

OPTOMED

Half-year financial report

January - June 2024



Optomed Plc: Half-year Report, January – June 2024

April – June 2024

- Revenue decreased by 6.4 percent to EUR 3.5 (3.7) million.
- Devices segment revenue decreased by 15.7 percent to EUR 1.1 (1.3) million.
- Software segment revenue decreased by 1.6 percent to EUR 2.4 (2.5) million.
- Adjusted EBITDA amounted to EUR -0.8 (-0.5) million corresponding to -22.9 (-12.4) percent of revenue and EBITDA was EUR -1.2 (-0.5) million corresponding to -33.8 (-12.4) percent of revenue and
- EBITDA was negatively affected by the increase of the credit risk accrual regarding a Chinese client from 50% (EUR 767 thousand) to 75% (EUR 1,161 thousand) for an issue dating back to 2021.
- Optomed Aurora with AEYE-DS AI has successfully received FDA clearance.
- Optomed successfully completed directed share issue at the end of June raising gross proceeds approximately EUR 7.9 million.
- Optomed signed a shareholder's agreement with Zhongbao Fund to establish a joint venture in China.
- Outlook unchanged: Optomed expects its full year 2024 revenue to grow compared to 2023.

January – June 2024

- Revenue decreased by 5.4 percent to EUR 6.8 (7.2) million.
- Devices segment revenue decreased by 9.2 percent to EUR 2.0 (2.2) million.
- Software segment revenue decreased by 3.8 percent to EUR 4.9 (5.1) million.
- Adjusted EBITDA amounted to EUR -1,450 (-976) thousand corresponding to -21.2 (-13.5) percent of revenue and EBITDA amounted to -1,833 (-976) EUR thousand.

Key figures

EUR, thousand	Q2/2024	Q2/2023	Change, %	H1/2024	H1/2023	Change, %	2023
Revenue	3,505	3,744	-6.4%	6,832	7,222	-5.4%	15,100
Gross profit *	2,450	2,486	-1.5%	4,663	4,962	-6.0%	10,292
Gross margin % *	69.9%	66.4%		68.3%	68.7%		68.2%
EBITDA	-1,185	-462	-156.2%	-1,833	-976	-87.9%	-1,781
EBITDA margin *, %	-33.8%	-12.4%		-26.8%	-13.5%		-11.8%
Adjusted EBITDA *	-802	-462	-73.4%	-1,450	-976	-48.6%	-1,470
Adjusted EBITDA margin *, %	-22.9%	-12.4%		-21.2%	-13.5%		-9.7%
Operating result (EBIT)	-1,869	-1,009	-85.2%	-3,061	-2,052	-49.2%	-3,974
Operating margin (EBIT) *, %	-53.3%	-27.0%		-44.8%	-28.4%		-26.3%
Adjusted operating result (EBIT) *	-1,486	-1,009	-47.3%	-2,677	-2,052	-30.5%	-3,663
Adjusted operating margin (EBIT margin) *, %	-42.4%	-27.0%		-39.2%	-28.4%		-24.3%
Net profit/ loss	-1,793	-1,314	-36.4%	-2,883	-2,471	-16.7%	-4,441
Earnings per share	-0.10	-0.08	-22.3%	-0.16	-0.16	-4.6%	-0.27
Cash flow from operating activities	-560	-468	-19.8%	-1,071	-913	-17.3%	-615
Net Debt	-9,221	-883	944.2%	-9,221	-883	944.2%	-3,768
Net debt/ EBITDA (LTM) *	3.5	0.7		3.5	0.7		2.1
Net debt/ Adjusted EBITDA (LTM) *	4.7	0.7		4.7	0.7		2.6
Equity ratio *	74.9%	63.6%		74.9%	63.6%		70.0%
R&D expenses personnel	336	362	-7.3%	635	645	-1.6%	1,280
R&D expenses other costs	165	150	9.7%	309	313	-1.5%	644
Total R&D expenses	501	512	-2.3%	943	958	-1.6%	1,924

*) Alternative performance measures, see section Alternative Performance Measures for definitions and calculations. Optimed presents Adjusted EBITDA and Adjusted operating result as alternative performance measures to enhance comparability of business performance between reporting periods. In Q2 2024, items affecting comparability amounted to EUR 383 thousand and related to increased credit risk with respect to an overdue trade receivable from a customer in China.

