



Revenio Group Corporation
INTERIM REPORT
JANUARY-SEPTEMBER

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 Q1/2016 and Q1-Q3/2016 will be shorter and more concise than before. The table sections will be reported in accordance with previous practices. The figures are unaudited.

Third quarter operating profit grew strongly by 17.6%

July-September 2016 in brief, continuing Group operations

- Net sales totaled EUR 5.8 (5.3) million, showing an increase of 8.7 per cent.
- Operating profit was EUR 1.9 (1.6) million, up by 17.6 per cent
- Strong growth in probe sales continued, amounting to EUR 1.7 (1.4) million, or 29.3 per cent of net sales
- An application has been filed for a CE marking for the asthma product to be named Ventica
- Factors contributing to operating profit growth included probe production process enhancement and a reduction in other operating costs
- Earnings per share, undiluted EUR 0.20 (0.17)

January-September 2016 in brief, continuing Group operations

- Net sales amounted to EUR 16.8 (14.8) million, up by 13.6 per cent from the previous year
- Operating profit was EUR 4.9 (4.5 million), an increase of 8.6 per cent
- Earnings per share, undiluted EUR 0.49 (0.47)
- Sales permit for Icare ic100 granted in the United States
- Revenio will have a new CEO as of January 1, 2017

Key figures, continuing operations, EUR million

	1.7- 30.9.2016	1.7- 30.9.2015	Change-%	1.1- 30.9.2016	1.1- 30.9.2015	Change-%
Net sales, Group	5.8	5.3	8.7	16.8	14.8	13.6
Operating profit, Group	1.9	1.6	17.6	4.9	4.5	8.6
Net sales, Health Tech	5.8	5.3	8.7	16.8	14.8	13.6
Operating profit, Health Tech	2.3	2.0	17.8	6.1	5.6	8.1
Undiluted earnings per share	0.20	0.17	17.6	0.49	0.47	4.3
Cash flow from operating activities				4.0	3.5	13.4
				30 Sept 2016	30 Sept 2015	Change, %- point
Equity ratio-%				78.9	83.0	-4.1
Gearing-%				-36.4	-44.2	7.8

Financial guidance for 2016

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

Business review, January 1 - September 30, 2016, continuing operations

Revenio Group's net sales totaled EUR 16.8 million (14.8) million, an increase of 13.6%. Strong sales growth was reported in several key markets such as China, Canada, Russia, Italy, the Netherlands and Spain, as well as in smaller Asian countries.

Sales of the new generation Icare ic100 tonometer began well in Europe, and feedback has been excellent. Almost 2,000 tonometers have been sold during the current year.

In the US, sales have not developed as expected. The upgrade from Icare TA01 to Icare ic100 is in progress. Products are being delivered to independent sales representatives along with relevant sales training, and a stronger distributor network is being built. Icare ic100 product registration is in progress in a few countries, including Japan and Korea.

Further growth in device sales and increasingly active use of the devices pushed probe sales up, resulting in a year-on-year increase of 28 per cent.

Feasibility studies associated with the sales permit application of the Icare HOME tonometer in the United States have been completed, and we expect to file a new sales permit application with the FDA before the end of 2016.

Revenio Research Oy's development projects for the skin cancer and asthma related products are progressing as planned. An application has been filed for a CE marking for the asthma product (Ventica), which will enable the launch of the first clinical trials with a commercial product. The objective is to launch the first clinical trials in the Nordic countries and in Germany.

Revenio Group's operating profit for the period was EUR 4.9 (4.5 million), showing a year-on-year increase of 8.6 per cent.

Olli-Pekka Salovaara, President & CEO, comments on third quarter of 2016:

“During the period, Icare tonometer sales developed well in countries with significant growth potential, such as China, Canada and Russia. The United States remains our single largest market and our customers’ positive reactions towards our new products create positive expectations for the future.

During the review period the probe production process enhancements were completed thus having a positive impact on the strong operative profit. Furthermore, in the absence of the sales permit, no costs have incurred in relation to the Icare HOME tonometer launch in the United States.

