q3-2022 boosting the gross margin and, therefore, EBITDA of the comparison period.

Software segment

Optomed has two synergistic business segments: Devices and Software.

The Software segment develops and commercializes screening software for diabetic retinopathy and cancer screening for healthcare organizations. The segment also distributes off-the-shelf products from selected partners to supplement its own solutions and expertise and provides software consultation to support the Devices segment screening solution projects.

EUR, thousand	Q3/2023	Q3/2022	Change, %	Q1-Q3/2023	Q1-Q3/2022	Change, %	2022
Revenue	2,393	2,003	19.4%	7,454	6,525	14.2%	9,263
Gross profit *	1,718	1,374	25.0%	5,447	4,430	22.9%	6,330
Gross margin % *	71.8%	68.6%		73.1%	67.9%		68.3%
EBITDA	636	475	34.1%	2,004	1,373	46.0%	2,079
EBITDA margin *, %	26.6%	23.7%		26.9%	21.0%		22.4%
Operating result (EBIT)	448	310	44.5%	1,456	890	63.7%	1,431
Operating margin (EBIT) *, %	18.7%	15.5%		19.5%	13.6%		15.4%

**) Alternative performance measures, see section Alternative Performance Measures for definitions and calculations.*

July – September 2023

In July-September 2023, the Software segment revenue increased by 19.4 percent to EUR 2,393 (2,003) thousand as the healthcare solutions business continued to grow.

The profitability increased driven by the healthcare solution sales Gross margin increased and was 71.8 (68.6) percent. EBITDA was EUR 636 (475) thousand or 26.6 (23.7) percent of revenue.

January – September 2023

In January-September 2023, the Software segment revenue increased by 14.2 percent to EUR 7,454 (6,525) thousand.

Gross margin increased and it was 73.1 (67.9) percent. EBITDA was EUR 2,004 (1,373) thousand or 26.9 (21.0) percent of revenue. The increased profitability was driven by improved performance of the healthcare solution sales.

Group-wide expenses

Group-wide expenses relate to functions supporting the entire group such as treasury, group accounting, marketing, legal, HR, and IT.

July – September 2023

Group-wide operating expenses amounted to EUR 635 (875) thousand.

January – September 2023

Group-wide operating expenses amounted to EUR 2,335 (2,560) thousand.

Personnel

Number of personnel at the end of the reporting period.

	9/2023	9/2022
Devices	47	54
Software	48	42
Group common	21	24
Total	116	120

Corporate Governance

Optomed complies with Finnish laws and regulations, Optomed's Articles of Association, the rules of Nasdaq Helsinki and the Finnish Corporate Governance Code 2020 issued by the Securities Market Association of Finland. The code is publicly available at <http://cgfinland.fi/en/>. Optomed's corporate governance statement 2022 is available on the company website www.optomed.com/investors/.

Annual General Meeting

The Annual General Meeting held on 10 May 2023 adopted the financial statements for the financial period ended on 31 December 2022 and discharged the members of the Board of Directors and the CEO from liability for the financial period ended on 31 December 2022. The Annual General Meeting decided to reject the remuneration report for governing bodies. The decision made is advisory.

The Annual General Meeting resolved in accordance with the proposal of the Board of Directors that no dividend will be paid for the year 2022.

The number of members of the Board of Directors was confirmed as six. Seppo Mäkinen, Petri Salonen, Reijo Tauriainen and Anna Tenstam were re-elected as members of the Board and Catherine Calarco and Ty Lee were elected as new members of the Board.

The Annual General Meeting confirmed the annual Board remuneration as follows:

- Chairman of the Board EUR 36,000
- members of the Board EUR 18,000.

In addition, a meeting fee in the amount of EUR 300 is paid to the Chairpersons and EUR 200 to members of the Committees for each Committee meeting. 40 percent of the Board remuneration is paid in Optomed shares and 60 percent in cash. The remuneration will be paid once a year in August, after Optomed's H1 report has been announced.

