



REVENIO GROUP OYJ
FINANCIAL STATEMENT BULLETIN
2017

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Fourth-quarter operating profit excluding non-recurring items grew by 43%, net sales up by 15%

October–December 2017 in brief, continuing Group functions

- Net sales totaled EUR 7.6 (6.6) million, showing an increase of 15.0%
- The weakening of the US dollar had a major impact on net sales growth. The currency-adjusted organic growth of net sales in October–December was 20.7%, or 5.7% percentage points stronger than reported
- Operating profit excluding non-recurring items was EUR 3.1 (2.1) million, or 40.1 percent of net sales, an increase of 42.8%. Non-recurring items refer to the acquisition of Oscare Medical Oy's minority shares (46,5%) and related write-downs. After the arrangement, Revenio owns the entire share capital of the company.
- Probe sales continued to grow and were 27.8% higher than in the previous year
- Earnings per share, diluted and undiluted EUR 0.22 (0.21)

January–December 2017 in brief, continuing Group functions

- Net sales amounted to EUR 26.8 (23.4) million, up 14.3% from the previous year
- Consolidated operating profit excluding non-recurring items was EUR 9.5 (7.1) million, or 35.5 percent of net sales, an increase of 34.6%
- The currency-adjusted organic growth of net sales was 17.0%, or 2.7% percentage points stronger than reported
- Probe sales grew and were 25.8% higher than in the previous year.
- Earnings per share, undiluted EUR 0.86 (0.70)
- Icare HOME approved for sales in the United States in March
- The new wireless mHOME application was introduced in June
- The TonoVET Plus product for measuring intraocular pressure in animals was launched in June
- The Board will propose to the Annual General Meeting of March 20, 2018 a dividend of EUR 0.78 (0.74)

Key figures, continuing operations, EUR million

	Jan 1 – Dec 31, 2017	Jan 1 – Dec 31, 2016	Change %	Oct 1 – Dec 31, 2017	Oct 1 – Dec 31, 2016	Change %
Net sales, Group	26.8	23.4	14.3	7.6	6.6	15.0
Operating profit, Group	8.1	7.1	15.1	1.7	2.1	-21.6
Net sales, Health Tech	26.8	23.4	14.3	7.6	6.6	15.0
Operating profit, Health Tech	10.3	8.6	19.7	2.4	2.6	-6.5
Earnings per share, undiluted	0.86	0.70	23.2	0.22	0.21	6.7
Cash flow from operations	7.9	6.0	30.2			
	31 Dec 2017	31 Dec 2016	Change, % points			
Equity ratio, %	84.0	78.9	5.1			
Net leveraging, %	-47.6	-43.8	-3.8			

Financial guidance for 2018

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

Timo Hildén, CEO, on the year 2017:

“The year 2017 was one of strong growth for us, boosted by an increase in market shares in our current markets as well as the growth of new markets of importance to us, such as China and India. Our net sales increased by 14.3%, totaling EUR 26.8 million. This was particularly attributable to successful sales in all key market areas and especially strong sales growth in the United States. Our operating profit, excluding non-recurring items, grew by 34.6%, reaching EUR 9.5 million, which amounts to 35.5% of net sales.

2017 was also a year of positive growth for health technology globally although major changes are taking place in the regulation of the sector. For many years, we have invested heavily in the development of our own processes and quality systems, which has enabled us to achieve world-class quality at a very low cost. We are particularly proud of this.

The new-generation Icare ic100 tonometer has been very well received on the market. The product has already been launched in almost all major markets, and we expect to receive a sales permit in China in early 2018. Almost 10,000 products have been sold.

The Icare ic100 has served as the basis for the new Tonovet Plus tonometer, designed for the measurement of intraocular pressure in animals, which was launched in the summer of 2017. The product has received positive attention among veterinarians around the world in a short period of time. Interest has been heightened by the fact that Tonovet Plus is the only product on the market with an algorithm based on clinical measurements made on four different species (dogs, cats, horses, rabbits). The sales of products for measuring the intraocular pressure in animals amount to almost 15% of our net sales.

The Icare HOME tonometer was granted a sales permit in the United States in early 2017 after a lengthy process. It is noteworthy that this was the first time ever that the U.S. Food and Drug Administration, FDA, approved an ophthalmologic device designed for use at home. As ophthalmologic measurement devices have not previously been used by patients for self-monitoring, we must persuade both patients and doctors to realize the indisputable benefits of home measurement in the detection and treatment of glaucoma. This process will take time. In 2017, our focus in the United States was mainly on attracting major key-opinion leaders in the sector to start using Icare HOME, initiating clinical trials, and developing a nation-wide network of physicians. These activities form the base on which to build sales growth.

