

Focus on Sweden to meet increased needs

SaaS subscription levels steady compared to last year

October – December 2020

- Net sales were KSEK 7 132 (8 201) *
- Profit after financial items increased to KSEK -2 648 (-3 676)
- Earnings per share were SEK -0.1 (-0.2)

January – December 2020

- Net sales were KSEK 24 916 (25 873) *
- Profit after financial items increased to KSEK -13 166 (-15 273)
- Earnings per share were -0.7 (-1.0)

* At the end of Q4 2020, the company had about MSEK 2.1 in accounts receivable from result-based contracts, accrued during Q4 2018–Q1 2020, of which SEK 2 million have been recognized as revenue during Q4 2019 and Q4 2020. For more information, see page 5.

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Year-end report January – December 2020

COMMENTS FROM THE CEO

During the last quarter of the year, we could see that the sales situation caused by COVID-19 improved somewhat and we could once again book client meetings in Finland and Sweden. This resulted in an expanded contract with Transcom, through which they will be implementing HealthManager at all sites in Sweden. We also signed a new client contract with the Swedish assistance company Curira, which is our first healthcare client in Sweden.

The decrease in net sales is due to delayed delivery of some services because of COVID-19 and changes in exchange rates. The EBITDA has developed positively due to cost control.

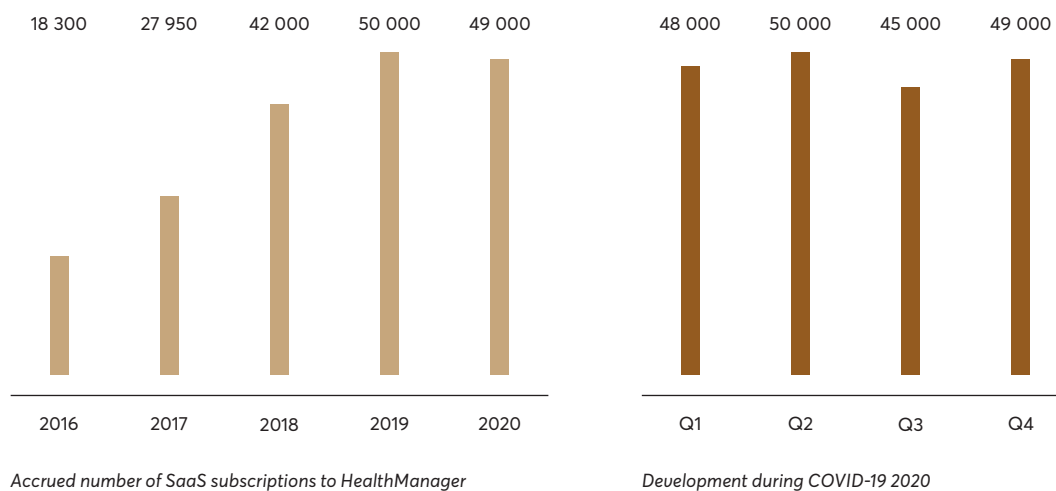
A focus on Sweden to meet increased needs

As we look ahead and enter 2021, we have – due to the current situation – chosen to focus on the Swedish market. We have a strong momentum here and need to meet the increased needs.

We continue to invest some of the capital provided during the fall to expand and reinforce our sales organisation in Sweden. This is done in part through recruitment and in part through increasing sales capacity through outsourcing.

SaaS subscriptions increasing slightly

As of December 31, we have around 49 000 subscriptions.



I look forward to 2021 with confidence. We have many activities ongoing that will further improve our ability to help existing and potential clients keep their employees healthy and committed using digital processes and best practices from Aino.

Jyrki Eklund
CEO and President
Aino Health AB

EVENTS DURING THE YEAR

Q4

- Transcom decided to expand its use of the SaaS solution HealthManager to all sites in Sweden – an expansion from 600 to 1 500 users.
- A new client contract for the SaaS solution HealthManager was signed with the Swedish company Curira.
- Aino announced that a new client contract had been signed, along with partner Aava, with one of the largest gaming companies in the Nordic region.
- Aino Health finalised the rights issue that ran with the subscription period 18 September–2 October 2020. The rights issue was subscribed up to 272 percent and added around MSEK 15.9 to the company, before costs for the issue.
- Aino Health advertised a new module, Return to work after a crisis or pandemic, that serves to help companies take care of their employees in case of a crisis or pandemic.
- Aino Health announced that they, along with the UK-based partner MCR are offering British organisations a trial period for the SaaS solution HealthManager to support these organisations during the COVID-19 pandemic.
- Aino Health signed a partnership contract with the health analysis company LifeComp.