CEO Review

As we review the second quarter of 2024, it is crucial to reflect on our achievements, challenges, and the strategic decisions we are implementing to drive future growth.

Our revenue for Q2 2024 was EUR 3.5 million, representing a decrease of 6.4% compared to the same period last year. This decline is attributable to reductions in both our Devices and Software segments. In Devices, revenue decreased by 15.7% to EUR 1.1 million from EUR 1.3 million. In Software, revenue decreased by 1.6% to EUR 2.4 million from EUR 2.5 million.

The adjusted EBITDA stood at EUR -0.8 million, corresponding to -22.9% of revenue.

Despite the relatively soft sales in both business segments, we have made substantial progress in the most important strategic areas:

1. **FDA Clearance for Optomed Aurora with AEYE-DS AI:** U.S. Food and Drug Administration (FDA) clearance was successfully received for Optomed Aurora with AEYE-DS AI, a milestone that validates our innovative approach and opens new market opportunities in the United States.
2. **Directed Share Issue:** We successfully completed a directed share issue, raising gross proceeds approximately EUR 7.9 million. This capital infusion strengthens our financial position and supports our strategic initiatives.
3. **Joint Venture with Zhongbao Fund:** We signed a shareholder's agreement with Zhongbao Fund to establish a joint venture in China. This partnership aims to enhance our market presence and leverage local expertise for better penetration in the Chinese market.
4. **Cooperation Agreement with Toku Eyes:** We signed a cooperation agreement with Toku Eyes, whose algorithms have received FDA breakthrough designation for detecting kidney and cardiovascular risks through eye examinations. This collaboration will enable us to expand the range of diseases that can be assessed using Optomed's cameras.

We remain optimistic about our growth prospects. Our outlook for the full year 2024 remains unchanged, with an expectation of revenue growth compared to 2023. We are committed to executing our strategic plan, improving operational efficiencies, and expanding our market footprint. In accordance with our strategy, we will continue to invest in product development, clinical trials, and finally bringing new products to markets.

In conclusion, while the second quarter presented some financial challenges, we have made significant strides in key strategic areas that position us well for the future. Our focus remains on delivering long-term value to our shareholders through innovation, strategic partnerships, and market expansion.

Thank you for your continued support and confidence in Optomed. We look forward to updating you on our progress in the coming quarters.

Warm regards,

Juho Himberg
CEO

Outlook 2024

Optomed expects its full year 2024 revenue to grow compared to 2023.

Telephone conference

A telephone conference for analysts, investors and media will be arranged on 8 August 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 861 267 118#

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

April – June 2024

In April - June 2024, Group revenue decreased by 6.4 percent to EUR 3,505 (3,744) thousand. In spite of strong sales of the US and China channels, Devices segment had a slow quarter due to softness of the global distributor sales and OEM channel. The revenue decreased 15.7 percent to EUR 1 073 (1,273) thousand. The Software segment revenue was fairly stable and decreased by 1.6 percent to EUR 2,432 (2,471) thousand.

In April - June 2024, the gross margin increased to 69.9 from 66.4 percent of last year.

Adjusted EBITDA decreased and it was EUR -802 (-462) thousand.

EBIT decreased and it was EUR -1,869 (-1,009) thousand.

In April - June 2024, net financial items amounted to EUR 53 (-325) thousand and consisted mainly of interest income and the translation effect of CNY and USD to EUR.

In late April, Optomed Aurora with AEYE-DS AI received FDA clearance which was the requirement to start sales and marketing activities of the Optomed Aurora-AEYE AI fundus camera service in the US. The device is the first handheld device + a fully autonomous AI to receive FDA clearance for diagnosis of referable diabetic retinopathy. The clinical results were: 92% - 93% sensitivity, 89% - 94% specificity, and 99+% imageability. Screening for diabetic retinopathy with AI is reimbursable in the United States using the newly approved, first ever AI CPT code 92229 for autonomous screening. Additionally, it serves as a major HEDIS measure for most health plans.

In June, Optomed signed a shareholder's agreement with regards to a joint venture in China with Zhongbao, a Chinese private equity firm based in Shenzhen, China. The firm focuses on growth opportunities, and it invests in a diversified range of industries. Optomed will own 19.9% of the joint venture and Zhongbao 80.1%. The business model for this venture will be a recurring revenue model, ensuring sustainability and long-term success.

