

# aino

# Q1

INTERIM REPORT FIRST QUARTER JANUARY–31 MARCH 2017  
AINO HEALTH AB 559063-5073



# Summary of Interim Report

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The "Company" or "Aino Health" refers to Aino Health AB, corporate registration number 559063-5073.

- Consolidated costs for product development and internationalisation have been booked as expenses during the period.
- The Finnish subsidiary accounted for the Aino Group's entire reported turnover during the period.
- Comparative figures for the corresponding period in 2016 are not available because the Company was founded on 19 May 2016.

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## The period 1 January–31 March 2017

- Consolidated net turnover amounted to SEK 4,715 K. Other operating income was SEK 0 K.
- Consolidated profit/loss after financial items amounted to SEK -5,421 K. The loss was mainly attributable to the recruitment of key personnel and preparations for international expansion. These expenses for international expansion relate to business development costs focusing on acquiring customers and suppliers for Aino's concept in Germany and Sweden. Aino collaborates with partners that have good contacts and local knowledge, especially in the German market.
- Consolidated earnings per share were SEK -1.0.

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## Significant events during the period

- The Company signed a strategically important contract with Kunnan Taitoa Oy in Finland. As a result of the contract, Aino received two new cities, Rovaniemi and Kouvola as customers.

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## Significant events after the end of the period

- The Company appointed Charlotte Boij as CEO for the Swedish operations.
- The Company appointed Peter Seeger as Country Manager for the German operations.
- The Company was presented for the German market for the first time at the Corporate Health Convention in Stuttgart, the leading trade fair in Corporate Health Management in Germany with over 2,400 decision-makers in attendance.

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# New year with a full focus on delivering our strategy.

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**2017 has begun just as well as I hoped. Our strategy and plan for the year is well-defined and clear. First, we will build our organisation in Sweden and Germany, launch the Company in our new markets, win business and then expand. Simultaneously, we will continue to deliver a positive result in Finland.**

Step one in our strategy has been to build a strong organisation, for which it is crucial to find good Country Managers. And we have done that. In Sweden, we have appointed Charlotte Boij as CEO of Aino Health Sweden AB. Charlotte has extensive experience from leading positions in the insurance industry, including CEO of Ikano Insurance, Nordic reinsurance director at Trygg-Hansa/Codan/RSA and CEO of Länsförsäkringar International.

In Germany, we have hired Peter Seeger as Country Manager. His official first day at Aino Health will be 1 June, but his appointment was already announced on 9 May in Stuttgart in conjunction with the public launch of Aino at this year's largest Corporate Health event. Peter has a highly successful background with 20 years of experience from various IT and consulting companies such as CSC, Accenture, Capgemini and Hewlett Packard where he was responsible for sales and held different management functions.

As I mentioned in the Annual Report, I have put all my time in 2017 into conducting sales meetings in Germany and Sweden and I feel we are close to reaching the tipping point whereby we at Aino Health become so business critical that organisations begin to seek help from us. For example, companies or public organisations with over 1,000 employees or partners.

The focus, in addition to meeting major industrial customers in both markets and developing our partnership strategy, has been to package our experience of working with outcome-based contracts for introduction to Sweden's 290 municipalities and county councils. At Aino Health, we support the model of contributing to, and receiving payment for, delivering better human outcomes and results in terms of the costs to society, and we hope and believe that our experience from similar contracts will lead to business for us in Sweden.

The reason I'm optimistic is that the digital business support delivered by Aino Health solutions and IT systems provides municipalities and county councils with the necessary overall understanding to more easily develop strategies for increasing health-promotion in the workplace. This can involve faster identification of operations with risks, recommending and coordinating support from internal and external actors – but primarily to reduce costs related to short-term sickness absence.

Whether we speak with Sweden's municipalities and county councils, direct customers or partners, we know that through the help of Aino Health's products and services, each organisation will gain an overall understanding of the severity and distribution of sickness absence in different units as well as the causes. Our analysis and decision support system allows managers of all levels,



especially at the highest level of management, to manage sickness absence where it is to be managed – at its cause.

A clear example of this type of contract is the one we signed with Kunnan Taitoa, the leading provider of financial, purchasing and HR services to the public sector in Finland with nearly 200 customers. Their mission is to raise the quality of their customers' decision-making through effective financial solutions and processes for human resources departments. The collaboration has already resulted in two important and strategic orders with Finnish municipalities.

Now I have achieved part one of our strategy for the year. I have a good management team and three incredibly good Country Managers in Charlotte Boij (Sweden), Peter Seeger (Germany) and Markku Pitkänen (Finland). The pilot project we conducted with Kunnan Taitoa has resulted in new business, our arrangement for Swedish municipalities and county councils have received a positive response, as well as our proposals to create strategic partnerships especially with insurance companies – so we are building a healthy pipeline of potential business with both companies and partners.