Q1 - Q3

- 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/aino-health-ab-publ-aino-health-beslutar-om-en-fullt-sakerstallid-foretradesemission-av-aktier>).
- A new client contract was signed with Stockholms Stadsmission.
- The offer was adapted and expanded to support companies during the COVID-19 pandemic – offering existing clients HealthDesk for free during two months and adding functionality in HealthManager to measure absenteeism due to COVID-19.
- A partnership contract was signed with the UK-based Human Capital Consultancy firm MCR.
- A partnership contract was signed with Zalaris.
- A new client contract with Kaksineuvoinen was signed in Finland.
- A new client contract was signed, along with partner Aava, with VRJ Group.

Events after the end of the reporting period

- No significant events have occurred after the end of the reporting period.

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 company's 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	Number of potential clients	Number of implemented Aino clients / change ()
Zalaris	Scandinavia, Germany, UK	Salary and HR outsourcing	Partner since 2020	100+	0
MCR	UK	HR consultants	Partner since 2020	100+	0
Finla	Finland	Corporate health care	Partner since 2019	10+	8 (+2)
Aava	Finland	Corporate health care	Partner since 2019	50+	2
Monetra	Finland	Salary and HR outsourcing public sector	Partner since 2019	10+	1
55 Birchstreet	DACH		Partner since 2019	50+	0
BGF GMBH	DACH	Organisational change psychology	Partner since 2020	50+	0
MGR - Medarbetar-utveckling AB	Sweden	Sales consultants	Partner since 2020	-	1 (+1)

Ecosystem partners

Add value to Aino's SaaS solution.

Partner	Geographic region	Type of partner	Partner since	Number of potential clients	Number of implemented Aino clients / change ()
Auntie	Global	Online psychologist services	Partner since 2020	50+	2
HeiaHeia	Finland	Health company	Partner since 2019	100+	4
Cuckoo	Global	Online well-being partner	Partner since 2020	50+	1
Sjuksyrra	Sweden	Delivers HealthDesk services	Partner since 2018	50+	1

CORPORATE DEVELOPMENT

Figures for Q4 2020

About the report

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

Principles for the drawing up of the report

This interim report has not been audited.

Net sales

Net sales for the corporation during the quarter totalled KSEK 7 242 (8 201). Most of the net sales originate in Finland. The company has recognized MSEK 1 in result-based claims as revenue during the quarter. The decrease is due to delayed delivery of some services because of COVID-19 and changes in exchange rates.

The company had about MSEK 2.1 from result-based contracts at the end of the fourth quarter 2020. The claims will be paid to Aino Health during the fourth quarter 2021. The company has begun recognizing these receivables as revenue during the fourth quarter of 2019 and during Q4 2020.

Profit / loss

The group's profit/loss during the quarter was KSEK -2 648 (-3 676).

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.

Most of Aino's revenue consists of so-called recurring revenue. The majority of the client contracts have a term of at least six months.

Equity / asset ratio

The equity/asset ratio of the corporation, calculated as equity in percent of the balance sheet total, was 48 percent as per 31 December 2020.

Cash flow and investments

Cash flow totalled KSEK 7 191 (2 642) during the quarter. Cash flow for operating activities affected cash flow by KSEK -3 128 (-2 360). Cash flow from financing activities was SEK 10.1 million, as the company received liquid assets from a rights issue that ended in October 2020. The company amortised a bridging loan of SEK 4,5 million and repaid deferred pension and tax liabilities.

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 October 2020, was 15 934 979, and the number of shares at the end of the period, on 31 December 2020, was 26 558 298.

The company performed a rights issue in October 2020 that yielded around SEK 15.9 million before costs for the issue. 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/aino-health-ab-publ-aino-health-beslutar-om-en-fullt-sakerstallad-foretradesemission-av-aktier>).

Options

At an extraordinary shareholders' meeting on 29 September 2020, a resolution was passed on a targeted issue of subscription options carrying the right to subscribe new shares in the company. There are 1 529 758 subscription options, which carry the right to subscribe a total of 1 529 758 new shares in the company. The maturity period of the subscription options is from 1 January 2023 to 31 March 2023. The subscription price is SEK 3.5 per share. If the options are fully subscribed, this will increase the company's share capital by SEK 2 294 367.

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)
Eklund Jyrki	1 944 360	7.3%
Filip Engelbert	1 547 723	5.8%
Jonas Nordlander	1 547 721	5.8%
Saxelin Jochen privately and through companies	639 372	2.4%
Larsson Andreas	500 000	1.9%
Ovaskainen Mika	496 863	1.9%
Konrad Magnus	450 000	1.7%
Frame Invest AB	434 450	1.6%
Hermansson Erik	391 391	1.5%
Fahlin Johan	349 350	1.3%
Others	18 257 068	68.7%
Total	26 558 298	100 %

Source: Euroclear 30 December 2020 and other reliable sources.

