



Interim report
Camanio Care AB (publ)
556761-0307
Q1, January – March 2019

The quarter in brief for the group

1 January – 31 March 2019

- Total revenue for the period increased to kSEK 4,471 (kSEK 2,477)
- Net sales for the period increased to kSEK 3,864 (kSEK 1,931)
- The operating profit/loss was kSEK -3,830 (kSEK -3,746)
- The profit/loss after financial items was kSEK -3,861 (kSEK -3,834)
- Earnings per share amounted to SEK -0.19 (SEK-0.24)

- Equity in the group as per March 31, 2019 amounted to kSEK -429 (kSEK 3 386 as per December 31, 2018)
- Cash and cash equivalents in the group as per March 31, 2019 amounted to kSEK 938 (kSEK 2 451 as per December 31, 2018)
- Liquidity amounted to 23 percent (94 percent as per December 31, 2018)
- The equity/assets ration amounted to -2 percent (11 percent as per December 31, 2018)
- The number of shares at the end of the period was 20,261,683 (16,674,539 as per December 31, 2018)

Amounts in brackets refer to the corresponding period the previous year unless otherwise stated.

A letter from the CEO

The year started off with strong growth. Since the start of the year we have delivered the telepresence robot Giraff to several municipalities, for example Kalix and Lidingö; we have received our largest order for BikeAround Screens ever from Australia; we've sold BikeArounds to Canada; and we have continued the development of our digital platform Vital Smart Care.

The total revenue increased with 80 percent to SEK 4.5 (2.5) million for the quarter. This was driven by an increased demand for our solutions. We are in an investment phase and the operating profit/loss was SEK -3.8 (-3.7) million for the quarter.

To strengthen our balance sheet we have decided to perform a set-off issue of SEK 15.3 million. This issue is directed at creditors who have accepted to set off loans for the corresponding amounts in the issue. Through this issue, the balance sheet is strengthened, which makes it easier to get new investors and creditors to the company, and at the same time the interests on these loans will no longer burden the company. Camanio Care has also entered into an agreement which makes it possible to loan an additional SEK 3 million. Through these measures, the company has cash reserves to continue financing the operations until September.



Our mission

Camanio Care offers smart solutions for digital home care. Our solutions increase the availability, quality and efficiency in home care. Today we offer an attractive total solution in welfare technology with the Vital Smart Care Platform, BikeAround, Bestic and Giraff. We complement these with select products from other providers, such as digital therapy pets.

Our vision is to optimize the mix between physical and digital care. We are driven by our values to ensure safety, good quality of life, dignity and independence for the individual. Our ambition is to become world leading in welfare technology through cooperating with care organizations and contribute to their digitalization.

The development of our offer

Vital Smart Care is our digital service platform that ties together our future home care services. Through Vital Smart Care we will connect our services and products to each other and to the cloud. This means that we in the future can gather data from an ecosystem of different sensors such as alarms, cameras, locks, stove guards and cognitive aids. Through connecting medical measuring equipment and sensors in the home, we will be able to deliver data to the care of patients with chronic conditions. We believe in data gathering for an efficient and dignified home care. This opens up for new business opportunities.

An important long-term priority is the roll-out of 5G (fifth generation mobile networks) for connected welfare technology. 5G will lift welfare technology to a new level by making

connected products and services faster and smarter. That is why we are happy that Vinnova during the first quarter decided to finance our further development for 5G.

Commercialization

The Swedish municipalities, regions and other organizations are step by step increasing their investment speed in welfare technology. During this quarter we have received our biggest order ever for the experience bike BikeAround Screen. Our Australian distributor Leef Independent Living Solutions bought ten units for just over SEK 300,000 and also became a reseller of BikeAround in Australia. We have also delivered Giraff to municipalities like Lidingö, Sundsvall and Kalix.

During the first quarter we have had traditional revenues from sales of products, but also increasing recurring revenues based on the number of users and services. Our e-commerce solution continues to work well as a complement to personal sales, especially for our digital therapy pets and for additional sales to existing customers. We also continue to develop our reach through our subsidiary in the USA and distributors in Asia, the Middle East, Australia and ten European countries.

Multiply the sales during the coming years

Camanio Care has a driving role in the digitalization of home care. We have a leading offering with internationally competitive solutions and are now performing a commercialization.

As previously communicated, it is the judgement of the board of directors that the company is correctly positioned to multiply the revenue during the coming years. This judgement is based on the facts that care organizations are continuing to increase their investments in welfare technology and of course also that we invest in a competitive offering.

The agreement entered on May 21 gives us new funding of SEK 3 million. We are thereby funded until September and we are planning to perform a rights issue at the latest in September. We are continually working on the financing and we have a plan. Our future development is reliant on us securing enough investment capital to be able to really invest in our commercialization.

