

2024



Financial Statements Bulletin

January – December 2024



Optomed Plc: Financial Statements Bulletin, January – December 2024

October – December 2024

- Revenue increased by 39.3 percent to EUR 5.1 (3.7) million
- Devices segment revenue increased by 149.3 percent to EUR 2.6 (1.0) million driven by a large order in the US.
- Software segment revenue decreased by 3.3 percent to EUR 2.5 (2.6) million.
- Adjusted EBITDA was EUR -0.5 (-0.8) million corresponding to -10.4 (-20.7) percent of revenue.
- Optomed expects its full year 2025 revenue to grow strongly compared to 2024

January – December 2024

- Revenue decreased by 0.4 percent to EUR 15.0 (15.1) million.
- Devices segment revenue increased by 6.3 percent to EUR 5.3 (5.0) million.
- Software segment revenue decreased by 3.7 percent to EUR 9.7 (10.1) million.
- Adjusted EBITDA amounted to EUR -2.8 (-1.5) million corresponding to -18.6 (-9.7) percent of revenue and EBITDA amounted to -3.5 (-1.8) EUR million.
- Optomed Aurora with AEYE-DS AI successfully received FDA clearance in Q2-2024.
- Optomed signed a shareholder's agreement with Zhongbao Fund to establish a joint venture in China in Q2-2024.
- Optomed successfully completed directed share issue in Q2-2024 raising gross proceeds approximately EUR 7.9 million.

Key figures

In thousands of euro	Q4/2024	Q4/2023	Change, %	2024	2023	Change, %
Revenue	5,099	3,660	39.3%	15,040	15,100	-0.4%
Gross profit *	3,321	2,489	33.4%	9,676	10,292	-6.0%
Gross margin % *	65.1%	68.0 %		64.3%	68.2%	
EBITDA	-812	-757	-7.2%	-3,458	-1,781	-94.2%
EBITDA margin *, %	-15.9%	-20.7%		-23.0%	-11.8%	
Adjusted EBITDA *	-532	-757	29.7%	-2,796	-1,470	-90.2%
Adjusted EBITDA margin *, %	-10.4%	-20.7%		-18.6%	-9.7%	
Operating result (EBIT)	-1,497	-1,319	-13.5%	-5,689	-3,974	-43.2%
Operating margin (EBIT) *, %	-29.4%	-36.1%		-39.6%	-26.3%	
Adjusted operating result (EBIT) *	-1,218	-1,319	7.7%	-5,295	-3,663	-44.6%
Adjusted operating margin (EBIT margin) *, %	-23.9%	-36.1%		-35.2%	-24.3%	
Net profit/ loss	-989	-1,530	35.5%	-5,450	-4,441	-22.7%
Earnings per share	-0.05	-0.09	42.1%	-0.29	-0.27	-9.8%
Cash flow from operating activities	318	-457	169.5%	-1,596	-615	-159.3%
Net Debt	-8,170	-3,768	116.8%	-8,170	-3,768	116.8%
Net debt/ EBITDA (LTM) *	2.4	2.1		2.4	2.1	
Net debt/ Adjusted EBITDA (LTM) *	2.9	2.6		2.9	2.6	
Equity ratio *	74.4%	70.0%		74.4%	70.0%	
R&D expenses personnel	394	338	16.7%	1,336	1,280	4.4%
R&D expenses other costs	223	139	60.7%	706	644	9.6%
Total R&D expenses	617	476	29.5%	2,041	1,924	6.1%

*) 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 FY2024 items affecting comparability amounted to EUR 662 thousand and In Q4 2024 items affecting comparability amounted to 279 and are related to credit loss with respect to an overdue trade receivable from a customer in China.

CEO Review

Dear Shareholders

I am pleased to present Optomed's financial and operational results for the fourth quarter and full year 2024. This has been a year of both challenges and significant achievements as we continue to drive innovation and expand our market presence. Despite macroeconomic headwinds, we have made important progress in our strategic initiatives, particularly in the U.S.

October – December 2024

Optomed delivered strong growth in the fourth quarter of 2024, with revenue increasing by 39.3% to EUR 5.1 million, compared to EUR 3.7 million in the same period of 2023. This growth was primarily driven by the significant increase in the Devices segment, which saw revenue surge by 149.3% to EUR 2.6 million (Q4 2023: EUR 1.0 million). A key driver of this growth was a large order from the U.S., reflecting the increasing demand for our innovative handheld fundus cameras in the market.

In contrast, revenue in the Software segment declined slightly by 3.3% to EUR 2.5 million (Q4 2023: EUR 2.6 million). While we continue to see strong engagement from our existing customers, the segment faced temporary challenges related to contract renewals and delayed purchasing decisions by some clients.

Optomed's Adjusted EBITDA improved compared to the previous year, amounting to EUR -0.5 million (Q4 2023: EUR -0.8 million). This represents an improvement in profitability, with Adjusted EBITDA margin rising to -10.7%, compared to -20.7% in Q4 2023. The improvement was driven by higher revenue from the Devices segment, operational efficiency measures, and disciplined cost control.

