



REVENIO GROUP CORPORATION
INTERIM REPORT
JANUARY-SEPTEMBER 2017

Due to an amendment to the Securities Market Act, which came into force on November 26, 2015, the descriptive sections of Revenio's interim reports Q1/2017 and Q1-Q3/2017 will be shorter and more concise. The table sections will be reported in accordance with previous practices. The figures are unaudited.

Profitability in the third quarter remained at an excellent level

July-September 2017 in brief, continuing Group operations

- Net sales totaled EUR 6.4 (5.8) million, showing an increase of 11.1%
- Operating profit was EUR 2.5 (1.9) million, up by 29.7%
- The weakening of the US dollar had a major impact on net sales growth. The currency-adjusted organic growth of net sales in July-September was 14.9%, or 3.8%-points stronger than reported.
- Profitability was affected by the decreased cost of manufacture and scalability of fixed expenses
- Probe sales continued to grow and were 21.6% higher than in the previous year
- The TonoVET Plus product for measuring intraocular pressure in animals was launched
- Earnings per share, undiluted EUR 0.24 (0.20)

January–September 2017 in brief, continuing Group operations:

- Net sales totaled EUR 19.2 (16.8) million, showing an increase of 14.1%
- Operating profit was EUR 6.4 (4.9) million, up by 31.0%
- The currency-adjusted organic growth of net sales was 15.7%, or 1.6%-points stronger than reported
- Probe sales grew and were 25.1% higher than in the previous year
- The new wireless and cloud-based mHOME application was introduced in June
- Earnings per share, undiluted EUR 0.64 (0.49)

Key figures, continuing operations, EUR million

	1.7- 30.9.2017	1.7- 30.9.2016	Change- %	1.1- 30.9.2017	1.1- 30.9.2016	Change- %
Net sales, Group	6.4	5.8	11.1	19.2	16.8	14.1
Operating profit, Group	2.5	1.9	29.7	6.4	4.9	31.0
Net sales, Health Tech	6.4	5.8	11.1	19.2	16.8	14.1
Operating profit, Health Tech	2.9	2.3	25.3	7.9	6.1	30.8
Undiluted earnings per share	0.24	0.20		0.64	0.49	
Cash flow from operating activities				5.4	4.0	

	30 Sept 2017	30 Sept 2016	Change, %-point
Equity ratio-%	76.8	78.9	-2.1
Gearing-%	-39.3	-36.4	-2.9

Financial guidance for 2017

Net sales growth is expected to remain strong. Profitability is expected to remain at a healthy level despite growth investments.

Timo Hildén, CEO, comments on Q3/2017:

"In the third quarter of 2017, our net sales amounted to EUR 6.4 million, an increase of 11.1%. Our operating profit rose by 29.7%, reaching EUR 2.5 million, which amounts to 38.4% of the net sales. The decline of the US dollar also had an impact on the review period by decreasing our net sales growth by almost 4%-points.

Our operating profit's strong development was greatly affected by our scalable business model. Our earlier investments in human resources and processes have created an excellent growth base and proven our profit-making capacity. This will allow us to take advantage of our scalability to build a wider ophthalmological product range for the diagnostics of glaucoma in the future.

Probe sales continued to grow in accordance with the previous quarters, and we are particularly pleased that the online sales of probes in the United States has taken off better than anticipated.

The sales of Icare HOME tonometers developed according to our expectations. The significance of all-day monitoring of eye pressure in the treatment of glaucoma has gained the undisputed acceptance of the research community. Dozens of published studies have consistently demonstrated the significance of monitoring diurnal fluctuation in the identification and monitoring of glaucoma. This is also very important from the perspective of changes in public health care reimbursement policies.

In late June, we introduced the new cloud-based mHOME mobile application, developed in response to customer feedback, which enables the user to transfer the measurements from the Icare HOME tonometer to a cloud service using a mobile device. This way, the treatment personnel can monitor the patient's measurements or a physician can give the patient the possibility of monitoring their own results. This is a major feature that supports the monitoring of daily fluctuations in intraocular pressure. The product's commercial deliveries will begin at the end of this year.

