

# aino

# Q4

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YEAR END REPORT 19 MAY 2016 - 31 DECEMBER 2016  
AINO HEALTH AB 559063-5073



# Summary of year end report

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

- The Group's total costs for product development, restructuring, internationalization and certain costs related to the listing of Aino Health on OMX NASDAQ First North has been recorded during the year as charged against Aino's subsidiary in Finland.
- The group was founded on September 19, 2016, and since no revenues were generated during the year in Sweden and Germany, the Finnish subsidiary of Aino accounted for the entire Group's reported net sales for the fiscal year but reported only TSEK 5,532 for the period October 1 – December 31, 2016, according to the consolidated financial statements. The corresponding result after financial items was TSEK -5,981.
- The Finnish subsidiary had for the full year 2016 revenues of TSEK 25,460 with a profit after financial items of TSEK -3,099 in accordance with the costs recorded. Revenues increased by ten per cent (in local currency) compared with 2015. The Finnish operation is expected to be profitable in 2017.

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## Period 19/5 2016 – 31/12 2016

- The group's net turnover amounted to TSEK 5,532. Other operating income was TSEK 789.
- The group's profit/loss before tax amounted to TSEK -5,981. The result was mainly affected by the listing of its shares on OMX NASDAQ First North, recruitment of key personnel and preparation for international expansion.
- Profit/loss per share for the group was SEK -1.1.

## Fourth quarter 2016

- The group's net turnover amounted to TSEK 5,532. Other operating income was TSEK 789. All sales were attributable to the Finnish subsidiary.
- The group's profit/loss before tax amounted to TSEK -5,248.
- Profit/loss per share for the group was SEK -1.

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## Significant events during 2016 19/05/2016 – 31/12/2016

- Aino Health AB was founded.
- Aino Health AB acquired Aino Health Management Oy via non-cash issue.
- The company was listed on OMX NASDAQ First North on 16 December
- Aino Health gained its first customer in Sweden.

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## Significant events after the end of the period

- Leif Fågelstedt was recruited as CMO.
- Decision to build the company's second European HealthDesk in Kalix, Sweden.
- Start of the recruitment process to appoint a Country Manager and Sales Manager in Sweden and Germany.
- The company's new scalable platform HealthManager, that has been tested for large user volumes, is now ready for launch in new markets.

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# Word from the CEO

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**2016 was an exciting year for Aino Health. The most important event was our listing on OMX NASDAQ First North on 16 December. The IPO was over-subscribed, which is a confirmation that the market sees our strategy, our digital platform and our IT-based services for reducing sickness absence and reduce related costs as both relevant and important. Our business concept and solution Corporate Health Management is timely.**

In Finland, in spite of the country's poor economic situation, we succeeded in increasing net sales by ten per cent during 2016. Customer satisfaction is continuously at a high level: 4.5 on a five-point scale. We received the renewed confidence of the Finnish postal service, Posti, in helping them to handle the processing involved in long-term sickness absence and also had positive feedback on the pilot projects we performed for two local authorities, which promises well for the future. Demand is good and I believe we will continue to increase sales in Finland according to plan.

Our market studies and analyses in Finland, Sweden and Germany all show that the need to address sickness absence, the reasons behind ill health and the safety of staff are a clear issue for company management. Sickness absence makes a company's financial and strategic goals difficult to achieve. Our new strategies not only help our clients to manage the process, they also help them to address the causes behind the rising sickness absence figures.

Our mission is to help companies to create a healthier work environment with the individual at the centre. Nobody should need to become ill because they work and no company should need to suffer increased costs caused by sickness absence. Creating a good workplace is the key to attracting and keeping proficient employees. Finding new talent, and keeping the talent you have, demands a good work environment and a company that treats its employees in a good way.

I am proud of what we have been able to achieve in 2016. Our expansion plan and strategy for Sweden and Germany has now been approved by the board. We have restructured our organisation in Finland so as to be better at meeting customer needs and addressing the opportunities that we identified when working on our new strategy in the autumn. Now that we are introducing a new chapter in our history, it is important that we have a scalable digital platform, our HealthDesk and HealthManager and the experience of more than a million health-promoting measures from our 150 customers behind us.

We gained our first customer in Sweden just before Christmas, which convinces me that we are on the right path. Now that we have begun 2017, the focus is on building the Swedish and German organisations to vigorously increase sales. The first initial contacts and sales meetings with potential customers have been positive. There is great potential for growth in Sweden and Germany; we are ahead of schedule in establishing what is needed to achieve our commercial goals.

I would like to thank all our shareholders for their confidence in connection with our IPO in the autumn. As I promised earlier, it is my expectation that our start-ups in Sweden and Germany will lead to positive cash flow within two years of start-up and that our existing business operation in Finland will continue to grow, with good profitability. Nothing that has so far occurred has caused me to doubt that.

Jyrki Eklund  
CEO Aino Health AB



## About the Aino Health Group

Aino Health is the leading supplier of Corporate Health Management solutions. We are for private and public organisations what doctors are for people. The company's complete system of IT-based services reduces sickness absence, reduces related costs and improves commercial results by means of increased productivity and commitment among the organisation's employees, when health, well-being and safety become an integral part of the day-to-day work.

