

Successful rights issue totalling SEK 15.9 million
Indications of growing need for Aino's SaaS solutions
Focus on stronger sales activities

July – September 2020

- Net sales decreased by 3 percent to KSEK 5 955 (6 144) *
- Profit after financial items increased to KSEK -2 383 (-3 127)
- Earnings per share were SEK -0.1 (-0.2)

January – September 2020

- Net sales increased by 1 percent to KSEK 17 784 (17 673) *
- Profit after financial items increased to KSEK -10 518 (-11 271)
- Earnings per share were SEK -0.7 (-0.7)

* 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 taken up as revenue during Q4 2019. Because of the covid-19 pandemic, the company has chosen a prudential approach and not taken up accumulated result-based claims as revenue or carried them as expenses during 2020. For more information, see page 5.

aino

Interim report January – September 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

I would like to start by thanking all the investors who showed a strong interest in Aino Health during the rights issue we performed and finalised during the end of the third quarter and the beginning of the fourth. The rights issue was very successful and subscribed up to 272 percent, which has added around MSEK 15.9 to the company.

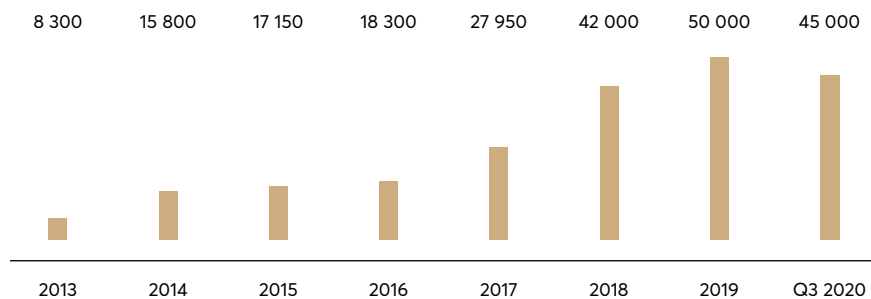
The new capital will primarily be used to reinforce our sales capacity by strengthen our sales team, as well as our partner organization. This in order to focus our sales activities in our main markets Finland, Germany and Sweden. Part of the capital will also be used to pay back the bridge loan that the company was granted earlier.

A continued growing need for Aino's SaaS solutions

We see continued interest in our services, and it remains clear that organisations need straightforward processes and solutions in place during and after the covid-19 pandemic. Because of this, we have developed a specific module that helps companies ensure that their employees are healthy, have the right conditions to perform their jobs well, and remain committed when they come back to a changed work situation after having been away from work for a longer time, due to teleworking, furloughs, or illness.

SaaS subscriptions affected by furlough

As of the last of September, we have around 45 000 subscribers. The reason for the negative net change, of around 5 000 licences, is that some larger clients have furloughed their personnel. However, this does not affect our net sales, as these clients pay a fixed fee every month.



Accrued number of SaaS subscriptions to HealthManager

We now know that we will be living with covid-19 for a long time and that we all need to adapt to a partly altered everyday life. We continue to invest in helping existing and potential clients to keep their employees healthy and committed during the pandemic and when they return to work, with the help of digital processes.

Jyrki Eklund
CEO and President
Aino Health AB

EVENTS DURING THE REPORTING PERIOD

- The Board of Aino Health approved a rights issue which, if fully subscribed, would yield SEK 15.9 million. This was done to ensure operating capital for the coming 12-month period, so that the company can execute its growth plan. Read the press release here (<https://investors.ainohealth.com/en/aino-health-ab-publ-aino-health-decides-on-a-fully-secured-rights-issue-of-shares/>).
- New client contract signed with Stockholms Stadsmission.

Events after the end of the reporting period

- Aino announced the conclusion of a new client contract, along with partner Aava, with one of the largest gaming companies in the Nordic region.
- Aino Health performed the rights issue of shares, with the subscription period 18 September – 2 October 2020. The rights issue was subscribed up to 272 percent, which added around MSEK 15.9 to the company, before costs for the issue.
- Aino Health presented a new module, Return to work after a crisis or pandemic, which serves to help companies take care of their employees after a crisis or pandemic.
- Aino Health announced that they, and UK based partner MCR, would offer UK organisations a trial license of HealthManager to support organisations during the COVID-19 pandemic.
- Aino Health signed a new partnership agreement with the Swedish health analysis company LifeComp.

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 of licenses sold	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 (https://marketplace.zalaris.com/vendors/ainohealth/)	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 September 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

Ecosystem partners

Add value to Aino's SaaS solution.

Partner	Geografisk region	Type of partner	Partner since / status	Number of licenses sold	Number of implemented Aino clients
Auntie	Global	Online psychologist services	March 2020	50-100	2
HeiaHeia	Finland	Health company	2019	Hundreds	4
Cuckoo	Global	Online well-being partner	March 2020	50-100	1
Sjuksyrra	Sweden	Delivers HealthDesk services	June 2018	50-100	1

CORPORATE DEVELOPMENT

Figures for Q3 2020

About the report

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

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 third quarter.

Principles for the drawing up of the report

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

Net sales

Net sales for the corporation during the quarter totalled KSEK 5 955 (6 144). Most of the net sales originate in Finland. The company has not recognized result-based claims as revenue during the quarter. The decrease in net sales is due to delayed delivery of some services because of covid-19 and changes in exchange rates.

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 has begun recognizing these receivables as revenue during the fourth quarter of 2019.

Because of the covid-19 pandemic, the company has chosen a prudential approach and recognized accumulated result-based claims as revenue or carried them as expenses for the year.

Profit / loss

The corporation's profit/loss during the quarter was KSEK -2 383 (-3 127).