January – December 2024

For the full year 2024, Optomed's revenue remained stable, decreasing slightly by 0.4% to EUR 15.0 million (2023: EUR 15.1 million). While overall growth was limited, the performance varied across our two main business segments.

Devices segment revenue increased by 6.3% to EUR 5.3 million (2023: EUR 5.0 million), driven by strong demand in the U.S. The US has become our largest market within the Devices segment in 2024.

Software segment revenue declined by 3.7% to EUR 9.7 million (2023: EUR 10.1 million). The decrease was mainly due to slower-than-expected contract renewals, but we anticipate a recovery in 2025 especially in the dental business which a new business segment for Optomed.

Optomed's profitability was impacted by investments in growth, leading to an Adjusted EBITDA of EUR -2.8 million (2023: EUR -1.5 million), corresponding to -18.7% of revenue (2023: -9.7%). The decline reflects our strategic investments in AI-driven technology, regulatory approvals, and market expansion initiatives, which we expect to yield long-term benefits.

Key Achievements in 2024

- FDA clearance for Optomed Aurora together with our partner AEYE Health: one of our most significant achievements in 2024 was successfully obtaining FDA clearance for Optomed Aurora with AEYE-DS AI in Q2. This marks a major milestone as Optomed Aurora AEYE became the first AI-powered handheld fundus camera to receive FDA clearance for detecting diabetic retinopathy. This clearance opens new opportunities in the U.S. market, reinforcing our leadership in AI-driven eye diagnostics.
- Our new fundus camera successfully received CE certification according to new regulation (MDR). This device will be a game-changing component in the field of oculomics's expansion and breakthrough in the field.
- Strategic Expansion in China: In Q2 2024, Optomed signed a shareholder agreement with Zhongbao Fund to establish a joint venture in China.
- We successfully entered into the dental imaging segment for several major well-being services counties. This marks an opportunity for us and provides a strong foundation for future growth. We also managed to secure continuation for our non-healthcare-related business. This business has been in the past years a significant part of software segments overall business.
- Successful fundraising: To support our growth strategy, Optomed successfully completed a directed share issue in Q2 2024, raising gross proceeds of approximately EUR 7.9 million. This funding has provided us with additional resources to advance our AI technology, expand into new markets, and invest in product innovation. Our cash position remains strong at the year end of 2024 and this enables us to drive our key growth initiatives forward.

Year 2025

Looking ahead to 2025, Optomed remains committed to its mission of making eye screening accessible and efficient worldwide. Among others, we expect the following items to support our revenue growth in 2025:

- Increased adoption of AI-powered screening solutions, particularly in the U.S. following the FDA clearance.
- New partnerships and collaborations with healthcare providers and research institutions.
- Continued innovation and investment in AI and handheld imaging technology.

We are confident that our strong foundation, strategic initiatives, and commitment to innovation will drive sustainable growth and improved profitability in the years ahead.

I would like to take this opportunity to thank our employees, customers, partners, and shareholders for their continued trust and support. Together, we are shaping the future of AI-powered eye diagnostics.

Juho Himberg
CEO

Outlook 2025

Optomed expects its full year 2025 revenue to grow strongly compared to 2024.

Telephone conference

A telephone conference for analysts, investors and media will be arranged on 13 February 2024 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 902 596 758#

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

October – December 2024

In October-December 2024, the group's revenue increased by 39.3 percent to EUR 5,099 (3,660) thousand. Revenue in the Devices segment increased by 149.3 percent to EUR 2,551 (1,023) thousand due to a large order in the United States. Revenue in the Software segment decreased by 3.3 percent to EUR 2,549 (2,637) thousand.

The gross margin decreased to 57.9 percent from 68.0 percent in the comparison period.

EBITDA decreased to EUR -812 (-757) thousand.

EBIT was EUR -1,497 (-1,319) thousand.

Net financial items for October-December 2024 were EUR 493 (-230) thousand, mainly consisting of interest income and exchange rate differences between the Chinese renminbi and the US dollar against the euro.

January – December 2024

In January-December, revenue decreased by 0.4 percent to EUR 15,040 (15,100) thousand. Revenue in the Devices segment increased by 6.3 percent, while revenue in the Software segment decreased by 3.7 percent.

The gross margin decreased to 64.3 percent from 68.2 percent in the comparison period.

EBITDA was EUR -3,458 (-1,781) thousand, and EBIT was EUR -5,957 (-3,974) thousand.

Net financial items were EUR 441 (-545) thousand, mainly consisting of interest income and exchange rate differences between the Chinese renminbi and the euro.

Optomed Aurora AEYE-DS AI successfully received FDA approval in the United States during Q2 2024.

In Q2 2024, Optomed signed a shareholder agreement for a joint venture in China with Zhongbao, a venture capital firm based in Shenzhen, China. The pilot project has been transferred to 2025.

