

## Indications of increased need for Aino's SaaS solutions

### A focus on improved cash flow

## Fully secured rights issue of shares of SEK 15.9 million in September

#### April–June 2020

- Net sales increased by 1 percent to KSEK 5,744 (5,677)\*
- Result after financial items increased to KSEK -4,565 (-4,880)
- Earnings per share were SEK -0.3 (-0.3)

#### January–June 2020

- Net sales increased by 3 percent to KSEK 11,829 (11,529)\*
- Result after financial items increased to KSEK -8,135 (-8,144)
- Earnings per share were SEK -0.5 (-0.5)

\* At the end of Q1, the company had about MSEK 3.2 in accounts receivable from result-based contracts, accrued during Q4 2018–Q1 2020, of which SEK 1 million have been recognized as revenue during Q4 2019. Because of the covid-19 pandemic, the company has chosen a prudential approach and not recognized accumulated result-based claims as revenue or carried them as expenses for Q1 and Q2 2020. For more information, see page 5.

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**Interim Report January - June 2020**

*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 still in the midst of the covid-19 pandemic, and we have, during the second quarter of this year, seen the impact that the pandemic has on us and many other organisations around the world. We can see that it will take a bit more time before the market opens up again. However, we are seeing an increased need for Aino's solutions, to support managers, employees, and executives. We are using this time to develop our SaaS solution further in order to meet the market's needs in an even better manner.

### A growing need for Aino's SaaS solutions

During the first quarter of the year, we saw that companies will need clear processes and solutions in place after the covid-19 pandemic, and in order to be prepared for future crises. They will need to ensure, in a structured way, that their employees are healthy and have the right conditions for working and can continue to be committed even if they are exposed to altered working conditions.

We have also, during the second quarter, received clear indications that many organisations experience a lack of control when a crisis strikes and need extra support, which they can get through Aino's solutions.

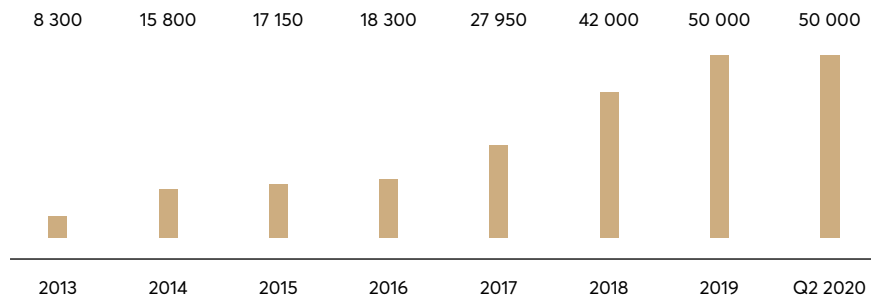
### Cash flow under control

We have, during the last quarter, worked hard to gain control of our cash flow. This was done through reorganisation, where we eliminated a significant part of our overhead costs. We now have a more agile organisation that will focus on continued growth and provide the market with the best possible SaaS solution in our field. This also means that we will be able to enter the third quarter with a controlled cash flow.

### Current financing of the operations

Our continued goal for each quarter is growth and to continually gain an increasing market share. To do this, we need capital to be able to invest in growth. Therefore, we will perform a share issue during September.

### Accrued number of SaaS subscriptions to Health Manager



Accumulated number of HealthManager SaaS users

As of 30 June, we have about 50,000 subscribers. We continue to develop the platform to meet our clients' needs.

I hope that we will see the covid-19 pandemic ease during the second half of the year and that we will be able to return to something closer to business as usual and continue with the activities we were working on at the start of the year. We will come out the covid-19 pandemic stronger, as we have used this period to analyse the market, improve our solutions, and create a strong plan for the future.