Sales efforts for the new-generation Icare ic100 tonometer are beginning in Japan, where we received a sales permit in the summer. The Far East is a very interesting market area with future growth potential for us.

The new TonoVET Plus product for measuring intraocular pressure in animals was launched at the beginning of the period and its sales have taken off extremely well, especially in the US. The product is the only device on the market designed for the measurement of intraocular pressure in animals, with a measurement algorithm that is based on actual clinical trials conducted on different animals.

During the review period, we received interim results of the clinical trials launched early this year in Croatia on Revenio Research Oy's asthma product Ventica®, which require further study and possibly algorithm changes before commercial launch of the product. The schedule will be specified by the end of this year. Development work on a product related to skin cancer is progressing as planned, and development of a commercial product is ongoing. Our goal is to have the product ready for official approval processes by the end of 2018. Clinical trials with prototypes have produced the expected results.

Oscare Medical's sales continued to be at a low level in the review period."

Business review, January 1–September 30, 2017, continuing operations

Revenio Group's net sales totaled EUR 19.2 million (16.8) million, an increase of 14.1%. The currency-adjusted organic growth of net sales in January-September was 15.7%, or 1.6%-points stronger than reported.

Sales performance was good during the period, especially in Australia, Japan, China, and Russia.

Probe sales have grown as expected, by 25.1% year-on-year. The online sales of probes launched in the US began extremely well.

Commercial deliveries of the new mLink product for mobile devices designed for the Icare HOME tonometer will begin at the end of this year.

Revenio Group's operating profit for the period was EUR 6.4 (4.9 million), showing a year-on-year increase of 31.0%. The strong increase of the operating profit was significantly affected by the scalability of the business operations, due to which the Group's fixed costs have not increased at the same rate as the growth in net sales.

Financial review January 1–September 30, 2017

Group Key Figures (MEUR)

	1-9/2017	7-9/2017	1-9/2016	7-9/2016	1-12/2016
Net sales, continuing operations	19.2	6.4	16.8	5.8	23.4
Ebitda, continuing operations	7.0	2.7	5.4	2.1	7.7
Ebitda-%, continuing operations	36.7	41.8	32.2	35.9	32.9
Operating profit, continuing operations	6.4	2.5	4.9	1.9	7.1
Operating profit-%, continuing operations	33.6	38.4	29.3	32.9	30.1
Pre-tax profit, continuing operations	6.3	2.4	4.9	1.9	7.1
Pre-tax profit-%, continuing operations	32.7	37.3	29.3	32.5	30.4
Net profit from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net profit, continuing operations	4.9	1.9	3.9	1.6	5.6
Net profit-%, continuing operations	25.7	28.8	23.3	26.9	23.8
Gross capital expenditure	0.6	0.2	1.1	0.3	1.1
Gross capital expenditure-%	3.0	3.4	6.5	4.9	4.7
R&D costs	1.6	0.5	1.3	0.3	1.5
R&D costs-% from net sales	8.5	7.6	7.5	6.0	6.3
Gearing-%	-39.3	-39.3	-36.4	-36.4	-43.8
Equity ratio-%	76.8	76.8	78.9	78.9	78.9
Return on investment-% (ROI)	56.2	64.7	44.1	50.8	45.6
Return on equity-% (ROE)	45.3	51.1	36.8	44.0	37.2
Undiluted earnings per share, EUR, continuing operations	0.64	0.24	0.49	0.20	0.70
Diluted Earnings per share, EUR, continuing operations	0.64	0.24	0.49	0.20	0.70
Equity per share, EUR	1.76	1.76	1.75	1.75	1.97
Average no. of employees, continuing operations	41	41	41	41	41
Cash flow from operating activities	5.4	1.6	4.0	2.3	6.0
Cash flow from discontinued activities	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.6	-0.2	-1.1	-0.5	-1.4
Net cash used in financing activities	-5.8	0.0	-5.9	0.0	-5.9
Total cash flow	-1.0	1.4	-3.0	2.0	-1.2