Catharina Borgenstierna

VD Camanio Care

Comments on the financial development of the group during the first quarter

Total revenue increased by 80 percent to SEK 4.5 (2.5) million for the quarter. The strong development during the year was driven by the demand for the products of the company and by the acquisition of Vital. During the first quarter, e-commerce sales of the digital therapy pets contributed strongly to the growth.

The company is going through a build-up phase with investments in technological development, reach and staff. During the quarter the costs of wares increased by around SEK 1.1 million, other external costs by around SEK 0.8 million and staff costs with around 0.2 million SEK. All in all, this meant that the profit/loss decreased somewhat to SEK -3.8 (-3.7) million for the quarter and the result after taxes to SEK -3.9 (-3.8) million. Write-offs and financial items decreased somewhat during the quarter.

The company had, at the end of the quarter, in total SEK 22.0 million in loans, of which SEK 0.5 million consisted of long-term loans and SEK 21.5 million consisted of short-term loans. Of the short-term loans, SEK 1.0 million (interest 5 %) came from a closely connected company, namely Avacado, represented by the board member Karsten Inde. In addition, SEK 12.8 million (interest 10 %) of the short-term loans consisted of a loan from the shareholder Brighter. The rest of the short-term loans were trade credits, vacation pay, etc.

Equity and solidity in the group is negative. This is due to the fact that in the group balance sheet are consolidated the subsidiaries' (Camanio Inc, Bestic AB and Vital Integration AB) separate balance sheets to booked amounts. In the mother company balance sheet, the value of the shares in these subsidiaries are booked as the value at the time of acquisition, which is higher than the sum of the separate parts of the subsidiaries' equities.

Camanio Care previously had the option of financing through putting out convertibles to ESGO. This has not been used since December 6, 2017. On July 25, 2018, it was communicated that both parties had agreed that the financial model that had been agreed on was not beneficial to Camanio Care. The deal remained, however, as an alternative, but the financing was not used after this point and the deal was terminated during the first quarter. Today ESGO has no convertibles or warrants in Camanio Care.

The company previously communicated the intention to evaluate a change of lists to First North. The board of directors has been strengthened as part of this evaluation effort, but no formal application has been made.

At the end of the first quarter, the cash amounted to KSEK 938. At the end of the first quarter, the company entered into an agreement about a new short-term loan for SEK 3 million that was partly remunerated at the end of the first quarter, but mostly during the second quarter.

On May 21, the board of directors decided to perform a set-off issue of SEK 15.3 million. The issue is directed at lenders who accept to set off loans for the corresponding amount in the issue. Through the issue, the balance sheet is strengthened, which makes it easier to get new investors and lenders, at the same time as the interests on those loans no longer burden the company. Camanio Care also entered into an agreement making it possible to loan an additional SEK 3 million.

The subscription rate in the offering is SEK 0.54 per share. With a full issue, the number of shares will increase by 28,408,077 new shares, meaning the number of shares in the company will go from 20,261,683 shares to 48,669,760 shares. In addition, there are 2,429,557 rights issues and 1,080,000 employee stock options as of May 15. All shares are ordinary shares. The company has no outstanding convertibles.

The lender has accepted to set off loans for a total amount of SEK 15.3 million. The reason to direct the set-off issue to the lenders is that the financial situation of the company must be strengthened through decreasing the debt of the company. The issue was decided on by the board of directors in accordance with the authorization of the shareholders' meeting held on April 23, 2018.

The lender who performs the set-off is Recall Capital Nordic AB. After this, the group has loans totaling SEK 2.2 million, and additionally retains the option of taking out loans of up to an additional SEK three million according to the following terms.

The new financing agreement gives Camanio Care the possibility of taking up loans of up to SEK 3 million from Recall Capital Nordic at an annual interest rate of eight percent. This funding means that the company has enough cash to fund the operations until September.

Camanio Care previously communicated the intention of performing a rights issue during June. With the new agreement, the schedule is modified to performing this rights issue at the latest in September. More details about the rights issue have not been decided but will be communicated at a later date.

Significant events during the first quarter

- 17 January Camanio Care uses virtual reality to show vision for home care
- 18 January Camanio Care is awarded research funds by Vinnova
- 28 January Camanio Cares preferential rights issue registered
- 6 February Extraordinary shareholders' meeting in Camanio Care called
- 12 February Camanio Care makes sales of Giraff to Kalix and Lidingö
- 19 February Camanio Care publishes year-end report
- 20 February Niclas Lilja and Marianne Ramel elected to the board of directors and Johan Lidén leaves the board
- 26 February Camanio Care communicates the the company has enough cash to cover the operations until the end of April
- 26 February Camanio Care launches cooperation with My Possibilities for care to people with disabilities
- 26 February Camanio Care stock moved to the observation list at Spotlight Stock Market
- 25 March Camanio Care strengthens the team with Victoria Wang Chief Operating Officer

27 March Camanio Care enters financial agreement and communicates that the cash is enough to cover operations until the end of June

Significant events after the end of the period

2 April Camanio Care launches package solutions to simplify digitalization
4 April Camanio Care participates in research project about 5G at KTH
12 April Camanio Care makes sales of BikeAround in Canada
16 April Camanio Care receives biggest order ever for BikeAround Screen
24 April Camanio Care ties the creator of BikeAround to them as advisor
7 May Yearly shareholders meeting of Camanio Care called
21 May Camanio Care decided about set-off issue and enters into new agreement regarding funding, meaning the cash reserves are enough to secure operations until September

Additional information

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

Accounting principles

The group and the parent company apply the Swedish Annual Accounts Act and the general recommendations of the Swedish Accounting Standards Board "K3" (BFNAR 2012:1). The accounting principles are unchanged since the last annual report. For a more detailed description of the accounting principles, see the annual report of Camanio Care for 2018, pp 28-34.

