

Camanio Care



Yearend report
Camanio Care AB (publ)
January – December 2018

Summary

Figures in brackets relate to the corresponding period of the previous year, unless otherwise specified.

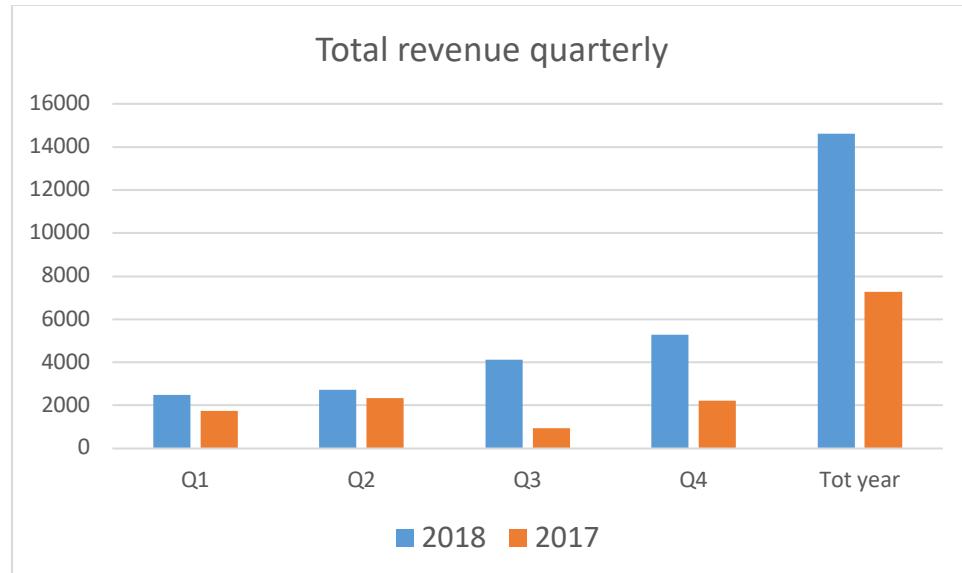
1 OCTOBER – 31 DECEMBER 2018

- Total revenue for the period amounted to 5,077 KSEK (2,224 KSEK)
- Net sales for the period amounted to 4,226 KSEK (1,844 KSEK)
- The operating result amounted to -5,901 KSEK (-5,710 KSEK).
- The result after financial items amounted to -6,282 KSEK (-5,744 KSEK)
- Earnings per share were -0.37 SEK (-0.38 SEK).
- Equity in the group at 31 December amounted to 3,386 KSEK (31/12/2017: 15,769 KSEK)
- The share capital including unregistered share capital at 31 December amounted to 4,052 KSEK. (31/12/2017: 3 113)
- Liquid assets in the group at 31 December amounted to 2,451 KSEK (31/12/2017: 5,093 KSEK).
- The liquidity amounted to 94% (31/12/2017: 99%).
- The equity ratio amounted to 11% (31/12/2017: 61%).
- The number of shares at the end of the period was 16,674,539 (31/12/2017: 15,565,451).

The board makes the judgement that the company has the right position to increase the turn-over during the upcoming years. We are taking the first steps on an exciting journey.

1 JANUARY – 31 DECEMBER 2018

- Total revenue for year period amounted to 14,422 KSEK (7,279 KSEK)
- Net sales for the year amounted to 11,466 KSEK (6,604 KSEK)
- The operating result amounted to -17,691 KSEK (-16,802 KSEK)
- The results after financial items amounted to -19,133 KSEK (16,935 KSEK)
- Earnings per share amounted to -1.14 SEK (-1.29 SEK)



A word from the CEO

Camanio Care has taken several steps to develop and commercialize our offer. We have delivered the telepresence robot Giraff to several municipalities, integrated the digital platform Vital Smart Care and developed new solutions for medical care at home.

Total revenue increased with 97 percent to 14,4 (7,3) million SEK for this year and with 132 percent to 5,1 (2,2) million SEK for the quarter. This was in large part driven by a greater demand for our solutions and an increased willingness by Swedish municipalities to invest. In addition, the acquisition of Vital integration affected the turnover positively during the quarter. Despite the cost of integration following the acquisition and participation at several trade fairs, the operating result changed to -5,9 (-5,7) million SEK in the quarter.



Our mission

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

Our vision is to optimize the mix between physical and digital home care. We are driven by our values to ensure safety, good quality of life, dignity and independence for the individual, and at the same time helping care organizations to work more efficiently. Our ambition is to become world leading in welfare technology, by contributing to the digitalization of care organizations through close cooperation with them.

Development of our product offer

During the autumn we confirmed the potential of the acquisition of Vital Integration. Vital Smart Care is a digital service platform, which ties together future health care and welfare services at home, and thereby strengthens the conditions for all our products. But it will get even better. Through Vital Smart Care we can connect our services and products with each other and to the cloud. This means that we now can collect data from an ecosystem of different sensors such as safety alarms, cameras, locks, stove guards and cognitive aids. We also integrate data through ICE, a health hub, which connects medical measuring equipment and sensors in the home and deliver the data of patients with chronic illnesses to the care givers. We believe in collecting data for an efficient and dignified home care. This enables new analyses and business opportunities.

An important long-term effort is 5G (fifth generation networks) for connected welfare technology. 5G will lift welfare technology to a new level by making connected products and services faster and smarter. Because of this we are pleased that Vinnova, during this quarter, decided to finance our development project for 5G.