Consolidated comprehensive income statement (MEUR)

	1-9/2017	1-9/2016	1-12/2016
NET SALES	19.2	16.8	23.4
Other operating income	0.1	0.0	0.1
Materials and services	-5.0	-4.9	-6.8
Employee benefits	-3.2	-3.3	-4.5
Depreciation/amortization	-0.6	-0.5	-0.7
Other operating expenses	-4.1	-3.3	-4.5
OPERATING PROFIT, CONTINUING OPERATIONS	6.4	4.9	7.1
Financial income and expenses (net)	-0.2	0.0	0.1

PRE-TAX PROFIT, CONTINUING OPERATIONS	6.3	4.9	7.1
Income tax expense	-1.3	-1.0	-1.5
Net profit from continuing operations	4.9	3.9	5.6
Net profit from discontinued operations	0.0	0.0	0.0
NET PROFIT	4.9	3.9	5.6
Other comprehensive income items	0.0	0.0	0.0
Income tax expense for comprehensive income	0.0	0.0	0.0
Other comprehensive income items			
after taxes	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME	4.9	3.9	5.6
Net profit attributable to:			
Parent company shareholders	5.1	4.1	5.8
Non-controlling interests	-0.2	-0.2	-0.3
Total comprehensive income attributable to:			
Parent company shareholders	5.1	4.1	5.8
Non-controlling interests	-0.2	-0.2	-0.3
Earnings per share, undiluted, EUR, continuing operations	0.64	0.49	0.70
Earnings per share, diluted, EUR, continuing operations	0.64	0.49	0.70

Consolidated comprehensive income statement (MEUR)

	7-9/2017	7-9/2016	1-12/2016
NET SALES	6.4	5.8	23.4
Other operating income	0.1	0.0	0.1
Materials and services	-1.7	-1.8	-6.8
Employee benefits	-0.9	-1.0	-4.5
Depreciation/amortization	-0.2	-0.2	-0.7
Other operating expenses	-1.2	-1.0	-4.5
OPERATING PROFIT, CONTINUING OPERATIONS	2.5	1.9	7.1
Financial income and expenses (net)	-0.1	0.0	0.1
PRE-TAX PROFIT, CONTINUING OPERATIONS	2.4	1.9	7.1
Income tax expense	-0.5	-0.3	-1.5
Net profit from continuing operations	1.9	1.6	5.6
Net profit from discontinued operations	0.0	0.0	0.0
NET PROFIT	1.9	1.6	5.6
Other comprehensive income items	0.0	0.0	0.0
Income tax expense for comprehensive income	0.0	0.0	0.0
Other comprehensive income items			
after taxes	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME	1.9	1.6	5.6
Net profit attributable to:			
Parent company shareholders	1.9	1.6	5.8
Non-controlling interests	-0.1	-0.1	-0.3
Total comprehensive income attributable to:			
Parent company shareholders	1.9	1.6	5.8

Non-controlling interests	-0.1	-0.1	-0.3
Earnings per share, undiluted, EUR, continuing operations	0.24	0.18	0.70
Earnings per share, diluted, EUR, continuing operations	0.24	0.18	0.70

Consolidated balance sheet (MEUR)