The Annual General Meeting decided to re-elect KPMG Oy Ab, a firm of authorized public accountants, as the Company's auditor. KPMG Oy Ab has informed the Company that Authorized Public Accountant Heidi Hyry acts as the auditor with principal responsibility. Auditor's remuneration will be paid in accordance with an invoice approved by the Company.

The Annual General Meeting approved the authorization for the Board of Directors to repurchase Optomed's own shares and to accept them as pledge. Altogether no more than 1,654,135 shares may be repurchased or accepted as pledge. The authorization will be valid until the earlier of the end of the next Annual General Meeting or 18 months from the resolution of the Annual General Meeting.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act. The number of shares to be issued based on this authorization may not exceed 1,654,135. The Board of Directors is authorized to resolve on all terms and conditions of the issuance of shares and special rights entitling to shares, including the right to derogate from the pre-emptive right of the shareholders. The authorization will be valid until the earlier of the end of the next Annual General Meeting or 18 months from the resolution of the Annual General Meeting.

The Annual General Meeting decided to amend the Articles of Association so that the minimum number of the members of the Board of Directors was reduced from five members to four.

Decisions of the Board of Directors:

At its meeting held after the Annual General Meeting, the Board of Directors elected from among its members Petri Salonen as its Chairman. The committee members were elected as follows:

Audit Committee:

- Reijo Tauriainen (Chairman)
- Catherine Calarco
- Anna Tenstam

Remuneration Committee:

- Seppo Mäkinen (Chairman)
- Catherine Calarco
- Ty Lee

Shares and shareholders

The Company has one share series with all shares having the same rights. At the end of the review period Optomed Plc's share capital consisted of 18,130,397 shares and the Company held 353,973 shares in the treasury which approximately corresponds to 2.1 percent of the total amount of the shares and votes. Additional information with respect to the shares, shareholding and trading can be found on the Company's website www.optomed.com/investors/.

Directed share issue

Optomed completed a directed share issue consisting of 1,589,042 shares and collected gross proceeds of approximately EUR 4.3 million in September 2023. The main purposes of the Share Issue are to strengthen the Company's balance sheet and to ensure sufficient financing for the implementation of the Company's growth strategy especially in the US diabetic retinopathy screening market. The investors include qualified and institutional investors. The subscription price was EUR 2.70 per Share, a discount of approximately 9.09 per cent compared to the representing the last 5-day volume-weighted average trading price ("VWAP") (EUR 2.97) of the Share up to and including 20 September 2023. The subscription price represents a discount of approximately 8.78 per cent to the closing price of the Company's share on 20 September 2023. The subscription price will be credited in full to the Company's reserve for invested unrestricted equity. The new shares were registered in the Finnish Trade Register and trading in the new shares together with the existing shares commenced on Nasdaq Helsinki Ltd on 25 September 2023.

Risks and uncertainties

The key risks and uncertainties are described in the company's Annual Report 2022 which was published on 2 March 2023. The complete report is available at <https://www.optomed.com/investors/>. Following risk has been added to the risk position:

Public Procurement

Optomed's Software segment provides development services also to a Finnish governmental agency under a contract the term of which is ending in the beginning of July 2024. The new contract with the agency is subject to a public

procurement process. There is a risk that the Company fails to win the procurement process and the new contract. In case the Company fails to win the new contract, the impact on 2024 revenue is expected to be approximately EUR 1 million.

Audit review

This financial report has not been audited by the company's auditors.

Financial reporting in 2024

- **15 February 2024** Financial Statement Bulletin for 1 January – 31 December 2023
- **7 May 2024** Interim Report for 1 January – 31 March 2024
- **8 August 2024** Half-Year Financial Report for 1 January – 30 June 2024
- **7 November 2024** Interim Report for 1 January – 30 September 2024

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About Optomed

Optomed is a Finnish medical technology company and one of the leading providers of handheld fundus cameras. Optomed combines handheld fundus cameras with software and artificial intelligence with the aim to transform the diagnostic process of various eye diseases, such as rapidly increasing diabetic retinopathy. In its business Optomed focuses on eye screening devices and software solutions related R&D in Finland and sales through different channels in over 60 countries.

www.optomed.com

Alternative Performance Measures

Optomed uses certain alternative performance measures (APMs) with the purpose to provide a better understanding of how the business develops. These APMs, as defined, cannot be fully compared with other companies' APMs.