In late summer 2017, we launched the new cloud-based mHOME mobile application, which enables the user to transfer measurements from the Icare HOME tonometer to a cloud service using a mobile device. This supports and facilitates the monitoring of daily fluctuations in intraocular pressure especially for patients who live far from care facilities. mHome also allows a physician to give patients the possibility of monitoring their own intraocular pressure results. In 2018, we will complement our current business model by approaching patients directly to ensure their easy access to the products.

Probe sales continued to grow strongly, reaching over 15 million probes sold, or almost 30% of total sales. This considerable capacity is based on years of development efforts to improve the efficiency of automated probe production. Our current capacity is sufficient for the annual production of over 20 million probes.

Icare's position in the tonometers market is very strong. Superior technology, world-class quality, and a strong brand combined with the regionally best, effective, and motivated distribution organization enables us to expand our product portfolio both organically and

through acquisitions. We analyze both options carefully and only proceed if there are technologically and economically well-justified options available.

The development of new health technology products always involves risks, which are often only discovered in wider clinical measurements, as in the case of Ventica. Its technology had previously only been studied on child patients with a varying degree of asthma symptoms, but the recent study carried out in Croatia measured healthy test subjects with no symptoms. These measurements led to different results than the previous studies. The differences appear to be related to the stage of sleep, which is why we have launched new studies in Croatia. We expect preliminary results from this study during the first half of 2018. At the same time, we will continue studies in Germany, where we are part of the most extensive asthma study ever conducted in the country.

Development of the hyperspectral camera has progressed according to plan. The industrial design of the commercial model has been completed, and our goal is that, by the end of 2018, the product will be ready for us to file a sales license application in Europe (CE marking) and launch clinical trials.

I am extremely grateful to our employees for their day-to-day efforts and commitment to our common targets. We have a top team, and we attract top experts in their fields. Our shareholders gave their evaluation of our work by choosing us as the best medium-sized listed company in 2017. We truly appreciate and take pride in this recognition. My heartfelt thanks also to all our partners and subcontractors for the past year. This is a solid base to build on together.”

Business review, January 1–December 31, 2017, continuing operations

In addition to the parent company, the Revenio Group comprises Icare Finland Oy, which specializes in technology for the measurement of intraocular pressure, and its fully owned subsidiary Icare USA Inc.; Revenio Research Oy, which focuses on research and development projects; and Oscare Medical Oy. The Revenio Health Tech segment includes Icare Finland Oy, Icare USA Inc., Revenio Research Oy, and Oscare Medical Oy.

Revenio Group's net sales grew to EUR 26.8 (23.4) million, an increase of 14.3%. The increase in net sales can primarily be attributed to the growth of market share in the Group's current markets, especially in the United States as well as the growth of new important market, such as China and India.

Revenio Group's operating profit for the period amounted to EUR 8.1 (7.1) million, an increase of 15.1%. The operating profit accounted for 30.3% of net sales. Entries related to the impairment of Oscare Medical were made in the financial statements for 2017. The acquisition and impairment will have a one-off effect of around EUR 1.4 million on the operating profit (EBIT) for 2017. Profit for the period fell by some EUR 0.3 million due to the acquisition and impairment.

The United States is Revenio's single most important market area, accounting for over 40% of the Group's net sales. The sales of Icare HOME tonometers developed according to expectations. The significance of all-day monitoring of eye pressure in the treatment of glaucoma has gained the undisputed acceptance of the research community. During the period, our focus in the United States was particularly on attracting major opinion builders in the sector to start using Icare HOME, initiating clinical trials, and developing a nation-wide network of physicians.

New products introduced during the period included the cloud-based mHOME mobile application, developed in response to customer wishes, which will be launched in early 2018. The TonoVET PLUS product for measuring intraocular pressure in animals was launched in May, and deliveries started in July 2017. The product was very positively received on the market.

Sales of the new-generation Icare ic100 tonometer, amounting to almost 10,000 units sold, shows that the product has been very well received on the market. The product is already being sold in almost all the major markets, and we expect to receive a sales permit for the Chinese market in the first half of 2018.

More than 15 million probes were sold during the period, accounting for almost 30% of total sales. Thanks to the automation of probe production, the production costs of probes have been reduced considerably, and capacity can be increased quickly, if necessary.

Oscare Medical Oy has been a disappointment, and the company's business has been loss making throughout its operational history. At the end of 2017, Revenio bought the minority shares of the company and made a decision to wait for a possible opening of markets.

Interim results of the clinical trials launched on the asthma product Ventica were obtained in the summer. These require further study and possibly algorithm changes before commercial launch of the product. The clinical trials will continue during the early part of 2018, after which the schedule will be specified.

Development of the hyperspectral camera for skin cancer is progressing according to plan, and development of the commercial product is underway. 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.

