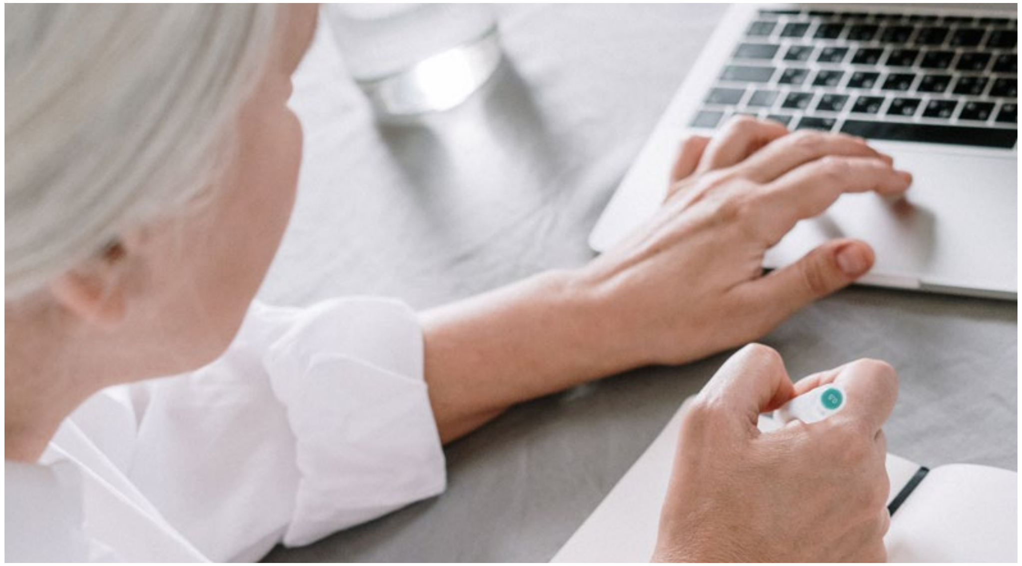
REPORT BY THE BOARD OF DIRECTORS
AND FINANCIAL STATEMENTS **2020**

REVENIO



Report by the Board of Directors

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Review by the Board of Directors

January 1–December 31, 2020

Operating on the international market, Revenio is a health technology group and a global pioneer in ophthalmic diagnostic solutions. Following the strategic acquisition in spring 2019, the company strengthened its position in the ophthalmic diagnostic care pathway.

Revenio is known for its globally leading iCare intraocular pressure measurement devices (tonometers) and retinal imaging devices. The Group's range of ophthalmic diagnostic products includes devices for detecting age-related eye diseases, such as glaucoma, macular degeneration, diabetic retinopathy and cataracts, in their early stages.

Revenio's strong expertise in technology, a strict quality system applied throughout the supply chain, and an understanding of different markets provide a strong basis for the company to be a global leader in health-tech-related screening devices in the future as well. Continuous investment in research and product development will open up new opportunities for the Group and strengthen the market position of its existing products.

As a health technology group, Revenio is also running research and development projects to identify and bring new health technology products to market. At the moment, the Research function is focusing on bringing systems for diagnostics and treatment planning of conditions such as skin cancer and asthma to market.

The Revenio Group comprises the Group's parent company Revenio Group Corporation, Icare Finland Oy, Icare USA Inc., Revenio Italy S.R.L., CenterVue SpA, Revenio Research Oy, Oscare Medical Oy, and Done Medical Oy.

Changes in the Group structure during the financial period

CenterVue Inc. was merged with Icare USA Inc. As of April 1, 2020, Revenio Group's subsidiary in the United States is Icare USA Inc.

Business operations and development of the operating environment

Revenio's markets are global and influenced by structural long-term growth drivers, primarily the globally increasing incidence of eye diseases caused by population aging. As populations age, diseases such as glaucoma, diabetic retinopathy, and macular degeneration are becoming increasingly common. Revenio's position in the ophthalmic care pathway is strong. The company's profitable growth is based on a comprehensive range of products for the entire ophthalmic diagnostic care pathway, unique technology, and a global distribution network.

Thanks to the acquisition of CenterVue in April 2019, Revenio is now operating on a considerably larger market, and the company's position as a global supplier of ophthalmic devices for diagnostics of the eye has strengthened significantly. Revenio's product portfolio covers intraocular pressure measurement devices (tonometers), retinal imaging devices, and perimeters.

In 2020, the impacts of the Covid-19 pandemic were felt in Revenio's global business as challenges in arranging customer meetings. On the other hand, the increased hygiene requirements were reflected in exceptionally strong demand for both iCare intraocular pressure measurement devices and their single-use probes throughout the year. Revenio responded to the increased demand by expanding the production capacity for probes. The unique features of the iCare intraocular pressure measurement devices demonstrated their strengths, allowing patient measurements to continue uninterrupted in a market situation marked by the pandemic.

The Covid-19 restrictions affected sales of iCare retinal imaging devices particularly in early 2020, as they are capital goods and require in-person meetings for both sales and installation. Their sales began to pick up from May onwards towards the end of the year, with deliveries also resuming.

The iCare DRSplus retinal imaging device, in particular, has been well received on the market. Demand for the device was strong, despite the fact that the product launch occurred at the start of the pandemic and a full-scale launch has yet to be executed.

Fixed costs were at an exceptionally low level throughout 2020 due to the travel restrictions imposed because of the Covid-19 pandemic. Opportunities for physical customer meetings were extremely limited, and important industry conferences were transferred online or cancelled altogether.

The United States is the single largest health technology market, and Revenio's sales there grew strongly during 2020. Demand was particularly strong for iCare intraocular pressure measurement devices and their single-use probes. Sales in the US were boosted by some unusually large orders.

Ophthalmic products were combined under the unified iCare brand in 2020. The synergies already achieved through the CenterVue acquisition, especially in terms of sales and marketing and the supply chain, will further strengthen the company's competitiveness and market position.

Development of Ventica and Cutica continued as planned. Clinical trials and the development of artificial intelligence were also continued for Cutica.

During the fall, Revenio successfully conducted remote follow-up audits under the Medical Device Single Audit Program (MDSAP) in both Finland and Italy. MDSAP certification is also recognized by the authorities in the United States, Canada, Australia, Brazil, and Japan. The company also prepared for the adoption of the new European Medical Device Regulation (MDR) as scheduled in spring 2021.

Impact of the Covid-19 pandemic and actions taken in 2020

The risks and uncertainties related to the global Covid-19 pandemic grew significantly during the first quarter of 2020. During the second quarter of 2020, a gradual market reopening could be observed around the world. Towards the end of the year, the uncertainty caused by the Covid-19 pandemic again increased.

In the early stages of the pandemic, the entire Revenio Group transitioned widely to remote working at all its locations, and customer meetings were conducted mainly via remote tools. We have continued the remote working recommendation until further notice, taking official local guidelines into consideration. The sales and marketing organization has transferred customer and distributor events online. Despite the Covid-19 pandemic, Revenio has continued its R&D projects without interruption.

The pandemic has not had a significant impact on the supply chain. Sales of intraocular pressure measurement devices (tonometers) and their single-use probes have been good due to their hygiene in the Covid-19 situation. Imaging devices, on the other hand, are capital goods, and their market is expected to recover more slowly, as they require both face-to-face presentations and physical installation and deployment.

Revenio's balance sheet and cash flow have remained strong throughout the period. The Covid-19 pandemic has not had a significant impact on Revenio's financial position. No material changes have been observed in customers' liquidity.

Net sales, profitability and profit

Revenio reports the health technology business as one entity.

Revenio Group's consolidated net sales in January 1–December 31, 2020 totaled EUR 61.1 (49.5) million. This represented net sales growth of 23.4%. The currency-adjusted growth of net sales in January–December was 26.5%, or 3.1% percentage points stronger than reported.

EBITDA was EUR 21.7 (14.6) million, representing 35.5% of net sales, an increase of 48.4%. EBITDA for the reference period was weighed down by non-recurring acquisition costs amounting to EUR 2.8 million. EBITDA adjusted for non-recurring acquisition costs was EUR 17.4 million. In relation to the adjusted EBITDA for the reference period, EBITDA grew by 24.8% in the financial period.

Earnings before tax totaled EUR 16.7 (12.3) million, a growth of 36.2% from the preceding year.

In the third quarter, an impairment of EUR 1.9 million was recorded in the capitalized product development expenses for the Cutica skin cancer camera due to the weakened outlook for future return expectations. Clinical trials and the development of artificial intelligence will continue as planned.

Operating profit was EUR 17.1 (12.6) million, an increase of 36.0%.

Undiluted earnings per share came to EUR 0.505 (0.365). Equity per share was EUR 2.61 (2.42).

Balance sheet, financing activities and cash flow

The consolidated balance sheet total stood at EUR 114.4 (109.8) million on December 31, 2020. The consolidated goodwill recorded on the balance sheet on December 31, 2020 was EUR 50.4 (50.4) million.

Shareholders' equity amounted to EUR 69.7 (64.4) million. At the end of the review period, net liabilities amounted to EUR -1.7 (2.2) million and net leveraging stood at -2.4% (3.4%). The consolidated equity ratio was 60.9% (58.6%). The Group's liquid assets amounted to EUR 28.9 (26.7) at the end of the period on December 31, 2020. Cash flow from operations totaled EUR 15.2 (12.4) million.

The Group's purchases of PPE and intangible assets totaled EUR 1.6 (59.7) million. Investments focused mainly on production machinery and equipment.

Personnel and management

Jouni Toijala, B.Sc., MBA (b. 1968) was appointed as President & CEO of Revenio Group Corporation on May 18, 2020. Timo Hildén served as President & CEO of Revenio Group Corporation in the first half of the year before Jouni Toijala took office.

The Management Team of Revenio Group at the time of the financial statement's publication includes Revenio Group Corporation's CEO Jouni Toijala (chair), R&D Director of Imaging Devices Giuliano Barbaro, QA Director Heli Valtanen, Operations Director Ari Isomäki, Sales and Marketing Director Tomi Karvo, CFO Robin Pulkkinen, and R&D Director of Tonometers Mika Salkola.

The annualized average number of personnel employed by the Group in January–December amounted to 135 (88). At the end of the period on December 31, 2020, the number of employees was 143 (120), an increase of 23 employees. The growth was mainly due to new recruitments.

AVERAGE NUMBER OF PERSONNEL DURING THE PERIOD

	JAN-DEC/ 2020	JAN-DEC/ 2019	JAN–DEC/ 2018
Revenio Group	135	88	53

Wages, salaries, and other remuneration paid in January–December amounted to EUR 11.0 (8.3) million.

Loans granted to key management personnel

During the financial year 2020, Revenio Group Corporation's President & CEO Jouni Toijala took out a loan of EUR 50,000 granted by the company on market terms for the purchase of Revenio's shares. The shares acquired using the loan will act as security for the loan. This arrangement was entered into at the request of Revenio's Board of Directors in order to secure the commitment and motivation of the CEO. The CEO has agreed to hold the company shares he acquired using the loan financing granted by the company for a period of five (5) years. The CEO's obligation to hold the acquired shares ends if the CEO's employment relationship ends before the end of the five-year period.

Shares, share capital, and management and employee holdings

On December 31, 2020, the 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 26,658,952.

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, 2020, the President & CEO, members of the Board of Directors and their related parties held 0.23% of the company's shares, or 59,986 shares and 0.0% of the option rights.

During the financial period, the company bought back 80,000 of its own shares. At the end of the period, the company held 131,058 of its own shares.

During the financial period, the number of shares increased by 49,545 following subscriptions made on the basis of the 2015B series B option rights and by 64,665 following subscriptions made on the basis of the 2015C option schemes. A total of 114,210 shares were subscribed for. Following these subscriptions, the number of shares and votes of Revenio Group Oyj increased to 26,658,952.

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. The arrangement is widely used by the personnel.

The Annual General Meeting of Revenio Group Corporation held on June 8, 2020 decided that 40% of Board members' emoluments will be settled in the form of company shares. By December 31, 2020, shares had been transferred as follows: 2,126 shares.

Authorization for the purchase of own shares

On June 8, 2020, the Annual General Meeting authorized the Board to make the decision to buy back a maximum of 1,329,951 of the company's own shares in one or several tranches using the company's non-restricted equity capital. The authorization is valid until the end of the Annual General Meeting to be held in 2021, however, no later than until 30 June 2021. This authorization supersedes the buyback authorization granted at the Annual General Meeting of March 20, 2019.

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

The Annual General Meeting of June 8, 2020 authorized the Board of Directors to decide to issue a maximum of 1,329,951 shares or to grant special rights (including stock options) entitling to shares, as referred to in chapter 10, section 1 of the Limited Liability Companies Act, in one or several tranches.

This authorization will be used to finance and implement any prospective corporate acquisitions or other transactions, to implement the company's share-based incentive plans, or for other purposes determined by the Board.

The authorization is valid until the end of the Annual General Meeting to be held in 2021, however, no later than until June 30, 2021. This authorization supersedes the share-issue authorization granted at the Annual General Meeting of March 20, 2019.

Current 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 three shares. New shares subscribed for via the option program entitle the holder to a dividend from the year of subscription onwards. 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 were 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 C options is the trade-weighted average price of a Revenio share quoted on Nasdaq Helsinki Oy during the period September 1–October 15, 2017, plus 15 per cent. On December 31, 2020, the share subscription price for Series C options was EUR 12.48. In accordance with the terms and conditions of the option scheme, the subscription price is reduced by the amount of dividends decided before the share subscription, on the record date of each dividend payment.

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Share plan

On March 20, 2018, June 20, 2019, and March 13, 2020, the Board of Directors of Revenio Group Corporation decided on a long-term incentive scheme directed towards the President & CEO and other Management Team of Revenio Group. Long-term incentive schemes form part of the company's remuneration program for key personnel and are aimed at supporting the implementation of the company's strategy and harmonizing the objectives of key personnel and company shareholders in order to grow the company's value. Moreover, the CEO is entitled to a restricted share plan if certain conditions are met. According to the plan, the CEO would be entitled to receive a total of 3,000 company shares during 2021–2023.

Trading on Nasdaq Helsinki

During the period January 1–December 31, 2020, Revenio Group Corporation’s share turnover on the Nasdaq Helsinki exchange totaled EUR 446.8 (123.9) million, representing 14.4 (6.0) million shares or 54.1% (22.4) of all shares outstanding. The highest trading price was EUR 51.50 (28.05) and the lowest was EUR 18.48 (12.56). At the end of the period, the closing price was EUR 50.30 (26.25), and the average share price was EUR 30.98 (20.8). Revenio Group Corporation’s market value stood at EUR 1,341 (697) million on December 31, 2020.

JANUARY-DECEMBER 2020	TURNOVER, NUMBER OF SHARES	VALUE TOTAL, EUR	HIGHEST, EUR	LOWEST, EUR	AVERAGE PRICE, EUR	LATEST, EUR
REG1V	14,420,198	446,788,330	51.50	18.48	30.98	50.30

SUMMARY OF TRADING ON NASDAQ HELSINKI
JANUARY 1–DECEMBER 31, 2020

	DEC 31, 2020	DEC 31, 2019
Market value, EUR	1,340,945,286	696,799,478
Number of shareholders	20,184	12,338

Flagging notifications

On June 5, 2020, Revenio Group Corporation was notified of a change in shareholder ownership, in accordance with chapter 9, section 5 of the Securities Market Act, in which the number of shares and votes in Revenio Group Corporation held by William Demant Invest A/S rose above 10%. On June 5, 2020, William Demant Invest A/S held 10.16% of Revenio Group Corporation's shares and votes, with a total of 2,705,336 shares in Revenio Group Corporation.