Sales of the Icare ic100 tonometer, launched in Europe at the beginning of the year, had a good start. The Icare ic100 was granted a sales permit in the United States in April, and the product launch is currently under way.

Feasibility studies of the Icare HOME tonometer have been completed, and we expect to file a sales permit application with the FDA by the year-end, as planned.

Development projects involving skin cancer and asthma-related products are moving forward as planned.

The sales growth on third quarter was not what we expected, but I believe that the fourth quarter of the year will be stronger what comes to sales.“

Financial review January 1 – September 30, 2016

Group key figures and ratios (MEUR)	1-9/2016	7-9/2016	1-9/2015	7-9/2015	1-12/2015
Net sales, continuing operations	16.8	5.8	14.8	5.3	20.3
Ebitda, continuing operations	5.4	2.1	4.9	1.8	6.3
Ebitda-%, continuing operations	32.2	35.9	33.2	33.1	31.1
Operating profit, continuing operations	4.9	1.9	4.5	1.6	5.8
Operating profit-%, continuing operations	29.3	32.9	30.6	30.4	28.4
Pre-tax profit, continuing operations	4.9	1.9	4.6	1.7	5.9
Pre-tax profit-%, continuing operations	29.3	32.5	31.4	32.6	29.2
Net profit from discontinued operations	0.0	0.0	2.0	0.0	1.9
Net profit, continuing operations	3.9	1.6	3.7	1.4	4.6
Net profit-%, continuing operations	23.3	26.9	25.2	25.6	22.7
Gross capital expenditure	1.1	0.3	1.1	0.1	2.3
Gross capital expenditure-%	6.5	4.9	7.2	1.1	11.2
R&D costs	1.3	0.3	0.7	0.2	0.9
R&D costs-% from net sales	7.5	6.0	4.7	2.9	4.5
Gearing-%	-36.4	-36.4	-44.2	-44.2	-48.3
Equity ratio-%	78.9	78.9	83.0	83.0	81.6
Return on investment-% (ROI)	44.1	50.8	34.9	35.4	42.1
Return on equity-% (ROE)	36.8	44.0	47.1	52.9	33.9
Undiluted earnings per share, EUR, continuing operations	0.49	0.20	0.47	0.17	0.61
Diluted Earnings per share, EUR, continuing operations	0.49	0.20	0.47	0.17	0.61
Equity per share, EUR	1.75	1.75	1.80	1.80	1.52
Average no. of employees, continuing operations	41	41	32	32	37
Cash flow from operating activities	4.0	2.3	3.5	1.4	4.9
Cash flow from discontinued activities	0.0	0.0	2.1	0.0	2.0
Cash flow from investing activities	-1.1	-0.3	1.8	-0.1	1.3
Net cash used in financing activities	-5.9	-0.0	-4.0	-0.3	-4.1
Total cash flow	-3.0	2.0	3.2	1.0	4.2

Consolidated comprehensive income statement (MEUR)

	1-9/2016	1-9/2015	1-12/2015
NET SALES	16.8	14.8	20.3
Other operating income	0.0	0.1	0.1
Materials and services	-4.9	-4.2	-5.3
Employee benefits	-3.3	-2.3	-3.9
Depreciation/amortization	-0.5	-0.4	-0.5
Other operating expenses	-3.3	-3.4	-4.8
OPERATING PROFIT, CONTINUING OPERATIONS	4.9	4.5	5.8
Financial income and expenses (net)	0.0	0.1	0.1
PRE-TAX PROFIT, CONTINUING OPERATIONS	4.9	4.6	5.9