Alternative Performance Measures	Definition
Gross profit	Revenue + Other operating income – Materials and services expenses
Gross margin, %	Gross profit / Revenue
EBITDA	Operating result before depreciation, amortization and impairment losses
EBITDA margin, %	EBITDA / Revenue
Operating result	Profit/loss after depreciation, amortization and impairment losses
Operating margin, %	Operating result / Revenue
Adjusted operating result	Operating result excluding items affecting comparability
Adjusted operating margin, %	Adjusted operating result / Revenue
Adjusted EBITDA	EBITDA excluding items affecting comparability
Adjusted EBITDA margin, %	Adjusted EBITDA / Revenue
Items affecting comparability	Material items outside ordinary course of business including restructuring costs, net gains or losses from sale of business operations or other non-current assets, strategic development projects, external advisory costs related to capital reorganisation, impairment charges on non-current assets incurred in connection with restructurings, compensation for damages and transaction costs related to business acquisitions.
Net Debt	Interest-bearing liabilities (borrowings from financial institutions, government loans and subordinated loans) – cash and cash equivalents (excl. lease liabilities according to IFRS 16)
Net Debt / EBITDA (LTM), times	Net Debt / EBITDA (for the last twelve months, LTM)
Net Debt / Adjusted EBITDA (LTM), times	Net Debt / Adjusted EBITDA (for the last twelve months, LTM)
Earnings per share	Net result / Weighted average number of outstanding shares
Equity ratio, %	Total equity / Total assets
R&D expenses	Employee benefit expenses for R&D personnel and other operational expenses related to R&D activities

Reconciliation of Alternative Performance Measures

In thousand of Euro	Q3/2023	Q3/2022	Q1-Q3/2023	Q1-Q3/2022	2022
Revenue	4,218	3,700	11,440	10,648	14,660
Other operating income	-6	842	28	879	857
Material and services	-1,371	-1,576	-3,665	-4,221	-5,449
Gross profit	2,841	2,967	7,803	7,305	10,069
Operating result (EBIT)	-603	-1,411	-2,655	-4,227	-5,097
Items affecting comparability					
Specific credit loss percent change from 30 to 50 %	311	0	311	0	0
Adjusted EBIT	-291	-1,411	-2,343	-4,227	-5,097
Depreciation, amortization and impairment losses	554	-1,557	1,631	2,622	3,145
Adjusted EBITDA	263	145	-713	-1,604	-1,952

Consolidated income statement

In thousands of euro	Q3/2023	Q3/2022	Q1-Q3/2023	Q1-Q3/2022	2022
Revenue	4,218	3,700	11,440	10,648	14,660
Other operating income	-6	842	28	879	857
Materials and services	-1,371	-1,576	-3,665	-4,221	-5,449
Employee benefit expenses	-1,876	-2,083	-6,258	-6,449	-8,827
Depreciation, amortization and impairment losses	-554	-1,557	-1,631	-2,622	-3,145
Other operating expenses	-1,013	-739	-2,569	-2,460	-3,193
Operating result	-603	-1,411	-2,655	-4,227	-5,097
Finance income	317	145	423	563	569
Finance expenses	-173	-130	-738	-471	-1,024
Net finance expenses	144	15	-315	92	-454

Profit (loss) before income taxes	-459	-1,397	-2,970	-4,135	-5,551
Income tax expense	20	20	59	59	79
Loss for the period	-439	-1,377	-2,911	-4,075	-5,472
Loss for the period attributable to					
Owners of the parent company	-439	-1,377	-2,911	-4,075	-5,472
Loss per share attributable to owners of the parent company					
Weighted average number of shares	16,114,040	14,180,928	16,114,040	14,180,928	14,640,697
Basic loss per share (euro)	-0.03	-0.10	-0.18	-0.29	-0.37