On October 13, 2020, Revenio was notified of a change in shareholder ownership, in accordance with chapter 9, section 5 of the Securities Market Act, in which the number of shares and votes in Revenio Group Corporation held by The Capital Group Companies Inc fell below 5%. The Capital Group Companies Inc held 4.8399% of Revenio Group Corporation's shares and votes. On October 13, 2020, The Capital Group Companies Inc held a total of 1,288,756 shares in Revenio Group Corporation.

Major shareholders on
December 31, 2020*

		NO. OF SHARES	%
1	William Demant Invest A/S	2,899,237	10.88%
2	SEB Funds	1,247,634	4.68%
3	Columbia Threadneedle	1,129,985	4.24%
4	Capital Group	792,790	2.97%
5	Ilmarinen Mutual Pension Insurance Company	667,710	2.50%
6	Groupama Asset Management	583,457	2.19%
7	Aktia Funds	505,000	1.89%
8	Nordea Funds	500,604	1.88%
9	TIN Funds	367,869	1.38%
10	Evli Funds	352,000	1.32%

* Monitor by Modular Finance AB. Compiled and processed ownership data from various public sources, including Euroclear Finland and Morningstar, and from direct shareholder disclosures. Whilst all efforts have been made to secure as updated and complete information as possible, neither Modular Finance nor Revenio Group can guarantee the completeness or accuracy of the data.

Management transactions

Transactions in Revenio securities by members of Revenio Group Corporation's management during the financial period have been published as stock exchange releases and can be viewed on the company website at **www.reveniogroup.fi/en/releases.**

Corporate Governance

Corporate governance

In its decision-making and corporate governance, Revenio Group Corporation abides by the Finnish Limited Liability Companies Act, other legal provisions concerning listed companies, Revenio Group Corporation's Articles of Association, and the rules and guidelines issued by Nasdaq Helsinki Ltd. The company complies with the Finnish Corporate Governance Code approved on September 19, 2019 and issued on January 1, 2020 by the Securities Market Association.

Revenio's Corporate Governance statements are published annually simultaneously with the company's Annual Report on the company website at

www.reveniogroup.fi/en/investors/corporate_governance.

The company's Corporate Governance statements are available in the Investors section of the company website at

www.reveniogroup.fi/en/investors/corporate_governance.

Annual General Meeting and Board authorizations in effect

Decisions by the Annual General Meeting of Revenio Group Corporation on June 8, 2020

1. FINANCIAL STATEMENTS, BOARD AND AUDITORS

The Annual General Meeting confirmed the company's financial statements for the financial year January 1–December 31, 2020 and discharged the members of the Board of Directors and the Managing Director from liability.

The Annual General Meeting decided to elect six members to the Board of Directors. Pekka Rönkä, Kyösti Kakkonen, Ann-Christine Sundell, and Pekka Tammela were re-elected as Board members and Arne Boye Nielsen and Bill Östman were elected as new members. At its organization meeting, held after the Annual General Meeting, the Board of Directors elected Pekka Rönkä as Chair of the Board. The Board also decided on the composition of the Audit Committee and re-elected Pekka Rönkä, Pekka Tammela, and Ann-Christine Sundell as its members. Pekka Tammela was re-elected as Chair of the Audit Committee.

The Annual General Meeting decided that the Chair of the Board is entitled to an annual emolument of EUR 48,000, Board members acting as Chair of a committee to an annual emolument of EUR 30,000, and 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 Annual General Meeting also decided that the members of the Board of Directors and committees will be paid a fee of EUR 600 for board and committee meetings and EUR 300 per meeting for telephone meetings.

The Annual General Meeting decided to re-appoint Deloitte Oy, Authorized Public Accountants, as the company's auditors, with Mikko Lahtinen, Authorized Public Accountant, as the principal auditor. The Annual General Meeting decided to compensate the auditors upon the presentation of an invoice approved by the company.

2. ANNUAL PROFIT DISTRIBUTION AND DIVIDEND DISTRIBUTION

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided that a dividend of EUR 0.30 per share will be paid. Dividends will be paid to shareholders who have been registered in the company's shareholder register, maintained by Euroclear Finland Ltd, by the dividend record date June 10, 2020. The dividend payment date was June 17, 2020.

3. AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE TO REPURCHASE THE COMPANY'S OWN SHARES

The Annual General Meeting authorized the Board to make the decision to buy back a maximum of 1,329,951 of the company's own shares in one or several tranches using the company's non-restricted equity capital. The company may buy back shares to develop its capital structure, to finance and implement any corporate acquisitions or other transactions, to implement share-based incentive plans, to pay Board members' emoluments 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.

The authorization is valid until the end of the Annual General Meeting to be held in 2021, however, no later than until 30 June 2021. This authorization supersedes the previous buyback authorizations granted at Annual General Meetings.

4. 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 Annual General Meeting authorized the Board of Directors to decide to issue a maximum of 1,329,951 shares or to grant special rights (including stock options) entitling to shares, as referred to in chapter 10, section 1 of the Limited Liability Companies Act, in one or several tranches.

This authorization will be used to finance and implement any prospective corporate acquisitions or other transactions, to implement the company's share-based incentive plans, 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.

The authorization is valid until the end of the Annual General Meeting to be held in 2021, however, no later than until June 30, 2021. This authorization supersedes the authorizations to decide on a share issue and the granting of other special rights giving entitlement to shares granted at previous Annual General Meetings.

Board of Directors and Auditors

Up to the Annual General Meeting, the members of the Board of Directors were Pekka Rönkä (Chair), Kyösti Kakkonen, Ari Kohonen, Ann-Christine Sundell, and Pekka Tammela. At the Annual General Meeting of June 8, 2020, Pekka Rönkä, Kyösti Kakkonen, Arne Boye Nielsen, Ann-Christine Sundell, Pekka Tammela, and Bill Östman were elected as members of the Board of Directors. At its organization meeting following the Annual General Meeting, the Board of Directors elected Pekka Rönkä as Chair of the Board from among its members.

At its organization meeting following the 2020 Annual General Meeting, the Board also elected the members of the Audit Committee from among its members. The following members were re-elected for the Audit Committee: Pekka Tammela (Chair), Pekka Rönkä and Ann-Christine Sundell.

On October 21, 2020, the Board of Directors established a Nomination and Remuneration Committee and, in accordance with the charter of the Committee, elected the following members from among its members for the Committee: Ann-Christine Sundell (Chair), Arne Boye Nielsen, and Bill Östman.

In 2020, the Board of Directors met 27 times, and the average attendance rate of Board members at meetings was 99%. In 2019, the attendance rate was 97%.

In 2020, the Audit Committee met 6 times, and the attendance rate was 100%. In 2019, the attendance rate was 100%. In 2020, the Nomination and Remuneration Committee met once, and the attendance rate was 100%.

In the course of the financial year, the company paid, in total, EUR 180,000 in payments as Board emoluments. In addition, a total of 2,126 Revenio Group Corporation shares were granted as Board emoluments. Members of the Audit Committee were paid a fee of EUR 600 per meeting for attendance in person and a fee of EUR 300 per meeting for attendance by telephone, a total of EUR 6,900. Members of the Nomination and Remuneration Committee were paid a fee of EUR 600 per meeting for attendance in person and a fee of EUR 300 per meeting for attendance by telephone, a total of EUR 900.

Deloitte Oy, Authorized Public Accountants, acts as the company's auditors, with Mikko Lahtinen, Authorized Public Accountant, as the principal auditor.

Audit Committee

At its organization meeting following the 2020 Annual General Meeting, the Board of Directors elected the members of the Audit Committee from among its members. The following members were re-elected for the Audit Committee: Pekka Tammela (Chair), Pekka Rönkä and Ann-Christine Sundell.

The duties of the Audit Committee are to:

- monitor and assess the financial reporting system;
- monitor and assess the efficiency of internal control and auditing as well as of the risk management systems;
- monitor and assess how agreements and other legal acts between the company and its related parties meet the requirements of the ordinary course of business and market terms;
- monitor and evaluate the independence of the auditor and, in particular, the offering of services other than auditing services by the auditor;
- monitor the company's auditing;
- prepare the appointment of the company's auditor.

In addition, the tasks of the company Audit Committee include:

- monitoring the statutory auditing of the financial statements and consolidated financial statements as well as the reporting process and ensure their accuracy;
- supervising the financial reporting process;
- reviewing the effectiveness of Revenio Group Corporation's internal control and risk management systems, the Group's risks, and the quality and scope of risk management;
- approving the internal audit guidelines and reviewing the internal audit plans and reports;
- reviewing the description of the main features of the internal control and risk management systems in relation to the financial reporting process, which is included in the company's Corporate Governance Statement;
- evaluating the independence and work of the statutory auditor and proposing a resolution on the election and fee of the auditor;
- evaluating compliance with laws, regulations, and Company policies and monitoring significant litigations of Group companies;
- executing any other duties bestowed upon it by the Board.

Nomination and Remuneration Committee

On October 21, 2020, Revenio's Board of Directors established a Nomination and Remuneration Committee. The Nomination and Remuneration Committee assists the Board of Directors in preparatory work for the election of Board members, the nomination and remuneration of the President & CEO and other management, and the remuneration schemes for other personnel.

In accordance with the charter of the Nomination and Remuneration Committee, the Board elected the following members from among its members for the Committee: Ann-Christine Sundell (Chair), Arne Boye Nielsen and Bill Östman.

The duties of the Nomination and Remuneration Committee include:

- preparing a proposal to the Annual General Meeting on the members of the Board of Directors;
- preparing a proposal to the Annual General Meeting on the remuneration of Board members;
- preparatory work for the nomination of the President & CEO;
- preparing proposals related to the salary and other financial benefits of the President & CEO and other management;
- preparing matters related to the Company's remuneration schemes;
- assessing the remuneration of the President & CEO and other management and ensuring the appropriateness of the remuneration schemes;
- preparing the Remuneration Report;
- answering questions related to the Remuneration Report at the Annual General Meeting.

Remuneration

Revenio's remuneration reporting consists of the Remuneration Policy presented to the Annual General Meeting at least once every four years and, from 2020, the Remuneration Report, presented each year, which provides information on the fees paid to the company's governing bodies in the financial period. The company will publish the Remuneration Report for 2020 as a separate document available on the company's website at **www.reveniogroup.fi/en/investors/corporate_governance/remuneration**. In addition, the company's website provides information on the current remuneration schemes of the Board of Directors and the President & CEO as well information on the remuneration of the Group Management Team on an aggregate level.

Assessment of significant risks and uncertainty factors

Revenio Group's typical risks are divided into strategic, operational, trade cycle, hazard, financial, and political risks. In addition, the threat of the global impact of pandemics and the risk of cyber threats have increased.

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 under Icare Finland Oy, Revenio Research Oy and CenterVue SpA, and any failure in 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 the 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. In the health technology sector especially, operational risks include factors related to expansion into new markets, such as various countries' national regulations of 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 due to the sector's requirements concerning quality.

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's credit policy lays down the requirements for selling on credit and the requirements for credit management. Every month, and more frequently if necessary, the Board, in 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. The liquidity risk 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.

Revenio Group sells products in nearly 100 countries. Trade policy uncertainties, an unstable political situation, Brexit, and any protective tariffs may affect demand for Revenio Group's products. Revenio actively monitors political developments in different market areas from the risk management perspective. Developments in the political operating environment and legislation may have an impact on Revenio Group's business.

Moreover, global pandemics such as Covid-19 could have direct and indirect effects on Revenio Group's business, and a pandemic could increase the risk of personnel falling ill. Closures of factories and borders in accordance with government regulations could potentially weaken Revenio's business conditions, and restrictions on movement could hamper the sales and delivery of Revenio's products.

Disputes

The company is not currently involved in any disputes or legal proceedings that, in the opinion of the Board, would have a significant impact on the Group's financial position.

Corporate responsibility

Responsibility is an important part of Revenio Group's operations. During the year, Revenio continued to further develop its corporate responsibility program and define the responsibility goals. The corporate responsibility priorities are based on the Group's strategic guidelines and the value created for stakeholders, society, the environment, and the climate. In every aspect of its operations, the Group takes into account the special characteristics of the business and operating environment in the field of health technology and supports the UN's Sustainable Development Goals.

Research and development activities

R&D expenditure during the financial year totaled EUR 4.6 (4.2) million. A total of EUR 0.1 (0.5) million of R&D costs were capitalized during the period.

Major events after the financial period

There were no major events after the end of the financial period.

Financial guidance for 2021

Revenio Group's exchange rate-adjusted net sales are estimated to grow strongly from the previous year and profitability is to remain at a good level without non-recurring items.

The Board's Proposal to the Annual General Meeting

The Group's profit for the period was EUR 13,361,739.31 and the parent company's profit was EUR 13,655,019.23. The parent company's distributable earnings on December 31, 2020 totaled EUR 68,822,657.00. The Board of Directors will propose to the Annual General Meeting on March 17, 2021 that the parent company's distributable earnings be allocated by paying a per-share dividend of EUR 0.32 (0.30), for a total of EUR 8,530,864.64, 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.

Key figures

12 MONTHS, IFRS

	1–12/2020	1–12/2019	1–12/2018	1–12/2017	1–12/2016
Net sales, TEUR	61,067	49,474	30,658	26,791	23,434
Net sales, TEUR	17,130	12,593	10,205	8,120	7,058
Operating profit, TEUR	28.1	25.5	33.3	30.3	30.1
Profit before taxes, TEUR	16,719	12,273	10,235	8,290	7,116
Profit before taxes, %	27.4	24.8	33.4	30.9	30.4
Net profit for financial period, TEUR	13,362	9,343	8,103	6,850	5,584
Net profit, %	21.9	18.9	26.4	25.6	23.8
Gross capital expenditure in non-current assets, TEUR	2,389	68,167	1,895	816	1,494
Gross capital expenditure, % of net sales	3.9	137.8	6.2	3	6.4
R&D expenses, TEUR	4,602	4,227	3,477	2,379	776
R&D expenses, %	7.5	8.5	11.3	8.9	3.3
Return on equity, %	19.9	22.7	47.6	44.3	37.2
Return on investment, %	18.1	22.6	59.5	53.2	45.6
Equity ratio, %	60.9	58.6	81.8	84	78.9
Net leveraging, %	-2.4	2.2	-55.6	-47.6	-43.8
Leveraging, %	39.0	44.8	1.8	2.1	5
Average number of personnel	135	88	48	41	41

12 MONTHS, IFRS

KEY INDICATORS PER SHARE	1–12/2020	1–12/2019	1–12/2018	1–12/2017	1–12/2016
Earnings per share, EUR	0.50	0.36	0.34	0.29	0.23
Equity attributable to equity owners of the parent company per share, EUR	2.61	2.42	0.75	0.67	0.66
Dividend per share, EUR	0.32	0.30	0.28	0.26	0.25
Dividend payout ratio, %	63.4	85.1	82.6	90.3	105.8
Effective dividend yield, %	0.6	1.1	2.2	2.2	2.4
P/E ratio	99.6	72.0	37.0	41.7	43.5
Diluted number of shares at end of period	26,658,92	26,544,742	24,016,476	7,979,406	7,979,406
Diluted number of shares average during period (acquired own shares excluded)	26,476, 975	25,645,898	23,960,263	7,975,947	7,968,685
Share price, year low, EUR	18.48	12.56	11.35	29.23	22.2
Share price, year high, EUR	51.5	28.05	16.6	41.41	30.74
Share price, average, EUR	30.98	20.80	13.93	34.09	25.66
Share price at the end of period, EUR	50.30	26.25	12.56	36.00	30.48
Market capitalization at end of period, MEUR	1341	696.8	301.6	287.3	243.2
Turnover, number of shares	14,420,198	5,957,650	6,521,878	6,611,787	5,640,423
Turnover, %	54.1	22.4	27.2	27.6	23.6

Definition of key figures:

EBITDA	Operating profit + amortization + impairments
Earnings per share	$\frac{\text{Net profit for the period (share calculated for the parent company's shareholders)}}{\text{Average number of shares during the period – own shares purchased}}$
Profit before taxes	Operating profit + financial income – financial expenses
Equity ratio, %	$\frac{\text{Shareholders' equity on balance sheet + Non-controlling interest}}{\text{Balance sheet total – Advance payments received}} \times 100$
Net leveraging, %	$\frac{\text{Interest-bearing debt – cash \& equivalents}}{\text{Total equity}} \times 100$
Return on equity (ROE), %	$\frac{\text{Profit for the period}}{\text{Shareholders' equity + non-controlling interest}} \times 100$
Return on investment (ROI), %	$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing debt}} \times 100$
Equity per share	$\frac{\text{Equity attributable to shareholders}}{\text{Number of shares at end of period}}$

Alternative key figure

Revenio Group's revenue is impacted heavily by the fluctuations of the EUR/USD exchange rate. As a alternative performance measure we have presented our revenue also with constant exchanges rates.

