

# Improved net sales 29%

## The partner strategy is yielding results

### October – December 2019

- Net sales increased by 29 percent to TSEK 8 201 (6 363)\*
- Operating loss improved to TSEK -3 395, (-4 234)
- Earnings per share TSEK -0.2 (-0.2)

### January – December 2019

- Net sales increased by 25 percent to TSEK 25 873, (20 754)\*
- Operating loss improved to TSEK -14 407, (-20 654)
- Earnings per share improved to SEK -1.0 (-2.7)

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### Year-end report October – December 2019

\* The company has about SEK 2.4 million in accounts receivable from result-based contracts, accrued during Q4 2018 – Q4 2019, of which SEK 1 million has been recognized as revenue in Q4. For more information, see page 6.

*This document in English is a translation of the original in Swedish. In case of any discrepancy, the Swedish original will prevail.*

## COMMENTS FROM THE CEO

We are seeing a positive trend where our business model, with a combination of outcome-based contracts and fixed fees, is continuing to yield good results. Net sales in Q4 increased by 29 percent as compared with last year.

Our focus has remained on sales, which has resulted in several new deals, both with direct clients and through our partners. During the fourth quarter, the client acquisition work we have performed during the year have resulted in, among other things, two new contracts in Sweden – with Centric and a retail and service company – and two new clients through our partner Finla. The implementation for Centric has been finalised and, for the other new clients, the process will begin during the first quarter of 2020.

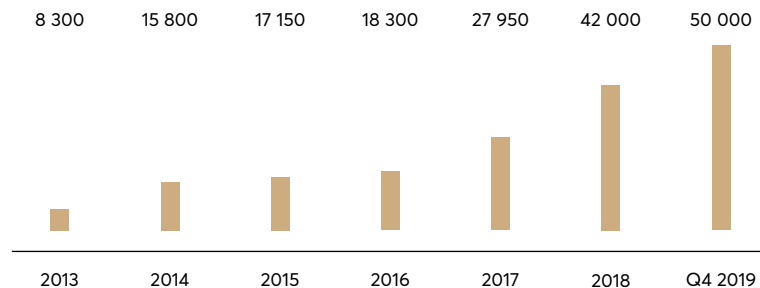
We sold our holding in the Finnish corporate healthcare company Maresan. The reason was that we want to focus on our core operations and previously made plans going forward. As we have written down the share value in the group before, the disposal, will have a positive impact on cash flow and profit for the first quarter of 2020. About 90% of this will be realised in the first quarter and the remaining 10% during the year.

### High expectations for the first six months of 2020

Ahead of the first quarter 2020, we have about SEK 2.4 million in accounts receivable from an outcome-based contract, which we have gradually recognized as revenue during the past quarter. SEK 1 million has been recognized as revenue during Q4.

The deals we have signed during the first six months of 2019 have now started to show a positive impact on net sales, profit, and cash flow.

### SaaS subscriptions to HealthManager continue to increase. As of December 31, we have 50 000 users of our SaaS solution.



Total number of SaaS users of HealthManager

### Accrued number of SaaS subscriptions to HealthManager

The number of SaaS subscriptions to HealthManager continues to grow. As of December 31, we have about 50 000 subscribers. We continue to develop the platform to meet our clients' needs.

I look forward to the new year with a very good feeling.

**Jyrki Eklund**  
CEO and President  
Aino Health AB

## EVENTS DURING THE YEAR

### Q4

- Finla, one of Aino's partners, signed contracts with two new clients, a company in energy production and a construction company, regarding the SaaS solution HealthManager.
- New client agreements with Centric and a retail and service company regarding the SaaS solution HealthManager.
- Disposal of ownership in the Finnish corporate healthcare company Maresan.
- The outcome of use of share options in Aino Health AB was 672 subscribed shares.