Cash flow and financial position

October – December 2024

In October-December, the net cash flow from operations was EUR 318 (-457) thousand. The net cash flow from investments was EUR -613 (-583) thousand, mainly consisting of capitalized product development expenses. The net cash flow from financing activities was EUR -241 (-1,415) thousand for the financial year.

At the end of the review period, the group's cash and cash equivalents were EUR 10,467 (7,118) thousand. Net debt was EUR -8,170 (-3,768) thousand at the end of the review period.

Net working capital was EUR 1,128 (2,460) thousand at the end of the review period.

A Chinese customer, from whom Optomed has significant trade receivables, has failed to make several payments since the second half of 2023. The credit loss provision has been increased by EUR 279 thousand in Q4 and it was now 100% of the trade receivable at the end of the review period. Optomed will nevertheless continue to pursue debt collection.

January – December 2024

In January-December, the net cash flow from operations was EUR -1,596 (-615) thousand.

The net cash flow from investments was EUR -2,118 (-2,412) thousand, mainly consisting of capitalized product development expenses.

A Chinese customer, from whom Optomed has significant trade receivables, has failed to make several payments since the second half of 2023. As a result, the special provision for credit losses was increased to 75 percent during Q2 2024. During Q3 2024, Optomed received a payment of EUR 455 thousand from the customer, reducing the credit loss provision by EUR 340 thousand. The credit loss provision was increased to 100% in the last quarter of the year and the trade receivable has been written off. Total credit loss for 2024 was EUR 1,099 thousand.

The net cash flow from financing activities was EUR 7,081 (1,609) thousand for the review period.

On June 26, 2024, Optomed carried out a directed share issue consisting of 1,500,000 new shares of the company. The issue raised approximately EUR 7.9 million in gross proceeds.

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).

In thousands of euro	Q4/2024	Q4/2023	Change, %	2024	2023	Change, %
Revenue	2,551	1,023	149.3%	5,326	5,009	6.3%
Gross profit *	1,476	590	150.2%	2,778	2,947	-5.7%
Gross margin % *	57.9%	57.7%		52.2%	58.8%	
EBITDA	-115	-570	126.7%	-1,673	-1,264	-32.4%
EBITDA margin *, %	-4.5%	-55.7%		-31.4%	-25.2%	
Operating result (EBIT)	-589	-938	65.8%	-3,343	-2,707	-23.5%
Operating margin (EBIT) *, %	-231%	-91.7%		-62.8%	-54.0%	

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

October – December 2024

In October – December 2024, the Devices segment revenue increased by 149.3 percent to EUR 2,551 (1,023) thousand. During the quarter, the Devices segment received a large order from a US screening service provider. The order was traditional device capex transaction and did not include AI service or a recurring revenue component.

The gross margin was 57.9 (57.7) percent.

EBITDA was EUR -115 (-570) thousand or -4.5 (-55.7) percent of revenue.

January – December 2024

In January – December 2024, the Devices segment revenue increased by 6.3 percent to EUR 5,326 (5,009) thousand. During the year, the US was the largest sales channel driven by the large US order of Q4.

The gross margin decreased to 52.2 percent from 58.8 percent. The gross margin was negatively affected by an inventory revaluation of EUR 0.3 million in Q3-2024.

EBITDA was EUR -1,673 (-1,264) thousand or -31.4 (-25.2) percent of revenue.

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.

In thousands of euro	Q4/2024	Q4/2023	Change, %	2024	2023	Change, %
Revenue	2,549	2,637	-3.3%	9,714	10,091	-3.7%
Gross profit *	1,845	1,899	-2.8%	6,889	7,346	-6.2%
Gross margin % *	72.4%	72.0%		70.9 %	72.8%	
EBITDA	429	624	-31.2%	1,897	2,629	-27.8%
EBITDA margin *, %	16.8%	23.7%		19.5 %	26.1%	
Operating result (EBIT)	219	432	-49.3%	1,078	1,889	-42.9%
Operating margin (EBIT) *, %	8.6%	16.4%		11.1 %	18.7%	

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

October – December 2024

In October – December 2024, the Software segment decreased by 3.3 percent to EUR 2,549 (2,637) thousand.

The gross margin was 72.4 (72.0) percent.

EBITDA was EUR 429 (624) thousand or 16.8 (23.7) percent of revenue.

January – December 2024

In January - December 2024, the Software segment revenue decreased by 3.7 percent to EUR 9,714 (10,091) thousand. In Q3-2024, the Software segment won a dental imaging related public procurement process in Finland. In Q2-2024, Optomed won a contract to provide non-healthcare development services to a Finnish governmental agency. Optomed has been providing the services since 2003, but the contract was subject to a procurement process.

Gross margin decreased and it was 70.9 (72.8) percent.

EBITDA was EUR 1,897 (2,629) thousand or 19.5 (26.1) percent of revenue.

Group-wide expenses

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

October – December 2024

Group-wide operating expenses amounted to EUR 1,127 (814) thousand.

January – December 2024

Group-wide operating expenses amounted to EUR 3,692 (3,155) thousand.