ALTERNATIVE GROWTH INDICATOR, TEUR	1–12/2020	1–12/2019
Reported net sales	61,067	49,474
Effect of exchange rates on net sales	1,493	-841
Net sales adjusted with the effect of exchange rates	62,560	48,634
Growth in net sales, adjusted with the effect of exchange rates	26.5%	58.6%
Reported net sales growth	23.4%	61.4%
Difference, % points	3.1%	2.8%

Distribution of shareholdings and information about shareholders

Shareholders by sector

Dec 31, 2020

	NO. OF SHARES	PERCENTAGE OF SHARES AND PERCENTAGE OF VOTING RIGHTS
Treasury shares	131,058	0.49%
Fund company	8,705,783	32.66%
Investment & PE	2,899,237	10.88%
Pension & Insurance	1,332,968	5.00%
Foundation	49,627	0.19%
Private individuals	10,459,608	39.24%
Other	1312578	4.92%
Anonymous ownership	1,768,093	6.63%
Total	**26,658,952**	**100.00 %**

Shareholders by share ownership

Dec 31, 2020

SHARES, GTY	NO. OF SHARES	PERCENTAGE OF SHARES AND PERCENTAGE OF VOTING RIGHTS	NO. OF SHARE-HOLDERS	PERCENTAGE OF SHARE-HOLDERS
1 - 100	452,222	1.70%	11,721	58.04%
101 - 200	397,834	1.49%	2,613	12.94%
201 - 500	896,188	3.36%	2,709	13.41%
501 - 1000	980,819	3.68%	1,346	6.66%
1001 - 2000	1,141,666	4.28%	796	3.94%
2001 - 5000	1,885,520	7.07%	598	2.96%
5001 - 10000	1,378,448	5.17%	196	0.97%
10001 - 20000	1,318,464	4.95%	97	0.48%
20001 - 50000	2,239,122	8.40%	72	0.36%
50001 - 100000	1,318,604	4.95%	18	0.09%
100001 - 200000	1,690,435	6.34%	12	0.06%
200001 - 500000	2,815,142	10.56%	10	0.05%
500001 - 1000000	3,112,555	11.68%	5	0.02%
1000001 - 2000000	2,377,619	8.92%	2	0.01%
2000001 - 5000000	2,899,237	10.88%	1	0.00%
5000001 -	0	0.00%	0	0.00%
Anonymous ownership	1,755,077	6.58%		
Total	**26,658,952**	**100.00%**	**20,196**	**100.00%**

The notes to the financial statements form an essential part of the financial statements.

Consolidated comprehensive profit & loss statement

TEUR

	NOTE NO.	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Net sales	1, 2	**61,067**	**49,474**
Other operating income	3	**1,316**	**1,311**
Use of materials and services			
Materials:			
Purchases during the financial period		-14,095	-5,899
Change in inventories		759	-5,396
External services		-4,392	-3,642
Materials and services total		**-17,728**	**-14,937**
Employee benefit expenses	4, 5, 6		
Salaries and fees		-11,023	-8,325
Indirect personnel costs			
Pension costs		-1,444	-1,156
Other indirect personnel expenses		-250	-291
Employee benefit expenses total		**-12,718**	**-9,772**
Depreciation, amortization, and impairment	12, 13		
Depreciation		-2,606	-2,023
Impairments		-1,956	0
Depreciation, amortization, and impairment total		**-4,563**	**-2,023**

TEUR

	NOTE NO.	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Other operating expenses	7, 8	**-10,244**	**-11,460**
Operating profit		**17,130**	**12,593**
Financial income and expenses	9		
Financial income		1	5
Financial expenses		-412	-325
Financial income and expenses total		**-411**	**-320**
Profit before taxes		**16,719**	**12,273**
Taxes	10		
Income taxes		-3,357	-2,930
Taxes total		**-3,357**	**-2,930**
Profit for the period		**13,362**	**9,343**
Other comprehensive income items			
Items that may be reclassified subsequently to profit or loss			
Translation differences from foreign operations		-386	19
Items that are not reclassified to profit or loss			
Remeasurements of defined benefit liabilities		-194	-6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		12,782	9,356
Earnings per share calculated from the profit Earnings per share	11		
Undiluted earnings per share (EUR)		0.505	0.365
Diluted earnings per share (EUR)		0.504	0.364

The notes to the financial statements form an essential part of the financial statements.

Consolidated balance sheet

TEUR

ASSETS	NOTE NO.	DEC 31, 2020	DEC 31, 2019
Non-current assets			
Goodwill	12	50,409	50,409
Other intangible assets	12	16,861	19,438
Property, plant, and equipment	12	2,018	1,809
Right-of-use assets	13	932	757
Other receivables		157	83
Non-current assets total		70,378	72,496
Current assets			
Inventories	14	4,875	3,452
Trade and other receivables	15	8,565	6,402
Deferred tax assets	10	1,009	766
Assets for current tax		714	0
Cash and cash equivalents	15	28,878	26,675
Current assets total		44,041	37,295
ASSETS TOTAL		114,419	109,791

TEUR

EQUITY AND LIABILITIES	NOTE NO.	DEC 31, 2020	DEC 31, 2019
Equity	16, 17		
Share capital		5,315	5,315
Fair value reserve		300	300
Reserve for invested unrestricted equity		52,505	51,152
Other reserves		280	280
Retained earnings		13,971	7,999
Translation differences		-329	57
Own shares		-2,333	-740
SHAREHOLDERS' EQUITY TOTAL		69,710	64,363

TEUR

LIABILITIES	NOTE NO.	DEC 31, 2020	DEC 31, 2019
Non-current liabilities			
Deferred tax liabilities	10	3,856	4,120
Interest-bearing non-current liabilities	19	21,659	23,817
Lease liabilities		376	367
Pension obligations	6	701	428
Other non-current liabilities	19	0	1,155
Non-current liabilities total		26,591	29,888
Current liabilities			
Deferred tax liabilities	10	425	225
Current tax liabilities		2,108	1,030
Interest-bearing current liabilities	19	4,604	4,259
Lease liabilities		581	420
Provisions	20	330	397
Trade and other payables	21	10,071	9,209
Current liabilities total		18,118	15,540
LIABILITIES TOTAL		44,709	45,428
EQUITY AND LIABILITIES TOTAL		114,419	109,791

The notes to the financial statements form an essential part of the financial statements.

Consolidated cash flow statement

TEUR

CASH FLOW FROM OPERATIONS	NOTE NO.	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Profit for the period		13,362	9,343
Adjustments:			
Depreciation, amortization, and impairment	12	4,563	2,023
Non-cash items		539	1,775
Financial income and expenses	9	411	320
Taxes	10	3,357	3,112
Change in working capital:			
Change in trade and other receivables	15	-2,893	-403
Change in inventories	14	-1,423	-729
Changes in trade and other payables	21	1,014	996
Change in working capital, total		-3,302	-136
Interests paid	9	-265	-291
Interest received	9	1	5
Taxes paid	10	-3,436	-3,663
Net cash flow from operations		**15,230**	**12,489**

TEUR

CASH FLOW FROM INVESTING ACTIVITIES	NOTE NO.	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Acquisitions of subsidiaries less cash and cash equivalents at acquisition time		0	-58,227
Purchase of tangible assets	12	-840	-824
Purchase of intangible assets	12	-702	-661
Loans granted		-50	0
Net cash flow from investing activities		**-1,591**	**-59,713**

TEUR

CASH FLOW FROM FINANCING ACTIVITIES	NOTE NO.	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Directed share issue		0	42,300
Share issue-related transaction costs		0	-1,072
Short-term loans drawn	19	0	4,200
Long-term loans drawn		0	25,800
Repayments of loans	19	-2,159	-2,248
Dividends paid	17	-7,948	-6,709
Share subscription through exercised options	17	1,304	1,857
Acquisition of own shares		-1,613	0
Payments of lease agreement liabilities		-659	-580
Net cash flow from financing activities		**-11,075**	**63,549**
Net change in cash and credit accounts		**2,564**	**16,326**
Cash and cash equivalents at beginning of period	15	26,675	10,378
Effect of exchange rates		-360	54
Cash and cash equivalents at end of period	15	28,878	26,675

Consolidated statement of changes in equity

PARENT COMPANY SHAREHOLDERS' EQUITY, EUR THOUSAND

	Equity	Reserve for invested unrestricted equity	Other reserves	Own shares	Translation differences	Retained earnings	Total equity
EQUITY JAN 1, 2019	5,315	7,824	580	-769	38	5,054	18,042
Comprehensive profit							
Net profit for the period						9,343	9,343
Other comprehensive income					19	-6	13
Total comprehensive income for the period	0	0	0	0	19	9,337	9,356
Transactions with owners							
Dividend distribution						-6,709	-6,709
Share-based remuneration				29			29
Share-based payments adjusted by taxes						347	347
Other direct entries to retained earnings						-50	-50
Directed share issue		42 300					42 300
Direct costs resulting from the issue of new shares adjusted by taxes		-857					-857
Exercised options		1,886					1,886
Transactions with owners total	0	43,328	0	29	0	-6,412	36,946
Equity, Dec 31, 2019	5,315	51,152	580	-740	57	7,999	64,363
EQUITY JAN 1, 2020	5,315	51,152	580	-740	57	7,999	64,363
Comprehensive profit							
Net profit for the period						13,362	13,362
Other comprehensive income					-386	-194	-580
Total comprehensive income for the period	0	0	0	0	-386	13,168	12,782
Transactions with owners							
Dividend distribution						-7,948	-7,948
Share-based remuneration		49		21			70
Purchase of own shares				-1,613			-1,613
Share-based payments adjusted by taxes						536	536
Other direct entries to retained earnings						216	216
Exercised options		1,304					1,304
Transactions with owners total	0	1,353	0	-1,593	0	-7,196	-7,435
Equity Dec 31, 2020	5,315	52,505	580	-2,333	-329	13,971	69,710

Notes to the consolidated financial statements

Dec 31, 2020

General

Revenio is a health tech group operating on the international market and a global leader in ophthalmological devices. Revenio Group's ophthalmic diagnostic solutions include intraocular pressure measurement devices under the Icare brand and retinal imaging devices. The main tools for the detection and diagnosis of glaucoma and its monitoring during treatment are intraocular pressure measurement (tonometry), retinal imaging, and visual field tests (perimetry). The Group's product range also includes the Ventica device, designed to detect asthma in children, and the skin cancer camera Cutica, still in the development phase.

Revenio Group Corporation (1700625-7) is the parent company of the Revenio Group. The company is a public limited company registered in Finland, with its domicile in the City of Vantaa, and is listed on the Nasdaq Helsinki Stock Exchange since October 2001. The company's registered address is Äyritie 22, 01510 Vantaa, Finland.

The Board of Directors of the Revenio Group Corporation approved these financial statements for publication at its meeting on February 19, 2021. According to the Finnish Limited Liability Companies Act, shareholders have the right to approve or reject the financial statements at the Annual General Meeting following their issuance. The AGM may also decide on amendments to the financial statements.

Copies of the financial statements are available on the company's website at **www.reveniogroup.fi** and at the Head Office of the Group's parent company.

Accounting principles for the consolidated financial statements

§ Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS, approved for use in the EU. The IAS and IFRS Standards and SIC and IFRIC Interpretations in effect on December 31, 2020 have been applied. International Financial Reporting Standards refer to the Standards and their interpretations approved for application in the EU in accordance with the procedure stipulated in Regulation (EC) No 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation complementing the IFRS Standards.

The consolidated financial statements are presented in the euro currency, which is the operational and accounting currency for the Group's parent company and all of its subsidiaries, with the exception of Icare USA Inc., whose operating currency is the U.S. dollar.

Application of new or revised IFRS Standards and IFRIC Interpretations

The consolidated financial statements have been prepared on the same principles as in 2019, with the exception of the following new Standards, Interpretations, and amendments to existing Standards, which the Group has applied as of January 1, 2020.

- IAS 1 and IAS 8; amendments to definition of materiality
- IFRS 3; amendments to definition of a business
- IFRS 9, IAS 39 and IFRS 7; interest rate benchmark reform
- IFRS 16; amendment regarding Covid-19-related rent concessions

The amendments to the standards listed above have not had a material impact on the financial statements presented herein.

Critical accounting estimates and assumptions

The preparation of the financial statements requires the use of estimates and assumptions about the future. The actual results may differ from these estimates and assumptions. In addition, judgment needs to be exercised in the application of accounting principles. The most significant items of the financial statements where the management has been required to use its judgment and for which the estimates include uncertainty are presented below.

- **Note 6)** Pension liabilities

Assumptions and judgment have been exercised to determine the actuarial assumptions used for calculating the present value of the defined benefit pension plans.

- **Note 12)** Intangible and tangible assets, section Goodwill

The Group tests goodwill annually and assesses indications of impairment as described under accounting principles. The recoverable amounts of cash-generating units are defined based on value in use. These calculations require the use of estimates on the profitability of the business and on all factors that may affect it.

- **Note 12)** Intangible and tangible assets, section Other intangible assets

For other intangible assets with a limited useful life, it is estimated annually whether any indications of their impairment exist. If such indications are detected, the other intangible assets are subjected to impairment testing. These calculations require the use of estimates.

Besides the Group strategy, and action and financial plans and prognoses for the coming years, Group management bases its prognoses on estimates about the macro- and micro-economic factors that affect demand in the business. The estimates used reflect actual history and are consistent with external information.

Consolidation principles

The consolidated financial statements include the parent company Revenio Group Oyj and all subsidiaries in which the Group has a controlling interest. The Group has a controlling interest in a company if the interest exposes the Group to the company's variable returns or entitles it to such returns, and the Group is able to influence these returns by exercising its power over the company. Subsidiary companies are consolidated wholly from and including the date on which the Group has acquired the right of control. The consolidation will cease when the right of control ends.