Financial review January 1–December 31, 2017, continuing operations

Net sales, profitability and result, continuing functions

Revenio Group's consolidated net sales from continuing operations for the period January 1–December 31, 2017 totaled EUR 26.8 (23.4) million. This represented a net sales growth of 14.3%. Earnings before tax totaled EUR 8.3 (7.1) million, a growth of 16.5% from the preceding year. The decline of the US dollar against the euro in January–December had a

decreasing effect on net sales. The currency-adjusted organic growth of net sales in January–December was 17.0%, or 2.7% percentage points stronger than reported.

In January–December, consolidated operating profit totaled EUR 8.1 (7.1) million, up 15.1% from the previous year. Undiluted earnings per share from continuing operations came to EUR 0.86 (EUR 0.70). Equity per share was EUR 2.00 (1.97).

In January–December 2017, the net sales of the Revenio Health Tech segment totaled EUR 26.8 (23.4) million, an increase of 14.3%. In January–December 2017, the operating profit of the Revenio Health Tech segment totaled EUR 10.3 (8.6) million, up 19.7% from the previous year.

Net sales and segment margins (MEUR), continuing operations

	Health Tech	Parent company	Group
Net sales 1-12/2017	26.8	0.0	26.8
Net sales 1-12/2016	23.4	0.0	23.4
Change (%)	14	0	14
Segment profit margin 1-12/2017	10.3	-2.2	8.1
Segment profit margin 1-12/2016	8.6	-1.6	7.1
Change (%)	20	41	15

Balance sheet, financial position, and investments

The consolidated balance sheet total stood at EUR 19.0 (19.0) million on December 31, 2017. Consolidated shareholders' equity amounted to EUR 16.0 (15.0) million. At the end of the reporting period, interest-bearing liabilities amounted to EUR -7.6 (-6.3) million and leveraging stood at -47.6% (-43.8%). The consolidated equity ratio was 84.0% (78.9). The Group's liquid assets amounted to EUR 8.0 (7.1) million on December 31, 2017.

Despite dividend payment and investments in the Health Tech segment's future growth, the Group's financial position remained stable during the reporting period. On December 31, 2017, the balance sheet showed consolidated goodwill of EUR 1.2 (1.2) million.

Cash flow from operations totaled EUR 7.9 (6.0) million in January–December. The Group's purchases of PPE and intangible assets totaled EUR 0.8 (1.4) million. Investments focused mainly on product development.

Personnel, management, and administration

On January 1, 2017, Timo Hildén was appointed as the new President and CEO of the Group.

After the end of the review period, Heli Vatanen, M.Sc. (Eng.), Quality Manager of Icare Finland Oy, and Mika Salkola, M.Sc. (Eng.), Product Development Manager of Icare Finland Oy, were appointed members of Revenio Group Corporation's Management Team as of February 1, 2018. Ms Valtanen will also be appointed as QA Director to Revenio Group and Mr. Salkola will also be appointed as the R&D Director of Revenio Research Oy, as the current holder of the position, Ari Kukkonen, M.Sc. (Eng.) will retire on a part-time pension. Ari Kukkonen will continue as Senior Advisor and member of Extended Management Team at Revenio Group.

The Management Team of Revenio Group will be as of February 1st 2018: Revenio Group's CEO Timo Hildén (Chairman), Revenio Group's CFO Robin Pulkkinen, Icare Finland Ltd's Sales and Marketing Director Tomi Karvo, Revenio Research Oy's R&D Director Mika Salkola, Icare Finland Ltd's Operations Director Ari Isomäki and Icare Finland Ltd's QA Manager Heli Valtanen. Furthermore, Tiina Olkkonen is attending Management Team meetings as an external communication specialist and Management Team secretary. In addition of the Management Team members, Senior Advisor of Revenio Group Ari Kukkonen and CEO of Icare USA Inc John Floyd are members of the Group's Extended Management Team.

The annualized average number of personnel employed by the Group in continuing operations during the period amounted to 41 (41). The number of personnel grew by 1 during the period, to 42 (41).

Number of personnel during the period by segment:

	Dec 31, 2017	Dec 31, 2016
Revenio Health Tech	36	36
Parent company	5	5
Total	41	41

Wages, salaries, and other remuneration paid during the period totaled EUR 2,7 million.

Shares, share capital, and management, and employee holdings

On December 31, 2017, Revenio Group Corporation's fully paid-up share capital registered with the Trade Register was EUR 5,314,918.72 and the number of shares totaled 7,979,406.

The company has one class of share, and all shares confer the same voting rights and an equal right to dividends and the company's funds. On December 31, 2017, the President & CEO, members of the Board of Directors, and their closely related parties held 12.3 per cent, or 980 086 of the company's shares, and 22 per cent of the option rights.