Consolidated condensed comprehensive income statement

In thousands of euro	Q3/2023	Q3/2022	Q1-Q3/2023	Q1-Q3/2022	2022
Loss for the period	-439	-1,377	-2,911	-4,075	-5,472
Other comprehensive income					
Foreign currency translation difference	-133	-21	111	-141	139
Other comprehensive income, net of tax	-133	-21	111	-141	139
Total comprehensive loss attributable to Owners of the parent company	-573	-1,398	-2,800	-4,216	-5,333

Consolidated balance sheet

In thousands of euro	September 30, 2023	September 30, 2022	Dec 31, 2022
ASSETS			
Non-current assets			
Goodwill	4,256	4,256	4,256
Development costs	7,493	6,287	6,562
Customer relationships	998	1,220	1,164
Technology	458	560	534
Other intangible assets	387	360	379
Total intangible assets	13,592	12,683	12,895
Tangible assets	747	932	852
Right-of-use assets	1,069	920	1,448
Deferred tax assets	17	15	15
Total non-current assets	15,425	14,549	15,210
Current assets			
Inventories	2,793	2,833	2,998
Trade and other receivables	3,697	4,782	4,568
Cash and cash equivalents	9,565	5,668	8,524
Total current assets	16,054	13,283	16,090
Total assets	31,479	27,832	31,300

In thousands of euro	September 30, 2023	September 30, 2022	Dec 31, 2022
EQUITY			
Share capital	80	80	80
Share premium	504	504	504
Reserve for invested non-restricted equity	50,936	43,137	46,896
Translation differences	162	-228	51
Retained earnings	-27,085	-21,803	-21,717
Profit (loss) for the financial year	-2,911	-4,075	-5,472
Total equity	21,686	17,613	20,342
LIABILITIES			
Non-current liabilities			
Borrowings from financial institutions	1,851	3,579	3,380
Government loans	837	1,030	906
Lease liabilities	595	538	1,058
Deferred tax liabilities	329	406	387
Total Non-current liabilities	3,613	5,553	5,731
Current liabilities			
Borrowings from financial institutions	1,794	596	794
Government loans	193	193	193
Lease liabilities	505	400	412
Trade and other payables	3,687	3,477	3,828
Total current liabilities	6,180	4,666	5,227
Total liabilities	9,793	10,218	10,957
Total equity and liabilities	31,479	27,832	31,300

Consolidated statement of changes in shareholders' equity

Equity attributable to owners of the parent company

In thousands of euro	Share capital	Share premium	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total
Balance at January 1, 2023	80	504	46,896	51	-27,189	20,342
Comprehensive income						
Loss for the period					-2,911	-2,911
Other comprehensive income						
Translation differences				111		111
Total comprehensive income for the period				111	-2,911	-2,800
Share issue			4,023			4,023
Share options			16		105	121
Total transactions with owners of the company			4,039		105	4,144
Balance at September 30, 2023	80	504	50,936	162	-29,995	21,686

Equity attributable to owners of the parent company

In thousands of euro	Share capital	Share premium	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total
Balance at January 1, 2022	80	504	38,526	-88	-21,970	17,052
Comprehensive income						
Loss for the period					-4,075	-4,075
Other comprehensive income						
Translation differences				-141		-141
Total comprehensive income for the period				-141	-4,075	-4,216
Share issue			4,611			4,611
Share options					167	167
Total transactions with owners of the company			4,611		167	4,778
Other adjustments						0
Balance at September 30, 2022	80	504	43,137	-228	-25,878	17,613

Equity attributable to owners of the parent company

In thousands of euro	Share capital	Share premium	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total
Balance at January 1, 2022	80	504	38,526	-88	-21,970	17,052
Comprehensive income						
Loss for the period					-5,472	-5,472
Other comprehensive income						
Translation differences				139		139
Total comprehensive income for the period				139	-5,472	-5,333
Share issue			8,371			8,371
Share options					253	253
Total transactions with owners of the company			8,371		253	8,624
Balance at December 31, 2022	80	504	46,896	51	-27,189	20,342