The acquisition of subsidiaries is handled using the procurement method. The consideration paid for the acquisition is the fair value of the assets transferred, the equity interests issued, and the liabilities incurred to the former owners. Any contingent consideration is recognized at fair value on the acquisition date and classified as a liability or shareholder equity. Contingent consideration classified as a liability is measured at fair value on the last day of each reporting period. The resulting profit or loss is recognized in the consolidated income statement. The identifiable assets acquired, liabilities assumed and contingent liabilities are initially measured at their acquisition-date fair values. Goodwill is recognized as the amount by which the transferred consideration exceeds the fair value of the net assets acquired. If the acquisition cost is less than the net assets acquired, the resulting profit is recognized through profit or loss at the date of acquisition. All acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received, with the exception of costs arising from the issuance of debt or equity securities.

All intercompany transactions, receivables, payables, unrealized profits, and internal distribution of profit between subsidiaries are eliminated as part of the consolidation process. Unrealized losses are not eliminated if the loss is a result of impairment.

Foreign currency items

In Group companies, transactions are recorded in the operating currencies of each Group company. Foreign currency transactions are recognized at the exchange rate on the transaction date rate in the operating currency. At the end of the financial period, outstanding receivables, liabilities and monetary items are measured at the exchange rate prevailing on the balance sheet date through profit or loss. Exchange rate gains and losses are included in the corresponding items above operating profit. Exchange rate gains and losses from financing are recorded in financial gains and losses.

The presentation currency of the consolidated financial statements is the euro and the parent company's operating currency is the euro. The income statement of the non-euro area Group company is translated into euros using the average exchange rate in the financial period and the balance sheet is translated at the rates in effect on the last day of the financial period. The translation of the income statement and balance sheet at different rates results in a translation difference to be recognized under equity, the impact of which is recorded in other comprehensive income items. When a Group company outside Finland is founded by the Group itself, its acquisition does not entail goodwill or adjustments to its fair book value and the resulting asset items that should be translated into euros. Changes in translation differences resulting from the translation of equity items accumulated after founding the company are recorded in other comprehensive income. When a company is disposed of, the accumulated translation differences are recognized as part of capital gain or loss.

1) Operating segments

The Group consists of a single reportable segment formed out of its independent subsidiaries with business operations and the parent company.

The health technology segment reported by the Group designs, manufactures, and sells health technology products for screening and monitoring. Its focus is on devices that support the diagnosis of eye diseases, skin cancer and asthma and planning their treatment. The clientele consists of health care professionals and patients.

Information about geographical areas

2020, TEUR	FINLAND	OTHER EUROPE	OTHERS	TOTAL
Net sales	871	12,554	47,642	**61,067**
Non-current assets	6,151	61,297	2,930	**70,378**

2019, TEUR	FINLAND	OTHER EUROPE	OTHERS	TOTAL
Net sales	919	10,416	38,140	**49,474**
Non-current assets	9,932	61,914	650	**72,496**

2) Net sales

§ Basis of preparation

The proceeds from the sale of the products and services are shown as net sales to the amount to which the group expects to be entitled for the goods and services promised to the customer. Revenue from sales is recognized when the customer gains control over the goods or services (performance obligation). A performance obligation is an item of goods or services from which the customer may separately benefit. A performance obligation is an individual indicator, device or maintenance service. In the case of imaging equipment, the performance obligation includes not only the equipment but also its delivery and installation. As a rule, control is transferred to the customer upon delivery as per the terms and conditions of agreement.

The sale of tonometers, probes and macular imaging devices represents more than 99% of the Group's net sales.

3) Other operating income

§ Basis of preparation

Other operating income is income that is not considered to be related to operational activities. Government grants for offsetting realized expenses are recorded under other operating income. Government grants are recognized at the same time as the expenses relating to the target of the grant are recorded as an expense. The Group estimates that it will fulfil the conditions for the grants and considers it reasonably certain that the recognized grants will be awarded.

	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Grants and subsidies received	**244**	236
Change in additional purchase price debt	**986**	0
Change in purchase price debt	**0**	1,048
Others	**87**	28
Total	**1,316**	**1,311**

The conditions of the additional purchase price related to the acquisition completed in 2019 were not met, so the company has recorded an adjustment of EUR 986,000 in 2020 for other income and additional purchase price debt.

4) Personnel and personnel expenses

AVERAGE NUMBER OF PERSONNEL DURING FINANCIAL PERIOD	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
	135	88

EMPLOYEE BENEFIT EXPENSES	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Salaries and wages	-10,297	-8,060
Share-based remuneration, paid in shares	-726	-265
Pension costs – defined contribution plans	-1,356	-1,101
Pension costs – defined benefit plans	-88	-55
Other indirect personnel expenses	-250	-291
Total	**-12,718**	**-9,772**

Information on management's employment benefits are presented in Note 5 Share-based payments and Note 24 Related parties and remuneration of management.

5) Share-based payments

Option rights of personnel

§ Basis of preparation

The company has a stock option program decided by the Board of Directors on August 10, 2015, based on the authorization of the Annual General Meeting on March 19, 2015, comprising a maximum of 150,000 option rights. The option rights are divided into three series. One option right entitles the holder to subscribe for three Revenio Group Corporation shares. The share subscription price is the trade-weighted average price of the share on Nasdaq Helsinki Oy plus 15 per cent. On the record date of dividend distribution, the subscription price is decreased by the amount of dividend decided between the end of the determination period and the beginning of the share subscription period. By way of deviation from the shareholders' preemptive subscription right, the option rights will be granted, without consideration, to key personnel employed or to be employed by Revenio Group, as decided by the Board of Directors. The shareholders' preemptive subscription right is waived as the option rights are intended to constitute a part of the incentive program of Revenio Group. To the extent that the option rights are not allocated to the Group's personnel, they will be granted to Done Medical Oy, a wholly owned subsidiary of Revenio.

The benefits granted on the basis of the arrangement are recognized at fair value at grant date, and they are recognized as expenses in the income statement on a straight-line basis during the vesting period. The expense at grant date is based on fair value calculated according to the Black-Scholes option pricing model. The fair value of the shares is based on actual quotations. The expected volatility is determined on the basis of actual historical share price development, taking into account the remaining validity periods of the options. The effect on the financial result of the arrangement is recorded in the income statement under employee benefit expenses and equity earnings. Granted options are equity instruments. When option rights are exercised, the considerations received on the basis of share subscriptions are recorded in the unrestricted equity reserve under shareholders' equity.

OPTION PROGRAM 2015 SERIES	TOTAL AMOUNT	SUBSCRIPTION PERIOD	TURNOVER PERIOD DETERMINING THE SUBSCRIPTION PRICE	DIVIDEND-ADJUSTED SUBSCRIPTION PRICE
A	50,000	Ended	Sep 1, 2015–Oct 15, 2015	Ended
B	50,000	Ended	Sep 1, 2016–Oct 15, 2016	Ended
C	50,000	May 31, 2019–May 31, 2021	Sep 1, 2017–Oct 15, 2017	12,48

CHANGES IN OPTIONS	2020
Exercisable options at end of financial period	50,492
New options granted during financial period	2,000
Options returned to the company	0
Reallocated options	0
Used options	38,070
Expired options	2,034
Outstanding options at end of financial period	10,388
Exercisable options at end of financial period	10,388

Members of the Management Team and the managing directors of subsidiaries possessed the following option rights at the end of the financial period:

OPTION RIGHT	31.12.2020	31.12.2019
2015	0	14,850
Total	**0**	**14,850**

Management incentive scheme

§ Basis of preparation

The Board of Directors of Revenio Group Corporation decided on three share-based long-term incentive schemes directed towards the Management Team of Revenio Group. Long-term incentive schemes form part of the company's remuneration program for key personnel and are aimed at supporting the implementation of the company's strategy and harmonizing the objectives of key personnel and the company in order to grow the company's value.

The Board of Directors shall decide separately on the minimum, target and maximum bonus of each participant, as well as performance criteria and the related targets. The amount of bonus payable to the participants depends on the achievement of the pre-set targets. No bonus will be paid if the targets are not met, or if the participant's work or employment relationship ends before the bonus is paid. Each performance share plan shall cover a maximum of 10 persons and the objectives of the plan shall be related to the absolute total yield of the company's share and the cumulative operating result over a period of three years.

If the targets of the incentive scheme are met, the bonuses will be paid in the spring of the year following the earning period. The total amount of share bonus to be paid on the basis of the program earning period is gross earnings minus the amount of cash required to cover taxes due on the share bonus and any other tax-like payments, after which the remaining net bonus shall be paid in shares. However, in certain circumstances the company has the right to pay the entire bonus in cash.

The number of shares to be granted is based on the value of the shares on the grant date. The present value of the dividends received during the earning period is deducted from the fair value. Benefits granted under the share plan are recognized as expenses in the income statement on a straight-line basis during the vesting period up until payout.

EARNING YEARS	TIME OF BONUS PAYMENT	MAXIMUM AMOUNT OF SHARE BONUS
2018-2020	2021	50,000
2019-2021	2022	50,000
2020-2022	2023	50,000

6) Pension liabilities

§ Basis of preparation

The Group's pensions are handled by external pension insurance companies. The Group has both defined contribution and defined benefit pension plans. Expenses related to defined contribution plans are recorded as expenses for the financial period they arise.

Revenio also has an individual supplementary pension scheme for a limited personnel group. The insured retirement age is 63 years. These supplementary pensions are arranged with external pension insurance companies.

Defined benefit pension plans

§ Basis of preparation

The Group has a defined benefit pension plan (TFR) in Italy. In the TFR plan, employees are entitled to an accrued benefit that is paid as a lump sum either upon retirement or termination of the employment relationship. The plan is unfunded and the Group has no related asset items.

The defined benefit pension plan is recognized in the balance sheet as a liability based on the difference between the present value of the pension obligations and the fair value of plan assets. Liabilities are calculated as the present values of estimated cash flows discounted at the interest rate corresponding to the interest rate of high-quality bonds issued by companies. Actuarial gains and losses are recognized in comprehensive income and are not subsequently reclassified to profit or loss. Current service cost, past service cost, and net interest on the net defined benefit liability are recognized in the income statement.

If the yields of the bonds on which the discount rate is based change, the Group may have to adjust the discount interest rate. This will affect both net defined benefit liabilities and items recognized in other comprehensive income due to remeasurements. TFR benefits are linked to inflation, and growth in the inflation rate will increase the defined benefit obligation. If the development of the employer's productivity lags behind inflation, the acceleration of inflation may increase the deficit of defined benefit plans.

The Group's defined benefit obligations relate to the provision of benefits for employed members. The expected increase in life expectancy will increase the amount of the defined benefit obligations. The TFR benefit is accrued annually on the basis of the employee's annual salary. If actual salary growth is higher than the salary increase rate assumption used for calculating the pension obligation, this may increase the amount of the pension obligation.

DEFINED BENEFIT PENSION LIABILITIES RECOGNIZED IN THE BALANCE SHEET	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Present value of funded obligations	701	428
Fair value of assets	0	0
Present value of funded obligations on Dec 31	**701**	**428**

DEFINED BENEFIT PENSION COSTS RECOGNIZED IN THE INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Current service cost	-86	-52
Interest costs	-2	-3
Pension costs in the income statement	-88	-55
Actuarial gains and losses	-194	-6
Defined benefit pension costs recognized in the income statement and comprehensive income statement	**-282**	**-61**

PRESENT VALUE OF FUNDED OBLIGATIONS	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Obligation at the beginning of the period	428	0
Acquired businesses	0	410
Service cost	86	52
Interest costs	2	3
Actuarial gains and losses arising from changes in financial assumptions	194	6
Benefits paid	-9	-42
Present value of funded obligations	**701**	**428**

CHANGES IN FAIR VALUES OF PLAN ASSETS	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Fair value of plan assets on Jan 1	0	0
Interest income from assets	0	0
Contributions paid by the employer to the plan	9	42
Benefits paid	-9	-42
Fair values of plan assets on Dec 31	**0**	**0**

CHANGES OF LIABILITIES PRESENTED IN THE BALANCE SHEET	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Liabilities Jan 1	428	0
Acquired businesses	0	410
Pension costs in the income statement	88	55
Pension costs in the comprehensive income statement	194	6
Benefits paid	-9	-42
Liabilities Dec 31	**701**	**428**

ACTUARIAL ASSUMPTIONS USED	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Discount rate, %	0.2%	0.5%
Future salary increase rate, %	4.2%	4.1%
Inflation assumption, %	1.1%	1.1%
Employee turnover, %	5.5%	8.0%

IMPACT OF CHANGES IN KEY ASSUMPTIONS ASSUMPTION	CHANGE IN ASSUMPTION	EFFECT OF GROWTH IN ASSUMPTION, TEUR	EFFECT OF GROWTH IN ASSUMPTION, %
Discount rate	0.5 percentage point	-45	**-6%**
Future salary increase rate	0.5 percentage point	51	**7%**
Employee turnover	0.5 percentage point	-7	**-1%**

7) Research and development expenses

§ Basis of preparation

Research expenses are recognized through profit or loss. Development expenses for new or more advanced products are capitalized on the balance sheet as intangible goods from the moment the product is technically feasible, it can be utilized commercially, and it is estimated that commercial benefits can be extracted from it. Capitalized development expenses include those material, work, and testing costs directly attributable to the completion of the product for its intended use. Development expenses recognized as expenses earlier are not capitalized later.

Amortization is recognized for a good from the moment it is ready for use. A good not yet ready for use is annually tested for impairment. After initial recording, capitalized R&D expenses are recognized adjusted by amortization on the purchase cost and impairment. The useful life of capitalized R&D costs is 10 years on average, during which period they are recorded as expenses through straight-line amortization.

The research and development expenses included in the income statement are presented in Note 8 Other operating expenses.

8) Other operating expenses

	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Voluntary personnel expenses	-571	-620
Office space expenses	-277	-151
IT, machinery, and equipment expenses	-1,112	-720
Marketing and travel expenses	-2,134	-3,249
Research and development	-1,768	-1,573
Administrative services	-4,447	-5,263
Other operating expenses	63	116
Total	-10,244	-11,460

Administrative services include the auditor's fees as itemized below.

AUDITOR'S FEES	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Deloitte		
Auditing fees	-102	-121
Certificates and statements	-25	-17
Total	-127	-138

9) Financing expenses (net)

	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Interest on financial liabilities	-236	-214
Exchange rate losses	-160	-20
Other financial expenses	-17	-91
Interest income	1	5
Total	-411	-320

10) Income taxes

§ Basis of preparation

The tax expense in the income statement comprises the tax based on the company's taxable income for the period together with deferred taxes. The tax based on taxable income for the period is the taxable income of the Group companies calculated according to the applicable tax rate. The tax is adjusted for any tax related to previous periods. Deferred tax is calculated on all temporary differences between their book and actual tax values. Deferred tax liability is not recognized for accountable assets and liabilities unless they concern the combination of operations. Deferred tax liability is not recognized if the recognition of such an asset or liability will neither affect accounting results nor taxable income at the time of the transaction. Deferred tax is not recognized for non-deductible goodwill impairment or for distributable earnings of subsidiaries where it is probable that the difference will not reverse in the foreseeable future.

The principal temporary differences, i.e. deferred taxes, arise from internal margins on inventories and changes in the fair value of intangible rights arising in connection with acquisitions.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit, against which the temporary differences can be utilized, will be available.