In Q2, we will conduct our official launches of Aino Health in Sweden and Germany (as I described above), continue to build a strong organisation and focus fully on winning new business in our markets. Our strategy still feels very right and timely.

Sincerely

Jyrki Eklund  
CEO Aino Health AB

# The individual's health in focus through preventive digital healthcare

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A good work environment today is the top priority for corporate executives worldwide, as it enables a company to become more competitive, achieve its business objectives and retain or attract new employees. Achieving this is a challenge for many management teams. Aino Health offers future-proof solutions and services that are built to achieve these objectives, with measurable results. At the same time, the services improve business performance by creating increased productivity and increased involvement among the organisation's employees as health, well-being and safety become an integral part of everyday work.

Aino Health is the leading supplier of Corporate Health Management solutions. We are to private and public organisations what doctors are to people. Aino Health has worked with the management teams of 150 organisations to integrate fully digitised healthcare services into daily work. Measurable results show that employees have become healthier, more motivated and profit-driven – which, in turn, generates significant savings for the customers.

## Corporate Health Management creates added value

The Company's digitised solutions are designed to determine the underlying causes of sickness absence so that related causes can be identified early and remedied, which quickly contributes to improved results in daily activities through a focus on employee health, well-being and safety.

Aino Health's solutions suit all industries and can be customised to the respective customer in accordance with analysis, target image and assessment of needs.

Aino Health AB (publ) is listed on Nasdaq First North (Ticker: AINO) with Erik Penser Bank as Certified Adviser.

## Aino Health's services contribute to improving customer health and working capability by:

- Reducing short- and long-term sickness absence and reducing costs
- Providing management with effective tools for preventing ill health
- Improving occupational safety and health
- Providing preventive interventions that improve employee working conditions

## Measurable results based on company references:

- Short-term sickness absence has decreased by up to 50 percent
- Visits to occupational health services have decreased by 19 percent
- In employee surveys, Aino HealthDesk received a score of 4.5 (scale of 0 to 5).

## Group structure

Aino Health AB is the Parent Company of a group that also includes the wholly-owned Swedish subsidiary Aino Health Sweden AB and the wholly-owned Finnish subsidiary Aino Health Management Oy. In turn, Aino Health Management Oy owns the wholly-owned Finnish subsidiary Aino Active Oy. There is thus a subsidiary group in Finland with Aino Health Management as Parent Company.

# Development for the Group during Q1 2017, in figures

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## About the report

This Interim Report refers to the period 1 January–31 March 2017.

## Accounting principles

The Company applies the Swedish Annual Reports Act and the Swedish Accounting Standards Board's general guideline BFAR 2012:1 (K3).

## Principles for preparing the report

The Interim Report has not been reviewed by the Company's auditors. Comparative figures for the corresponding period in 2016 are not available because the Company was founded on 19 May 2016.

## Turnover

Consolidated net turnover in the first quarter amounted to SEK 4,715 K. All sales turnover came from Finland. Turnover in Finland was at the same level as the preceding year. Active sales operations have now begun in both Sweden and Germany. The operations are expected to enter into contracts during the second quarter this year and recognize turnover during the fourth quarter in both Sweden and Germany.

## Results

Consolidated profit/loss amounted to SEK -5,421 K. The financial results were negatively affected primarily by expenses related to expanded sales initiatives in both Germany and Sweden. The Company has further expanded product development initiatives in order to retain its competitive advantage and to better be able to deliver services internationally. The Finnish operations are clearly profitable.

## Debt/equity ratio

The consolidated debt/equity ratio calculated as equity's share of the balance sheet total amounted to 86.5 percent per 31 March 2017.

## Cash flow and investments

Cash flow amounted to SEK -5,656 K for the period. The cash flow was burdened primarily by internationalisation initiatives in ongoing operations, which are expected to contribute with positive cash flow within 24 months from their starting point. The Company has not activated costs during the period and, therefore, not registered cash flow for the investment operations.

## The share

Aino Health's share is listed on the Nasdaq First North, ticker "AINO". The total number of shares at the beginning of the period, 1 January 2017, was 5,422,770 and the number of shares at 31 March 2017, was 5,422,770.

## Options

Aino Health AB and its direct and indirect subsidiaries have issued no options.

## Related party transactions

There have been no transactions with related parties during the period.