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

### EVENTS DURING THE FIRST HALF OF THE YEAR

- The offering was adapted and expanded to support companies during the covid-19 pandemic – offering existing clients HealthDesk for free for two months and adding functionality in HealthManager to measure absenteeism due to covid-19.
- A partnership agreement was signed with UK-based Human Capital Consultancy firm, MCR.
- A partnership agreement was signed with Zalaris.
- A new client agreement was signed with VRJ Group along with our partner Aava.

### EVENTS AFTER THE END OF THE QUARTER

- The Board of Aino Health has decided on a Rights issue, which will give approximately SEK 15.9 million if fully subscribed. This in order to secure working capital for the upcoming twelve-month period and to be able to execute according to the proposed growth plan.
- A new client agreement was signed with Stockholm City Mission in Sweden.

## OUR PARTNERS

In order to conduct Aino's operations in the most efficient way possible, while avoiding large overhead costs, it is vital to have a strong partner network that helps reinforce Aino's brand and sell the solution.

Below is a summary of the partners that are currently active and the roles that they play.

### Sales partners

These partners have been chosen to meet the demand on the markets upon which they operate.

Partner	Geographic region	Type of partner	Partner since / status	Number customers	Number of implemented Aino clients
Zalaris	Scandinavia, Germany, UK	Salary and HR outsourcing	Currently onboarding. Partner since February 2020. Aino is part of Zalaris Marketplace ( <a href="https://marketplace.zalaris.com/vendors/ainohealth/">https://marketplace.zalaris.com/vendors/ainohealth/</a> )	Hundreds	0
MCR	UK	HR consultants	Currently onboarding. Partner since March 2020	Hundreds	0
Finla	Finland	Corporate health care	Active. Partner since 2019.	Tens	6
Aava	Finland	Corporate health care	Active. Partner since July 2019.	Tens	2
Monetra	Finland	Salary and HR outsourcing public sector	Active. Partner since Sept 2019.	Tens	1
55 Birchstreet	DACH		Active. Partner since July 2019.	50-100	0
Efeso	Sweden	Management consultancy	Active? Partner since July 2019.	50-100	0
BGF GMBH	DACH	Organisational change psychology	Currently onboarding. Partner since June 2020	50-100	0
			Total		

### Ecosystem partners

Add value to Aino's SaaS solution.

Partner	Geografisk region	Type of partner	Partner since / status	Number of customers	Number of implemented Aino clients
Auntie	Global	Online psychologist services	March 2020	50-100	0
HeiaHeia	Finland	Health company	2019	Hundreds	0
Cuckoo	Global	Online well-being partner	March 2020	50-100	2
Sjuksyrria	Sweden	Delivers HealthDesk services	June 2018	50-100	1

## CORPORATE DEVELOPMENT

Figures for Q2 2020

### About the report

This interim report pertains to the period 1 January–30 June 2020.

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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 second 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 KSEK 5,744 (5,677). Most of the net sales originate in Finland. The company has not recognized result-based claims as revenue during the quarter.

The company had about SEK 3.2 million from result-based contracts at the end of the first quarter 2020. The claims 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 begun to recognize these receivables as revenue during the fourth quarter of 2019.

Because of the COVID-19 pandemic, the company has chosen a prudential approach and not recognized accumulated result-based claims as revenue or carried them as expenses for Q1 and Q2 2020.

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### Profit/loss

The corporation's profit/loss during the quarter was KSEK -4,565 (-4,880).

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### Financial position, liquidity, and covid-19

The company estimates that the current liquidity will last until the end of August 2020.

Most of Aino's revenue consists of so-called recurring revenue. Most of the client contracts have a term of at least six months. Because of this, the group's net sales have not been significantly affected by the COVID-19 pandemic.

Still, to safeguard the future of the company, we have taken the following actions in 2020:

- A government-backed loan of around MSEK 2 in Finland.
  - Delayed payment of taxes, VAT, and employer's contributions in Finland.
  - Come to an agreement with employees in Sweden about part-time lay-offs and applied for grants from the Swedish Agency for Economic and Regional Growth.
  - The Board of Aino Health has decided on a Rights issue, which will give approximately SEK 15.9 million if fully subscribed. This in order to secure working capital for the upcoming twelve-month period and to be able to execute according to the proposed growth plan.
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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 26 percent as per 30 June 2020.