Income taxes in the income statement

	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Tax based on taxable income for the current period	-4,096	-3,474
Tax from previous financial periods	-3	7
Change in deferred tax liabilities and assets	741	537
Total	**-3,357**	**-2,930**

Reconciliation of tax expenses in the income statement and taxes calculated using the parent company tax rate 20% (20%):

TAX RATE RECONCILIATION	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Profit before taxes	16,719	12,273
Income tax using parent company tax rate	-3,344	-2,455
Different tax rates of foreign subsidiaries	-100	-241
Non-taxable income	203	967
Non-deductible expenses	-426	-1,238
Temporary differences created and reversed in deferred tax assets and liabilities	306	30
Tax adjustments for previous fiscal years	3	7
Taxes recognized in the income statement	**-3,357**	**-2,930**

Deferred tax assets and liabilities

ITEMIZATION OF DEFERRED TAX ASSETS, 2020	JAN 1, 2020 TEUR	ACQUIRED BUSINESSES TEUR	RECOGNIZED IN THE INCOME STATEMENT TEUR	DEC 31, 2020 TEUR
Internal inventory margin	551	0	276	827
Other temporary differences	215	0	-33	182
Total	766	0	243	1,009

ITEMIZATION OF DEFERRED TAX ASSETS, 2019	JAN 1, 2019 TEUR	ACQUIRED BUSINESSES TEUR	RECOGNIZED IN THE INCOME STATEMENT TEUR	DEC 31, 2019 TEUR
Internal inventory margin	174	164	213	551
Other temporary differences	56	70	89	215
Total	230	234	302	766

ITEMIZATION OF DEFERRED TAX LIABILITIES, 2020	JAN 1, 2020 TEUR	ACQUIRED BUSINESSES TEUR	RECOGNIZED IN THE INCOME STATEMENT TEUR	DEC 31, 2020 TEUR
Measurement of tangible and intangible assets at fair value in connection with com-binations of business	4,120	0	-264	3,856
Other temporary differences	225	0	200	425
Total	4,344	0	-63	4,281

ITEMIZATION OF DEFERRED TAX LIABILITIES, 2019	JAN 1, 2019 TEUR	ACQUIRED BUSINESSES TEUR	RECOGNIZED IN THE INCOME STATEMENT TEUR	DEC 31, 2019 TEUR
Measurement of tangible and intangible assets at fair value in connection with com-binations of business	0	4,633	-514	4,120
Other temporary differences	8	0	217	225
Total	8	4,633	-297	4,344

	DEC 31, 2020	DEC 31, 2019
Deferred tax liabilities net	3,272	3,578

11) Earnings per share

§ Basis of preparation

The basic earnings per share are calculated by dividing profit for the period by the weighted average number of outstanding shares during the financial period. The diluted earnings per share are calculated by dividing profit for the period by the weighted average number of outstanding shares during the financial period, including the diluting effect of stock options.

The 10,388 (50,492) stock options had a diluting effect of 18,611 shares at the end of the financial period.

	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Profit for the period (TEUR)	13,362	9,343
Profit for the period attributable to owners of parent (TEUR)	13,362	9,343
Weighted average number of outstanding shares during the financial period (own shares deducted), qty	26,608,033	25,645,898
Undiluted earnings per share (EUR)	0.505	0.365
Diluted earnings per share (EUR)	0.504	0.364

12) Intangible and tangible assets

§ Basis of preparation

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired company at the date of acquisition. For companies acquired before January 1, 2004, goodwill represents the excess of the cost of an acquisition over the book value of the Group's share of the net assets of the acquired company at the date of acquisition. The justifications for recognizing goodwill have been separately assessed in connection with each corporate acquisition. The justification for recognizing Icare Finland Oy's goodwill at the time of acquisition is the proprietary intraocular pressure measurement technology it has developed and owns, and the strong competitiveness and market potential of the products based on the technology. The justification for recognizing CenterVue S.p.A.'s goodwill at the time of acquisition is the proprietary macular imaging technologies it has developed and owns, and their strong competitiveness and market potential. No changes in cash-generating units in 2020.

Goodwill is not amortized but tested for any impairment on an annual basis, or more frequently if there are any indications of impairment. For the assessment of the recoverable amount, goodwill is allocated to the two cash-generating units in the Group that the Group expects to benefit from the business combination from which goodwill arose. Goodwill is valued at acquisition cost less impairment losses. An impairment loss is recognized in the income statement when the book value of an asset item is greater than its recoverable amount. The impairment loss is recognized in the income statement.

Breakdown of book values of goodwill	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Cash-generating units (CGU)		
CGU1: Intraocular pressure measurement technology	1,191	1,191
CGU2: Macular imaging technologies	49,218	49,218
Book value Dec 31	50,409	50,409

§ Basis of preparation

Other intangible assets

An intangible asset is recognized on the balance sheet only if its acquisition cost can be reliably determined and it is likely that the asset will generate commercial benefit to the Group.

Other intangible assets with a limited useful life are recognized on the balance sheet and expensed on a straight-line basis over their useful lives. For acquisitions after January 1, 2004, intangible assets are valued at fair value. Estimated useful lives for various assets are:

Technology-based intangible assets	straight-line depreciation 17 years
Customer-based intangible assets	straight-line depreciation 15 years
Patents, trademarks, and brands	straight-line depreciation 10 years
Software	straight-line depreciation 3–7 years
Capitalized product development expenses	straight-line depreciation 3-10 years

The Group has no intangible assets with an unlimited useful life.

Property, plant, and equipment

Property, plant, and equipment are valued at original acquisition cost less accumulated depreciation and amortization as well as impairment losses. Property, plant, and equipment are amortized using the straight-line method based on the estimated useful life of the asset. The estimated useful lives for machinery and equipment are 3–10 years. When a part of property, plant and equipment is dealt with as a separate entity, costs related to its replacement are capitalized. In other cases, costs arising later are included in the accounting for a tangible asset only if it is likely that the asset will generate commercial benefit to the Group, and the acquisition cost of the asset can be reliably determined. Other repair and maintenance costs are recognized through profit or loss as realized.

The residual value and useful life of assets are checked at least in connection with each financial statement and, if necessary, adjusted to reflect changes in the expectation of economic benefit. Gains and losses from disposals are determined by comparing the disposal proceeds with the book amount and are included in other operating income or expenses.

Impairment

The Group management continuously reviews Group items for any indication of impairment. If there are such indications, the amount recoverable from the said asset item is assessed. The recoverable amount is the higher of the asset item's fair value less the cost arising from disposal and its value in use. When determining value in use, the expected future net cash flows from the asset item or cash-generating unit are discounted based on their present values. The interest rate calculated using the WACC method (Weighted Average Cost of Capital) before taxes is used as the discount interest rate. Factors that affect the interest in the WACC calculation include a risk-free interest rate, the cost of borrowed capital, the risk premium on the stock market, the beta coefficient, and the industry's capital structure.

An impairment loss is recognized in the income statement when the book value of an asset item is greater than its recoverable amount. The impairment loss is recognized in the income statement. For other asset items except goodwill, the impairment loss can later be reversed if a change in the estimates used for determining the recoverable amount has occurred. The impairment loss is, however, not reversed by more than what the book value of the asset would be without the recognition of the impairment loss.

Factors considered by the Group management as central to determining whether impairment testing should be done include the asset item's significantly lower profit in comparison with previous or expected future profits, negative changes in the industry or market conditions or threats thereof, and significant changes in the way the asset item is used or in the business strategy.

Intangible assets

JAN 1–DEC 31, 2020 TEUR	GOODWILL	TECHNOLOGY-BASED	CUSTOMER-BASED	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost Jan 1	50,409	8,606	5,211	8,058	**72,285**
Increase during the period	0	0	0	767	**767**
Impairment	0	0	0	-1,956	**-1,956**
Acquisition cost Dec 31	50,409	8,606	5,211	6,869	**71,096**
Accumulated depreciation Jan 1	0	-337	-232	-1,869	**-2,438**
Depreciation during the year	0	-506	-347	-528	**-1,381**
Impairment	0	0	0	-6	**-6**
Accumulated depreciation Dec 31	0	-844	-579	-2,403	**-3,826**
Book value Dec 31	50,409	7,762	4,632	4,466	67,270
Book value Jan 1	50,409	8,268	4,980	6,189	69,847

JAN 1–DEC 31, 2019 TEUR	GOODWILL	TECHNOLOGY-BASED	CUSTOMER-BASED	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost Jan 1	1,191	0	0	5,604	**6,795**
Increase during the period	0	0	0	672	**672**
Acquired businesses	49,218	8,606	5,211	1,783	**64,818**
Acquisition cost Dec 31	50,409	8,606	5,211	8,058	**72,285**
Accumulated depreciation Jan 1	0	0	0	-1,442	**-1,442**
Depreciation during the year	0	-337	-232	-427	**-996**
Accumulated depreciation Dec 31	0	-337	-232	-1,869	**-2,438**
Book value Dec 31	50,409	8,268	4,980	6,189	69,847
Book value Jan 1	1,191	0	0	4,161	5,352

Property, plant, and equipment

MACHINERY AND EQUIPMENT	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Acquisition cost Jan 1	3,901	2,593
Increase during the period	626	950
Acquired businesses	0	405
Decreases during period	-17	-48
Acquisition cost Dec 31	4,510	3,901
Accumulated depreciation Jan 1	-2,194	-1,794
Depreciation during the year	-549	-448
Decreases during period	17	48
Accumulated depreciation Dec 31	-2,726	-2,194
Book value Dec 31	**1,784**	**1,707**
Book value Jan 1	**1,707**	**800**

ADVANCE PAYMENTS AND PURCHASES IN PROGRESS	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Acquisition cost Jan 1	101	117
Increase during the period	574	557
Decreases during period	-442	-573
Acquisition cost Dec 31	234	101
Book value Dec 31	**234**	**101**
Book value Jan 1	**101**	**117**

Impairment testing

The need for impairment of goodwill and intangible assets in progress is assessed annually, and continuously if there are indications that the value of the asset item has decreased. The recoverable amounts from CGUs are determined by the value-in-use method.

The cash flow forecasts serving as the basis for these calculations are based on management-approved forecasts, generally for a five-year period. In addition to strategy, latest budgets, and forecasts, management bases its cash flow projections on an estimate of the effect of the recent trade cycle changes on the capability of the CGUs to generate cash flows, and on other external information management deems to have this effect. The assumptions used are consistent with past developments, and, in the management's opinion, moderate in respect of the growth and profitability opportunities in the coming years. According to IAS 36, goodwill does not generate cash flows that are independent of those from other assets or asset groups.

Cash flows are most affected by discount interest rates, closing values, as well as the assumptions and estimates used in assessing cash flows. The pre-tax discount interest rate used for calculating value-in-use is determined separately for each cash-generating unit using the WACC (Weighted Average Cost of Capital) method, which projects the total cost of own and borrowed capital taking into account the specific risks of the assets. Even though management estimates that the assessments have been made with due diligence, the estimates may differ significantly from actual future values. The terminal value growth rate is assumed to be 2%, based on the inflation rate assumption, and WACC 9.25-13.51%.

Goodwill impairment testing sensitivity analysis

Management believes that no reasonably possible change in the key assumption(s) would cause the units' carrying amounts to exceed the aggregate of their recoverable amounts.

Impairment of intangible assets

During the financial period, there were indications that it will take longer than originally estimated to launch the skin cancer camera Cutica on the market. The delay in the schedule is particularly attributable to research to evaluate the use of artificial intelligence for the automatic processing of image material. As a result, the Group has recorded a partial impairment of EUR 1.9 million. The development and validation of Cutica will continue, which is why it was not fully impaired. The impairment decision was based on the weakened outlook for future return expectations and project-related uncertainties. The calculations are based on cash flows over a 10-year period. The terminal value growth rate is assumed to be 2%, based on the inflation rate assumption, and WACC 13.51%. The product development expenses of the first phase of the project will not be capitalized later.

13) Lease agreements

§ Basis of preparation

The Group acts as a lessee andleases the warehouses and office premises it uses, as well as equipment and vehicles, under non-cancelable operating leases. Short-term lease agreements and leases concerning low-value assets are recognized in the income statement as an expense on a straight-line basis over the period of the lease. All other leases are recognized in tangible assets at the lower of the fair value of the leased asset at the commencement of the lease term or the present value of the minimum lease payments. Lease obligations are entered in the lease liability. Assets entered under intangible assets are amortized based on the estimated useful life of the asset or over the lease period, if shorter. Lease payments are apportioned between repayment of principal and the financing charge so as to produce a constant rate of interest on the remaining balance of the liability. The Group does not act as a lessor towards external parties.

Right-of-use assets

TEUR	BUSINESS PREMISES	CARS	DEVICES	JAN 1–DEC 31, 2020 TOTAL
Acquisition cost Jan 1	1,382	374	29	1,786
Increase during the period	806	55	41	902
Decreases during period	-54	-73	-29	-156
Acquisition cost Dec 31	2,135	356	41	2,532
Accumulated depreciation Jan 1	-887	-118	-24	-1,029
Depreciation during the year	-516	-125	-14	-655
Decreases during period	28	28	29	85
Accumulated depreciation Dec 31	-1,376	-215	-8	-1,599
Book value Dec 31	759	141	32	932
Book value Jan 1	495	256	6	757

TEUR	BUSINESS PREMISES	CARS	DEVICES	JAN 1–DEC 31, 2019 TOTAL
Acquisition cost Jan 1	1,238	145	15	1,398
Increase during the period	7	212	15	233
Acquired businesses	138	17	0	155
Decreases during period	0	0	0	0
Acquisition cost Dec 31	1,382	374	29	1,786
Accumulated depreciation Jan 1	-377	-28	-8	-414
Depreciation during the year	-479	-87	-15	-581
Accumulated depreciation for acquired business operations	-31	-3	0	-34
Accumulated depreciation Dec 31	-887	-118	-24	-1,029
Book value Dec 31	495	256	6	757
Book value Jan 1	861	117	6	984

Amounts recognized for leases in the income statement

	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Depreciation	-655	-581
Interest on lease liabilities	-15	-16
Other operating expenses, leases		
Expenses from short-term leases	-95	-93
Expenses from low-value leases	-1	-5
Expenses related to variable lease payments not included in lease liabilities	-98	-33

	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Cash outflow from leases		
Payments of lease liabilities	-659	-580
Items recognized in the income statement, excluding depreciation	-209	-147

14) Inventories

§ Basis of preparation

Inventories are recognized at the lower of cost and net realizable value. The acquisition cost is determined using the FIFO method. The net realizable value is the estimated selling price in a conventional transaction less the cost to make the sale. The acquisition cost of completed products and work in progress comprises direct costs such as materials, direct costs of labor, other direct costs, and the allocation of the variable manufacturing overheads and fixed overhead at normal operating capacity.

Inventories

	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Materials and supplies	870	826
Work in progress/advance payments	458	402
Finished products	3,547	2,224
Total	**4,875**	**3,452**

15) Financial assets

§ Basis of preparation

The Group's financial assets are classified into the following categories: measured at amortized cost, measured at fair value through other comprehensive income items or measured subsequently at fair value through profit or loss. Financial assets are classified and valued when recorded for the first time in the balance sheet. Classification is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets that are valued at amortized costs are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms for items falling under financial assets give rise on specified dates to cash flows to be realized at specific times that constitute solely payments of principal and interest on the principal outstanding.

Financial assets that are valued at fair value through other comprehensive income items are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and the contractual terms for items falling under financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets subsequently measured at fair value through profit and loss are assets that are not measured at amortized cost or at fair value through other comprehensive income items.