January – June 2024

In January-June 2024, Group revenue decreased by 5.4 percent to EUR 6,832 (7,222) thousand. Devices segment's revenue decreased by 9.2 percent while the Software segment's revenue decreased by 3.8 percent.

The gross margin decreased to 68.2 percent from 68.7 percent last year.

Adjusted EBITDA amounted to EUR -1,450 (-976) thousand and EBIT was EUR -3,061 (-2,052) thousand.

Net financial items amounted to EUR 147 (-459) thousand and consisted mainly of interest income and the translation effect of Chinese RMB to EUR.

Cash flow and financial position

April – June 2024

In April - June 2024, the cash flow from operating activities amounted to EUR -560 (-468) thousand. Net cash used in investing activities was EUR -534 (-668) thousand and relates to capitalized development expenses. Net cash from financing activities amounted to EUR 7,506 (-348) thousand. Optomed completed a directed share issue consisting of 1,500,000 shares and collected gross proceeds of approximately EUR 7.9 million in June 26 2024.

Consolidated cash and cash equivalents at the end of the period amounted to EUR 12,106 (5,691) thousand. Net debt was EUR -9,221 (-883) thousand at the end of the period.

Net working capital was EUR 1,306 (3,537) thousand at the end of the period.

Optomed has large trade receivables from a Chinese customer. The customer has missed several payments since H2-2023 and, consequently, the specific loss allowance weighted average loss rate was increased to 75% in Q2-2024. The payment negotiations continue with the said customer. The total amount of the receivable in the balance sheet is now EUR 387 thousand.

January – June 2024

In January-June 2024, the cash flow from operating activities amounted to EUR -1,071 (-913) thousand.

Net cash used in investing activities was EUR -1,068 (-1,213) thousand and relates to capitalized development expenses.

Net cash from financing activities amounted to EUR 7,139 (-696) thousand.

Devices segment

Optomed has two synergistic business segments: *Devices and Software*.

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

EUR, thousand	Q2/2024	Q2/2023	Change, %	H1/2024	H1/2023	Change, %	2023
Revenue	1,073	1,273	-15.7%	1,963	2,161	-9.2%	5,009
Gross profit *	695	674	3.2%	1,211	1,233	-1.7%	2,947
Gross margin % *	64.8%	53.0%		61.7%	57.0%		58.8%
EBITDA	-686	-217	-215.7%	-1,047	-643	-62.8%	-1,264
EBITDA margin *, %	-64.0%	-17.1%		-53.3%	-29.8%		-25.2%
Operating result (EBIT)	-1,164	-578	-101.5%	-1,869	-1,356	-37.8%	-2,707
Operating margin (EBIT) *, %	-108.5%	-45.4%		-95.2%	-62.8%		-54.0%

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

April - June 2024

In April - June 2024, the Devices segment revenue decreased by 15.7 percent to EUR 1,073 (1,273) thousand. The revenue declined due to slow quarter of the global distributor sales and OEM channel. Revenue of the US and China channels increased.

The gross margin was 64.8 (53.0) percent. The increase was due to a single high margin delivery.

EBITDA was EUR -686 (-217) thousand or -64.0 (-17.1) percent of revenue. The decline was mainly due to the previously mentioned EUR 383 increase of the credit risk accrual with regards to China.

January-June 2024

In January-June 2024, the Devices segment revenue decreased by 9.2 percent to EUR 1,963 (2,161) thousand. The decrease was driven by weaker than expected sales of the global distributor sales and OEM channels.

The gross margin increased to 61.7 percent from 57.0 percent.

EBITDA was EUR -1,047 (-643) thousand or -53.3 (-29.8) 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.