**Cash flow and investments**

Cash flow totalled KSEK -381 (-2,772) during the quarter. Cash flow for operating activities affected cash flow by KSEK -2,160 (-2,149). Cash flow from financing activities was SEK 1.76 million, as Aino Health Management Oy was granted a state-guaranteed loan.

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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 April 2020, was 15,934,979, and the number of shares at the end of the period, on 30 June 2020, was 15,934,979.

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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 general shareholder's meeting, no transactions with related parties have occurred.

## THE LARGEST SHAREHOLDERS AS OF 30 JUNE 2020

Shareholder	Number of shares	Share of votes and equity (percent)
Jyrki Eklund	1 785 750	11,2 %
Filip Engelbert	928 634	5,8 %
Jonas Nordlander	928 633	5,8 %
Jochen Saxelin*	506 038	3,2 %
Mika Ovaskainen	271 536	1,7 %
Frame Invest AB	260 670	1,6 %
Erik Hermansson	234 835	1,5 %
Six Sis AG	232 000	1,5 %
Johan Roth	220 600	1,4 %
Johan Fahlin	209 610	1,3 %
Others	10 356 673	65,0 %
<b>Total</b>	<b>15 934 979</b>	<b>100 %</b>

Source: Euroclear 30 June 2020 and other reliable sources.

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

### Certified Adviser

Erik Penser Bank AB  
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certifiedadviser@penserbank.se

### Future reports 2020

Interim report January–September 2020, 30 October 2020  
Year-end report 2020, 2 February 2021

### 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, 21 August 2020

Aino Health AB (publ)

### The Board

Tanja Ilic, Chairman  
Jyrki Eklund, CEO and Board Director  
Klas Bonde, Board Director  
Troy Suda, Board Director  
Daniel Koob, Board Director

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 CEST on 21 August 2020.

**CONSOLIDATED INCOME STATEMENT IN BRIEF**

<i>All figures in KSEK</i>	2020 Q2	2019 Q2	2020 Jan-June	2019 Jan-June	2019
Net sales	5 744	5 677	11 829	11 529	25 873
Other operating incomes	296	-	287	34	56
<b>Operating expenses</b>					
Purchased consultancy services	-188	-556	-299	-837	-1 727
Other external costs	-2 071	-3 453	-5 346	-5 956	-12 900
Employee benefit costs	-7 284	-5 882	-14 218	-11 467	-23 427
Depreciation/amortization of tangible and intangible assets	-729	-481	-1 458	-1 020	-2 282
Other operating expenses	-19	-34	-34	-45	-
<b>Operating profit/loss</b>	<b>-4 251</b>	<b>-4 729</b>	<b>-9 239</b>	<b>-7 762</b>	<b>-14 407</b>
Financial net	-314	-151	1 104	-382	-866
<b>Profit/loss after financial items</b>	<b>-4 565</b>	<b>-4 880</b>	<b>-8 135</b>	<b>-8 144</b>	<b>-15 273</b>
Appropriations	-	-	-	-	-
Taxes	-	-	-	-3	-3
<b>Net profit/loss for the period</b>	<b>-4 565</b>	<b>-4 880</b>	<b>-8 135</b>	<b>-8 147</b>	<b>-15 276</b>