Personnel

Number of personnel at the end of the reporting period.

	12/2024	12/2023
Devices	47	47
Software	50	47
Group common	18	20
Total	115	114

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 2023 is available on the company website www.optomed.com/investors/.

Annual General Meeting

The Annual General Meeting held on 10 May 2024 adopted the financial statements for the financial period ended on 31 December 2023, discharged the members of the Board of Directors and the CEO from liability for the financial period ended on 31 December 2023 and adopted the Company's Remuneration Report and Remuneration Policy for Governing Bodies.

The Annual General Meeting resolved in accordance with the proposal of the Board of Directors that no dividend will be paid for the year 2023.

The number of members of the Board of Directors was confirmed as six. Catherine Calarco, Ty Lee, Seppo Mäkinen, Petri Salonen, Reijo Tauriainen and Anna Tenstam were re-elected as 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 part of the Board remuneration paid in Optomed shares will, if possible, be conveyed from the treasury shares of the Company in accordance with the authorization of the Board of Directors to resolve on the issuance of shares and special rights entitling to shares. 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. The auditor's remuneration will be paid in accordance with an invoice approved by the Company.

The Annual General Meeting resolved in accordance with the Board's proposal to amend the terms and conditions of the Stock Option Plans 2017B, 2018C, 2019A and 2019C so that the subscription periods for shares pursuant to all option rights granted under each Stock Option Plan will end on 31 December 2027.

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 1,813,039 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 1,813,039. 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 this Annual General Meeting.

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

Ty Lee

Anna Tenstam

Remuneration Committee:

Seppo Mäkinen (Chairman)

Ty Lee

Catherine Calarco

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 19,693,297 shares and the Company held 34,729 shares in the treasury which approximately corresponds to 0.18 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/.

Flagging notifications

On 2 July 2024, Optomed announced that has received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Markets Act (as amended, the "SMA") from Sp Rahastoyhtiö Oy. According to the notification, the total holdings in Optomed shares and votes held the investment funds of Sp-Rahastoyhtiö (Säästöpankki Pienyhtiöt, Säästöpankki Kotimaaa) is 6.51 per cent of all of the registered shares in Optomed on 1 July 2024.

On 30 September 2024, Optomed announced that it has received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Markets Act (as amended, the "SMA") from Danske Bank A/S. According to the notification, the total holdings in Optomed shares and votes held by Danske Bank A/S is 5.08 per cent of all of the registered shares in Optomed on 26 September 2024.

On 14 November 2024, Optomed announced that it has received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Markets Act (as amended, the "SMA") from Danske Bank A/S. According to the notification, the total holdings in Optomed shares and votes held by Danske Bank A/S is 4.86 per cent of all of the registered shares in Optomed on 12 November 2024.

Directed share issue

Optomed completed a directed share issue consisting of 1,500,000 shares and collected gross proceeds of approximately EUR 7.9 million in June 2024. According to the assessment of the Company, the Share Issue supports the Company's target best compared to other equity financing options.

The Board has considered other financing options, including various capital market financing options. According to the assessment of the Board, the other alternatives involved significant costs, timetable requirements as well as uncertainties related to the implementation which are not in the interest of the Company and its shareholders when taking into account the Company's capital needs and the need for rapidly developing the Company's business to utilise its market position. Therefore, the Board of the Company has considered that there is a weighty financial reason for the Company to deviate from the pre-emptive subscription rights, and according to the Board of the Company, the Share Issue is in the interest of the Company and its shareholders.

The subscription price was EUR 5.25 per Share. The subscription price represented a discount of approximately 13.8 per cent compared to the closing price of the Company's share on 26 June 2024. The subscription price has been determined through negotiations corresponding to a bookbuilding, involving a limited number of institutional and qualified investors. The investors were identified on the basis of their investment potential, expertise in the Company and its industry, and knowledge of the Finnish market. The purpose of the procedure has been to ensure the realisation of the financing arrangement and the subscription price being market based. The subscription price was credited in full to the Company's reserve for invested unrestricted equity.

New shares subscribed for in Optomed Plc's directed share issue have been registered into the Finnish Trade Register, and the shares were admitted to trading on the official list of Nasdaq Helsinki Ltd on 1 July 2024.

Risks and uncertainties

Optomed has reviewed its complete risk position after the year end of 2024. The complete risk position is as follows.

GEOPOLITICS

Optomed operates globally.

Geopolitical tensions may impact the competitiveness of Optomed's supply chain or sales, leading to increased costs or causing potential disruptions for example in the form of tariffs.

HIGH QUALITY PRODUCTS

The quality and safety of the Company's products are extremely important for Optomed's competitiveness.

The Company may be adversely affected if it fails to continuously develop and update its fundus cameras and software solutions or to identify or integrate new products and product platforms into its offering. The Company's or its partners' products may also be subject to clinical trials, the results of which are critical for the products' regulatory approvals and market acceptance.

STRATEGY AND M&A

The Company may be unsuccessful in fulfilling its strategy or the strategy itself may be unsuccessful .