EUR, thousand	Q2/2024	Q2/2023	Change, %	H1/2024	H1/2023	Change, %	2023
Revenue	2,432	2,471	-1.6%	4,869	5,061	-3.8%	10,091
Gross profit *	1,746	1,812	-3.7%	3,442	3,729	-7.7%	7,346
Gross margin % *	71.8%	73.3%		70.7%	73.7%		72.8%
EBITDA	456	578	-21.1%	982	1,368	-28.2%	2,629
EBITDA margin *, %	18.7%	23.4%		20.2%	27.0%		26.1%
Operating result (EBIT)	252	393	-35.9%	581	1,009	-42.4%	1,889
Operating margin (EBIT) *, %	10.4%	15.9%		11.9%	19.9%		18.7%

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

April – June 2024

In April - June 2024, the Software segment was stable and decreased by 1.6 percent to EUR 2,432 (2,471) thousand.

The gross margin decreased and was 71.8 (73.3) percent. EBITDA was EUR 456 (578) thousand or 18.7 (23.4) percent of revenue.

During the quarter, Software segment 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.

January – June 2024

In January-June 2024, the Software segment revenue decreased by 3.8 percent to EUR 4,869 (5,061) thousand.

Gross margin increased and it was 70.7 (73.7) percent. EBITDA was EUR 982 (1,368) thousand or 20.2 (27.0) 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.

April – June 2024

Group-wide operating expenses amounted to EUR 963 (823) thousand.

January – June 2024

Group-wide operating expenses amounted to EUR 1,777 (1,700) thousand.

Personnel

Number of personnel at the end of the reporting period.

	6/2024	6/2023	12/2023
Devices	46	47	47
Software	46	46	47
Group common	18	22	20
Total	110	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 18,130,397 shares and the Company held 353,973 shares in the treasury which approximately corresponds to 1.95 percent of the total amount of the shares and votes. Additional information with respect to the shares, shareholding and trading can be found on the Company's website www.optomed.com/investors/.

Directed share issue

Optomed completed a directed share issue consisting of 1,500,000 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

The key risks and uncertainties are described in the company's Annual Report 2023 which was published on 29 February 2024. The complete report is available at <https://www.optomed.com/investors/>. The risk position of Optomed has not changed since then, except for that the risks titled "AURORA AEYE FDA CLEARANCE PROCESS" and "PUBLIC PROCUREMENT" are no longer applicable.

Audit review

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

Financial reporting in 2024

- **7 November 2024** Interim Report for 1 January – 30 September 2024

For more information, contact

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Juho Himberg, CEO

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About Optomed

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

Alternative Performance Measures

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

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

Reconciliation of Alternative Performance Measures

In thousand of Euro	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
Revenue	3,505	3,744	6,832	7,222	15,100
Other operating income	9	34	10	34	49
Material and services	-1,064	-1,292	-2,179	-2,294	-4,857
Gross profit	2,450	2,486	4,663	4,962	10,292
Operating result (EBIT)	-1,869	-1,009	-3,061	-2,052	-3,974
Items affecting comparability					
Specific credit risk percent change	383	0	383	0	311
Adjusted EBIT	-1,486	-1,009	-2,677	-2,052	-3,663
Depreciation, amortization and impairment losses	684	547	1,228	1,076	2,193
Adjusted EBITDA	-802	-462	-1,450	-976	-1,470

Consolidated income statement

In thousands of euro	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
Revenue	3,505	3,744	6,832	7,222	15,100
Other operating income	9	34	10	34	49
Materials and services	-1,064	-1,292	-2,179	-2,294	-4,857
Employee benefit expenses	-2,190	-2,190	-4,316	-4,382	-8,699
Depreciation, amortization and Impairment losses	-684	-547	-1,228	-1,076	-2,193
Other operating expenses	-1,445	-758	-2,179	-1,556	-3,374
Operating result	-1,869	-1,009	-3,061	-2,052	-3,974
Finance income	148	38	359	106	479
Finance expenses	-95	-363	-213	-565	-1,024
Net finance expenses	53	-325	147	-459	-545
Profit (loss) before income taxes	-1,816	-1,334	-2,914	-2,511	-4,519
Income tax expense	23	20	31	40	79
Loss for the period	-1,793	-1,314	-2,883	-2,471	-4,441
Loss for the period attributable to					
Owners of the parent company	-1,793	-1,314	-2,883	-2,471	-4,441
Weighted average number of shares	17,510,243	15,691,727	17,510,243	15,691,727	16,706,508
Basic loss per share (euro)	-0.10	-0.08	-0.16	-0.16	-0.27