The Annual General Meeting of Revenio Group Corporation held on March 22, 2017 decided that 40% of Board members' emoluments will be settled in the form of company shares. Accordingly, as announced on June 21, 2017, Revenio Group Corporation transferred to Board members a total of 1,500 shares as follows: A total of 500 shares was transferred to Board Chair Pekka Tammela, as a result of which his ownership of instruments issued by the company amounts to 27,388 shares. A total of 250 shares was transferred to Board member Ari Kohonen, as a result of which his personal and his related parties' ownership of instruments issued by the company amounts to 342,519 shares. A total of 250 shares was transferred to Board member Pekka Rönkä, as a result of which his ownership of instruments issued by the company amounts to 1,460 shares. A total of 250 shares was transferred to Board member Kyösti Kakkonen, as a result of which his personal and his related parties' ownership of instruments issued by the company amounts to 603,660 shares. A total of 250 shares was transferred to Board member Ann-Christine Sundell, as a result of which her ownership of instruments issued by the company amounts to 1,059 shares. As a result of these transfers, the share-based Board member fees have been settled in full. After the transfers, Revenio Group Corporation holds 3,459 of its own shares.

On March 22, 2017 the Annual General Meeting of Revenio Group Corporation made a decision to reduce its share premium reserve by transferring all of the assets in the reserve, EUR 2,439,301.82, to the company's invested non-restricted equity reserve. The processing of the matter by the Finnish Patent and Registration Office has been completed. In a letter dated July 21, 2017, the Patent and Registration Office notified the company that none of the creditors had objected to the reduction in the share premium reserve, and the company can enter the reduction of the share premium reserve by the above-mentioned amount. The Board of Directors implemented the decision of the AGM in its meeting on August 7, 2017, and the share premium reserve has now been reduced in accordance with the AGM's decision.

In late 2015, the employees of Revenio Group established a personnel fund, into which any bonuses earned by employees working in Finland on the basis of incentive schemes can be paid. All Group employees are included in the performance-based bonus scheme.

Purchase of own shares

The Annual General Meeting rescinded the earlier authorization to buy back 795,392 of the company's own shares, and authorized the Board of Directors to buy back a maximum of 797,940 of the company's own shares following the approval of the reverse share split, either in one or several tranches, using the company's unrestricted equity. The company may buy back shares to develop its capital structure, to finance and implement any corporate acquisitions or other transactions, and to implement share-based incentive plans or otherwise transfer or cancel them.

This authorization will be valid until April 30, 2018. This authorization superseded the buyback authorization granted at the AGM of March 15, 2016.

The company did not buy back any of its own shares during the period January 1–December 31, 2017.

Option schemes

Based on the share issue authorization granted by the Annual General Meeting of March 19, 2015, Revenio Group Corporation's Board of Directors decided, on August 10, 2015, to implement a new option scheme comprising a maximum of 150,000 option rights. One option right entitles its holder to subscribe for one share. New shares subscribed for via the option program entitle the holder to a dividend from the year of subscription onward. The option rights will be allocated, as determined by the Board of Directors, to key personnel employed or to be employed by the Revenio Group in accordance with the terms and conditions of the option scheme.

These option rights are divided into three series: Series A (50,000), Series B (50,000), and Series C (50,000). The subscription periods for options are as follows: Series A: May 31, 2017–May 31, 2019; Series B: May 31, 2018–May 31, 2020; and Series C: May 31, 2019–May 31, 2021. The share subscription price for Series A options will be the trade-weighted average price of Revenio share quoted on Nasdaq Helsinki Oy during the period September 1–October 15, 2015 plus 15%; for Series B options, the trade-weighted average price of Revenio share quoted on Nasdaq Helsinki Oy during the period September 1–October 15, 2016 plus 15%; and for Series C options, the trade-weighted average price of Revenio share quoted on Nasdaq Helsinki Oy during the period September 1–October 15, 2017 plus 15%. At the moment, the subscription prices for the options are as follows: Series A: EUR 25.48; Series B: EUR 31.14; and Series C: EUR 39.95.

Trading on Nasdaq Helsinki

During January 1–December 31, 2017, the Revenio Group Corporation's share turnover on the Nasdaq Helsinki exchange totaled EUR 75.1 (48.2) million, representing 2.2 (1.9) million shares or 27.6% (23.6%) of all shares outstanding. The highest trading price was EUR 41.41 (30.74) and the lowest was EUR 29.23 (22.20). At the end of the period, the closing price was EUR 36.00 (30.48), and the average share price for the period was EUR 34.09 (25.66). Revenio Group Corporation's market value stood at EUR 287.3 (243.2) million on December 31, 2017.

Summary of trading on Nasdaq Helsinki January 1–December 31, 2017

January-December 2017	Turnover, number of shares	Value total, EUR	Highest, EUR	Lowest, EUR	Average price, EUR	Latest, EUR
REG1V	2,203,929	75,125,096	41.41	29.23	34.09	36.00

	Dec 31, 2017	Dec 31, 2016
Market value, EUR	287,258,616	243,212,295
Number of shareholders	9,204	7,814

Risks and uncertainty factors

Revenio Group's risks are divided into strategic, operational, trade cycle, hazard, and financial risks.