The successful implementation of the Company's strategy depends upon a number of factors, some of which are completely or partially outside the Company's control. The Company has an appropriate risk management function in the context of the size of the Company's operations, however, it may not be able to identify or monitor all relevant risks and determine efficient risk management procedures and responsible persons that may again affect the strategy. The Company is also dependent on its ability to develop and manage varying routes-to-market for its products, the efficiency of its sales channels and its customer and distributor relationships. Further, the Company has an opportunistic view on M&A which by nature include inherent risks. Failure of strategy may force the Company to record write-downs on its goodwill.

MARKET AND COMPETITION

Optomed operates in a niche market that is highly competitive.

Optomed operates in the fundus camera market that is developing fast and the competition is sometimes fierce. The market acceptance of the Company's products and solutions is important for our future growth. Optomed recognizes a possibility of new market changing products entering the market. Further, in certain key geographies the client base is limited and, therefore, a loss of a key customer in a key market may adversely affect our revenue streams.

EXTERNAL ECONOMIC AND POLITICAL RISKS AND NATURAL DISASTERS

Optomed operates globally and is thus exposed to various external risks.

The Company is exposed to natural disasters taking place in countries where it operates and general and country specific economic political and regulatory risks, which could entail volatile sales in key markets.

SUPPLY CHAIN

Optomed's business is dependent on the effectiveness of purchasing materials, manufacturing and timely distribution.

The Company is dependent on contract manufacturers for functioning, efficient and effective production and product assembly. Further, the Company is dependent on suppliers which may affect the Company's ability to supply its customers in a timely manner.

SYSTEMS AND INFORMATION

Our operations are increasingly dependent on IT systems.

Disruption of the Company's IT systems could inhibit our business operations in a number of ways, including disruption to financial reporting, sales, production and cash flows.

LITIGATION

Optomed operates globally and pursues double-digit annual organic growth in medium term.

Optomed may not always be able to reach the best contractual terms with stakeholders. The Company may be negatively affected by legal or administrative proceedings directed at the Company or third parties due to back-to-back liability, or other disputes and claims including product liability, especially in terms of medical devices, and intellectual property rights related items.

TRADE SECRETS AND PATENTS

The technologic capabilities are a competitive advantage that the Company must be able to protect.

The Company may not be able to protect its trade secrets and know-how which could lead to losing the competitive advantage the Company has. At the same time, the Company maybe forced to take actions against parties that violate our IPRs.

TALENT & ORGANISATION

A skilled workforce and agile organisation are essential for the continued success of our business.

The Company may be adversely affected if it would lose its key personnel or fails to attract the right talent.

FINANCE

The Company needs external financing to operate and is not currently profitable.

The Company is dependent on external financing and the Company may have difficulties accessing additional financing on competitive terms or at all which may again contribute the Company's liquidity risks. The Company is also subject to credit and counterparty risks through its trade receivables.

FOREX

We operate globally and are thus exposed to currency exchange risks.

The Company is exposed to foreign exchange rate risks arising from fluctuations in currency exchange rates, especially with regards USD, EUR and RMB. Currency rates, along with demand cycles, can result in significant swings in the prices of the raw materials needed to produce our goods and our sales prices and OPEX.

LEGAL AND REGULATORY

Compliance with laws and regulations is an essential part of Optomed's business operations.

Optomed together with its suppliers and distributors operate globally and are subject to various national and regional regulations in the areas of medical devices, product safety, product claims, data protection, intellectual property rights, health and safety, competition, employment, taxes and anti-money laundering and anti- bribery & corruption (AML & ABC). Further, many of the Company's devices are subject to various medical related assessment (including clinical trials), clearance and approval processes that are required to place our products the market. Failure to comply these might lead to loss of sales permits in different markets, product recalls, reputational issues, civil and criminal actions leading to various direct and indirect damages to Optomed and its employees that are not completely covered by Optomed's insurance coverage. Especially, failures with respect to compliance with certain medical devices related regulations and processes may hinder the Company's devices' market access.

The Board's proposal for the distribution of profit

The parent company's non-restricted equity on 31 December 2024, was EUR 28,957,353.52 and the net loss for the financial year was EUR -4,931,484.87. The Board of Directors proposes to the Annual General Meeting that no dividend will be paid and the non-restricted equity on the outstanding 19,693,297 shares shall be retained and carried forward.

Audit review

This financial report has been audited by the company's auditors.