Consolidated condensed comprehensive income statement

In thousands of euro	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
Loss for the period	-1,793	-1,314	-2,883	-2,471	-4,441
Other comprehensive income					
Foreign currency translation difference	-61	166	-141	244	283
Other comprehensive income, net of tax	-61	166	-141	244	283
Total comprehensive loss attributable to Owners of the parent company	-1,854	-1,148	-3,024	-2,227	-4,157

Consolidated balance sheet

In thousands of euro	June 30, 2024	June 30, 2023	December 31, 2023
ASSETS			
Non-current assets			
Goodwill	4,256	4,256	4,256
Development costs	8,126	7,200	7,731
Customer relationships	832	1,053	942
Technology	382	483	433
Other intangible assets	373	381	384
Total intangible assets	13,969	13,374	13,746
Tangible assets	630	769	710
Right-of-use assets	1,187	1,231	1,472
Deferred tax assets	15	17	23
Total non-current assets	15,800	15,391	15,951
Current assets			
Inventories	2,654	2,954	2,820
Trade and other receivables	2,594	4,590	3,190
Cash and cash equivalents	12,106	5,691	7,118
Total current assets	17,354	13,235	13,128
Total assets	33,154	28,627	29,079

In thousands of euro	June 30, 2024	June 30, 2023	December 31, 2023
EQUITY			
Share capital	80	80	80
Share premium	504	504	504
Reserve for invested non-restricted equity	58,288	46,912	50,936
Translation differences	194	296	334
Retained earnings	-31,365	-27,117	-27,052
Profit (loss) for the financial year	-2,883	-2,471	-4,441
Total equity	24,818	18,203	20,361
LIABILITIES			
Non-current liabilities			
Borrowings from financial institutions	1,187	2,983	1,651
Government loans	645	837	713
Lease liabilities	737	744	991
Deferred tax liabilities	272	349	310
Total Non-current liabilities	2,841	4,913	3,665
Current liabilities			
Borrowings from financial institutions	860	794	794
Government loans	193	193	193
Lease liabilities	500	515	516
Trade and other payables	3,943	4,008	3,550
Total current liabilities	5,496	5,510	5,052
Total liabilities	8,337	10,423	8,718
Total equity and liabilities	33,154	28,627	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					-2,883	-2,883
Other comprehensive income						
Translation differences				-141		-141
Total comprehensive income for the period				-141	-2,883	-3,024
Share issue *			7,353			7,353
Share based payments						0
Share options					128	128
Total transactions with owners of the company			7,353		128	7,480
Balance at June 30, 2024	80	504	58,288	194	-34,248	24,818

* Shares registered to trade registry 1.7.2024.

Equity attributable to owners of the parent company

In thousands of euro	Share capital	Share premium	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total
Balance at January 1, 2023	80	504	46,896	51	-27,189	20,342
Comprehensive income						
Loss for the period					-2,471	-2,471
Other comprehensive income						
Translation differences				244		244
Total comprehensive income for the period				244	-2,471	-2,227
Share options			16		72	88
Total transactions with owners of the company			16		72	88
Balance at June 30, 2023	80	504	46,912	296	-29,588	18,203

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	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
Cash flows from operating activities					
Loss for the financial year	-1,793	-1,314	-2,883	-2,471	-4,441
Adjustments:					
Depreciation, amortization and impairment losses	684	547	1,228	1,076	2,193
Finance income and finance expenses	-30	333	-77	470	468
Other adjustments	451	-44	450	-55	289
Cash flows before change in net working capital	-688	-479	-1,283	-980	-1,491
Change in net working capital:					
Change in trade and other receivables (increase (-) / decrease (+))	288	-252	254	-21	1,094
Change in inventories (increase (-) / decrease (+))	129	82	183	-14	118
Change in trade and other payables (increase (+) / decrease (-))	-252	223	-141	139	-75
Cash flows before finance items	-523	-426	-987	-875	-354
Interest paid	-27	-34	-56	-52	-169
Other finance expenses paid	-11	-7	-42	13	-93
Interest received	0	0	14	0	0
Net cash from operating activities (A)	-560	-468	-1,071	-913	-615
Cash flows from investing activities					
Capitalization of development expenses	-475	-606	-984	-1,124	-2,199
Acquisition of tangible assets	-59	-62	-84	-89	-213
Net cash used in investing activities (B)	-534	-668	-1,068	-1,213	-2,412
Cash flows from financing activities					
Proceeds from share subscriptions	7,875	12	7,875	16	4,310
Share issue transaction costs	0	0	0	0	-318
Repayment of loans and borrowings	-235	-235	-465	-465	-1,921
Repayment of lease liabilities	-134	-125	-270	-247	-462
Net cash from financing activities (C)	7,506	-348	7,139	-696	1,609
Net cash from (used in) operating, investing and financing activities (A+B+C)	6,411	-1,483	5,000	-2,822	-1,419
Cash and cash equivalents at beginning of period	5,706	7,179	7,118	8,524	8,524
Effect of movements in exchange rate on cash held	-10	-5	-12	-11	13
Cash and cash equivalents at end of period	12,106	5,691	12,106	5,691	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 Half-year Report also takes into account the amendments to IFRS standards that have become effective by January 1, 2024.