**CONSOLIDATED BALANCE SHEET IN BRIEF**

<i>All figures in KSEK</i>	2020	2019	2019
<b>ASSETS</b>	<i>30 June</i>	<i>30 June</i>	<i>31 Dec</i>
<b>Fixed assets</b>			
Intangible assets	17 456	20 135	18 797
Tangible assets	303	412	347
Financial assets	1 345	1 515	1 339
<b>Total fixed assets</b>	<b>19 104</b>	<b>22 062</b>	<b>20 483</b>
<b>Current assets</b>			
Inventories etc.	-	127	-
Current receivables	5 496	3 597	5 883
Cash and bank balances	124	3 884	3 042
<b>Total current assets</b>	<b>5 620</b>	<b>7 608</b>	<b>8 925</b>
<b>TOTAL ASSETS</b>	<b>24 724</b>	<b>29 670</b>	<b>29 408</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	39 837	39 836	39 837
Other capital contributions	6 502	45 810	48 764
Other equity, including profit/loss for the year	-39 825	-64 945	-74 132
<b>Total equity</b>	<b>6 514</b>	<b>20 701</b>	<b>14 469</b>
<b>Liabilities</b>			
Non-current liabilities	2 096	371	367
Current liabilities	16 114	8 598	14 572
<b>Total liabilities</b>	<b>18 210</b>	<b>8 969</b>	<b>14 939</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>24 724</b>	<b>29 670</b>	<b>29 408</b>

### CONSOLIDATED CASH FLOW STATEMENT IN BRIEF

<i>All figures in KSEK</i>	2020 Q2	2019 Q2	2020 Jan-June	2019 Jan-June	2019
Cash flow from operating activities	-2 160	-2 149	-6 395	-5 014	-10 776
Cash flow from investment activities	21	-191	1 684	-640	-705
Cash flow from financing activities	1 758	-432	1 757	-2 051	2 927
<b>Cash flow for the period</b>	<b>-381</b>	<b>-2 772</b>	<b>-2 954</b>	<b>-7 705</b>	<b>-8 554</b>
Liquid assets, opening balance	508	6 632	3 041	11 543	11 543
Exchange rate differences in liquid assets	-3	24	37	46	53
<b>Liquid assets, closing balance</b>	<b>124</b>	<b>3 884</b>	<b>124</b>	<b>3 884</b>	<b>3 042</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN BRIEF

	2020 Q2	2019 Q2	2020 Jan-June	2019 Jan-June	2019
<b>Opening balance</b>	<b>11 131</b>	<b>26 792</b>	<b>14 469</b>	<b>29 857</b>	<b>29 857</b>
New issue	-	-	-	-	-32
Translation differences	-52	-1 211	180	-1 009	-80
Profit/loss for the period	-4 565	-4 880	-8 135	-8 147	-15 276
<b>Closing balance</b>	<b>6 514</b>	<b>20 701</b>	<b>6 514</b>	<b>20 701</b>	<b>14 469</b>

## KEY FIGURES

<i>All figures in KSEK</i>	2020 Q2	2019 Q2	2020 Jan-June	2019 Jan-June	2019 Jan-Dec	2018
<b>Financial key figures</b>						
Net sales	5 744	5 677	11 829	11 529	25 873	20 754
Profit/loss after financial items	-4 565	-4 880	-8 135	-8 144	-15 273	-22 003
Return on equity (%)	neg	neg	neg	neg	neg	neg
Equity per share, SEK	0,4	1,3	0,4	1,3	0,9	1,9
Equity/asset ratio, %	26 %	70 %	26 %	70 %	49 %	78 %
Earnings per share after dilution, SEK	-0,3	-0,3	-0,5	-0,5	-1,0	-2,7
Earnings per share before dilution, SEK	-0,3	-0,3	-0,5	-0,5	-1,0	-2,7
Number of shares at end of period	15 934 979	15 934 307	15 934 979	15 934 307	15 934 979	15 934 307
Weighted number of shares during period	15 934 979	15 934 307	15 934 979	15 934 307	15 934 979	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	14 134 979	1 680	39 837 447	2,5