	30 Sep 2017	30 Sep 2016	31 Dec 2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	0.9	0.9	0.9
Goodwill	1.2	1.2	1.2
Intangible assets	4.2	4.1	4.2
Deferred tax assets	0.4	0.4	0.3
TOTAL NON-CURRENT ASSETS	6.7	6.6	6.6
CURRENT ASSETS			
Inventories	2.2	2.2	2.3
Trade and other receivables	3.4	2.7	3.1
Cash and cash equivalents	6.1	5.3	7.1
TOTAL CURRENT ASSETS	11.6	10.3	12.4
Non-current assets held for sale	0.0	0.0	0.0
TOTAL ASSETS	18.3	16.8	19.0
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	5.3	5.3	5.3
Share premium	0.0	2.4	2.4
Fair value reserve	0.3	0.3	0.3
Invested unrestricted capital reserve	7.1	4.6	4.6
Retained earnings/loss	2.3	1.4	3.1
TOTAL EQUITY, attributable to holders of parent company equity	15.0	14.0	15.7
Non-controlling interests	-1.0	-0.7	-0.8
TOTAL SHAREHOLDERS' EQUITY	14.1	13.3	15.0
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	0.0	0.0	0.0
Provisions	0.0	0.0	0.0
Financial liabilities	0.8	0.5	0.7
TOTAL LONG-TERM LIABILITIES	0.8	0.5	0.7
CURRENT LIABILITIES			
Trade and other payables	3.4	2.8	3.2
Financial liabilities	0.0	0.2	0.0
TOTAL SHORT-TERM LIABILITIES	3.4	3.0	3.3
Long-term liabilities held			

for sale	0.0	0.0	0.0
TOTAL LIABILITIES	4.2	3.6	4.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18.3	16.8	19.0

Consolidated statement of changes in equity (MEUR)

	Share capital	Share Premium	Other Reserves	Retained Earnings	Total	Non- controlling interests	Total Equity
Balance 1 Jan 2017	5.3	2.4	4.9	3.1	15.7	-0.8	15.0
Dividend distribution	0.0	0.0	0.0	-5.9	-5.9	0.0	-5.9
Acquisition of own shares	0.0	0.0	0.1	0.0	0.1	0.0	0.1
Other direct entries to retained earnings	0.0	-2.4	2.5	0.0	0.0	0.0	0.0
Used option rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	0.0	0.0	5.1	5.1	-0.2	4.9
Balance 30 Sep 2017	5.3	0.0	7.4	2.3	15.0	-1.0	14.1

	Share capital	Share Premium	Other Reserves	Retained Earnings	Total	Non- controlling interests	Total Equity
Balance 1 Jan 2016	5.3	2.4	4.9	2.8	15.5	-0.5	15.0
Dividend distribution	0.0	0.0	0.0	-5.6	-5.6	0.0	-5.6
Acquisition of own shares	0.0	0.0	-0.1	0.0	-0.1	0.0	-0.1
Other direct entries to retained earnings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Used option rights	0.0	0.0	0.1	0.0	0.1	0.0	0.1
Total comprehensive income	0.0	0.0	0.0	4.1	4.1	-0.2	3.9
Balance 30 Sep 2016	5.3	2.4	4.9	1.4	14.0	-0.7	13.3

Consolidated cash flow statement (MEUR)

	1-9/2017	1-9/2016	1-12/2016
Net profit	4.9	3.9	5.6
Adjustments to net profit	0.8	0.6	0.7
Taxes	1.3	1.0	1.5
Change in working capital	-0.5	-1.1	-1.0
Interest paid	0.0	0.0	0.0
Interest received	0.0	0.0	0.0
Taxes paid	-1.1	-0.4	-0.8
CASH FLOW FROM OPERATING ACTIVITIES	5.4	4.0	6.0
Cash flow from discontinued operations	0.0	0.0	0.0

Sales of subsidiaries and associates' shares (net)	0.0	0.0	0.0
Purchase of PPE	-0.2	-0.4	-0.6
Purchase of Intangible assets	-0.4	-0.7	-0.8
NET CASH USED IN INVESTING ACTIVITIES	-0.6	-1.1	-1.4
Cash flow from discontinued operations	0.0	0.0	0.0
Used options rights	0.0	0.0	0.0
Buyback of own shares	0.0	-0.1	-0.2
Paid dividends and repayments of capital	-5.9	-5.6	-5.6
Repayments of long-term borrowings	0.0	-0.3	-0.3
Long-term loans received	0.1	0.1	0.1
Finance lease principal payment	0.0	0.0	0.0
NET CASH USED IN FINANCING ACTIVITIES	-5.8	-5.9	-5.9
Cash flow from discontinued operations	0.0	0.0	0.0
Net change in cash and equivalents	-1.0	-3.0	-1.2
Cash and equivalents. period-start	7.1	8.3	8.3
Cash and equivalents. period-end	6.1	5.3	7.1