Consolidated cash flow statement

In thousands of euro	Q3/2023	Q3/2022	Q1-Q3/2023	Q1-Q3/2022	2022
Cash flows from operating activities					
Loss for the financial year	-439	-1,377	-2,911	-4,075	-5,472
Adjustments:					
Depreciation, amortization and impairment losses	554	1,557	1,631	2,622	3,145
Finance income and finance expenses	-79	37	423	0	618
Other adjustments	366	-782	311	-752	-770
Cash flows before change in net working capital	402	-565	-546	-2,204	-2,479
Change in net working capital:					
Change in trade and other receivables (increase (-) / decrease (+))	611	496	597	64	204
Change in inventories (increase (-) / decrease (+))	187	345	173	159	-68
Change in trade and other payables (increase (+) / decrease (-))	-334	-725	-175	20	172
Cash flows before finance items	866	-449	50	-1,962	-2,171
Interest paid	-76	-38	-128	-60	-76
Other finance expenses paid	-23	-17	-42	-72	-123
Net cash from operating activities (A)	767	-504	-120	-2,093	-2,370
Cash flows from investing activities					
Capitalization of development expenses	-549	-449	-1,672	-1,729	-2,249
Acquisition of tangible assets	-67	-349	-156	-742	-780
Net cash used in investing activities (B)	-615	-797	-1,828	-2,471	-3,029
Cash flows from financing activities					
Proceeds from share subscriptions	4,294	7	4,310	4,952	9,012
Share issue transaction costs	-318	0	-318	-382	-682
Repayment of loans and borrowings	-132	-73	-598	-880	-912
Repayment of lease liabilities	-123	-106	-370	-310	-415
Net cash from financing activities (C)	3,721	-172	3,024	3,380	7,003
Net cash from (used in) operating, investing and financing activities (A+B+C)	3,872	-1,473	1,077	-1,184	1,605
Cash and cash equivalents at beginning of period	5,691	7,079	8,524	6,804	6,804
Effect of movements in exchange rate on cash held	2	63	-36	48	115
Cash and cash equivalents at end of period	9,565	5,668	9,565	5,668	8,524

Selected notes

Corporate information and basis of accounting

Corporate information

Optomed is a Finnish medical technology group (hereafter 'Optomed' or 'Group') that specialises in handheld fundus cameras and solutions for screening of blinding eye diseases, established in 2004.

The Group's parent company, Optomed Plc (hereafter the 'Company'), is a Finnish public limited liability company established under the laws of Finland, and its business ID is 1936446-1. It is domiciled in Oulu, Finland and the Company's registered address is Yrttipellontie 1, 90230 Oulu, Finland.

Basis of accounting

Optomed's consolidated financial statements has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The preparation of this interim report also takes into account the amendments to IFRS standards that have become effective by January 1, 2023.

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Group's last annual consolidated financial statements as at and for the year ended 31 December 2022. These Interim financial statements do not include all of the information required by IAS 34: selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

All presented figures have been rounded so the sum of the individual figures may differ from the presented total figure. Financial ratios have been calculated using exact figures.

This report has been authorized for issue by the company's board of directors.

Reportable segments

Q3/2023

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	1,825	2,393	0	4,218
Net operating expenses	-701	-675	0	-1,376
Margin	1,124	1,718	0	2,841
Depreciation and amortization	-363	-189	-3	-554
Other expenses	-1,174	-1,081	-635	-2,890
Operating result	-413	448	-637	-603
Finance items	0	0	144	144
Loss before tax expense	-413	448	-494	-459

Q3/2022

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	1,697	2,003	0	3,700
Net operating expenses	-105	-629	0	-734
Margin	1,592	1,374	0	2,967
Depreciation and amortization	-1,390	-165	-2	-1,557
Other expenses	-1,046	-900	-875	-2,821
Operating result	-844	310	-877	-1,411
Finance items	0	0	15	15
Loss before tax expense	-844	310	-863	-1,397