Financial position, liquidity, and covid-19

The company estimates that the liquidity available after the rights issue in September–October will cover the coming 12-month period at least.

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.

Equity / asset ratio

The equity/asset ratio of the corporation, calculated as equity in percent of the balance sheet total, was 14 percent as per 30 September 2020.

Cash flow and investments

Cash flow totalled KSEK 1 843 (399) during the quarter. Cash flow for operating activities affected cash flow by KSEK -2 585 (-3 471). Cash flow from financing activities was SEK 4.3 million, as the company was granted a short-term bridging loan to be repaid in October in connection with the rights issue.

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

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 SEPTEMBER 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	287 701	1,8 %
Frame Invest AB	260 670	1,6 %
Erik Hermansson	234 835	1,5 %
Six Sis AG	242 000	1,5 %
Johan Roth	220 600	1,4 %
Johan Fahlin	209 610	1,3 %
Others	10 330 508	64,8 %
Total	15 934 979	100 %

Source: Euroclear 30 September 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
+46 8 463 83 00
certifiedadviser@penserbank.se

Future reports

Year-end report 2020, 2 February 2021
Interim report January–March 2021, 11 May 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, 30 October 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 CET on 30 October 2020.

CONSOLIDATED INCOME STATEMENT IN BRIEF

<i>All figures in KSEK</i>	2020 Q3	2019 Q3	2020 Jan - Sep	2019 Jan - Sep	2019 Jan - Dec
Net sales	5 955	6 144	17 784	17 673	25 873
Other operating incomes	60	-	347	34	56
Operating expenses					
Purchased consultancy services	-370	-351	-669	-1 189	-1 727
Other external costs	-2 477	-2 854	-7 823	-8 810	-12 900
Employee benefit costs	-5 418	-5 344	-19 636	-16 811	-23 427
Depreciation/amortization of tangible and intangible assets	-393	-507	-1 852	-1 527	-2 282
Other operating expenses	-31	-12	-65	-56	-
Operating profit/loss	-2 674	-2 924	-11 914	-10 686	-14 407
Financial net	291	-203	1 396	-585	-866
Profit/loss after financial items	-2 383	-3 127	-10 518	-11 271	-15 273
Appropriations	-	-	-	-	-
Taxes	-	-	-	-3	-3
Net profit/loss for the period	-2 383	-3 127	-10 518	-11 274	-15 276

CONSOLIDATED BALANCE SHEET IN BRIEF

<i>All figures in KSEK</i>	2020	2019	2019
ASSETS	<i>30 Sep</i>	<i>30 Sep</i>	<i>31 Dec</i>
Fixed assets			
Intangible assets	17 142	19 869	18 797
Tangible assets	283	392	347
Financial assets	1 352	1 375	1 339
Total fixed assets	18 777	21 636	20 483
Current assets			
Inventories etc.	-	129	-
Current receivables	5 968	5 380	5 883
Cash and bank balances	1 843	399	3 042
Total current assets	7 811	5 908	8 925
TOTAL ASSETS	26 588	27 544	29 408
 EQUITY AND LIABILITIES			
Equity			
Share capital	39 837	39 836	39 837
Other capital contributions	6 502	48 797	48 764
Other equity, including profit/loss for the year	-42 486	-69 852	-74 132
Total equity	3 853	18 781	14 469
Liabilities			
Non-current liabilities	2 108	377	367
Current liabilities	20 627	8 386	14 572
Total liabilities	22 735	8 763	14 939
TOTAL EQUITY AND LIABILITIES	26 588	27 544	29 408

CONSOLIDATED CASH FLOW STATEMENT IN BRIEF

<i>All figures in KSEK</i>	2020 Q3	2019 Q3	2020 Jan - Sep	2019 Jan - Sep	2019 Jan - Dec
Cash flow from operating activities	-2 585	-3 471	-8 965	-8 485	-10 776
Cash flow from investment activities	-7	-3	1 677	-643	-705
Cash flow from financing activities	4 313	-23	6 070	-2 074	2 927
Cash flow for the period	1 721	-3 497	-1 218	-11 202	-8 554
Liquid assets, opening balance	124	3 884	3 041	11 543	11 543
Exchange rate differences in liquid assets	-2	12	20	58	53
Liquid assets, closing balance	1 843	399	1 843	399	3 042

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN BRIEF

	2020 Q3	2019 Q3	2020 Jan - Sep	2019 Jan - Sep	2019 Jan - Dec
Opening balance	6 514	20 701	14 469	29 857	29 857
New issue	0	0	0	0	-32
Translation differences	-278	1 207	-98	198	-80
Profit/loss for the period	-2 383	-3 127	-10 518	-11 274	-15 276
Closing balance	3 853	18 781	3 853	18 781	14 469

KEY FIGURES

<i>All figures in KSEK</i>	2020 Q3	2019 Q3	2020 Jan - Sep	2019 Jan - Sep	2019 Jan - Dec	2018
Financial key figures						
Net sales	5 955	6 144	17 784	17 673	25 873	20 754
Profit/loss after financial items	-2 383	-3 127	-10 518	-11 271	-15 273	-22 003
Return on equity (%)	neg	neg	neg	neg	neg	neg
Equity per share, SEK	0,2	1,2	0,2	1,2	0,9	1,9
Equity/asset ratio, %	14 %	68 %	14 %	68 %	49 %	78 %
Earnings per share after dilution, SEK	-0,1	-0,2	-0,7	-0,7	-1,0	-2,7
Earnings per share before dilution, SEK	-0,1	-0,2	-0,7	-0,7	-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

aino

Aino Health AB (publ)

c/o Epicenter, Mäster Samuelsgatan 36, 111 57 Stockholm
+46 20 482 482
info @ ainohealth.com