### Q1 - Q3

- Monetra Oulu Oy, which is owned by three Finnish cities and four hospital districts, signed a partnership agreement regarding sale of Aino's SaaS solution HealthManager.
- Aava Finland, one of Finland's largest suppliers of corporate healthcare, signed a partnership agreement regarding sale of Aino's SaaS solution HealthManager.
- EFESO Consulting Nordics and 55Birchstreet GmbH signed partnership agreements regarding sale of Aino's SaaS solution HealthManager.
- A new client agreement with Rahms, a cleaning company based in Stockholm, regarding Aino HealthManager, including implementation.
- ArcelorMittal extends and expands its agreement with Aino Health Germany GmbH following performance of a pilot project.
- Aino Health's SaaS solution HealthManager has been deployed to support Multi Contact's operations in Germany.
- Nylands Arbetshälsa signed a partnership agreement regarding Aino's SaaS solution HealthManager.
- A new agreement regarding Aino HealthManager with a global company in customer service.
- A new client agreement valued at around SEK 28 million with one of the world's largest American multinational IT companies regarding its operations in Finland.
- One of the leading care companies in the Nordic region has signed an agreement regarding Aino's SaaS solution HealthManager for its operations in Finland.
- Aino Health hosted the INSEAD seminar "Value Based Leadership and Business as a Force for Good" held in Stockholm in late March.
- Jyrki Eklund, CEO of Aino Health, held a presentation entitled "The corporate management and analytics solution to make health a business case" at IQPC's two-day seminar HR Predictive Analytics & AI in Berlin. Aino was also the main sponsor of the seminar.
- Along with Veritas Pension Insurance, Aino Health has created a unique work ability support service with Veritas' clients as the target group.

#### Events after the end of the third quarter

- Agreement signed with VRJ Group regarding HealthManager, in collaboration with our partner Aava.
- Agreement signed with Kaksineuvoinen regarding HealthManager.
- Implementation for the retail and service company that signed a contract regarding HealthManager was performed in January 2020.

## MARKET AND OPERATIONS

### Solutions for healthier companies

Aino's current market focus is primarily Finland, Sweden, and Germany. Demand has increased on all markets where Aino operates. The company's services are based on Software as a Service, a cloud service offering software and system support for Health Management. Aino markets its offerings by selling directly to well-known and established companies, in combination with using partner networks.

### Partnership deals during the year

Our scalable SaaS solutions, supplemented with consultancy services, are attractive to partner organisations. The ambition is to increase the growth pace by connecting with multiple strategic collaboration partners that contribute to a business model with increased flexibility and scalability.

The partnering strategy has continued to prove successful during the last quarter of the year. We can see that our partner strategy works, as several new deals have come through partners during the quarter; Finla has sold HealthManager to a company in energy production and a construction company, and Aava has signed an agreement with a gaming company in Finland.

With the help of partners in corporate healthcare, new clients will be reached at a faster pace. Further collaboration discussions are ongoing at the international level with several potential partners.

### New direct customers and deployments

During the quarter, Centric signed an agreement regarding HealthManager, which was then implemented during December.

### A total of 50 000 SaaS users

Aino now has 50 000 SaaS subscribers to HealthManager. The clients pay a fixed fee per employee and month or pay in accordance with a model including a basic fee and an incentive remuneration based on the outcome and results of Aino's delivery. Potential clients include service and industry companies and public operations with over 500 employees.

Aino Health's services contribute to improving the clients' health and work ability by:

- Decreasing short- and long-term absenteeism and costs
- Giving corporate management effective tools to prevent absenteeism
- Creating preventive processes that improve the working conditions for employees and increase their commitment

## CORPORATE DEVELOPMENT

Figures for Q4 2019

### About the report

This interim report pertains to the period January 1–31 December 2019.

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### Accounting principles

The company applies the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board, BFNAR 2012:1 (K3), in drawing up its financial reports. The company has not activated any product development costs during the fourth quarter.

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### Principles for the drawing up of the report

This interim report has not been reviewed by the company's auditors.

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### Net sales

Net sales for the corporation during the quarter totalled TSEK 8 268 (6 363). Most of the net sales originate in Finland.

The company has about SEK 2.4 million in accounts receivable from a result-based contract. The receivables will be paid to Aino Health during the fourth quarter 2021, given that the outcome of the contract is on par with what it has been thus far. The company has begun taking up these receivables as revenue during the fourth quarter of 2019.

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### Profit

The corporation's loss during the quarter was TSEK -3 610 (-3 441). The operating loss was lower than in the previous year due to an increase in net sales.