**INCOME STATEMENT FOR PARENT COMPANY IN BRIEF**

<i>All figures in KSEK</i>	2020 Q2	2019 Q2	2020 Jan-June	2019 Jan-June	2019
Net sales	3 571	426	5 134	884	4 541
Other operating incomes	296	-	287	34	58
<b>Operating expenses</b>					
Purchased consultancy services	-14	-1 464	-1 378	-1 739	-3 857
Other external costs	-1 197	-1 396	-2 276	-2 396	-5 086
Employee benefit costs	-2 579	-1 248	-4 680	-2 687	-6 329
Depreciation/amortization of tangible and intangible assets	-241	-	-482	-	-241
Other operating expenses	-21	-33	-33	-43	-
<b>Operating profit/loss</b>	<b>-185</b>	<b>-3 715</b>	<b>-3 428</b>	<b>-5 947</b>	<b>-10 914</b>
Financial net	-100	0	-250	14	-28
<b>Profit/loss after financial items</b>	<b>-285</b>	<b>-3 715</b>	<b>-3 678</b>	<b>-5 933</b>	<b>-10 942</b>
Appropriations	0	-	-	-	335
Taxes	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>-285</b>	<b>-3 715</b>	<b>-3 678</b>	<b>-5 933</b>	<b>-10 607</b>

**BALANCE SHEET FOR PARENT COMPANY IN BRIEF**

<i>All figures in KSEK</i>	2020	2019	2019
<b>ASSETS</b>	<i>30 June</i>	<i>30 June</i>	
<b>Fixed assets</b>			
Intangible assets	6 020	6 742	6 502
Financial assets	18 799	18 799	18 799
<b>Total fixed assets</b>	<b>24 819</b>	<b>25 541</b>	<b>25 301</b>
<b>Current assets</b>			
Current receivables	6 362	6 016	7 238
Cash and bank balances	20	2 307	1 174
<b>Total current assets</b>	<b>6 382</b>	<b>8 323</b>	<b>8 412</b>
<b>TOTAL ASSETS</b>	<b>31 201</b>	<b>33 864</b>	<b>33 713</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	39 837	39 836	39 837
Fund for development fees	6 502	6 742	6 502
<b>Unrestricted equity</b>			
Share premium reserve	48 764	48 797	48 764
Balanced profit/loss, including profit/loss for the year	-72 490	-64 379	-68 812
<b>Total equity</b>	<b>22 613</b>	<b>30 996</b>	<b>26 291</b>
<b>Untaxed reserves</b>			
Current liabilities	8 588	2 868	7 422
<b>Total liabilities</b>	<b>8 588</b>	<b>2 868</b>	<b>7 422</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>31 201</b>	<b>33 864</b>	<b>33 713</b>

### CASH FLOW STATEMENT FOR PARENT COMPANY IN BRIEF

<i>All figures in KSEK</i>	2020 Q2	2019 Q2	2020 Jan-June	2019 Jan-June	2019 Jan-Dec
Cash flow from operating activities	-266	-3 449	-1 154	-6 712	-12 813
Cash flow from investment activities	-	-225	-	-478	-478
Cash flow from financing activities	-	-	-	-	4 968
<b>Cash flow for the period</b>	<b>-266</b>	<b>-3 674</b>	<b>-1 154</b>	<b>-7 190</b>	<b>-8 323</b>
Liquid assets, opening balance	286	5 981	1 174	9 497	9 497
<b>Liquid assets, closing balance</b>	<b>20</b>	<b>2 307</b>	<b>20</b>	<b>2 307</b>	<b>1 174</b>

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

	2020 Q2	2019 Q2	2020 Jan-June	2019 Jan-June	2019
<b>Opening balance</b>	<b>22 898</b>	<b>34 711</b>	<b>26 291</b>	<b>36 929</b>	<b>36 929</b>
New issue	-	-	-	-	-32
Profit/loss for the period	-285	-3 715	-3 678	-5 933	-10 607
<b>Closing balance</b>	<b>22 613</b>	<b>30 996</b>	<b>22 613</b>	<b>30 996</b>	<b>26 290</b>

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