Upcoming financial reports

2019-06-04 Yearly shareholders' meeting 2019
2019-08-28 Interim financial report April-June 2019
2019-11-20 Interim financial report July-September 2019

Reports are published on the company website www.camanio.com and on the Spotlight Stock Market website www.spotlightstockmarket.com.

Income statement

Group

kSEK

	1 January – 31 March 2019	1 January – 31 March 2018
Net sales	3 864	1 931
Other operating revenues	607	546
Total revenues	4 471	2 477
 Operating expenses		
Cost of goods	-1 688	-616
Other external expenses	-3 006	-2 196
Personnel costs	-2 959	-2 743
 Operating profit/loss before depreciation and financial items (EBITDA)	-3 183	-3 079
Depreciation	-648	-667
Operating profit/loss (EBIT)	-3 830	-3 746
 Financial items	-31	-88
Pre-tax profit/loss	-3 861	-3 834
Deferred tax	46	47
Profit/loss for the period	-3 815	-3 787

The profit/loss for the year is attributable to the parent company's shareholders.

Parent company

kSEK

	1 January – 31 March 2019	1 January – 31 March 2018
Net sales	3 464	1 735
Other operating revenues	607	546
Total revenues	4 071	2 282
Operating expenses		
Cost of goods	-1 470	-638
Other external expenses	-2 859	-1 624
Personnel costs	-2 959	-2 743
Operating profit/loss before depreciation and financial items (EBITDA)	-3 217	-2 723
Depreciation	-425	-409
Operating profit/loss (EBIT)	-3 642	-3 132
Financial items	-20	-123
Pre-tax profit/loss	-3 662	-3 255
Deferred tax		0
Profit/loss for the period	-3 662	-3 255

Balance sheet

kSEK

	2019-03-31 (Group)	2018-12-31 (Group)	2019-03-31 (Parent)	2018-12-31 (Parent)
Fixed assets				
Capitalized expenses	10 671	10 169	10 128	9 573
Patents, trademarks	2 077	2 291	10	11
Goodwill	2 044	2 989	900	975
Equipment	677	674	634	630
Participations in group companies	-	-	15 795	16 695
Total fixed assets	15 469	16 124	27 467	27 885
Current assets				
Stock	1 949	2 410	1 782	2 143
Current receivables	4 045	10 241	4 856	12 450
Cash and bank balances	938	2 451	552	985
Total current assets	6 931	15 102	7 189	15 578
TOTAL ASSETS	22 401	31 225	34 657	43 463
Equity	-429	3 386	3 929	7 591
Deferred tax liabilities	861	1 761	350	1 250
Liabilities				
Non-current liabilities	516	12 636	10 027	22 063
Current liabilities	21 453	13 442	20 351	12 559
Total liabilities	21 969	26 078	30 378	34 622
TOTAL EQUITY AND LIABILITIES	22 401	31 225	34 657	43 463

Change in equity, group

kSEK	Share capital	Non-registered share capital	Other contributed capital	Other equity including profit/loss for the period	Total equity
Amount at start of year	3 335	717	57 558	-58 224	3 386
Conversion to shares	717	-717			0
Profit/loss for the period				-3 815	-3 815
Amount at end of period	4 052	0	57 558	-62 039	-429

Change in equity, parent company

kSEK	Share capital	Non-registered share capital	Share premium reserve	Free equity	Total equity
Amount at start of year	3113	717	21 794	-18 255	7 591
Conversion to shares	717	-717			
Appropriation of earnings			-18 255	18 255	
Profit/loss for the period				-3 662	-3 662
Amount at end of period	4 052	0	3 539	-3 662	3 929

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About Camanio Care

Camanio Care is a care technology company developing smart solutions for digital home care with the individual in focus. The company offers digital service platforms, products and services, such as Vital Smart Care, ICE, BikeAround, Bestic and Giraff. Through optimizing the mix of physical and digital care, Camanio Care works to support the basic needs of individuals and increasing the freedom, efficiency and quality of care. Camanio Care has its headquarters in Stockholm, the subsidiary Camanio Care Inc. in the U.S., and distributors in Asia, Middle East, Hongkong, Australia and tens of European countries.

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This interim financial report has been approved for release by the board of directors on 2019-05-22.