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

### **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.

### **Vision**

When employees stay healthy at work, the company gains a competitive advantage thanks to good company health processes.

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## Objectives

We strive to create a world in which organisations and people are healthier. Healthy employees create a healthy organisation, which in turn gives better commercial results.

Today, creating a good work environment is of the highest priority for company managements the world over, because it means that companies can remain competitive, achieve their commercial goals, keep their employees and attract new ones. Our solutions and our service are designed to ensure that this can be achieved and that results can be measured. The tools that we provide mean that decisions can be based on facts - to reduce sickness absence, reduce costs and increase productivity.

Our most immediate objectives for 2017 are to build a strong organisation, establish our brand and write contracts with clients, so that we have 10,000 employees linked to our service in Sweden and Germany. With this as a basis, we will have a platform for expansion in 2018 and for achieving our financial goals for the company.

## Business model

To achieve control over and insight into health-promoting measures and processes, our consultants have experience of working with more than 150 organisations where we have been part of improving the work environment - by putting the best interests of the employees and the organisation at the centre.

### ***For the employee:***

To handle and reduce health-related costs, we have build models for our HealthDesk to handle questions relating to illness, well-being and safety that are based on over a million health-related measures.

With the aid of their knowledge and experience and our digital platform, our team of qualified nurses can give a fast and transparent reaction to enable systematic guidance and fact-based handling of both short and long-term sick leave periods among employees.

### ***For corporate management, HR managers and line managers***

Based on present situation analyses that cover organisations' existing processes, routines and instructions relating to Corporate Health Management, we produce strategies and decision-making data so as to improve the availability of personnel, ensure the effectiveness of the workforce and improve capacity and cost control.

Relevant information is always available to those who need it, while data protection is professionally managed in line with current standards and legislation on personal integrity. With the aid of our HealthManager, we give line managers, HR and corporate management relevant information, as well as functional and easy to use tools to streamline their organisation, develop leadership, get employees involves and create a positive work environment. We offer professional expertise for training, communication and change activities so as to create good work environments and provide measurable results linked to managing sickness absence and reducing related costs.

Our contracts with clients generate different income flows, depending on the type and nature of the assignment. For reasons of confidentiality and competition, we have decided not to report key figures such as income per employee, since this could weaken our competitive situation.

# The group's development during 2016 in figures

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## About the report

This year end report refers to the period 19/05/2016 to 31/12/2016

## Accounting principles

The company applies the Swedish Annual Reports Act and the Swedish Accounting Standards Board's general guideline BFNAR 2012:1 (K3) in preparing its financial reports. This interim report has been prepared in accordance with BFNAR 2007:1 Voluntary interim reporting.

## Principles for preparing the report

This year end report has not been investigated by the company's auditors.

## Turnover

Net turnover for the group in 2016 amounted to TSEK 5,532.

Net turnover for the group in the fourth quarter amounted to TSEK 5,532. All sales turnover came from Finland.

## Profit/loss

The group's profit/loss for 2016 amounted to TSEK -5,991. The financial results were affected by expenses for product development, recruitment of key personnel, preparations for international expansion and restructuring of the company, as well as the listing of the company's shares on OMX NASDAQ First North.

## Equity ratio

The group's equity ratio calculated as equity's share of the balance sheet total amounted to 84.2 per cent per 31 December 2016.

## Cash flow and investments

Cash flow amounted to TSEK 38,887 for the entire accounting period. This is explained by the new issue in December of TSEK 46,800. The effect on cash flow of ongoing activities and investment activities was TSEK -3,637.

## The share

Aino Health's share is listed on the OMX NASDAQ First North, ticker "AINO". The total number of shares at the beginning of the period, May 19, 2016, was 500 and the number of shares at year-end, on 31 December 2016, was 5,422,770.

## Proposed allocation of Aino Health's profit/loss

The board and CEO propose that no dividend is paid for the financial year.

## 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.

## 10 largest shareholders per 31 December 2016

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Eklund Jyrki	1,306,660	24.10%
The Orange Company Oy	496,920	9.20%
Saxelin Jochen	319,550	5.90%
Rahikainen Hannu	240,000	4.40%
4P Holdings Limited	182,440	3.40%
Wexito 4	182,440	3.40%
MyVision Oy	78,950	1.50%
Berger Gunvald	77,000	1.40%
Mc Paul AB	53,316	1.00%
HCN GROUP AB	50,590	0.90%
Övriga	2,434,904	44.80%
<b>Summa</b>	<b>5,422,770</b>	<b>100.00%</b>

(Källa: Euroclear 31.12.2016)

**Certified Adviser:** Erik Penser Bank AB

### Future reports 2017

April 7 Annual Report

May 12 Interim report Q1 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 ([www.ainohealth.com/investors](http://www.ainohealth.com/investors)) with effect from April 7, 2017.

### Risks and uncertainty factors

The board of Aino Health considers that the most significant risks are connected with the company's relatively new services. This means 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.