Income tax expense	-1.0	-0.9	-1.3
Net profit from continuing operations	3.9	3.7	4.6
Net profit from discontinued operations	0.0	2.0	1.9
NET PROFIT	3.9	5.7	6.5
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	3.9	5.7	6.5
Net profit attributable to:			
Parent company shareholders	4.1	5.9	6.8
Non-controlling interests	-0.2	-0.2	-0.3
Total comprehensive income attributable to:			
Parent company shareholders	4.1	5.9	6.8
Non-controlling interests	-0.2	-0.2	-0.3
Earnings per share, undiluted, EUR, continuing operations	0.49	0.47	0.61
Earnings per share, diluted, EUR, continuing operations	0.49	0.47	0.61

Consolidated comprehensive income statement (MEUR)

7-9/2016 7-9/2015

NET SALES	5.8	5.3
Other operating income	0.0	0.0
Materials and services	-1.8	-1.8
Employee benefits	-1.0	-0.7
Depreciation/amortization	-0.2	-0.1
Other operating expenses	-1.0	-1.0
OPERATING PROFIT, CONTINUING OPERATIONS	1.9	1.6
Financial income and expenses (net)	0.0	0.1
PRE-TAX PROFIT, CONTINUING OPERATIONS	1.9	1.7
Income tax expense	-0.3	-0.4
Net profit from continuing operations	1.6	1.4
Net profit from discontinued operations	0.0	0.0
NET PROFIT	1.6	1.4
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	1.6	1.4
Net profit attributable to:		
Parent company shareholders	1.6	1.5
Total comprehensive income attributable to:		
Parent company shareholders	1.6	1.5

Consolidated balance sheet(MEUR)	30 Sep 2016	30 Sep 2015	31 Dec 2015
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	0.9	0.7	0.7
Goodwill	1.2	1.2	1.2
Intangible assets	4.1	3.4	3.7
Deferred tax assets	0.4	0.5	0.2
TOTAL NON-CURRENT ASSETS	6.6	5.7	5.8
CURRENT ASSETS			
Inventories	2.2	1.8	1.8
Trade and other receivables	2.7	2.3	2.6
Cash and cash equivalents	5.3	7.3	8.3
TOTAL CURRENT ASSETS	10.3	11.4	12.6
Non-current assets held for sale	0.0	0.0	0.0
TOTAL ASSETS	16.8	17.2	18.4
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	5.3	5.3	5.3
Share premium	2.4	2.4	2.4
Fair value reserve	0.3	0.3	0.3
Invested unrestricted capital reserve	4.6	4.6	4.6
Retained earnings/loss	1.4	2.0	2.8
TOTAL EQUITY, attributable to holders of parent company equity	14.0	14.7	15.5
Non-controlling interests	-0.7	-0.4	-0.5
TOTAL SHAREHOLDERS' EQUITY	13.3	14.2	15.0
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	0.0	0.0	0.0
Provisions	0.0	0.1	0.0
Financial liabilities	0.5	0.4	0.5
TOTAL LONG-TERM LIABILITIES	0.5	0.5	0.5
CURRENT LIABILITIES			
Trade and other payables	2.8	1.9	2.5
Financial liabilities	0.2	0.6	0.4
TOTAL SHORT-TERM LIABILITIES	3.0	2.4	2.9
Long-term liabilities held for sale	0.0	0.0	0.0
TOTAL LIABILITIES	3.6	2.9	3.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	16.8	17.2	18.4

Consolidated statement of change in equity (MEUR)

	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

	Share capital	Share Premium	Other Reserves	Retained Earnings	Total	Non-controlling interests	Total Equity
Balance 1 Jan 2015	5.3	2.4	4.9	-0.4	12.3	-0.2	12.1
Dividend distribution	0.0	0.0	0.0	-3.6	-3.6	0.0	-3.6
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	5.8	5.8	-0.2	5.7
Balance 30 Sep 2015	5.3	2.4	4.9	1.9	14.6	-0.4	14.2

Consolidated cash flow statement (MEUR)