Financial reporting in 2025

- **6 May 2025** Interim Report for 1 January – 31 March 2025
- **7 August 2025** Half-Year Financial Report for 1 January – 30 June 2025
- **6 November 2025** Interim Report for 1 January – 30 September 2025

For more information, contact

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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 thousands of euro	Q4/2024	Q4/2023	2024	2023
Revenue	5,099	3,660	15,040	15,100
Other operating income	0	21	10	49
Material and services	-1,778	-1,192	-5,374	-4,857
Gross profit	3,321	2,489	9,676	10,292
Operating result (EBIT)	-1,497	-1,319	-5,689	-3,974
Items affecting comparability				
Specific loss allowance	279	0	662	311
Adjusted EBIT	-1,218	-1,319	-5,295	-3,663
Depreciation, amortization and impairment losses	686	562	2,499	2,193
Adjusted EBITDA	-532	-757	-2,796	-1,470

Consolidated income statement

In thousands of euro	Q4/2024	Q4/2023	2024	2023
Revenue	5,099	3,660	15,040	15,100
Other operating income	0	21	10	49
Materials and services	-1,778	-1,192	-5,374	-4,857
Employee benefit expenses	-2,631	-2,441	-8,931	-8,699
Depreciation, amortization and Impairment losses	-686	-562	-2,499	-2,193
Other operating expenses	-1,502	-805	-4,204	-3,374
Operating result	-1,497	-1,319	-5,957	-3,974
Finance income	758	56	1,217	479
Finance expenses	-265	-286	-776	-1,024
Net finance expenses	493	-230	441	-545
Profit (loss) before income taxes	-1,004	-1,550	-5,516	-4,519
Income tax expense	15	20	66	79
Loss for the period	-989	-1,530	-5,450	-4,441
Loss for the period attributable to				
Owners of the parent company	-989	-1,530	-5,450	-4,441
Weighted average number of shares	18,675,167	16,706,508	18,675,167	16,706,508
Basic loss per share (euro)	-0.05	-0.09	-0.29	-0.27

Consolidated condensed comprehensive income statement

In thousands of euro	Q4/2024	Q4/2023	2024	2023
Loss for the period	-989	-1,530	-5,450	-4,441
Other comprehensive income				
Foreign currency translation difference	-406	172	-329	283
Other comprehensive income, net of tax	-406	172	-329	283
Total comprehensive loss attributable to Owners of the parent company	-1,395	-1,358	-5,778	-4,157

Consolidated balance sheet

In thousands of euro	December 31, 2024	December 31, 2023
ASSETS		
Non-current assets		
Goodwill	4,256	4,256
Development costs	8,288	7,731
Customer relationships	721	942
Technology	331	433
Other intangible assets	370	384
Total intangible assets	13,965	13,746
Tangible assets	652	710
Right-of-use assets	1,456	1,472
Deferred tax assets	12	23
Total non-current assets	16,085	15,951
Current assets		
Inventories	1,961	2,820
Trade and other receivables	3,268	3,190
Cash and cash equivalents	10,467	7,118
Total current assets	15,695	13,128
Total assets	31,781	29,079

In thousands of euro	December 31, 2024	December 31, 2023
EQUITY		
Share capital	80	80
Share premium	504	504
Reserve for invested non-restricted equity	59,608	50,936
Translation differences	6	334
Retained earnings	-31,111	-27,052
Profit (loss) for the financial year	-5,450	-4,441
Total equity	23,637	20,361
LIABILITIES		
Non-current liabilities		
Borrowings from financial institutions	790	1,651
Government loans	521	713
Lease liabilities	1,017	991
Deferred tax liabilities	234	310
Total Non-current liabilities	2,561	3,665
Current liabilities		
Borrowings from financial institutions	794	794
Government loans	193	193
Lease liabilities	495	516
Trade and other payables	4,101	3,550
Total current liabilities	5,583	5,052
Total liabilities	8,144	8,718
Total equity and liabilities	31,781	29,079

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, 2024	80	504	50,936	334	-31,493	20,361
Comprehensive income						
Loss for the period					-5,450	-5,450
Other comprehensive income						
Translation differences				-329		-329
Total comprehensive income for the period				-329	-5,450	-5,778
Share issue			7,322			7,322
Share based payments			43			43
Share options			1307		382	1,689
Total transactions with owners of the company			8,672		382	9,054
Balance at December 31, 2024	80	504	59,608	6	-36,560	23,637

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					-4,441	-4,441
Other comprehensive income						
Translation differences				283		283
Total comprehensive income for the period				283	-4,441	-4,157
Share issue			3,973			3,973
Share based payments			48			48
Share options			19		137	156
Total transactions with owners of the company			4,039		137	4,176
Balance at December 31, 2023	80	504	50,936	334	-31,493	20,361