Aino Health AB

### The Board

Cecilia Hollerup, chairman

Ingrid Atteryd Heimán, Board member

Jyrki Eklund, CEO and Board member

Peter Berntsson, Board member

Jochen Saxelin, Board member

## Income statement for the group

Amounts in SEK thousand	2016 oct - dec	2016 may - dec
Net turnover	5,532	5,532
Other operating income	789	789
<b>Operating costs</b>		
Purchased consultancy services	-1,156	-1,156
Other external costs	-4,459	-5,192
Personnel costs	-5,444	-5,444
Other operating costs	-12	-12
Depreciation of tangible and intangible fixed assets	-478	-478
<b>Operating profit/loss</b>	-5,228	-5,961
Net financial items	-20	-20
<b>Profit/loss after financial items</b>	-5,248	-5,981
Appropriations	0	0
Taxes	-10	-10
<b>Profit/loss for the period</b>	<b>-5,258</b>	<b>-5,991</b>

## Balance sheet for the group

Amounts in SEK thousand	2016 31 dec
<b>ASSETS</b>	
<b>Fixed assets</b>	
Intangible fixed assets	16,544
Tangible fixed assets	495
Financial fixed assets	0
<b>Total fixed assets</b>	<b>17,039</b>
<b>Current assets</b>	
Goods in stock etc.	344
Current receivables	7,078
Cash and bank deposits	38,887
<b>Total current assets</b>	<b>46,309</b>
<b>TOTAL ASSETS</b>	<b>63,348</b>
<b>EQUITY AND LIABILITIES</b>	
Equity	
Share capital	13,557
Other paid-in capital	-18
Other equity including annual profit/loss	39,791
Total equity	53,330
Liabilities	
Non-current liabilities	1,223
Current liabilities	8,795
Total liabilities	10,018
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>63,348</b>

## Cash flow analysis for the group

Amounts in SEK thousand	2016	2016
	oct - dec	may - dec
Cash flow from ongoing activities	-4,502	-4,140
Cash flow from investment activities	-35	-814
Cash flow from financing activities	41,716	43,840
<b>Cash flow for the period</b>	<b>37,179</b>	<b>38,886</b>
Cash and cash equivalents at start of period	1,708	0
<b>Cash and cash equivalents at end of period</b>	<b>38,887</b>	<b>38,887</b>

## Change in equity for the group

Amounts in SEK thousand	2016	2016
	okt - dec	maj - dec
<b>Amount at start of period</b>	<b>9,057</b>	<b>0</b>
Share capital		50
Non-cash issue		9,057
Redemption		-50
New issue	4,500	4,500
Unrestricted reserves	45,031	45,764
Profit/loss for the period	-5,258	-5,991
<b>Amount at end of period</b>	<b>53,330</b>	<b>53,330</b>

## Income statement for the parent company

Amounts in SEK thousand	2016	2016
	oct - dec	may - dec
Net turnover	0	0
Other operating income	3	3
<b>Operating costs</b>		
Purchased consultancy services	-2,020	-2,242
Other external costs	0	-505
Personnel costs	-30	-30
Other operating costs	-12	-12
Depreciation of tangible and intangible fixed assets	0	0
<b>Operating profit/loss</b>	<b>-2,060</b>	<b>-2,786</b>
Net financial items	0	0
<b>Profit/loss after financial items</b>	<b>-2,060</b>	<b>-2,786</b>
Appropriations	-109	-109
Taxes	0	0
<b>Profit/loss for the period</b>	<b>-2,168</b>	<b>-2,895</b>

## Balance sheet for the parent company

Amounts in SEK thousand	2016 dec 31
<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	1,475
Cash and bank deposits	37,891
<b>Total current assets</b>	<b>39,366</b>
<b>TOTAL ASSETS</b>	<b>57,530</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	-2,895
<b>Total equity</b>	<b>56,472</b>
<b>Untaxed reserves</b>	<b>0</b>
<b>Non-current liabilities</b>	
Current liabilities	1,058
<b>Total liabilities</b>	<b>1,058</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57,530</b>

## Cash flow analysis for the parent company

Amounts in SEK thousand	2016 oct - dec	2016 may - dec
Cash flow from ongoing activities	-4,405	-3,203
Cash flow from investment activities	0	0
Cash flow from financing activities	42,296	41,094
<b>Cash flow for the period</b>	<b>37,891</b>	<b>37,891</b>
Cash and cash equivalents at start of period	0	0
<b>Cash and cash equivalents at end of period</b>	<b>37,891</b>	<b>37,891</b>

## Change in equity for the parent company

Amounts in SEK thousand	2016	2016
	oct - dec	may - dec
<b>Amount at start of period</b>	<b>9,057</b>	<b>0</b>
Share capital		50
Non-cash issue		9,057
Redemption		-50
New issue	4,500	4,500
Unrestricted reserves	45,083	45,810
Profit/loss for the period	-2,168	-2,895
<b>Amount at end of period</b>	<b>56,472</b>	<b>56,472</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





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