FINANCIAL ASSETS — RECOGNITION AND MEASUREMENT

The Group estimates the expected credit losses for the full lifetime of the sales receivables. For the assessment of expected credit losses, sales receivables are grouped geographically and by customer group, and the credit loss provision is recognized based on past experience. The balance sheet values of sales and other receivables constitute the maximum credit risk amounts. No significant credit risk concentrations are included in the receivables. A final impairment loss is recognized when evidence exists that the company cannot collect its receivables in accordance with the initial terms and conditions. The impairment loss is the difference between the book value of the receivables and their recoverable amount, and it corresponds to the present value of expected cash flows.

Evidence is generally considered appropriate when the receivable is more than 180 days outstanding when no credit insurance or a security through other means is available. External evidence of a risk related to a receivable even before it is 180 days outstanding will lead to the recognition of impairment loss. Such evidence may be, for example, the debtor's significant economic difficulties, company reorganization, or bankruptcy proceedings. The impairment loss is recognized in the income statement in other operating expenses.

Loans and other receivables are measured at amortized cost using the effective interest method.

Unrealized and realized gains and losses due to changes in fair value relating to assets categorized as financial assets at fair value through profit or loss are recognized in operating profit in the accounting period in which they arise. Dividend income from financial assets recognized at fair value, through profit or loss, are recorded on the balance sheet as other income when the right to payment has arisen for the Group.

The fair values of quoted investments are based on current bid prices. If there is no active market for a financial asset, fair value is established by using valuation techniques. These include the use of recent arm's length transactions, the fair values of other instruments that are substantially the same, or the present value of discounted cash flows.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, bank deposits withdrawable on demand, and other liquid short-term investments with original maturities of one month or less from acquisition.

Trade and other receivables

	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Sales receivables	7,047	5,147
Other receivables	590	430
Accrued income	928	824
Total	8,565	6,402

DEC 31, 2020 UNITED STATES, USD	NOT FALLEN DUE	< 30 DAYS	> 30 DAYS	> 60 DAYS	> 90 DAYS	TOTAL
Hospitals and public corporations						
Expected credit losses (ECL coefficient)	0%	0%	0%	0.5%	5%	
Gross book value	105	126	838	78	590	1,736
ECL over validity period	0	0	0	0	29	30
Other						
Expected credit losses (ECL coefficient)	0%	0%	0%	2%	4%	
Gross book value	1,191	1,120	630	606	0	3,547
ECL over validity period	0	0	0	12	0	12

OTHER COUNTRIES, EUR	NOT FALLEN DUE	< 30 DAYS	> 30 DAYS	> 60 DAYS	> 90 DAYS	TOTAL
Expected credit losses (ECL coefficient)	0%	1%	2%	3%	5%	
Gross book value	1,508	258	6	0	0	1,772
ECL over validity period	0	3	0	0	0	3
Expected credit losses (ECL coefficient)	0.5%	1%	2%	5%	13.3%	
Gross book value	890	27	36	0	8	962
ECL over validity period	4	0	1	0	1	7

DEC 31, 2019 UNITED STATES, USD	NOT FALLEN DUE	< 30 DAYS	> 30 DAYS	> 60 DAYS	> 90 DAYS	TOTAL
Hospitals and public corporations						
Expected credit losses (ECL coefficient)	0%	0%	0%	0.5%	5%	
Gross book value	781	585	137	20	255	**1,778**
ECL over validity period	0	0	0	0	13	**13**
Other						
Expected credit losses (ECL coefficient)	0%	0%	0%	2%	4%	
Gross book value	0	735	276	107	125	**1,243**
ECL over validity period	0	0	0	2	5	**7**

OTHER COUNTRIES, EUR	NOT FALLEN DUE	< 30 DAYS	> 30 DAYS	> 60 DAYS	> 90 DAYS	TOTAL
Expected credit losses (ECL coefficient)	0%	1%	2%	3%	5%	
Gross book value	1,629	268	6	0	27	**1,931**
ECL over validity period	0	3	0	0	1	**4**
Expected credit losses (ECL coefficient)	0.5%	1%	2%	5%	13.3%	
Gross book value	1,511	128	0	0	1	**1,640**
ECL over validity period	8	1	0	0	0	**9**

Cash and cash equivalents

	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Bank accounts and cash in hand	28,878	26,675
Total	**28,878**	26,675

16) Capital structure

The Group's capital management activities seek to optimize capital structure and thereby support the Group's business activities by ensuring normal operating conditions for business activities, while also increasing shareholder value and aiming for the best possible profit.

Capital structure can be influenced by dividend distribution and the issue of shares. The Group may vary and adjust the amount of dividends paid to shareholders, or the number of new shares issued, or decide to sell assets in order to reduce its debts.

The Group monitors its capital structure through leveraging. At the end of 2020, the Group's interest-bearing net liabilities totaled EUR -1,7 million (EUR 2.2 million at the end of 2019) and leveraging stood at -2.4 percent (3.4%). When calculating leveraging, interest-bearing net liabilities are divided by shareholders' equity. Net liabilities comprise debts less receivables and cash equivalents. The Group's strategy is to keep leveraging below 25 percent. There has been no change in this strategy since the previous year.

The loan taken out by the Group for the acquisition includes the following covenants:

The ratio of net debt to EBITDA may not exceed 2
Equity ratio must be more than 35%

The Group has complied with these covenants throughout the reporting period. The ratio of net debt to EBITDA was -9.2% on December 31, 2020.

	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Financial liabilities	27,219	28,863
Cash and cash equivalents	28,878	26,675
Net liabilities	-1,659	2,189
Total equity	69,710	64,363
Net leveraging, %	-2.4%	2.2%

17) Equity

§ Basis of preparation

Outstanding ordinary shares are presented as share capital. Transaction costs due to the issuance of new equity instruments are presented as a deduction from equity. The own shares repurchased by Revenio Group Corporation are presented as a deduction from equity. Dividend distribution is recognized as a deduction from equity once the payment of dividend has been approved by the Annual General Meeting.

The invested unrestricted equity fund includes other equity investments and the subscription price of shares to the extent this price is not recognized in share capital by an explicit decision.

The difference between the fair value and the subscription price of directed share issues used for consideration for acquired operations is recognized in the fair value reserve.

Other reserves include the option schemes implemented in 2010–2012.

Changes in the number of shares and their impact on equity

	NUMBER OF SHARES	SHARE CAPITAL TEUR	RESERVE FOR INVESTED UNRESTRICTED, TEUR	OWN SHARES, TEUR	TOTAL TEUR
01/01/2019	**24,016,476**	**5,315**	**7,824**	**-769**	**12,371**
Directed share issue April 26, 2019	2,350,000		41,443		41,443
Share issue with A option rights May 9, 2019	6,270		50		50
Share issue with A option rights Jun 25, 2019	23,472		187		187
Share issue with B option rights Jun 25, 2019	15,045		148		148
Share issue with B option rights Oct 24, 2019	44,367		437		437
Share issue with C option rights Oct 24, 2019	12,900		165		165
Share issue with B option rights Dec 20, 2019	34,941		344		344
Share issue with C option rights Dec 20, 2019	41,271		527		527
Transfer of the company's own shares May 13, 2019			28	29	58
31/12/2019	**26,544,742**	**5,315**	**51,152**	**-740**	**55,727**

	NUMBER OF SHARES	SHARE CAPITAL TEUR	RESERVE FOR INVESTED UNRESTRICTED, TEUR	OWN SHARES, TEUR	TOTAL TEUR
01/01/2020	**26,544,742**	**5,315**	**51,152**	**-740**	**55,727**
Share issue with B option rights March 6, 2020	18,447		182		182
Share issue with C option rights March 6, 2020	19,119		244		244
Purchase of own shares March 18, 2020				-405	-405
Purchase of own shares March 19, 2020				-594	-594
Purchase of own shares March 20, 2020				-614	-614
Share issue with B option rights April 20, 2020	10,608		104		104
Share issue with C option rights April 20, 2020	6,105		78		78
Share issue with B option rights Jun 5, 2020	20,490		202		202
Share issue with C option rights Jun 5, 2020	7,725		99		99
Share issue with C option rights Aug 19, 2020	321		4		4
Transfer of the company's own shares Sep 18, 2020			49	21	70
Share issue with C option rights Nov 4, 2020	29,382		367		367
Share issue with C option rights Dec 29, 2020	2,013		25		25
31/12/2020	**26,658,952**	**5,315**	**52,505**	**-2,333**	**55,488**

All issued shares have been paid in full. The company's share capital consists of 26,658,952 shares of a single class. At the end of the financial period, the company held 131,058 of its own shares (REG1V). All shares confer an equal right to dividends and the company's funds.

18) Management of financial risks

Financial risks and the risk management process

The management of financial risks is the responsibility of the CEO together with the Board of Directors. The Board defines the main outlines of the company's financing and the general management principles for financial risks, and it gives guidelines as necessary for any special issues such as liquidity risk, interest risk, credit risk, and the investment of surplus liquid funds. The Board of Directors discusses the Group's financial standing and funding at its monthly meetings.

According to its strategy, the company may seek growth through acquisitions of companies and business operations. The implementation of these acquisitions may require debt financing. Debt can also be used for other strategic and operational purposes decided on by the Board. Equity financing may also be used for all financing needs, in particular for acquisitions of companies and business operations.

Types of financial risks

In its operational activities, the company may be exposed to several types of financial risks, including changes in currency exchange rates, interest rates, and changes in the stock market. A central objective of financial risk management is to identify financial market risks that are relevant to the Group, and seek to minimize the harmful effects of financial market changes on the Group's profit.

The main areas of financial risk management are:

(I) CURRENCY RISK

A significant export market for the company is the United States, where the company has a subsidiary and through which sales are conducted on the U.S. market. The operating currency of the subsidiary is the U.S. dollar. In sales to and local purchases in the U.S., the company is exposed to a risk of fluctuating exchange rates between the U.S. dollar and the euro. At the end of the financial period, the company's cash and cash equivalents in U.S. dollars were USD 10,373,000. In the event the euro strengthens against the U.S. dollar by 10 percent, this would decrease the company's cash and cash equivalents on the closing date by EUR 845,000.

Invoicing between Icare Finland Oy and Icare USA Inc. and also between CenterVue S.p.A. and Icare USA Inc. takes place in USD. The currency risk is borne by Icare Finland Oy and CenterVue S.p.A. since business transactions between Group companies are not hedged against currency risks. Sales in U.S. dollars represent approximately 53.1% of the total net sales of the Group's continuing functions. Icare USA Inc. had USD 5,283,000 in account receivables from sales on the closing date. Icare USA Inc. had USD 2,719,000 cash in bank on the closing date. Icare Finland Oy and Revenio Group Corporation's USD accounts had a balance of USD 7,653,000 on the closing date.

(II) INTEREST RATE RISK

In the company's balance sheet structure, interest rate risk is involved in borrowings. The Group's profit and cash flow from operations are to an essential extent independent of fluctuations in market interest.

When taking up new financing, for example for corporate acquisitions, the company always evaluates the need for interest rate hedging, taking into account the amount of debt, hedging costs, and expected interest rate development during the financing period. All of the Group's borrowings have fixed interest rates. As the Group does not have floating rate loans, the Group is not exposed to interest rate risk arising from changes in interest rates. The company has no interest rate investments or derivatives to which cash flow hedging would be applied.

(III) CREDIT RISK

The Group's credit policy lays down the requirements for selling on credit and the requirements for credit management. The credit quality of a new customer is controlled by applying for a credit insurance limit if necessary every time a new customer relationship is established. The credit limit and credit sales eligibility is reassessed if the customer's purchase volumes change or if the credit insurance company changes the granted credit limit as a result of a change in the customer's credit quality.

No single customer or customer group constitutes a significant credit risk concentration for the Group. During the financial period, credit losses and expected credit losses recognized through profit and loss totaled EUR 6,000 (EUR 69,000). The theoretical maximum credit risk at the end of the period corresponds to the book value of sales receivables. The aging of sales receivables is presented in Note 15.

(IV) LIQUIDITY RISK

The most significant factor affecting the sufficiency of liquid funds in the short term is the profitability of the business operations. Thus, the development of cash flows from operations is affected by management's profitability management measures, and additionally, operational risks and external risks such as general economic development, financial market conditions, and other macroeconomic demand factors over which the company management has no control. The Group's liquidity in 2020 remained good. Liquid funds were decreased in 2020 by the payment of dividends. On December 31, 2020, the Group's cash and cash equivalents totaled EUR 28,878,000 (EUR 26,675,000). The company continuously monitors and assesses the financing needs of its business operations to ensure sufficient liquidity for financing its operations. The Board of Directors follows the actual and forecast development of the Group's liquidity monthly, and decides on possible corrective actions.

19) Financial liabilities

§ Basis of preparation

Group loans are classified at amortized cost using the effective interest method to be measured later. Loans are recognized at fair value less transaction costs at the time of acquisition. Financial liabilities include current and non-current liabilities. Financial liabilities are categorized as current unless the Group has an unconditional right to postpone payment at least for 12 months after the closing date.

Commissions associated with loan commitments are recognized as transaction costs to the extent that it is probable that the entire loan commitment or part of it will be taken up. In such a case, the commission is entered in the balance sheet until the loan is taken up. When it is, the commission associated with the loan commitment is recognized as part of the transaction cost. If the loan commitment is unlikely to be taken up, the commission is recognized as an advance payment for a liquidity service and is amortized as a cost for the period of the loan commitment.

A financial liability is removed from the balance sheet when the contractual obligations related to the liability expire. If needed, credit accounts are included in loans recognized in current debt.

Classification of financial liabilities

31/12/2020	AT FAIR VALUE THROUGH PROFIT OR LOSS	AMORTIZED COST	BOOK VALUE	FAIR VALUE
Interest-bearing non-current liabilities	0	22,034	22,034	**22,034**
Interest-bearing current liabilities	0	5,185	5,185	**5,185**
Trade payables and other non-interest-bearing current liabilities	0	12,603	12,603	**12,603**

31/12/2019	AT FAIR VALUE THROUGH PROFIT OR LOSS	AMORTIZED COST	BOOK VALUE	FAIR VALUE
Interest-bearing non-current liabilities	0	24,185	24,185	24,185
Non-interest-bearing non-current liabilities	986	0	986	986
Interest-bearing current liabilities	0	4,679	4,679	4,679
Trade payables and other non-interest-bearing current liabilities	0	10,464	10,464	10,464

All non-current loans are fixed-rate, and their book values have been measured at amortized cost. The average interest rate is 0.75% (2019: 0.75%). All of the Group's current and non-current financial liabilities are in the euro denomination. The loans will mature by the end of 2022.

The Group's interest-bearing debt at end of period:

LIABILITY	USE	INITIAL AMOUNT, TEUR	PRINCIPAL OUTSTANDING, TEUR	YEAR WHEN ESTABLISHED
TEKES loan	Initial financing of the subsidiary	502	**117**	2010–2013
Loan from financial institution	Acquired businesses	30,000	**25,800**	2019

The loan related to the acquired business operations includes covenants, which the company has complied with during the 2020 financial period. The loan is secured by mortgages on Revenio Group Corporation assets worth EUR 91,000,000.

Maturity analysis of contractual liabilities

31/12/2020	UNDER 1 YEAR	1–2 YEARS	2–5 YEARS	OVER 5 YEARS	TOTAL CASH FLOW
Trade payables and other non-interest-bearing debt	12,603	0	0	0	**12,603**
Lease liabilities	590	170	212	0	**973**
Interest-bearing debt					
-principal	4,604	21,659	0	0	**26,262**
-interest payments	119	88	0	0	**207**

31/12/2019	UNDER 1 YEAR	1–2 YEARS	2–5 YEARS	OVER 5 YEARS	TOTAL CASH FLOW
Trade payables and other non-interest-bearing debt	10,464	0	0	0	**10,464**
Lease liabilities	431	204	174	0	**810**
Interest-bearing debt					
-principal	4,259	4,259	19,559	0	**28,076**
-interest payments	164	137	47	0	**348**

The figures are not discounted and include both interest and principal payments.