Consolidated cash flow statement

In thousands of euro	Q4/2024	Q4/2023	2024	2023
Cash flows from operating activities				
Loss for the financial year	-989	-1,530	-5,450	-4,441
Adjustments:				
Depreciation, amortization and impairment losses	686	562	2,499	2,193
Finance income and finance expenses	-446	155	-466	468
Other adjustments	401	-22	653	289
Cash flows before change in net working capital	-349	-835	-2,764	-1,491
Change in net working capital:				
Change in trade and other receivables (increase (-) / decrease (+))	-483	501	-335	1,094
Change in inventories (increase (-) / decrease (+))	766	-48	901	118
Change in trade and other payables (increase (+) / decrease (-))	407	-18	688	-75
Cash flows before finance items	341	-400	-1,510	-354
Interest paid	-27	-42	-115	-169
Other finance expenses paid	-59	-16	-121	-93
Interest received	63	0	151	0
Net cash from operating activities (A)	318	-457	-1,596	-615
Cash flows from investing activities				
Capitalization of development expenses	-468	-527	-1,843	-2,199
Acquisition of tangible assets	-145	-56	-275	-213
Net cash used in investing activities (B)	-613	-583	-2,118	-2,412
Cash flows from financing activities				
Proceeds from share subscriptions	207	0	9,182	4,310
Share issue transaction costs	0	0	-553	-318
Repayment of loans and borrowings	-323	-1,323	-1,053	-1,921
Repayment of lease liabilities	-125	-92	-494	-462
Net cash from financing activities (C)	-241	-1,415	7,081	1,609
Net cash from (used in) operating, investing and financing activities (A+B+C)	-536	-2,456	3,367	-1,419
Cash and cash equivalents at beginning of period	10,963	9,565	7,118	8,524
Effect of movements in exchange rate on cash held	40	9	-19	13
Cash and cash equivalents at end of period	10,467	7,118	10,467	7,118

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 financial statements bulletin also takes into account the amendments to IFRS standards that have become effective by January 1, 2024. This financial report has been prepared in accordance with IAS 34 Interim Financial Reporting and it should be read in conjunction with Group's annual consolidated 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.

Critical management judgments and related estimates and assumptions

The preparation of financial statements under IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the end of the reporting period as well as the reported amounts of income and expenses during the reporting period. These estimates and assumptions are based on historical experience and other justified assumptions, such as future expectations, that Optomed management believes are reasonable under the circumstances at the end of the reporting period and the time when they were made.

Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis and when preparing financial statements. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based, or as a result of new information or more experience. Such changes are recognized in the period in which the estimate or the assumption is revised.

Use of judgment and estimates

Judgements that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements, relate to the following areas:

- Determining trade receivables credit risk
- capitalization of development costs: determination of development expenditure eligible for capitalization
- impairment testing of development expenditures

Reportable segments

Q4/2024

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	2,551	2,549	0	5,099
Net operating expenses	-1,074	-704	0	-1,778
Margin	1,476	1,845	0	3,321
Depreciation and amortization	-474	-210	-2	-686
Other expenses	-1,592	-1,415	-1,126	-4,133
Operating result	-589	219	-1,127	-1,497
Finance items	0	0	493	493
Loss before tax expense	-589	219	-634	-1,004

Q4/2023

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	1,023	2,637	0	3,660
Net operating expenses	-433	-738	0	-1,171
Margin	590	1,899	0	2,489
Depreciation and amortization	-368	-192	-2	-562
Other expenses	-1,160	-1,274	-811	-3,246
Operating result	-938	432	-814	-1,319
Finance items	0	0	-230	-230
Loss before tax expense	-938	432	-1,044	-1,550

2024

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	5,326	9,714	0	15,040
Net operating expenses	-2,548	-2,825	9	-5,364
Margin	2,778	6,889	9	9,676
Depreciation and amortization	-1,670	-819	-9	-2,499
Other expenses	-4,451	-4,992	-3,692	-13,135
Operating result	-3,343	1,078	-3,692	-5,957

Finance items	0	0	441	441
Loss before tax expense	-3,343	1,078	-3,250	-5,516

2023

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	5,009	10,091	0	15,100
Net operating expenses	-2,062	-2,745	0	-4,807
Margin	2,947	7,346	0	10,292
Depreciation and amortization	-1,444	-740	-9	-2,193
Other expenses	-4,210	-4,717	-3,146	-12,074
Operating result	-2,707	1,889	-3,155	-3,974
Finance items	0	0	-545	-545
Loss before tax expense	-2,707	1,889	-3,701	-4,519

Revenue

In thousands of euro	Q4/2024	Q4/2023	2024		2023	
Finland	2,446	2,463	9,340	62%	9,643	64%
Rest of the Europe	188	421	1,034	7%	1,870	12%
Rest of the World	2,466	776	4,667	31%	3,586	24%
Total	5,099	3,660	15,040	100 %	15,100	100%

Other operating expenses

In thousands of euro	Q4/2024	Q4/2023	2024	2023
Sales and marketing	-247	-185	-707	-635
Research and development	-105	-43	-297	-230
General and administration	-1,151	-576	-3,200	-2,509
Total operating expenses	-1,502	-805	-4,204	-3,374

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

Tangible assets

In thousands of euro	Machinery and equipment 2024	Machinery and equipment 2023
Cost		
Balance at January 1	3,724	3,512
Additions	286	212
Balance at End of Period	4,010	3,724
Accumulated depreciation and impairment losses		
Balance at January 1	-3,015	-2,660
Depreciation	-342	-355
Balance at end of period	-3,357	-3,015
Carrying amount at January 1	710	852
Carrying amount at December 31	652	710

Leases

Leased tangible assets

In thousands of euro	2024	2023
Additions to right-of-use assets	498	532
Depreciation charge for right-of-use assets	-514	-508
Carrying amount at the end of the reporting period	1,456	1,472

Leased tangible assets comprise business premises and cars.