The Group's strategic risks include competition in all sectors, the threat posed by new competing products, and any other actions of the company's rivals that may affect the competitive situation. Another strategic risk is related to the ability to succeed in R&D activities and to maintain a competitive product mix. The Group develops new technologies on behalf of Revenio Research Oy, and a failure of the commercialization of individual development projects may result in the depreciation of capitalized development expenses with an impact on the result. Strategic risks in the Group's segments that require special expertise are also associated with the successful management and development of key human resources and management of the subcontractor and supplier network.

Corporate acquisitions and the purchase of assets with growth potential related to health tech are part of the Group strategy. The success of these acquisitions has a significant impact on the achievement of growth and profitability targets. Acquisitions may also change the Group's risk profile.

Strategic risks and the need for action are regularly assessed and are monitored in connection with day-to-day management, monthly Group reporting, and annual strategy updates.

Operational risks are associated with the retention and development of major customers, the operations of the distribution network, and success in extending the customer base and markets. Especially in the Revenio Health Tech segment, operational risks include factors related to expansion into new markets, such as the national regulations various countries have governing marketing authorizations for medical instruments and the related official decisions concerning the health care market. Success in health tech R&D projects launched in accordance with the strategy can also be classified as an operational risk.

The operational risks related to the manufacture, product development, and production control of medical instruments are estimated to be higher than average in the Revenio Health Tech segment because of that sector's quality requirements.

Hazard risks are covered by insurance. Property and business interruption insurance provides protection against risks in these areas. The business pursued is covered by international liability insurance.

Financial risks can be further categorized into credit, interest-rate, liquidity, and foreign exchange risks. To manage credit loss risks, the Group has taken out credit insurance that covers all companies in the Group. Every month, and more frequently if necessary, the Board, at its meetings, assesses matters related to financial issues. If required, the Board provides decisions and guidelines for the management of financial risks concerning interest-rate and currency hedging, for instance. Liquidity risks can be affected by the availability of external financing, the development of the Group's credit standing, the trend in business operations, and changes in the payment behavior of customers. Liquidity risks are monitored by means of cash forecasts, which are drawn up for periods of 12 months at the most at a time.

Annual General Meeting and Board authorizations in effect

Decisions by the Annual General Meeting of Revenio Group Corporation on March 22, 2017

1. Financial statements, Board and auditors

The AGM confirmed the company's financial statements for the financial year January 1–December 31, 2016, and discharged the members of the Board of Directors and the Managing Director from liability.

The Annual General Meeting decided to elect five members to the Board of Directors. Ari Kohonen, Pekka Rönkkä, Kyösti Kakkonen, Ann-Christine Sundell, and Pekka Tammela were reelected as Board members. At its organization meeting, held after the Annual General Meeting, the Board of Directors reelected Pekka Tammela as Chair of the Board.

The AGM decided that the Chair of the Board be entitled to an annual emolument of EUR 48,000 and the other Board members to an annual emolument of EUR 24,000.

A total of 40% of Board members' emoluments will be paid out in the form of company shares, while 60% will comprise a monetary payment.

The AGM appointed Deloitte Oy, Audit Firm, as the company's auditors, with Elina Reilander, Authorized Public Accountant, as principal auditor. The AGM decided to compensate the auditors upon the presentation of a reasonable invoice.

2. Annual profit distribution and dividend distribution

The AGM decided to accept the Board's proposal on profit distribution, according to which the parent company's profit for the financial period, EUR 8,099,312.66, was added to retained earnings, and a dividend of EUR 0.74 per share was paid for the period January 1–December 31, 2016. Dividends were paid to shareholders who were registered in the company's shareholder register, maintained by Euroclear Finland Ltd, by the dividend record date March 24, 2017. The dividend payment date was March 31, 2017.

4. Authorizing the Board of Directors to decide to repurchase the Company's own shares

The Annual General Meeting rescinded the earlier authorization to buy back 795,392 of the company's own shares, and authorized the Board of Directors to buy back a maximum of 797,940 of the company's own shares following the approval of the reverse share split, either in one or several tranches, using the company's unrestricted equity. The company may buy back shares to develop its capital structure, to finance and implement any corporate acquisitions or other transactions, and to implement share-based incentive plans or otherwise transfer or cancel them.

The company may buy back shares in public trading on marketplaces whose rules and regulations allow the Company to trade in its own shares. In such a case, the Company will buy back shares through a directed purchase, that is, in a proportion other than its shareholders' holdings in Company shares, with the consideration for the shares based on their publicly quoted market price. This will be done in such a manner that the minimum price of the purchased shares equals the lowest market price quoted in public trading during the authorization period, and, similarly, their highest price equals the highest market price quoted in public trading during that period.