Other non-current liabilities

	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Additional purchase price for acquired business operations	0	986
Liabilities for share-based payments	0	170
Total	0	1,155

20) Provisions

§ Basis of preparation

Provisions are recognized in the balance sheet when a present legal or constructive obligation has arisen as a result of a past event, and it is probable that this will cause future expenses and the amount of the obligation can be reliably estimated.

A provision for warranties is recognized when the underlying products are sold. The warranty provision is estimated on the basis of historical warranty expense data and is presented as non-current or current provision depending on the length of the warranty period. The amount and probability of provisions requires management estimates and assumptions. Actual results may differ from these estimates.

SHORT-TERM PROVISIONS	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Provisions Jan 1	397	0
Acquired businesses	0	613
Changes in reserves	-67	-216
Short-term provisions Dec 31	330	397

21) Trade and other non-interest bearing payables

	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Advances received	6	0
Accounts payable	4,367	4,943
Other liabilities	1,364	794
Accrued expenses and deferred income	6,867	4,727
Total	12,603	10,464
Material items included in accrued liabilities and deferred income		
Accrued personnel expenses	3,099	2,252
Income taxes	2,108	1,030
Other accruals and deferred income	1,660	1,445
Total	6,867	4,727

22) Commitments

The company has mortgages on company assets worth EUR 91,000,000. Mortgages on company assets are used as collateral for loans. Minimum lease payments not recognized in the balance sheet payable on the basis of other non-cancelable leases:

	DEC 31, 2020 TEUR	DEC 31, 2019 TEUR
Within 1 year	48	52
In more than 1 and no more than 5 years	3	4
Total	51	55

23) Acquired businesses

The Group did not acquire any new businesses in the 2020 financial period.

Purchases in the financial year 2019

Revenio completed the acquisition of the entire share capital of the Italian company CenterVue S.p.A. ("CenterVue") on April 30, 2019.

The conditions for the additional purchase price of EUR 1,0 million included in the purchase price were not met by the end of 2020. The additional purchase price debt has expired and is recognized in the income statement in other operating income.

24) Related parties and remuneration of management

PARENT AND SUBSIDIARY RELATIONSHIPS OF THE GROUP	DOMICILE	HOLDING
Parent company Revenio Group Corporation	Vantaa	
Done Medical Oy	Seinäjoki	100%
Icare Finland Oy	Helsinki	100%
Revenio Research Oy	Vantaa	100%
Oscare Medical Oy	Helsinki	100%
Icare USA Inc	Missouri	100%
CenterVue S.p.A.	Padua	100%
Revenio Italy S.R.L.	Milan	100%

All Group companies are consolidated in the parent company's consolidated financial statements.

EMPLOYMENT BENEFITS FOR MANAGEMENT	JAN 1–DEC 31, 2020 TEUR	JAN 1–DEC 31, 2019 TEUR
Management includes the Board and the Group's Management Team		
Salaries and other short-term employment benefits	1,931	2,733
Other long-term benefits	61	74
Pension costs	268	465
Total	2,260	3,273

Expenses arising from incentive programs are recognized as provisions in the financial statements of the year of their determination and are presented under Related party transactions in the financial period during which the Board of Directors decides on their payment.

SALARIES AND REMUNERATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO:	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
CEO Toijala Jouni	132	0
CEO Hildén Timo	204	500
CEO Moilanen Mikko	0	349
Chair of the Board Rönkä Pekka	54	50
Board member Kakkonen Kyösti	30	24
Board member Kohonen Ari	0	24
Board member Nielsen Arne Boye	27	0
Board member Sundell Ann-Christine	35	26
Board member Tammela Pekka	35	26
Board member Östman Bill	27	0
Total	544	997

The Chair of the Board is paid a director's fee of EUR 48,000 per annum, Board members acting as Chair of a committee a fee of EUR 30,000 per annum, and other Board members a fee of EUR 24,000 per annum. In accordance with the decision of the Annual General Meeting, a total of 40% of Board members' emoluments will be paid out in the form of company shares, and 60% will comprise a monetary payment. In addition, a fee of EUR 600 per Board or committee meeting and EUR 300 per telephone meeting is paid to members of the Board and any committee.

There are three share-based long-term incentive schemes for the Revenio Group Corporation Management Team as part of the company's remuneration program for key personnel. In addition, option rights are granted, without consideration, to the Revenio Group Corporation Management Team and Done Medical Oy, a wholly owned subsidiary of Revenio Group Corporation. The incentive schemes and option schemes are described in Note 5 Share-based payments.

No option rights have been granted to members of the Board of Directors.

Loans granted to key management personnel

During the financial year 2020, Revenio Group Corporation's CEO Jouni Toijala took out a loan of EUR 50,000 granted by the company on market terms for the purchase of Revenio's shares. The shares acquired using the loan will act as security for the loan. This arrangement was entered into at the request of Revenio's Board of Directors in order to secure the commitment and motivation of the CEO. The CEO has agreed to hold the company shares he acquired using the loan financing granted by the company for a period of five (5) years. The CEO's obligation to hold the acquired shares ends if the CEO's employment relationship ends before the end of the five-year period.

	DEC 31, 2020 TEUR
Loans granted during the financial period	50
Accrued interest	0
Loans granted to key management personnel as at December 31, 2020	**50**

During the financial period, no credit loss provisions or expenses have been recognized for lost or uncertain related party transactions.

25) Events after the financial period

There have been no major events since the end of the financial period.

26) New and revised standards and interpretations to be adopted later

The IASB has published the following standards or amendments to IFRS standards. The changes will be effective for financial periods beginning after January 1, 2020, and they are not estimated to have a significant impact on the company's future financial statements.

IFRS 17 Insurance Contracts *	
Amendments to IFRS 4	Deferral of IFRS 9
IFRS 10 and IAS 28 amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current *
Amendments to IFRS 3	Reference to the Conceptual Framework *
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use *
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract *
Annual Improvements to IFRS Standards 2018-2020	Cycle Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 *
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 *	

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

*) At the date of authorisation of these financial statements, The Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective [and [in some cases] had not yet been adopted by the EU.

Parent company profit & loss statement (FAS)

EUR

	APPENDIX	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Net sales	1	**744,189.53**	**713,417.57**
Personnel expenses			
Salaries and fees	2	-1,049,075.43	-1,786,321.46
Indirect personnel costs			
Pension costs		-172,571.39	-206,433.99
Other indirect personnel expenses		26,008.13	-66,991.27
Personnel expenses total		**-1,195,638.69**	**-2,059,746.72**
Depreciation, amortization, and impairment			
Planned depreciation		-8,979.00	-3,519.00
Depreciation and amortization total		**-8,979.00**	**-3,519.00**
Other operating expenses	3	**-1,599,829.14**	**-1,656,677.41**
NET PROFIT/LOSS		-2,060,257.30	-3,006,525.56
Financial income and expenses	4		
Other financial income and interest receivable		1,601,697.09	4,102,193.58
Interest and other financial expenses		-229,453.07	-1,347,072.44
Financial income and expenses total		**1,372,244.02**	**2,755,121.14**
PROFIT/LOSS BEFORE APPROPRIATION AND TAXES		-688,013.28	-251,404.42
Appropriation	5	**17,795,543.15**	**14,046,656.78**
Income taxes for the financial period	6	**-3,452,510.64**	**-2,301,208.99**
NET PROFIT/LOSS		13,655,019.23	11,494,043.37

Parent company balance sheet (FAS)

EUR

ASSETS	APPENDIX	DEC 31, 2020	DEC 31, 2019
NON-CURRENT ASSETS	7		
Intangible assets			
Other intangible assets		92,697.50	0,00
Other non-current expenses in progress		0,00	1,809.00
Intangible assets total		**92,697.50**	**1,809.00**
Tangible assets			
Machinery and equipment		21,987.84	3,815.54
Tangible assets total		**21,987.84**	**3,815.54**
Investments	8		
Holdings in Group companies		8,860,993.74	8,860,993.74
Holdings total		**8,860,993.74**	**8,860,993.74**
NON-CURRENT ASSETS TOTAL		8,975,679.08	8,866,618.28
CURRENT ASSETS			
Non-current receivables			
Receivables from Group companies		64,119,322.96	68,400,000.00
Other receivables		50,000.00	83,234.40
Non-current receivables, total		**64,169,322.96**	**68,483,234.40**
Short-term receivables			
Receivables from Group companies	9	26,785,927.97	17,491,274.39
Loans receivable		0,00	12.18
Other receivables		36,088.18	22,907.98
Advances paid	10	109,893.93	95,147.74
Short-term receivables total		**26,931,910.08**	**17,609,342.29**
Bank and cash		**4,495,750.73**	**9,132,481.54**
INVENTORIES AND SHORT-TERM ASSETS TOTAL		95,596,983.77	95,225,058.23
TOTAL ASSETS		104,572,662.85	104,091,676.51

EUR

SHAREHOLDER EQUITY AND LIABILITIES	APPENDIX	DEC 31, 2020	DEC 31, 2019
SHAREHOLDER EQUITY	11		
Share capital		5,314,918.72	5,314,918.72
Reserve for invested non-restricted equity		51,030,240.42	51,269,667.73
Retained earnings		4,137,397.35	591,569.58
Profit for the period		13,655,019.23	11,494,043.37
SHAREHOLDERS' EQUITY TOTAL		74,137,575.72	68,670,199.40
LIABILITIES			
Non-current liabilities			
Loans from financial institutions	12	21,600,000.00	23,700,000.00
Accrued expenses and deferred income		435,902.00	567,038.00
Non-current liabilities total		**22,035,902.00**	**24,267,038.00**
Current liabilities			
Loans from financial institutions		4,200,000.00	4,200,000.00
Accounts payable		217,832.13	159,394.64
Liabilities to Group companies	13	1,072,097.77	5,278,560.89
Other liabilities		19,023.36	88,505.43
Accrued expenses and deferred income	14	2,890,231.87	1,427,978.15
Current liabilities total		**8,399,185.13**	**11,154,439.11**
BORROWED CAPITAL TOTAL		30,435,087.13	35,421,477.11
LIABILITIES TOTAL		104,572,662.85	104,091,676.51

Parent company cash flow statement (FAS)

EUR

CASH FLOW FROM OPERATING ACTIVITIES	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Profit/loss before appropriations and taxes	-688,013.28	-251,404.42
Adjustments		
Impairments on subsidiary receivables	0,00	-2,941,566.94
Planned depreciation	8,979.00	3,519.00
Financial income and expenses	-1,372,244.02	186,445.80
Other items	555,755.00	694,763.86
Change in working capital:		
Change in non-interest-bearing current receivables	2,616,442.93	-1,646,192.93
Change in non-interest-bearing current liabilities	-1,274,118.52	-55,836.99
Interest and payments paid from operations	-193,731.51	-1,347,144.56
Interest and payments received from operations	1,565,975.53	1,160,698.76
Direct taxes paid	-1,352,380.08	-1,636,073.83
Cash flow from operations	-133,334.95	-5,832,792.25

EUR

CASH FLOW FROM INVESTMENT ACTIVITIES	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Investment in tangible and intangible assets	-118,039.80	-1,809.00
Loans granted	-50,000.00	-68,200,000.00
Repayments of loan receivables	4,280,677.04	0,00
Purchased subsidiary shares	0,00	-2,010,000.00
Cash flow from investing activities	4,112,637.24	-70,211,809.00

EUR

CASH FLOW FROM FINANCING ACTIVITIES	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Rights issue	0,00	42,300,000.00
Share subscription through exercised options	1,304,426.70	1,857,187.80
Acquisition of own shares	-1,613,454.01	0.00
Withdrawals and repayments of short-term borrowings	0,00	4,200,000.00
Withdrawals and repayments of long-term borrowings	-2,100,000.00	23,700,000.00
Dividends paid and other distribution of profits	-7,948,215.60	-6,708,873.64
Group account liabilities	-4,206,057.02	1,512,177.64
Group contributions received and paid	5,947,266.83	11,990,607.13
Cash flow from financing activities	-8,616,033.10	78,851,098.93

CHANGE IN CASH AND CASH EQUIVALENTS	-4,636,730.81	2,806,497.68
Cash and cash equivalents at beginning of period	9,132,481.54	6,325,983.86
Cash and cash equivalents at end of period	4,495,750.73	9,132,481.54
Change in cash and cash equivalents	-4,636,730.81	2,806,497.68

Notes to parent company financial statements Dec 31, 2020

Accounting principles for the parent company financial statements

§ Basis of preparation

The financial statements of the parent company Revenio Group Corporation have been prepared in accordance with the Finnish Accounting Act, Limited Liability Companies Act, and the Finnish Accounting Standards (FAS).

Valuation and depreciation principles

Valuation of non-current assets

The company's non-current assets are stated at acquisition cost less planned depreciation. The depreciation plan is defined based on experiences. Value adjustments are made based on the difference between the acquisition cost and the residual value and estimated useful life.

The bases for planned depreciation are as follows:

Intangible rights	3 years	straight-line depreciation
Other non-current expenses	3 years	straight-line depreciation
Machinery and equipment	3 years	straight-line depreciation

Subsidiaries

Direct expenses from the acquisition of subsidiary companies are recognized in the acquisition cost of subsidiary company holdings. The Group management continuously reviews Group items for any indication of impairment. If there are such indications, the amount recoverable from the said asset item is assessed.

Employee benefits

Personnel pension security is handled by external pension insurance companies. Pension costs are recorded as expenses in the year in which they are incurred.

The company's Management Team participates in a long-term share plan, within which programs are valid for the earning years 2018–2020, 2019–2021 and 2020-2022. The minimum, target and maximum bonus of each participant shall be decided separate, as well as performance criteria and the related targets.

Benefits obtained under the share plan are recognized with caution as expenses in the income statement on a straight-line basis up until payout.