Q1-Q3/2023

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	3,986	7,454	0	11,440
Net operating expenses	-1,630	-2,007	0	-3,637
Margin	2,356	5,447	0	7,803
Depreciation and amortization	-1,076	-548	-7	-1,631
Other expenses	-3,050	-3,443	-2,335	-8,827
Operating result	-1,769	1,456	-2,342	-2,655
Finance items	0	0	-315	-315
Loss before tax expense	-1,769	1,456	-2,657	-2,970

Q1-Q3/2022

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	4,122	6,525	0	10,648
Net operating expenses	-1,248	-2,095	0	-3,342
Margin	2,875	4,430	0	7,305
Depreciation and amortization	-2,133	-483	-6	-2,622
Other expenses	-3,292	-3,057	-2,560	-8,909
Operating result	-2,550	890	-2,566	-4,227
Finance items	0	0	92	92
Loss before tax expense	-2,550	890	-2,474	-4,135

2022

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	5,398	9,263	0	14,660
Net operating expenses	-1,659	-2,933	0	-4,592
Margin	3,738	6,330	0	10,069
Depreciation and amortization	-2,489	-649	-8	-3,145
Other expenses	-4,408	-4,251	-3,361	-12,020
Operating result	-3,159	1,431	-3,368	-5,097
Finance items	0	0	-454	-454
Loss before tax expense	-3,159	1,431	-3,823	-5,551

Other operating income

In thousands of euro	Q3/2023	Q3/2022	Q1-Q3/2023	Q1-Q3/2022	2022
Other operating income	-6	842	28	879	857
Total	-6	842	28	879	857

Other operating expenses

Other operating expenses	Q3/2023	Q3/2022	Q1-Q3/2023	Q1-Q3/2022	2022
Sales and marketing	-111	-200	-450	-578	-784
Research and development	-54	-36	-186	-298	-361
General and administration	-849	-503	-1,933	-1,584	-2,049
Total operating expenses	-1,013	-739	-2,569	-2,460	-3,193

Other operating expenses also comprise changes in expected credit losses and realized credit losses.

Exposure to credit risk and loss allowance

Optomed considers it has heightened risk regarding Chinese customer's trade receivables. The credit risk concentration has been formed and is associated with an increased credit loss risk due to overdue trade receivables. Specific loss allowance weighted average loss rate% increased from 30% to 50%.

In thousands of euro	Gross carrying amount	Weighted av. loss rate%	Loss allowance
At September 30, 2023			
Current (not past due)	1,647	0.5%	8
Past due			
1-30 days	38	1.5%	1
31-60 days	83	4%	3
61-90 days	125	9%	11
More than 90 days past due	306	12%	37
Specific loss allowance	1,556	50%	778
Total	3,756		838

In thousands of euro	Gross carrying amount	Weighted av. loss rate%	Loss allowance
At September 30, 2022			
Current (not past due)	1,572	0.5%	8
Past due			
1-30 days	144	1.5%	2
31-60 days	135	4%	5
61-90 days	12	9%	1
More than 90 days past due	37	12%	4
Specific loss allowance	2,211	30%	663
Total	4,112		684

In thousands of euro	Gross carrying amount	Weighted av. loss rate%	Loss allowance
At December 31, 2022			
Current (not past due)	1,664	0.5%	8
Past due			
1-30 days	161	1.5%	2
31-60 days	7	4%	0
61-90 days	29	9%	3
More than 90 days past due	12	12%	1
Specific loss allowance	1,962	30%	589
Total	3,836		604

Financial liabilities

In thousands of euro	30.9.2023	30.9.2022	31.12.2022
Non-current financial liabilities			
Borrowings from financial institutions	1,851	3,579	3,380
Government loans	837	1,030	906
Lease liabilities	595	538	1,058
Total	3,284	5,147	5,344
Current financial liabilities			
Borrowings from financial institutions	1,794	596	794
Government loans	193	193	193
Lease liabilities	505	400	412
Trade payables	990	1,004	869
Total	3,482	2,193	2,268
Total financial liabilities	6,766	7,340	7,612

Fair values - financial liabilities measured at amortized cost.

Optomed considers that the carrying amounts of the financial liabilities measured at amortized cost substantially equal to their fair values.

Events after the review period

No material events after the reporting period.