



12 August 2019

Aino Health interim report January-June 2019

- Increased net sales, improved profit, net sales and cash flow, the business model is showing results

April-June 2019

- **Net sales increased by 18 percent to SEK 5,677,000 (4,800,000)***
- **Profit after financial items improved to SEK -4,880,000 (-5,824,000)**
- **Earnings per share improved to SEK -0.3 (-1.1)**

January-June 2019

- **Net sales increased by 17 percent to SEK 11,529,000 (9,875,000)***
- **Profit after financial items improved to SEK -8,144,000 (-13,099,000)**
- **Earnings per share improved to SEK -0.5 (-2.4)**

* The company has about SEK 1.5 million in accounts receivable from result-based contracts, accrued during Q42018-Q22019 and not yet taken up as revenue.

During the second quarter, we have retained our focus on sales, through both direct sales and partnerships. We have created the conditions for several new customers and partners. We can see that our partnership model works well, and after the quarter, our efforts have borne fruit in the form of new partnerships.

Going into the 2nd half of 2019, we have a good momentum in the sales pipeline, which looks very promising. In both Sweden and Germany, we are in negotiations with multi-national corporations with more than 500.000 employees in total. The negotiations are moving forward in a positive manner, but as always, the sales cycles for these kinds of negotiations take time, nevertheless we can see that our cash flow is improving significantly compared to previous quarters.

Another strong focus area going forward is to build a global footprint and a large part of this is to explore the opportunity to create partnerships and collaborations with universities and other entities in the academic world.

Our business model shows results

After the end of the quarter, we have signed a partnership agreement with Aava Finland, one of Finland's largest suppliers of corporate healthcare, regarding the sale of Aino HealthManager and associated services. During the month of July, we have also signed agreements with EFESO Consulting Nordics and 55Birchstreet GmbH.

We continue to work with partners on all our primary markets. This is an important strategic signal from us to our customers and partners.

Still, we have also continued to interact directly with our customers. We have signed a direct agreement with one of Sweden's oldest cleaning companies, Rahms. The agreement has a term of two years and encompasses implementation services and licenses for Aino HealthManager. We have also extended and expanded our agreement with the German company ArcelorMittal following successful performance of a pilot project with Aino HealthManager.

Our business model, with a combination of result-based remuneration and fixed fees, has been successful. We are now starting to reap the benefits and can see that the revenue will keep pace quarterly during the contract period.

High expectations for the second half 2019

We have about SEK 1.5 million in accounts receivable from a result-based contract, as formerly communicated. This has not been taken up as revenue; we plan to start gradually taking it up as revenue during the third quarter. The agreement states that the receivables will be paid to us, after project evaluation, during the fourth quarter 2021, given that the outcome of the contract is on par with what it has been thus far.

During the beginning of the year, we signed a deal with an American IT company regarding its operations in Finland. The contract encompasses about SEK 28 million and will have a substantial impact on our net sales, profit, and cash flow.

The financial results will be taken up as revenue starting from the third quarter and cash flow will be positively impacted starting from the fourth quarter.

We are seeing a large interest in our solutions and services. Given the deals gained and that the financial impact of these will start to be visible in our income statement as of the third quarter, I look forward to a positive second half of 2019.

Jyrki Eklund
CEO and President
Aino Health AB

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 CEST on August 12 2019.

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About Aino Health (publ)

Aino Health is the leading supplier of Software as a Service solutions in Corporate Health Management. The company's complete system of SaaS platforms and services reduces sick leave, lowers related costs, and improves business results through increased productivity and employee engagement by making health, wellbeing, and safety an integrated part of everyday work. For more information visit ainohealth.com. Aino Health AB (publ) is listed on Nasdaq Stockholm First North (Ticker: AINO).