This Half-year financial statement is prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Group's last annual consolidated financial statements as at and for the year ended 31 December 2023. These Half-year financial statements do not include all of the information required by IAS 34: selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

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

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

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

Q2/2024

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	1,073	2,432	0	3,505
Net operating expenses	-378	-686	9	-1,055
Margin	695	1,746	9	2,450
Depreciation and amortization	-478	-204	-3	-684
Other expenses	-1,382	-1,290	-963	-3,635
Operating result	-1,164	252	-957	-1,869
Finance items	0	0	53	53
Loss before tax expense	-1,164	252	-904	-1,816

Q2/2023

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	1,273	2,471	0	3,744
Net operating expenses	-599	-659	0	-1,258
Margin	674	1,812	0	2,486
Depreciation and amortization	-360	-184	-2	-547
Other expenses	-891	-1,234	-823	-2,948
Operating result	-578	393	-825	-1,009
Finance items	0	0	-325	-325
Loss before tax expense	-578	393	-1,149	-1,334

H1/2024

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	1,963	4,869	0	6,832
Net operating expenses	-752	-1,427	9	-2,169
Margin	1,211	3,442	9	4,663
Depreciation and amortization	-822	-401	-5	-1,228
Other expenses	-2,258	-2,461	-1,777	-6,496
Operating result	-1,869	581	-1,773	-3,061
Finance items	0	0	147	147
Loss before tax expense	-1,869	581	-1,626	-2,914

H1/2023

In thousands of euro	Devices	Software	Group Admin	Total
External revenue	2,161	5,061	0	7,222
Net operating expenses	-928	-1,332	0	-2,260
Margin	1,233	3,729	0	4,962
Depreciation and amortization	-713	-359	-4	-1,076
Other expenses	-1,876	-2,362	-1,700	-5,938
Operating result	-1,356	1,009	-1,704	-2,052
Finance items	0	0	-459	-459
Loss before tax expense	-1,356	1,009	-2,163	-2,511

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	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
Finland	2,335	2,391	4,674	4,911	9,643
Rest of the Europe	260	234	612	470	1,870
Rest of the World	910	1,119	1,546	1,841	3,586
Total	3,505	3,744	6,832	7,222	15,100

Other operating expenses

Other operating expenses	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
Sales and marketing	-213	-192	-308	-339	-635
Research and development	-52	-43	-131	-132	-230
General and administration	-1180	-523	-1,741	-1,085	-2,509
Total operating expenses	-1,445	-758	-2,179	-1,556	-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 30.6.2024	Machinery and equipment 30.6.2023	Machinery and equipment 31.12.2023
Cost			
Balance at January 1	3,724	3,512	3,512
Additions	89	88	212
Balance at End of Period	3,813	3,600	3,724
Accumulated depreciation and impairment losses			
Balance at January 1	-3,015	-2,660	-2,660
Depreciation	-169	-170	-355
Balance at end of period	-3,184	-2,830	-3,015
Carrying amount at January 1	710	852	852
Carrying amount at June 30/ December 31	630	769	710

Leases

Leased tangible assets

In thousands of euro	30.6.2024	30.6.2023	2023
Changes to right-of-use assets	-31	280	532
Depreciation change for right-of-use assets	-255	-253	-508
Carrying amount at the end of the reporting period	1,187	1,231	1,472

Leased tangible assets comprise business premises and cars and are presented as a separate line item Right-of-use assets in the consolidated balance sheet.