## The ten largest shareholders per 31 March 2017

Eklund Jyrki	1,306,660	24.1%
The Orange Company Oy	496,920	9.2%
Saxelin Jochen	319,550	5.9%
Rahikainen Hannu	220,000	4.1%
Danica Pension Försäkrings AB	185 110	3.4%
4P Holdings Limited	182,440	3.4%
Wexito 4	182,440	3.4%
MyVision Oy	78,950	1.5%
Berger Gunvald	77,000	1.4%
Frame Invest AB	66,985	1.2%
Other	2,306,715	42.5%
<b>Amount</b>	<b>5,422,770</b>	<b>100.0%</b>

(Source: Euroclear 31 March 2017)

### Certified Adviser

Erik Penser Bank AB

### Future reports 2017

25 August Interim Report Q2/2017

10 November Interim Report Q3/2017

### Annual General Meeting and availability of the Annual Report

The Annual General Meeting will be held in Lund on 16 May 2017. The Annual Report will be available for download from Aino Health's website (<http://ainohealth.com/investors-home/>) with effect from 7 April, 2017.

### Risks and uncertainty factors

The Board of Aino Health considers the most significant risks to be connected with the Company's relatively new services. This entails that it could take time to gain customers' acceptance and make a breakthrough in the market. Aino Health may need to acquire further capital in future. There is a risk that the Company might not be able to acquire further capital or enter into partnerships or other co-financing.

The loss of key personnel could have negative consequences. There are also a number of risks that are not dependent on Aino Health.

### Board's assurance

The Board of Directors and the CEO certify that this Interim Report gives a true and fair view of the Company's operations, position and results and describes the material risks and uncertainties facing the Company.

Lund, 12 May 2017

Aino Health AB

### The Board

Cecilia Hollerup, Chairman

Ingrid Atteryd Heiman, Board Member Peter Berntsson, Board Member

Jyrki Eklund, CEO and Board Member Jochen Saxelin, Board Member

## Summary consolidated income statement

Amounts in SEK thousand	2017 1 jan - 31 mar
Net turnover	4,715
Other operating income	0
<b>Operating costs</b>	
Purchased consultancy services	-901
Other external costs	-3,007
Personnel costs	-5,697
Other operating costs	-488
Depreciation of tangible and intangible fixed assets	-22
<b>Operating profit/loss</b>	<b>-5,400</b>
Net financial items	-21
<b>Profit/loss after financial items</b>	<b>-5,421</b>
Appropriations	0
Taxes	0
<b>Profit/loss for the period</b>	<b>-5,421</b>

## Summary consolidated balance sheet

Amounts in SEK thousand	2017 31 March
<b>ASSETS</b>	
<b>Fixed assets</b>	
Intangible fixed assets	16,381
Tangible fixed assets	463
Financial fixed assets	0
<b>Total fixed assets</b>	<b>16,844</b>
<b>Current assets</b>	
Goods in stock etc.	344
Current receivables	5,352
Cash and bank deposits	33,225
<b>Total current assets</b>	<b>38,921</b>
<b>TOTAL ASSETS</b>	<b>55,765</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Share capital	13,557
Other paid-in capital	45,810
Other equity including annual profit/loss	-11,153
<b>Total equity</b>	<b>48,214</b>
<b>Liabilities</b>	
Non-current liabilities	1,007
Current liabilities	6,544
<b>Total liabilities</b>	<b>7,551</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>55,765</b>

## Summary consolidated cash flow statement

	2017
	1 jan - 31 mar
<b>Amounts in SEK thousand</b>	
Cash flow from ongoing activities	-6,081
Cash flow from investment activities	0
Cash flow from financing activities	424
<b>Cash flow for the period</b>	<b>-5,656</b>
Cash and cash equivalents at start of period	38,887
Exchange difference in cash and cash equivalents	-6
<b>Cash and cash equivalents at end of period</b>	<b>33,225</b>

## Summary change in consolidated equity

	2017
	1 jan - 31 mar
<b>Amount at start of period</b>	<b>53,330</b>
Share capital	0
Non-cash issue	0
Redemption	0
New issue	0
Unrestricted reserves	305
Profit/loss for the period	-5,421
<b>Amount at end of period</b>	<b>48,214</b>

## Summary Parent Company income statement

	2017
	1 jan - 31 mar
<b>Amounts in SEK thousand</b>	
Net turnover	0
Other operating income	0
<b>Operating costs</b>	
Purchased consultancy services	-3,364
Other external costs	-972
Personnel costs	-1,065
Depreciation of tangible and intangible fixed asset	0
Other operating costs	-17
<b>Operating profit/loss</b>	<b>-5,418</b>
Net financial items	0
<b>Profit/loss after financial items</b>	<b>-5,418</b>
Appropriations	0
Taxes	0
<b>Profit/loss for the period</b>	<b>-5,418</b>