	1-9/2016	1-9/2015	1-12/2015
Net profit	3.9	3.7	4.6
Adjustments to net profit	0.6	0.3	0.4
Taxes	1.0	0.9	1.3
Change in working capital	-1.1	-0.7	-0.5
Interest paid	0.0	0.0	-0.3
Interest received	0.0	0.0	0.4
Taxes paid	-0.4	-0.8	-1.1
CASH FLOW FROM OPERATING ACTIVITIES	4.0	3.5	4.9
Cash flow from discontinued operations	0.0	2.1	1.9
Sales of subsidiaries and associates' shares (net)	0.0	2.8	2.8
Purchase of PPE	-0.4	-0.3	-0.4
Purchase of Intangible assets	-0.7	-0.8	-1.1
NET CASH USED IN INVESTING ACTIVITIES	-1.1	1.8	1.3
Cash flow from discontinued operations	0.0	0.0	0.0
Used options rights	0.0	0.0	0.0
Buyback of own shares	-0.1	0.0	0.0
Paid dividends and repayments of capital	-5.6	-3.6	-3.6

Repayments of long-term borrowings	-0.3	-0.5	-0.6
Long-term loans received	0.1	0.0	0.0
Finance lease principal payment	0.0	0.0	0.0
NET CASH USED IN FINANCING ACTIVITIES	-5.9	-4.0	-4.1
Cash flow from discontinued operations	0.0	0.0	0.2
Net change in cash and equivalents	-3.0	3.2	4.2
Cash and equivalents. period-start	8.3	4.1	4.1
Cash and equivalents. period-end	5.3	7.3	8.3

Net sales and segment margins (MEUR)

	Health Tech	Parent company	Group
Net sales 1-6/2016	16.8	0.0	16.8
Net sales 1-6/2015	14.8	0.0	14.8
Change (%)	14	0	14
Segment profit margin 1-6/2016	6.1	-1.1	4.9
Segment profit margin 1-6/2015	5.6	-1.0	4.5
Change (%)	9	11	9

Main shareholders 30 September 2016

	No. of shares	%
1. Joensuun Kauppa ja Kone Oy	591,509	7 %
2. Merivirta Jyri	500,000	6 %
3. Gerako Oy	340,000	4 %
4. Sijoitusrahasto Evli Suomi Pienyhtiöt	282,546	4 %
5. Keskinäinen Eläkevakuutusyhtiö Etera	265,000	3 %
6. Alpisalo Mia	174,028	2 %
7. Eyemakers Finland Oy	155,000	2 %
8. Sijoitusrahasto Evli Suomi Select	119,818	2 %
9. Sijoitusrahasto Danske Invest Suomen Pienyhtiöt	115,000	1 %
10. Salovaara Olli-Pekka	104,207	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:	=	$\frac{\text{net profit for the period}}{\text{average number of shares during period}}$
Equity per share:	=	$\frac{\text{equity attributable to shareholders}}{\text{number of shares at end of period}}$
Average share price:	=	$\frac{\text{total EUR value of shares traded}}{\text{total number of shares traded during period}}$
Pre-tax profit-%:	=	$\text{operating profit} + \text{financing income} - \text{financing expenses}$
Return on equity-% (ROE):	=	$\frac{100 \times \text{profit for the financial period}}{\text{shareholders' equity} + \text{non-controlling interest (average during period)}}$
Return on investment-% (ROI):	=	$\frac{100 \times \text{profit before taxes} + \text{interest and other financial expenses}}{\text{balance sheet total} - \text{non-interest-bearing debt (average during period)}}$
Equity ratio-%:	=	$\frac{100 \times \text{balance sheet equity} + \text{non-controlling interest}}{\text{balance sheet total} - \text{advance payments received}}$
Net gearing-%:	=	$\frac{100 \times \text{interest-bearing debt} - \text{cash \& equivalents}}{\text{total equity}}$
Equity per share:	=	$\frac{\text{equity attributable to shareholders}}{\text{number of shares at end of period}}$
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
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, in which Revenio holds a 53% 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 2015, Revenio Group's net sales totaled MEUR 20.3, with its operating margin for continuing operations standing at 28.4%. Revenio Group Corporation is listed on Nasdaq Helsinki.