Lease liabilities

In thousands of euro	30.6.2024	30.6.2023	2023
Current	500	515	516
Non-current	737	744	991
Total	1,237	1,260	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

June 30, 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	1,002	0	0	25	1,027
Balance at June 30	4,256	17,069	2,222	1,023	1,172	25,742
Accumulated amortisation and impairment losses						
Balance at January 1	0	-8,336	-1,280	-590	-763	-10,969
Amortization	0	-494	-110	-51	-35	-692
Impairment losses	0	-112	0	0	0	-112
Balance at June 30	0	-8,943	-1,390	-641	-798	-11,773
Carrying amount at January 1	4,256	7,731	942	433	384	13,746
Carrying amount at June 30	4,256	8,126	832	382	373	13,969

Impairment losses consist of terminated project cost.

June 30, 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	1,099	0	0	33	1,132
Balance at June 30	4,256	15,077	2,222	1,023	1,087	23,665
Accumulated amortization and impairment losses						
Balance at January 1	0	-7,416	-1,057	-489	-676	-9,638
Amortization	0	-461	-112	-51	-30	-653
Balance at June 30	0	-7,877	-1,169	-540	-706	-10,291
Carrying amount at January 1	4,256	6,562	1,164	534	379	12,895
Carrying amount at June 30	4,256	7,200	1,053	483	381	13,374

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

In thousands of euro	30.6.2024	30.6.2023	31.12.2023
Trade receivables			
Other trade receivables	1,980	3,442	2,583
Total trade receivables	1,980	3,442	2,583
Cash and cash equivalents	12,106	5,691	7,118
Total	14,086	9,133	9,701

Due to overdue trade receivables, financial assets are subject to an increased risk of credit loss. Optomed successfully completed directed share issue at the end of June raising approximately EUR 7.9 million, which increased Cash and cash equivalents significantly.

Exposure to credit risk and loss allowance

Optomed considers it has heightened risk regarding Chinese customer's trade receivables. The credit risk concentration has been formed and is associated with an increased credit loss risk due to overdue trade receivables. Specific loss allowance weighted average loss rate% increased from comparison period 30% first to 50% and then to 75%.

In thousands of euro	Gross carrying amount	Weighted av. loss rate%	Loss allowance
At June 30, 2024			
Current (not past due)	1,443	0.50%	7
Past due			
1-30 days	113	1.50%	2
31-60 days	16	4%	1
61-90 days	1	9%	0
More than 90 days past due	35	12%	4
Specific loss allowance	1,549	75%	1,161
Total	3,156		1,175

In thousands of euro	Gross carrying amount	Weighted av. loss rate%	Loss allowance
At June 30, 2023			
Current (not past due)	1,877	0.5%	9
Past due			
1-30 days	170	1.5%	3
31-60 days	35	4%	1
61-90 days	8	9%	1
More than 90 days past due	279	12%	33
Specific loss allowance	1,600	30%	480
Total	3,970		528

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	June 30, 2024	June 30, 2023	December 31, 2023
Non-current financial liabilities			
Borrowings from financial institutions	1,187	2,983	1,651
Government loans	645	837	713
Lease liabilities	737	744	991
Total	2,569	4,565	3,355

Company has paid one loan in October 2023.

In thousands of euro	June 30, 2024	June 30, 2023	December 31, 2023
Current financial liabilities			
Borrowings from financial institutions	860	794	794
Government loans	193	193	193
Lease liabilities	500	515	516
Trade payables	576	785	782
Total	2,129	2,287	2,285
Total financial liabilities	4,698	6,852	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 June 30, 2024	35%	86.8%	Optomed Group
At June 30, 2023	35%	77.1%	Optomed Group
At December 31, 2023	35%	83.1%	Optomed Group

Comparison period number has been adjusted and is calculated using below mentioned formula.

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 June 30, 2024.

Related party transactions

In thousands of euro	Revenues	Trade receivables	Other expenses
Jan 1 - Jun 30 2024	0	0	-39
Jan 1 - Jun 30 2023	0	0	-40
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.

Events after the review period

New shares subscribed for in directed share issue have been registered into the Finnish Trade Register on July 1, 2024.