## Summary Parent Company balance sheet

Amounts in SEK thousand	2017 31 March
<b>ASSETS</b>	
<b>Fixed assets</b>	
Intangible fixed assets	0
Tangible fixed assets	0
Financial fixed assets	18,164
<b>Total fixed assets</b>	<b>18,164</b>
<b>Current assets</b>	
Goods in stock etc.	0
Current receivables	2,047
Cash and bank deposits	33,212
<b>Total current assets</b>	<b>35,259</b>
<b>TOTAL ASSETS</b>	<b>53,423</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
<b>Restricted equity</b>	
Share capital	13,557
Unrestricted equity	
Share premium reserve	45,810
Profit/loss brought forward including profit/ loss for the year	-8,313
<b>Total equity</b>	<b>51,054</b>
<b>Untaxed reserves</b>	<b>0</b>
<b>Non-current liabilities</b>	
Current liabilities	2,369
<b>Total liabilities</b>	<b>2,369</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>53,423</b>

## Summary Parent Company cash flow statement

Amounts in SEK thousand	2017 1 jan - 31 mar
Cash flow from ongoing activities	-4,679
Cash flow from investment activities	0
Cash flow from financing activities	0
<b>Cash flow for the period</b>	<b>-4,679</b>
Cash and cash equivalents at start of period	37,891
<b>Cash and cash equivalents at end of period</b>	<b>33,212</b>

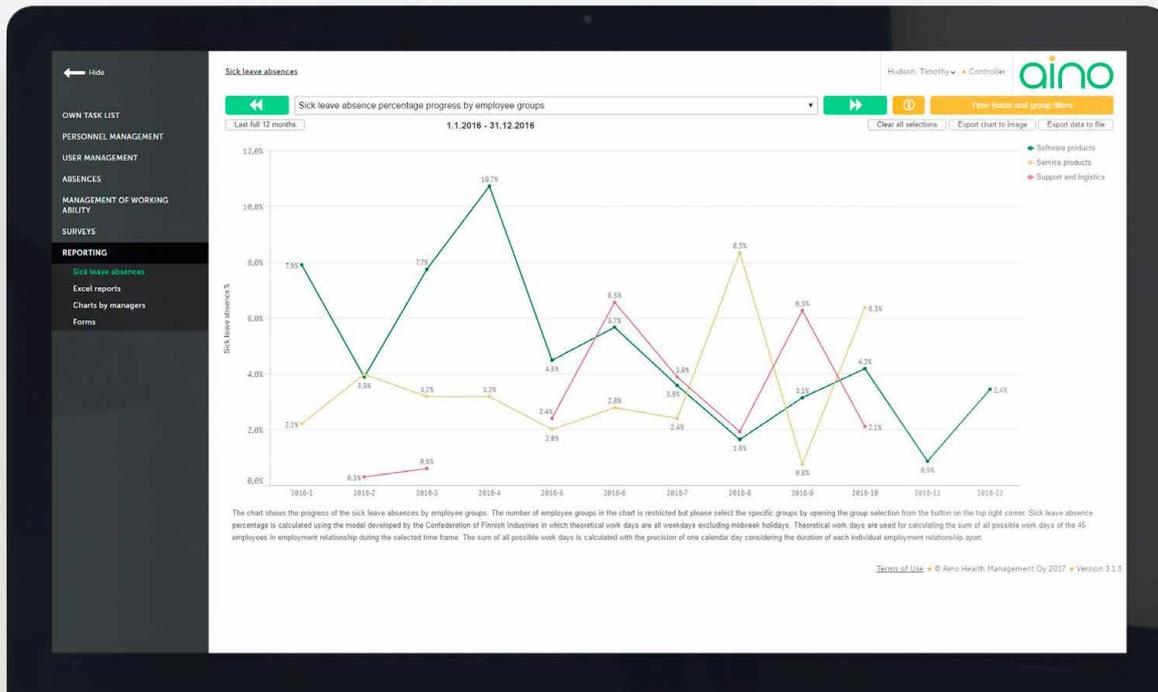
## Summary Parent Company change in consolidated equity

	2017
	1 jan - 31 mar
<b>Amount at start of period</b>	<b>56,472</b>
Share capital	0
Non-cash issue	0
Redemption	0
New issue	0
Unrestricted reserves	0
Profit/loss for the period	-5,418
<b>Amount at end of period</b>	<b>51,054</b>

## Development of share capital

year	event	Number of shares		share capital		quota value
		change	total	change	total	
2016	Establishment	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





# aino

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