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### Liquidity

The company took a short-term loan of SEK 5 million in October 2019. The loan will be repaid in July 2020.

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### Equity/asset ratio

The equity/asset ratio of the corporation, calculated as equity in percent of the balance sheet total, was 49 percent as per 31 December 2019.

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### Cash flow and investments

Cash flow totalled TSEK 2 642 (11 518) during the quarter. Cash flow for operating activities affected cash flow by TSEK -2 360 (-5 932). Cash flow from financing activities was SEK 5 million. The improved profit and more efficient management of operating capital contributed to an improvement of the cash flow from operating activities.

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### The share

Aino Health's share is listed on NASDAQ First North Growth Market under the ticker "AINO". The total number of shares at the start of the period, on 1 January 2019, was 15,934,307, and the number of shares at the end of the period, on 31 December 2019, was 15 934 979. The increase by 672 shares is due to new shares subscribed through options in November 2019. More information is available on Aino's website: <https://investors.ainohealth.com/en>.

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### Options

Options (TO1) in the preferential issue that the company's board approved on 30 September 2018 have been registered with the Swedish Companies Registration Office on 23 October 2018 and trading with these options began through Nasdaq First North Growth Market on 5 November 2018 and ended on 29 November 2019. More information can be found on Aino's website: <https://investors.ainohealth.com/en>.

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### Transactions with related parties

Beyond salaries and other remuneration to the corporate management team and fees to the board, in accordance with the decisions of the AGM, no transactions with related parties have occurred.

## THE TEN LARGEST SHAREHOLDERS AS OF 31 DECEMBER 2019

Shareholder	Number of shares	Share of votes and equity (percent)
Eklund Jyrki	1 764 836	11,1 %
Filip Engelbert	928 634	5,8 %
Jonas Nordlander	928 633	5,8 %
Saxelin Jochen*	506 038	3,2 %
Ovaskainen Mika	262 400	1,6 %
Frame Invest AB	260 670	1,6 %
Hermansson Erik	253 421	1,6 %
Six Sis AG	232 000	1,5 %
Roth Johan	220 600	1,4 %
Fahlin Johan	209 610	1,3 %
Others	10 368 137	65,1 %
<b>Total</b>	<b>15 934 979</b>	<b>100%</b>

\* Jochen Saxelin personally owns 325 060 shares, while Hirvensalmen Satama Koy, controlled by Jochen Saxelin and family, owns 180 978 shares.

Source: Euroclear 30 December 2019 and other reliable sources.

### Certified Adviser

Erik Penser Bank AB  
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certifiedadviser@penserbank.se

### Future reports

Annual report 2019, 21 April 2020  
Q1 2020, 12 May 2020  
Q2 2020, 21 August 2020  
Q3 2020, 6 October 2020

### Risks and uncertainty factors

Aino Health may need to acquire more capital in the future. There is a risk that the company cannot acquire further capital, enter into partnerships or find other co-financers. A loss of key staff can have negative consequences. In addition, there are a number of different risks that are not under Aino Health's control.

### Board affirmation

The board and CEO affirm that this interim report provides a fair and correct overview of the operations of the company, its financial position and results, and describes the significant risks and uncertainty factors that the company faces

Stockholm, 4 February 2020  
Aino Health AB (publ)

### The board

Tanja Ilic, chairman  
Jyrki Eklund, CEO and board member  
Klas Bonde, board member  
Martin Bunge-Meyer, board member  
Daniel Koob, board member

The information contained herein is such as shall be made public by Aino Health AB (publ), in accordance with the EU Market Abuse Regulation. This information was made public, through the agency of Jyrki Eklund, CEO and President of Aino Health AB, at 08.30 AM CET on 4 February 2020.