Lease liabilities

In thousands of euro	2024	2023
Current	495	516
Non-current	1,017	991
Total	1,512	1,507

The above liabilities are presented on the line item Lease liabilities (non-current / current) in the consolidated balance sheet, based on their maturity.

Intangible assets and goodwill

At December 31, 2024

In thousands of euro	Goodwill	Development costs	Customer relationships	Technology	Other intangible assets	Total
Cost						
Balance at January 1	4,256	16,067	2,222	1,023	1,147	24,715
Additions	0	1,797	0	0	58	1,855
Balance at December 31	4,256	17,864	2,222	1,023	1,205	26,570
Accumulated amortisation and impairment losses						
Balance at January 1	0	-8,336	-1,280	-590	-763	-10,969
Amortization	0	-1,049	-221	-102	-72	-1,445
Impairment losses	0	-191	0	0	0	-191
Balance at December 31	0	-9,576	-1,501	-692	-835	-12,605
Carrying amount at January 1	4,256	7,731	942	433	384	13,746
Carrying amount at December 31	4,256	8,288	721	331	370	13,965

At December 31 2023

In thousands of euro	Goodwill	Development costs	Customer relationships	Technology	Other intangible assets	Total
Cost						
Balance at January 1	4,256	13,978	2,222	1,023	1,054	22,533
Additions	0	2,089	0	0	93	2,182
Balance at December 31	4,256	16,067	2,222	1,023	1,147	24,715
Accumulated amortisation and impairment losses						
Balance at January 1	0	-7,416	-1,057	-489	-676	-9,638
Amortization	0	-920	-223	-101	-66	-1,311
Impairment losses	0	0	0	0	-21	-21
Balance at December 31	0	-8,336	-1,280	-590	-763	-10,969
Carrying amount at January 1	4,256	6,562	1,164	534	379	12,895
Carrying amount at December 31	4,256	7,731	942	433	384	13,746

Financial assets

Current financial assets

In thousands of euro	2024	2023
Trade receivables		
Other trade receivables	2,411	2,583
Total trade receivables	2,411	2,583
Cash and cash equivalents	10,467	7,118
Total	12,878	9,701

Due to overdue trade receivables, financial assets are subject to an increased risk of credit loss.

Exposure to credit risk and loss allowance

Chinese customer's trade receivables EUR 1,099 thousand have been written down at the end of Q4 2024. Specific loss allowance is at 100%.

In thousands of euro	Gross carrying amount	Weighted av. loss rate%	Loss allowance
At December 31, 2024			
Current (not past due)	2,314	0.50%	12
Past due			
1-30 days	67	1.50%	1
31-60 days	31	4%	1
61-90 days	9	9%	1
More than 90 days past due	6	12%	1
Specific loss allowance	0	100%	0
Total	2,427		15

In thousands of euro	Gross carrying amount	Weighted av. loss rate%	Loss allowance
At December 31, 2023			
Current (not past due)	1,516	0.50%	8
Past due			
1-30 days	51	1.50%	1
31-60 days	6	4%	0
61-90 days	10	9%	1
More than 90 days past due	277	12%	33
Specific loss allowance	1,534	50%	767
Total	3,392		809

Financial liabilities

In thousands of euro	December 31, 2024	December 31, 2023
Non-current financial liabilities		
Borrowings from financial institutions	790	1,651
Government loans	521	713
Lease liabilities	1017	991
Total	2,328	3,355

In thousands of euro	December 31, 2024	December 31, 2023
Current financial liabilities		
Borrowings from financial institutions	794	794
Government loans	193	193
Lease liabilities	495	516
Trade payables	891	782
Total	2,373	2,285
Total financial liabilities	4,700	5,640

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.

Financial covenants

Optomed's borrowings from financial institutions contain a financial covenant (equity ratio).

Optomed has to comply with the financial covenant terms specified in the loan agreement terms at the financial year-end.

Equity ratio is calculated using the agreed formula. The table below summarizes the Group's financial covenant term and compliance during the reporting period.

	Covenant term	Actual ratio	Applicable level
OP loan equity ratio			
At December 31, 2024	35%	87.1%	Optomed Group
At December 31, 2023	35%	83.1%	Optomed Group

Company's Equity ratio is calculated as follows.

OP loan equity ratio calculation formula: $\text{Adjusted equity} / (\text{Balance sheet total} - \text{received advances} - \text{goodwill})$

Optomed was in compliance with the covenant as at December 31, 2024.

Related party transactions

In thousands of euro	Revenues	Trade receivables	Other expenses
Jan 1 - Dec 31 2024	0	0	-92
Jan 1 - Dec 31 2023	0	0	-78

Revenue and trade receivables and some of the other expenses relate to the major shareholders of Optomed Ltd considered to be related parties to the parent company.

Other expenses consist of consulting fees paid to the Chairman of the Board of Directors and members of the Board.

Events after the review period

No material events after the review period.