Net sales and segment margins (MEUR), continuing operations

	Health Tech	Parent company	Group
Net sales 1-9/2017	19.2	0.0	19.2
Net sales 1-9/2016	16.8	0.0	16.8
Change (%)	14	0	14
Segment profit margin 1-9/2017	7.9	-1.5	6.4
Segment profit margin 1-9/2016	6.1	-1.1	4.9
Change (%)	31	30	31

Major shareholders on September 30, 2017

	No. of shares	%
1. Joensuun Kauppa ja Kone Oy	602,200	8 %
2. Gerako Oy	340,000	4 %
3. Evli Finnish Small Cap Fund	293,906	4 %
4. Merivirta Jyri	250,000	3 %
5. Etera Mutual Pension Insurance Company	184,667	2 %
6. Eyemakers Finland Oy	155,000	2 %
7. Alpisalo Mia	114,293	1 %
8. Evli Finland Select Fund	106,818	1 %
9. Siik Rauni	101,800	1 %
10. Fennia Mutual Insurance Company	89,822	1 %

Alternative performance measures used in financial reporting

Revenio has adopted the guidelines of the European Securities and Market Authority (ESMA) on Alternative Performance Measures. In addition to the IFRS-based key figures, the company will publish certain other generally used key figures that may, as a rule, be derived from the profit and loss statement and balance sheet. The calculation of these figures is presented below. According to the company's view, these key figures supplement the profit and loss statement and balance sheet, providing a better picture of the company's financial performance and position.

Formulas

Earnings per share:	=	$\frac{\text{net profit for the period}}{\text{average number of shares during period - repurchased own shares}}$
Average share price:	=	$\frac{\text{total EUR value of shares traded}}{\text{total number of shares traded during period}}$
Pre-tax profit-%:	=	operating profit + financing income – financing expenses
Return on equity-% (ROE):	=	$\frac{100 \times \text{profit for the financial period}}{\text{shareholders' equity + non-controlling interest (average during period)}}$
Return on investment-% (ROI):	=	$\frac{100 \times \text{profit before taxes + interest and other financial expenses}}{\text{balance sheet total – non-interest-bearing debt (average during period)}}$
Equity ratio-%:	=	$\frac{100 \times \text{balance sheet equity + non-controlling interest}}{\text{balance sheet total – advance payments received}}$
Net gearing-%:	=	$\frac{100 \times \text{interest-bearing debt – cash \& equivalents}}{\text{total equity}}$
Gearing-%:	=	$\frac{100 \times \text{interest-bearing net debt}}{\text{equity total}}$

General statement

This report contains certain statements that are estimates based on the management's best knowledge at the time they were made. For this reason, they involve a certain amount of inherent risk and uncertainty. The estimates may change in the event of significant changes in general economic conditions.

Revenio Group Corporation
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The Revenio Group in brief

Revenio is a Finnish, globally operating health technology corporation whose worldwide success is based on a strongly patented intraocular pressure measurement technology. The Revenio Group consists of Icare Finland Oy, Revenio Research Oy and Oscare Medical Oy, in which Revenio holds a 53.5% interest. The common denominators of Revenio's business operations include screening, follow-up and the global need to make cost savings through preventive health care. Revenio seeks vigorous growth in health technology. Revenio aims to develop even more efficient and easily adopted methods for the early-stage detection of diseases with significance for public health. The focus of Revenio's screening technology is on the early detection of glaucoma, osteoporosis, skin cancer and asthma, and the monitoring of these during the treatment process.

In 2016, Revenio Group's net sales totaled MEUR 23.4, with its operating margin for continuing operations standing at 30.1%. Revenio Group Corporation is listed on Nasdaq Helsinki.