This authorization will be valid until April 30, 2018. This authorization shall supersede the buyback authorization granted at the AGM of March 15, 2016.

5. Authorization to the Board of Directors to decide on a share issue and on the granting of stock options and other special rights giving entitlement to shares

The AGM authorized the Board of Directors to decide on the issuance, following the approval of the reverse share split, of a maximum of 797,940 shares or to grant special rights (including stock options) entitling holders to shares as referred to in Chapter 10 Section 1 of the Limited Liability Companies Act, in one or several tranches.

This authorization was granted for the purpose of financing and implementing any prospective corporate acquisitions or other transactions, implementing the company's share-based incentive schemes, or for other purposes determined by the Board.

It grants the Board the right to decide on all terms and conditions governing the said share issue and the granting of special rights, including the subscribers or grantees of the special rights, and the consideration payable. It also includes the right to waive shareholders' preemptive subscription rights, and it covers the issue of new shares and the transfer of any shares that may be held by the company.

This authorization will be valid until April 30, 2018. This authorization supersedes the authorization to decide on an issuance of new shares and on the granting of special rights giving entitlement to shares granted at the AGM of March 15, 2016.

6. Reduction in share premium reserve

The annual general meeting decided to reduce the share premium reserve included in restricted equity in the parent company's balance sheet as per December 31, 2016 by transferring all funds, EUR 2,439,301.82 to the company's reserve for invested non-restricted equity.

Share premium reserve is included in restricted equity, which is subject to usage limitations. After the reduction, the assets would be included in non-restricted equity, which would permit a more flexible capital structure and, thereby, more efficient use of the company's assets.

The reduction in the share premium reserve involves no compensation and does not affect the number of company shares, shareholders' rights, or the proportional ownership of shareholders. Entry into force of the proposed reduction requires a public announcement and registration by the Finnish Patent and Registration Office. The Board of Directors will make decisions regarding all practicalities related to the reduction of the share premium reserve.

The Board and Auditors

Members of the Board of Directors in 1.1.-31.12.2017 were Ari Kohonen, Kyösti Kakkonen, Pekka Rönkä, Ann-Christine Sundell and Pekka Tammela, who serve as Chair.

Deloitte Oy, Audit Firm serves as the company's Auditors, with Merja Itäniemi, Authorized Public Accountant, as Principal Auditor.

Major events after the review period

Heli Vatanen, M.Sc. (Eng.), Quality Manager of Icare Finland Oy, and Mika Salkola, M.Sc. (Eng.), Product Development Manager of Icare Finland Oy, were appointed members of Revenio Group Corporation's Management Team as of February 1, 2018. Ms. Valtanen was also appointed as QA Director of Revenio Group and Mr. Salkola was also appointed as the R&D Director of Revenio Research Oy, as the current holder of the position, Ari Kukkonen,

M.Sc. (Eng.) will retire on a part-time pension. Ari Kukkonen will continue as Senior Advisor and member of Extended Management Team of Revenio Group.

The Board's Proposal to the Annual General Meeting

The Group's profit for the period was EUR 6 849 760,81, and the parent company's profit was EUR 4 929 308,74. The parent company's distributable earnings on December 31, 2017 totaled EUR 15 153 235,28. The Board of Directors will propose to the Annual General Meeting on March 20, 2018 that the parent company's distributable earnings be distributed by paying a per-share dividend of EUR 0,78, or a total of EUR 6 223 936,68, against the total number of shares at the close of the reporting period. The remainder of the distributable earnings will be retained in equity.

In the Board's opinion, the proposed distribution of earnings does not endanger the parent company's or Group's liquidity.

Statement of accounting policies

The financial statement bulletin or interim report has been prepared in compliance with IAS 34 Interim Financial Reporting. As of January 1, 2016, the Group has implemented the new or revised standards and IFRIC interpretations published by IASB and specified in the Group's accounting principles in 2015.

The figures of the financial statements are unaudited.

Financial reporting in 2018

The Interim Report for Q1/2017 will be published on Friday, April 20, 2018; the Half-Year Financial Report for Q1–Q2/2017 on Monday, August 6, 2018; and the Interim Report for Q1–Q3/2017 on Thursday, October 25, 2018. Revenio will publish the descriptive sections of the Interim Reports for Q1/2018 and Q1–Q3/2018 in a concise form and the table sections in their entirety. The Annual General Meeting will be held on Tuesday, March 20, 2018.

Conference call

A conference call will be held in English for analysts, investors, and the media on the same day starting at 3:00 p.m. There will be an opportunity to present questions during the conference call. Participants can dial in through one of the following numbers:

Finland: +358 (0)9 7479 0360

Sweden: +46 (0) 8503 36573

United Kingdom: +44 (0) 330 336 9104

USA: +1 323-794-2558

Participants can dial into the conference call, using confirmation code 172809.