Certified Adviser

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Future reports

Annual report 2020, 16 April 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, 2 February 2021
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 2 February 2021.

CONSOLIDATED INCOME STATEMENT IN BRIEF

<i>All figures in KSEK</i>		2020 Q4	2019 Q4	2020 Jan - Dec	2019 Jan - Dec
Net sales		7 132	8 201	24 916	25 873
Other operating incomes		194	-	541	56
Operating expenses					
Purchased consultancy services		-639	-539	-1 308	-1 727
Other external costs		-2 596	-3 764	-10 419	-12 900
Employee benefit costs		-4 830	-6 616	-24 465	-23 427
Depreciation/amortization of tangible and intangible assets		-1 031	-755	-2 883	-2 282
Other operating expenses		-294	78	-360	-
Operating profit/loss		-2 064	-3 395	-13 978	-14 407
Financial net		-584	-281	812	-866
Profit/loss after financial items		-2 648	-3 676	-13 166	-15 273
Taxes		0	-	0	-3
Net profit/loss for the period		-2 648	-3 676	-13 166	-15 276

CONSOLIDATED BALANCE SHEET IN BRIEF

<i>All figures in KSEK</i>	<i>2020</i>	<i>2019</i>
ASSETS	31 Dec	31 Dec
Fixed assets		
Intangible assets	15 615	18 797
Tangible assets	249	347
Financial assets	1 290	1 339
Total fixed assets	17 154	20 483
Current assets		
Inventories etc.	-	-
Current receivables	7 222	5 883
Cash and bank balances	9 001	3 042
Total current assets	16 223	8 925
TOTAL ASSETS	33 377	29 408
EQUITY AND LIABILITIES		
Equity		
Share capital	39 837	39 837
Other capital contributions	63 958	48 764
Other equity, including profit/loss for the year	-87 780	-74 132
Total equity	16 015	14 469
Liabilities		
Non-current liabilities	1 487	367
Current liabilities	15 875	14 572
Total liabilities	17 362	14 939
TOTAL EQUITY AND LIABILITIES	33 377	29 408

CONSOLIDATED CASH FLOW STATEMENT IN BRIEF

<i>All figures in KSEK</i>	2020 Q4	2019 Q4	2020 Jan - Dec	2019 Jan - Dec
Cash flow from operating activities	-3 128	-2 360	-12 119	-10 776
Cash flow from investment activities	191	1	1 739	-705
Cash flow from financing activities	10 128	5 001	16 379	2 927
Cash flow for the period	7 191	2 642	5 999	-8 554
Liquid assets, opening balance	1 843	399	3 041	11 543
Exchange rate differences in liquid assets	-33	-	-39	53
Liquid assets, closing balance	9 001	3 042	9 001	3 042

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN BRIEF

	2020 Q4	2019 Q4	2020 Jan - Dec	2019 Jan - Dec
Opening balance	3 853	18 781	14 469	29 857
New issue	15 194	-32	15 194	-32
Translation differences	-384	-604	-482	-80
Profit/loss for the period	-2 648	-3 676	-13 166	-15 276
Closing balance	16 015	14 469	16 015	14 469

KEY FIGURES

<i>All figures in KSEK</i>	2020 Q4	2019 Q4	2020 Jan - Dec	2019 Jan - Dec	2018 Jan - Dec
Financial key figures					
Net sales	7 132	8 201	24 916	25 873	20 754
Profit/loss after financial items	-2 648	-3 676	-13 166	-15 273	-22 003
Return on equity (%)	neg	neg	neg	neg	neg
Equity per share, SEK	0,6	0,9	0,6	0,9	1,9
Equity/asset ratio, %	48 %	49 %	48 %	49 %	78 %
Earnings per share after dilution, SEK	-0,1	-0,2	-0,7	-1,0	-2,7
Earnings per share before dilution, SEK	-0,1	-0,2	-0,7	-1,0	-2,7
Number of shares at end of period	26 558 298	15 934 307	26 558 298	15 934 307	15 934 307
Weighted number of shares during period	26 558 298	15 934 307	18 590 305	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	14 134 979	1 680	39 837 447	2,5
2020	New issue	10 623 319	26 558 298	15 934 979	55 772 426	1,5
2020	Reduction of share capital		26 558 298	-15 934 979	39 837 447	1,5

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