Notes to the income statement

1) Distribution of net sales

	JAN 1–DEC 31, 2020 EUR	JAN 1–DEC 31, 2019 EUR
Administrative services to subsidiaries	744,189.53	713,417.57
Net sales total	**744,189.53**	**713,417.57**

2) Salaries and remunerations

	JAN 1–DEC 31, 2020 EUR	JAN 1–DEC 31, 2019 EUR
CEO	-468,146.97	-602,901.00
Board Members	-174,000.00	-144,000.00
Other salaries and remunerations	-597,102.07	-1,006,997.10
Total	**-1,239,249.04**	**-1,753,898.10**
Accrued salaries and remunerations total	**-1,049,075.43**	**-1,786,321.46**

AVERAGE NUMBER OF PERSONNEL DURING PERIOD	JAN 1–DEC 31, 2020	JAN 1–DEC 31, 2019
Management	3	3
Others	3	3
Total	**6**	**6**

3) Other operating expenses

	JAN 1–DEC 31, 2020 EUR	JAN 1–DEC 31, 2019 EUR
Rent of business premises	-79,007.38	-71,053.01
Vehicle and travel expenses	-111,659.34	-206,710.11
Machinery and equipment expenses	-110,640.44	-86,928.81
Marketing and entertainment	-104,282.05	-92,984.46
Expert services purchased	-1,017,393.57	-988,837.43
Administrative expenses	-92,461.37	-47,861.77
Other operating expenses	-84,384.99	-162,301.82
Total	**-1,599,829.14**	**-1,656,677.41**
Auditor’s fees		
Deloitte Oy		
Auditing fees	-40,000.00	-40,000.00
Certificates and statements	-16,000.00	-17,000.00
Total	**-56,000.00**	**-57,000.00**

4) Financial income and expenses

FINANCIAL INCOME AND EXPENSES FROM GROUP COMPANIES	JAN 1–DEC 31, 2020 EUR	JAN 1–DEC 31, 2019 EUR
Interest income from Group companies	1,594,820.79	1,160,525.25
Returned impairments on consolidated loans	0,00	2,941,566.94
Total	**1,594,820.79**	**4,102,092.19**

FINANCIAL INCOME AND EXPENSES FROM OTHERS	JAN 1–DEC 31, 2020 EUR	JAN 1–DEC 31, 2019 EUR
Interest income from others	650.42	173.51
Other financial income	6,225.88	0,00
Interest expenses from loans from financial institutions	-193,731.51	-192,652.34
Interest payable to others	-10,678.86	-746.39
Loan management expenses	0,00	-71,200.00
Other financial expenses	-25,042.70	-1,082,545.83
Total	**-222,576.77**	**-1,346,971.05**

5) Appropriation

	JAN 1–DEC 31, 2020 EUR	JAN 1–DEC 31, 2019 EUR
Group contributions received	20,600,000.00	15,200,000.00
Group contributions paid	-2,804,456.85	-1,153,343.22
Total	**17,795,543.15**	**14,046,656.78**

6) Income taxes

	JAN 1–DEC 31, 2020 EUR	JAN 1–DEC 31, 2019 EUR
Income tax for appropriation	-3,559,108.63	-2,809,331,36
Income tax for actual operations	109,597.99	510,071.24
Income tax for previous fiscal years	-3,000.00	-1,948.87
Total	**-3,452,510.64**	**-2,301,208.99**

Notes to balance sheet assets

7) Changes in fixed assets itemized by balance sheet item

	DEC 31, 2020 EUR	DEC 31, 2019 EUR
INTANGIBLE ASSETS		
Other intangible assets		
Acquisition cost Jan 1	1,809.00	0,00
Increase during the period	90,888.50	1,809.00
Acquisition cost Dec 31	92,697.50	1,809.00
Book value Dec 31	**92,697.50**	**1,809.00**
Book value Jan 1	**1,809.00**	**0.00**
TANGIBLE ASSETS		
Machinery and equipment		
Acquisition cost Jan 1	33,115.96	33,115.96
Increase during the period	27,151.30	0.00
Decreases during period	-16,802.42	0.00
Acquisition cost Dec 31	43,464.84	33,115.96
Accumulated depreciation Jan 1	-29,300.42	-25,781.42
Depreciation during the year	-8,979.00	-3,519.00
Decreases of accumulated depreciation	16,802.42	0.00
Accumulated depreciation Dec 31	-21,477.00	-29,300.42
Book value Dec 31	**21,987.84**	**3,815.54**
Book value Jan 1	**3,815.54**	**7,334.54**
HOLDINGS IN GROUP COMPANIES		
Acquisition cost Jan 1	8,860,993.74	6,850,993.74
Increase during the period	0,00	2,010,000.00
Acquisition cost Dec 31	**8,860,993.74**	**8,860,993.74**
Book value Dec 31	**8,860,993.74**	**8,860,993.74**

8) Holdings in other companies Dec 31, 2020

GROUP COMPANIES	DOMICILE	OWNERSHIP SHARE
Done Medical Oy	Seinäjoki	100%
Icare Finland Oy	Helsinki	100%
Oscare Medical Oy	Helsinki	100%
Revenio Italy S.R.L.	Milan	100%
Revenio Research Oy	Vantaa	100%

9) Receivables from Group companies

	DEC 31, 2020 EUR	DEC 31, 2019 EUR
NON-CURRENT RECEIVABLES FROM GROUP COMPANIES		
Capital loan receivables	400,00.00	400,000.00
Loan receivables	63,719,322.96	68,000,000.00
Total	**64,119,322.96**	**68,400,000.00**
CURRENT RECEIVABLES FROM GROUP COMPANIES		
Trade receivables	71,880.88	159,576.31
Accrued and other receivables from Icare Finland Oy	24,651,274.41	12,802,998.09
Other receivables from other group companies	1,553,018.06	3,317,474.91
Accrued income	509,754.62	1,211,225.08
Total	**26,785,927.97**	**17,491,274.39**
Receivables from Group companies, total	**90,905,250.93**	**85,891,274.39**

10) Principal items in prepaid expenses and accrued income

	DEC 31, 2020 EUR	DEC 31, 2019 EUR
Personnel expenses	45,200.00	44,696.96
Prepaid expenses	64,693.93	50,450.78
Total	**109,893.93**	**95,147.74**

Notes to balance sheet liabilities

11) Changes in equity

	DEC 31, 2020 EUR	DEC 31, 2019 EUR
Share capital		
Share capital Jan 1	5,314,918.72	5,314,918.72
Share capital Dec 31	**5,314,918.72**	**5,314,918.72**
Restricted equity total Dec 31	**5,314,918.72**	**5,314,918.72**
Reserve for invested non-restricted equity		
Reserve for invested non-restricted equity Jan 1	51,269,667.73	7,054,879.93
Right issue	0,00	42,300,000.00
Share subscriptions with stock options	1,304,426.70	1,857,187.80
Purchase of own shares	-1,613,454.01	0.00
Transferred shares	69,600.00	57,600.00
Reserve for invested non-restricted equity Dec 31	**51,030,240.42**	**51,269,667.73**

	DEC 31, 2020 EUR	DEC 31, 2019 EUR
Profit/loss from previous financial periods		
Profit/loss from previous financial periods Jan 1	12,085,612.95	7,300,443.22
Dividends	-7,948,215.60	-6,708,873.64
Profit/loss from previous financial periods Dec 31	**4,137,397.35**	**591,569.58**
Profit/loss for the period Dec 31	**13,655,019.23**	**11,494,043.37**
Non-restricted equity total Dec 31	**68,822,657.00**	**63,355,280.68**
Equity total Dec 31	**74,137,575.72**	**68,670,199.41**
Calculation of the amount of distributable unrestricted equity on 31 Dec		
Invested unrestricted capital reserve	51,030,240.42	51,269,667.74
Retained earnings	4,137,397.35	591,569.58
Profit for the period	13,655,019.23	11,494,043.37
Distributable unrestricted equity Dec 31	**68,822,657.00**	**63,355,280.69**

The share capital of Revenio Group Corporation on December 31, 2020 was EUR 5,314,918.72, and the number of shares was 26,658,952. There is one class of shares. All shares confer an equal right to dividends and the company's funds.

On the closing date, the company held 131,058 of its own shares (REG1V).

12) Non-current liabilities

Loans from financial institutions

As at December 31, 2020, the parent company had interest-bearing non-current liabilities amounting to EUR 21.6 million. The company does not have any loans falling due later than within five years. At the end of 2019, the company had interest-bearing non-current liabilities totaling EUR 23.7 million.

13) Intra-group liabilities

	DEC 31, 2020 EUR	DEC 31, 2019 EUR
Current intra-group liabilities		
Intra-group bank account	226,885.61	4,432,942.63
Other liabilities	845,212.16	845,618.26
Total	1,072,097.77	5,278,560.89

14) Principal items of accrued liabilities and deferred income

	DEC 31, 2020 EUR	DEC 31, 2019 EUR
Personnel expenses	697,543.31	651,951.13
Income taxes	2,100,130.56	665,135.16
Other accruals and deferred income	92,558.00	110,891.86
Total	2,890,231.87	1,427,978.15

The breakdown includes both long-term and short-term accrued liabilities.

15) Notes to collateral and commitments

Banks and financial institutions have granted Revenio Group Corporation mortgages on company assets worth EUR 91,000.000, and these are used as collateral for the loan.

LEASE COMMITMENTS	DEC 31, 2020 EUR	DEC 31, 2019 EUR
Lease commitments maturing next year	7,557.97	31,371.60
Lease commitments maturing later than next year	3,108.00	45,270.82
Total	10,665.97	76,642.42

Lease agreements run for 2–5 years and do not include special notice or purchase option clauses.

RENT LIABILITIES	DEC 31, 2020 EUR	DEC 31, 2019 EUR
Rent liabilities for office premises, maturing next year	390,547.74	387,023.40
Rent liabilities for office premises, maturing later than next year	162,728.23	161,259.75
Total	553,275.97	548,283.15

16) Other notes

STOCK OPTION RIGHTS GRANTED TO PERSONNEL AND MANAGEMENT

Option rights of personnel

§ Basis of preparation

The company has a stock option program decided by the Board of Directors on August 10, 2015, based on the authorization of the Annual General Meeting on March 19, 2015, comprising a maximum of 150,000 option rights. The option rights are divided into three series. One option right entitles the holder to subscribe for three Revenio Group Corporation shares. The share subscription price is the trade-weighted average price of the share on Nasdaq Helsinki Oy plus 15 per cent.

On the record date of dividend distribution, the subscription price is decreased by the amount of dividend decided between the end of the determination period and the beginning of the share subscription period. By way of deviation from the shareholders' preemptive subscription right, the option rights will be granted, without consideration, to key personnel employed or to be employed by Revenio Group, as decided by the Board of Directors. The shareholders' preemptive subscription right is waived as the option rights are intended to constitute a part of the incentive program of Revenio Group.

To the extent that the option rights are not allocated to the Group's personnel, they will be granted to Done Medical Oy, a wholly owned subsidiary of Revenio. When option rights are exercised, the considerations received on the basis of share subscriptions are recorded in the unrestricted equity reserve under shareholders' equity.

OPTION PROGRAM 2015 SERIES	TOTAL AMOUNT	SUBSCRIPTION PERIOD	TURNOVER PERIOD DETERMINING THE SUBSCRIPTION PRICE	DIVIDEND-ADJUSTED SUBSCRIP-TION PRICE
A	50,000	Ended	Sep 1, 2015–Oct 15, 2015	Ended
B	50,000	Ended	Sep 1, 2016–Oct 15, 2016	Ended
C	50,000	May 31, 2019–May 31, 2021	Sep 1–Oct 15, 2017	12,48

The number of shares and stock option rights held by the members of the Board of Directors, the CEO, and entities in their control on Dec 31, 2020

	%	NO.
Shares	0.2%	59,986
Option rights	0.0%	0

Management incentive scheme

§ Basis of preparation

The Board of Directors of Revenio Group Corporation decided on three share-based long-term incentive schemes directed towards the Management Team of Revenio Group. Long-term incentive schemes form part of the company's remuneration program for key personnel and are aimed at supporting the implementation of the company's strategy and harmonizing the objectives of key personnel and the company in order to grow the company's value.

The Board of Directors shall decide separately on the minimum, target and maximum bonus of each participant, as well as performance criteria and the related targets. The amount of bonus payable to the participants depends on the achievement of the pre-set targets. No bonus will be paid if the targets are not met, or if the participant's work or employment relationship ends before the bonus is paid. Each performance share plan shall cover a maximum of 10 persons and the objectives of the plan shall be related to the absolute total yield of the company's share and the cumulative operating result over a period of three years. If the targets of the incentive scheme are met, the bonuses will be paid in the spring of the year following the earning period. The total amount of share bonus to be paid on the basis of the program earning period is gross earnings minus the amount of cash required to cover taxes due on the share bonus and any other tax-like payments, after which the remaining net bonus shall be paid in shares. However, in certain circumstances the company has the right to pay the entire bonus in cash.

Benefits granted under the share plan are recognized with caution as expenses in the income statement on a straight-line basis during the vesting period up until payout. During the financial year 2020, the company has recognized a total of EUR 494 thousand as expense and non-current accruals under the incentive scheme. The accrued liability recognized in the balance sheet as of Dec 31, 2020 is a total of EUR 891 thousand.

EARNING YEARS	TIME OF BONUS PAYMENT	MAXIMUM AMOUNT OF SHARE BONUS
2018–2020	2021	50,000
2019–2021	2022	50,000
2020–2022	2023	50,000

Signatures to the financial statements and review of operations

Vantaa, February 19, 2021

Board of Directors and CEO of Revenio Group Corporation

Pekka Rönkä
Chair of the Board

Ann-Christine Sundell
Board member

Arne Boye Nielsen
Board member

Kyösti Kakkonen
Board member

Pekka Tammela
Board member

Bill Östman
Board member

Jouni Toijala
CEO

Auditor's note

We have issued an audit report today based on the audit we have performed.

Helsinki, February 19, 2021

Deloitte Oy
Authorized Public Accountants

Mikko Lahtinen
Authorized Public Accountant

Auditor’s report

To the Annual General Meeting of Revenio Group Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Revenio Group Oyj (business identity code 1700625-7) for the year ended 31 December 2020. The financial statements comprise the consolidated statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies, as well as the parent company’s income statement, balance sheet, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group’s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

KEY AUDIT MATTER	
Revenue recognition Refer to notes 1 and 2 in the consolidated financial statements. • Consolidated net sales of EUR 61.6 million consists of the income from the sale of health technology products and services. • Revenue from sales is recognized when the customer gains control over the goods or services (performance obligation). As a rule, control is transferred to the customer upon delivery as per the terms and conditions of agreement. • For audit purposes, the key is that revenue is recognized timely and in the correct amount. • This matter is a significant risk of material misstatement referred to in EU Regulation No 537/241, point (c) of Article 10(2).	**How our audit addressed the key audit matter** • We have assessed the controls relating to the sales process and the revenue recognition. • We have reviewed the accounting principles and practices associated with revenue recognition to assess whether the recognition is in accordance with IFRS 15. • We have tested the timing and quantitative accuracy of revenue recognition by comparing individual sales transactions to sales agreements and delivery notes. • We have assessed the appropriateness of the presentation in the consolidated financial statements.
Valuation of goodwill and other intangible assets Refer to accounting principles for the consolidated financial statements and note 12 in the consolidated financial statements. • The consolidated statement of financial position includes goodwill of EUR 50.4 million and other intangible assets of EUR 16.9 million. • Goodwill and other intangible assets mainly result from the acquisition of CenterVue S.p.A. in 2019. • In addition, other intangible assets include capitalized development costs relating to the development of health technology products. • The valuation and impairment testing of goodwill and other intangible assets involve management estimates of cash flow projections and trade cycle changes, and hence this matter is addressed as a key audit matter.	**How our audit addressed the key audit matter** • We have reviewed and assessed the management's methods and assumptions used in impairment testing. • We have assessed the indications of impairment identified by the management and performed audit procedures on the impairment testing prepared by the management. • We have tested the mathematical accuracy of the models used in impairment testing, evaluated and challenged the projections used in the calculations and related changes, and compared the prior year forecasts to the actual figures. • We have evaluated the appropriateness of the presentation in the consolidated financial statements.

We have no key audit matters to report with respect to our audit of the parent company's financial statements. There are no significant risks of material misstatement referred to in EU regulation No 537/241, point (c) of Article 10(2) relating to the parent company's financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Chief Executive Officer The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on Our Audit Engagement

We were first appointed as auditors by the Annual General Meeting on 22 March 2017, and our appointment represents a total period of uninterrupted engagement of four years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 19 February 2021

Deloitte Oy
Audit Firm

Mikko Lahtinen
Authorized Public Accountant (KHT)

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