Audiocast

CEO Timo Hildén's presentation can also be followed through a live audiocast at www.revenio.fi/sijoittajat, starting at 3.00 p.m. A recording of the presentation will be available at the same address by 20.00 p.m.

TABLE SECTION

Group key figures and ratios (MEUR)	1-12/2017	1-12/2016
Net sales, continuing operations	26.8	23.4
Ebitda, continuing operations	10.2	7.7
Ebitda-%, continuing operations	38.2	32.9
Operating profit, continuing operations	8.1	7.1
Operating profit-%, continuing operations	30.3	30.1
Pre-tax profit, continuing operations	8.3	7.1
Pre-tax profit-%, continuing operations	30.9	30.4
Net profit from discontinued operations	0.0	0.0
Net profit, continuing operations	6.8	5.6
Net profit-%, continuing operations	25.6	23.8
Gross capital expenditure	0.8	1.1
Gross capital expenditure-%	3.0	4.7
R&D costs	2.4	1.5
R&D costs-% from net sales	8.9	6.3
Gearing-%	-47.6	-43.8
Equity ratio-%	84.0	78.9
Return on investment-% (ROI)	53.2	45.6
Return on equity-% (ROE)	44.3	37.2
Undiluted earnings per share, EUR, continuing operations	0.86	0.70
Diluted Earnings per share, EUR, continuing operations	0.86	0.70
Equity per share, EUR	2.00	1.97
Average no. of employees, continuing operations	41	41
Cash flow from operating activities	7.9	6.0
Cash flow from discontinued activities	0.0	0.0
Cash flow from investing activities	-0.8	-1.4
Net cash used in financing activities	-6.1	-5.9
Total cash flow	1.0	-1.2
		1-
Consolidated comprehensive income statement (MEUR)	1-12/2017	12/2016

NET SALES	26.8	23.4
Other operating income	0.2	0.1
Materials and services	-6.9	-6.8
Employee benefits	-4.2	-4.5
Depreciation/amortization	-2.1	-0.7
Other operating expenses	-5.6	-4.5
OPERATING PROFIT, CONTINUING OPERATIONS	8.1	7.1
Financial income and expenses (net)	0.2	0.1
PRE-TAX PROFIT, CONTINUING OPERATIONS	8.3	7.1
Income tax expense	-1.4	-1.5
Net profit from continuing operations	6.8	5.6
Net profit from discontinued operations	0.0	0.0
NET PROFIT	6.8	5.6
Other comprehensive income items	0.0	0.0
Income tax expense for comprehensive income	0.0	0.0
Other comprehensive income items		
after taxes	0.0	0.0
TOTAL COMPREHENSIVE INCOME	6.8	5.6
Net profit attributable to:		
Parent company shareholders	6.8	5.8
Non-controlling interests	0.0	-0.3
Total comprehensive income attributable to:		
Parent company shareholders	6.8	5.8
Non-controlling interests	0.0	-0.3
Earnings per share, undiluted, EUR, continuing operations	0.86	0.70
Earnings per share, diluted, EUR, continuing operations	0.86	0.70

Consolidated balance sheet(MEUR)

31 Dec 2017 31 Dec 2016

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	0.8	0.9
Goodwill	1.2	1.2
Intangible assets	3.0	4.2
Deferred tax assets	0.9	0.3
TOTAL NON-CURRENT ASSETS	5.9	6.6

CURRENT ASSETS

Inventories	2.0	2.3
Trade and other receivables	3.2	3.1
Cash and cash equivalents	8.0	7.1
TOTAL CURRENT ASSETS	13.2	12.4
Non-current assets held for sale	0.0	0.0
TOTAL ASSETS	19.0	19.0

LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

Share capital	5.3	5.3
Share premium	0.0	2.4
Fair value reserve	0.3	0.3
Invested unrestricted capital reserve	7.1	4.6
Retained earnings/loss	3.3	3.1
TOTAL EQUITY. attributable to holders of parent company equity	16.0	15.7
Non-controlling interests	0.0	-0.8
TOTAL SHAREHOLDERS' EQUITY	16.0	15.0
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	0.0	0.0
Provisions	0.0	0.0
Financial liabilities	0.3	0.7
TOTAL LONG-TERM LIABILITIES	0.3	0.7
CURRENT LIABILITIES		
Trade and other payables	2.7	3.2
Financial liabilities	0.0	0.0
TOTAL SHORT-TERM LIABILITIES	2.7	3.3
Long-term liabilities held for sale	0.0	0.0
TOTAL LIABILITIES	3.1	4.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	19.0	19.0