**CONSOLIDATED INCOME STATEMENT IN BRIEF**

<i>All figures in SEK, 000s</i>	2019 Q4	2018 Q4	2019 Jan - Dec	2018 Jan - Dec
Net sales	8 201	6 363	25 873	20 754
Other operating incomes	-	12	34	157
<b>Operating expenses</b>				
Purchased consultancy services	-539	-419	-1 727	-1 284
Other external costs	-3 764	-3 789	-12 901	-14 086
Employee benefit costs	-6 616	-5 851	-23 427	-24 114
Depreciation/amortization of tangible and intangible assets	-755	-499	-2 282	-1 997
Other operating expenses	78	-51	23	-84
<b>Operating loss</b>	<b>-3 395</b>	<b>-4 234</b>	<b>-14 407</b>	<b>-20 654</b>
Financial net	-281	793	-866	-1 349
<b>Loss after financial items</b>	<b>-3 676</b>	<b>-3 441</b>	<b>-15 273</b>	<b>-22 003</b>
Taxes	-	-	-3	-3
<b>Net loss for the period</b>	<b>-3 676</b>	<b>-3 441</b>	<b>-15 276</b>	<b>-22 006</b>

**CONSOLIDATED BALANCE SHEET IN BRIEF**

<i>All figures in SEK, 000s</i>	2019 31 Dec	2018 31 Dec
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible assets	18 797	20 237
Tangible assets	347	306
Financial assets	1 339	547
<b>Total assets</b>	<b>20 483</b>	<b>21 090</b>
<b>Current assets</b>		
Inventories etc.	-	123
Current receivables	5 884	5 312
Cash and bank balances	3 041	11 543
<b>Total current assets</b>	<b>8 925</b>	<b>16 978</b>
<b>TOTAL ASSETS</b>	<b>29 408</b>	<b>38 068</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	39 837	39 836
Other capital contributions	48 764	48 797
Other equity, including loss for the year	-74 132	-58 776
<b>Total equity</b>	<b>14 469</b>	<b>29 857</b>
<b>Liabilities</b>		
Non-current liabilities	367	250
Current liabilities	14 572	7 961
<b>Total liabilities</b>	<b>14 939</b>	<b>8 211</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29 408</b>	<b>38 068</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN BRIEF

	2019 Q4	2018 Q4	2019 Jan - Dec	2018 Jan - Dec
<b>Opening balance</b>	<b>18 781</b>	<b>33 367</b>	<b>29 857</b>	<b>21 962</b>
New issue	-	-45	-	29 266
Translation differences	-636	-24	-112	635
Loss for the period	-3 676	-3 441	-15 276	-22 006
<b>Closing balance</b>	<b>14 469</b>	<b>29 857</b>	<b>14 469</b>	<b>29 857</b>

### CONSOLIDATED CASH FLOW STATEMENT IN BRIEF

<i>All figures in SEK, 000s</i>	2019 Q4	2018 Q4	2019 Jan - Dec	2018 Jan - Dec
Cash flow from operating activities	-2 360	-5 932	-10 839	-16 269
Cash flow from investment activities	1	-257	-642	-4 851
Cash flow from financing activities	5 001	17 707	2 927	23 247
<b>Cash flow for the period</b>	<b>2 642</b>	<b>11 518</b>	<b>-8 554</b>	<b>2 127</b>
Liquid assets, opening balance	399	25	11 543	9 289
Exchange rate differences in liquid assets	-	-	52	127
<b>Liquid assets, closing balance</b>	<b>3 041</b>	<b>11 543</b>	<b>3 041</b>	<b>11 543</b>

## FINANCIAL KEY FIGURES

<i>All figures in SEK, 000s</i>	2019 Q4	2018 Q4	2019 Jan - Dec	2018 Jan - Dec
<b>Financial key figures</b>				
Net sales	8 201	6 363	25 873	20 754
Profit after financial items	-3 676	-3 441	-15 273	-22 003
Return on equity (%)	neg	neg	neg	neg
Equity per share, SEK	0,9	1,9	0,9	1,9
Equity/asset ratio, %	49 %	78 %	49 %	78 %
Earnings per share after dilution, SEK	-0,2	-0,2	-1,0	-2,7
Earnings per share before dilution, SEK	-0,2	-0,2	-1,0	-2,7
Number of shares at end of period	15 934 979	15 934 307	15 934 979	15 934 307
Weighted number of shares during period	15 934 307	15 934 307	15 934 307	8 072 253