Consolidated statement of change 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	0.0	0.0	0.0	0.0	0.0
Other direct entries to retained earnings	0.0	0.0	0.1	0.0	0.1	0.0	0.1
Used option rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer between accounts	0.0	-2.4	2.4	-0.8	-0.8	0.8	0.0
Total comprehensive income	0.0	0.0	0.0	6.8	6.8	0.0	6.8
Balance 31 Dec 2017	5.3	0.0	7.4	3.3	16.0	0.0	16.0
	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	0.0	0.0	0.0	0.0	0.0
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	5.8	5.8	-0.3	5.6
Balance 31 Dec 2016	5.3	2.4	4.9	3.1	15.7	-0.8	15.0

Consolidated cash flow statement (MEUR)

	1- 12/2017	1- 12/2016
Net profit	6.8	5.6
Adjustments to net profit	2.1	0.7
Taxes	1.4	1.5
Change in working capital	-0.2	-1.0
Interest paid	0.0	0.0
Interest received	0.0	0.0
Taxes paid	-2.3	-0.8
CASH FLOW FROM OPERATING ACTIVITIES	7.9	6.0
Cash flow from discontinued operations	0.0	0.0
Sales of subsidiaries and associates' shares (net)	0.0	0.0
Purchase of PPE	-0.2	-0.6
Purchase of Intangible assets	-0.6	-0.8
NET CASH USED IN INVESTING ACTIVITIES	-0.8	-1.4
Cash flow from discontinued operations	0.0	0.0
Used options rights	0.0	0.0
Buyback of own shares	0.0	-0.2
Paid dividends and repayments of capital	-5.9	-5.6
Repayments of long-term borrowings	-0.1	-0.3
Long-term loans received	0.0	0.1
Finance lease principal payment	0.0	0.0
NET CASH USED IN FINANCING ACTIVITIES	-6.1	-5.9
Cash flow from discontinued operations	0.0	0.0
Net change in cash and equivalents	1.0	-1.2
Cash and equivalents. period-start	7.1	8.3
Cash and equivalents. period-end	8.0	7.1

Net sales and operating profit by quarter, continuing operations (MEUR)

	Q4/2017	Q3/2017	Q2/2017	Q1/2017	Q4/2016	Q3/2016	Q2/2016	Q1/2016
Net sales	7.6	6.4	6.7	6.0	6.6	5.8	5.8	5.2

Oper. Profit	1.7	2.5	2.3	1.7	2.1	1.9	1.7	1.3
Oper. profit.-%	22	38	34	28	32	33	29	26

Major shareholders 31 December 2017

	No. of shares	%
1. Joensuun Kauppa ja Kone Oy	602 200	7.5 %
2. Gerako Oy	340 000	4.3 %
3. Sr Evli Suomi Pienyhtiöt	293 906	3.7 %
4. Merivirta Jyri Tapio	220 000	2.8 %
5. Keskinäinen Eläkevakuutusyhtiö Etera	184 667	2.3 %
6. Eyemaker's Finland Oy	151 000	1.9 %
7. Alpisalo Mia Elisa	113 093	1.4 %
8. Sr Evli Suomi Select	106 818	1.3 %
9. Siik Rauni Marjut	101 800	1.3 %
10. Fennia	89 822	1 %
Other	5 776 100	72.4 %
Total	7 979 406	100 %

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, thus, providing a better picture of the company's financial performance and position.

Formulas

Definition of key figures:

Earnings per share:		$\frac{\text{net profit for the reporting period}}{\text{average number of shares during the reporting period}}$
Profit before taxes:		$\text{operating profit} + \text{financing income} - \text{financing expenses}$
Equity ratio %:	100 x	$\frac{\text{balance sheet equity} + \text{non-controlling interest}}{\text{balance sheet total} - \text{advance payments received}}$
Net gearing, %:	100 x	$\frac{\text{interest-bearing debt} - \text{cash \& equivalents}}{\text{total equity}}$
Return on equity %:	100 x	$\frac{\text{profit for the financial period}}{\text{shareholders' equity} + \text{non-controlling interest (average during period)}}$
Return on investment %:	100 x	$\frac{\text{profit before taxes} + \text{interest and other financial expenses}}{\text{balance sheet total} - \text{non-interest-bearing debt (average during period)}}$
Average share price:		$\frac{\text{total value of shares traded during the period, in euros}}{\text{total number of shares traded during financial period}}$
Gearing %:	100 x	$\frac{\text{interest-bearing net debt}}{\text{total equity}}$
Equity per share:		$\frac{\text{equity attributable to shareholders}}{\text{number of shares at end of the reporting period}}$
Dividend payout ratio %:		$\frac{\text{dividend per share}}{\text{earnings per share}}$
Effective dividend yield %:		$\frac{\text{dividend per share}}{\text{final share price at end of the reporting period}}$

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
Board of Directors

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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. 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 2017, Revenio Group's net sales totaled MEUR 26.8, with its operating margin for continuing operations standing at 35.5%. Revenio Group Corporation is listed on Nasdaq Helsinki.