## DEVELOPMENT OF SHARE CAPITAL

Year	Development of share capital Activity	Number of shares		Share capital		Quota value
		Change	Total	Change	Total	
2016	Formation	500	500	50 000	50 000	100
2016	Share split 4:1	1 500	2 000	-	50 000	25
2016	Non-cash issue	362 277	364 277	9 056 925	9 106 925	25
2016	Redemption	-2 000	362 277	-50 000	9 056 925	25
2016	Share split 10:1	3 260 493	3 622 770	-	9 056 925	2,5
2016	New issue	1 800 000	5 422 770	4 500 000	13 556 925	2,5
2018	New issue	10 511 537	15 934 307	26 278 842	39 835 767	2,5
2019	Share warrants	672	15 934 979	1 680	39 837 447	2,5

### INCOME STATEMENT FOR PARENT COMPANY IN BRIEF

<i>All figures in SEK, 000s</i>	2019 Q4	2018 Q4	2019 Jan - Dec	2018 Jan - Dec
Net sales	3 249	368	4 541	368
Other operating incomes	-	12	34	157
<b>Operating expenses</b>				
Purchased consultancy services	-1 118	-1 172	-3 857	-5 763
Other external costs	-1 388	-1 142	-5 087	-6 208
Employee benefit costs	-1 990	-1 362	-6 329	-4 874
Depreciation/amortization of tangible and intangible assets	-241	-	-241	-
Other operating expenses	80	-50	25	-81
<b>Operating loss</b>	<b>-1 408</b>	<b>-3 346</b>	<b>-10 914</b>	<b>-16 401</b>
Financial net	-42	-78	-28	-415
<b>Loss after financial items</b>	<b>-1 450</b>	<b>-3 424</b>	<b>-10 942</b>	<b>-16 816</b>
Appropriations	335	-1 734	335	-1 734
<b>Net loss for the period</b>	<b>-1 115</b>	<b>-5 158</b>	<b>-10 607</b>	<b>-18 550</b>

## BALANCE SHEET FOR PARENT COMPANY IN BRIEF

<i>All figures in SEK, 000s</i>	2019 31 Dec	2018 31 Dec
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible assets	6 502	6 264
Financial assets	18 799	18 799
<b>Total assets</b>	<b>25 301</b>	<b>25 063</b>
<b>Current assets</b>		
Current receivables	7 226	3 971
Cash and bank balances	1 174	9 497
<b>Total current assets</b>	<b>8 400</b>	<b>13 468</b>
<b>TOTAL ASSETS</b>	<b>33 701</b>	<b>38 531</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	39 837	39 836
Fund for development fees	6 502	6 264
<b>Unrestricted equity</b>		
Share premium reserve	48 764	48 797
Balanced profit/loss, including loss for the year	-68 812	-57 968
<b>Total equity</b>	<b>26 291</b>	<b>36 929</b>
<b>Untaxed reserves</b>		
Current liabilities	7 410	1 602
<b>Total liabilities</b>	<b>7 410</b>	<b>1 602</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>33 701</b>	<b>38 531</b>

#### STATEMENT OF CHANGES IN PARENT COMPANY'S EQUITY IN BRIEF

	2019 Q4	2018 Q4	2019 Jan - Dec	2018 Jan - Dec
<b>Opening balance</b>	<b>27 438</b>	<b>42 131</b>	<b>36 929</b>	<b>26 213</b>
New issue	-32	-45	-32	29 266
Loss for the period	-1 115	-5 157	-10 607	-18 550
<b>Closing balance</b>	<b>26 291</b>	<b>36 929</b>	<b>26 291</b>	<b>36 929</b>

#### CASH FLOW STATEMENT FOR PARENT COMPANY IN BRIEF

<i>All figures in SEK, 000s</i>	2019 Q4	2018 Q4	2019 Jan - Dec	2018 Jan - Dec
Cash flow from operating activities	-3 820	-7 956	-12 813	-14 810
Cash flow from investment activities	-1	-1 194	-479	-4 851
Cash flow from financing activities	4 969	18 609	4 969	23 110
<b>Cash flow for the period</b>	<b>1 148</b>	<b>9 459</b>	<b>-8 323</b>	<b>3 449</b>
Liquid assets, opening balance	26	38	9 497	6 048
<b>Liquid assets, closing balance</b>	<b>1 174</b>	<b>9 497</b>	<b>1 174</b>	<b>9 497</b>



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