Commercialization

The Swedish municipalities and county councils, as well as other organizations, are step by step increasing their acceptance and rate of investment in welfare technology. During the quarter, municipalities such as Kävlinge, Vetlanda, Värnamo, Tomelilla and Botkyrka, and the Hässelby district of the city of Stockholm, have bought our experience bike BikeAround Screen. We have also delivered Giraff to municipalities such as Lidingö, Kalix and Hultsfred, as well as others.

We have strengthened our commercial business model by including a second source of revenue. First we have our traditional revenue through the sales of products, but since the acquisition of Vital we have also received greater possibilities for recurring revenue based on the number of users and services. We also reach our customers in several ways. To increase accessibility, we operate our own web shop, which has been established as a successful sales outlet, especially for our digital therapy pets and for additional sales to existing customers.

We have a global reach through a subsidiary in USA and distributors in Asia, the middle east, Hong Kong, Australia and in several European countries. During the quarter we have received international attention, for example in the magazine CIO Applications Europe, where we were shortlisted as a top 10 eating robotics company. We were also noted by Invest Stockholm, who included Camanio Care as one of five new businesses on their Life Science Hotlist. At an event for AI and innovation, held at the Microsoft Offices in Brussels and organized by the confederation of Swedish Enterprise, our Giraff welcomed the guests from stage. We also participated at the fair Aging Fit in Lille,

France. In January at the MVTech fair we launched a show room in virtual reality which is used to display Camanio Care's future visions of smart solutions for digital home care. We have new customers in the US and have received great interest in our solutions. We are now preparing to participate at Stanford Assistive Technology at the end of the month.

Multiply the turn-over in the coming years

Camanio Care has an important role in driving the digitalization of home care. We have a leading range of products with internationally competitive solutions and we are now commercializing our offer.

With this in mind the board makes the judgement that the company has the right position to multiply the turnover during the upcoming years. We are taking the first steps on an exciting journey. The judgement is based on the increased investments, made by care organizations in welfare technology, and naturally we continue to invest in a competitive range of products and services.

During the quarter, our cash balance was strengthened by a rights issue. During the spring of 2019 we are planning for another rights issue. We have strong support from existing investors to increase our strategic and financial growth prospects.

Catharina Borgenstierna, VD Camanio Care

Comments on the group's financial performance in the fourth quarter

Total revenue increased with 97 percent to 14,4 (7,3) million SEK for the year and with 132 percent to 5.1 (2.2) million SEK for the quarter. This strong development during the year was driven by demand of the company's products, and the acquisition of Vital. During the fourth quarter the e-commerce of therapy pets contributed greatly to the growth.

The company is going through a build-up phase with increased efforts in technical development, reach and employees. The operating result changed to -5,9 (-5,7) million SEK for the quarter and amounted to -17.7 (-16.8) million SEK for the year. The results after taxes was lower due to increased financial costs. At the end of the quarter the cash and bank balance amounted to 2.5 million SEK.

During the first two quarters of the year, other external costs and financial items amounted to approx. 2.5 million SEK per quarter. During the third quarter these costs increased to approx. 3.5 million SEK and during the fourth quarter these increased to approx. 4.1 million SEK. During the quarter costs arose for the integration of Vital and the rights issue, as well as for the participation in a large number of fairs and other marketing initiatives.

The company currently has two loans to related parties of the company, 12.5 million SEK including interest to Brighter (interest rate of 10%) and 1.0 million SEK to Avocado (interest rate of 5%).

Camanio Care successfully closed one rights issue and one oversubscription rights issue which contributed 5.1 million SEK and 1.0 million SEK respectively during the quarter. Through the rights issues the company was provided with 4.9 million SEK cash, and the remaining 1.2 million SEK pertains to the offset of loans. The offset is intended for repayment of shareholder contributions (741,751 SEK) as well as part of purchase price for the acquisition of Vital Integration AB (500,000 SEK). The cost of the rights issues is estimated to 0.3 million SEK.

A total of 3,596,840 new shares and 899,210 new share option rights were issued through the rights issue. After the registration of the rights issues the company has in total 20,261,683 shares, 2,429,557 share option rights and 1,350,000 employee share options. All shares are common shares. The company has no outstanding convertible debentures.

Camanio Care has previously communicated the intent to not utilize the company's possibility for new cash convertible debentures from European Select Growth Opportunities Fund. As previously communicated the company has initiated a process of evaluating a listing at Nasdaq First North in the purpose of increasing the visibility of the company and simplifying things for our international shareholders.

Financial key ratios

Group Quarterly

Overview

KSEK

	Quarter 1 1 Jan-31 Mar	Quarter 2 1 April-30 June	Quarter 3 1 July-30 Sept	Quarter 4 1 Oct-31 Dec	Acc. 2017 1 Jan-31 Dec
Net sales	2,447	2,739	4,129	5,077	14,422
Cost of Goods	-616	-1,186	-1,324	-2,592	-5,898
EBITDA	-3,079	-3,894	-2,744	-5,031	-14,748
EBIT	-3,746	-4,562	-3,482	-5,901	-17,691
Profit/loss for the period	-3,787	-4,716	-4,212	-6,282	-18,972
Earnings per share, SEK	-0.24	-0.28	-0.25	-0.37	1,14
Liquidity %	66%	32%	44%	94%	94%
Equity ratio %	56%	40%	15%	11%	11%

Important events during the first quarter

- 18 October | Camanio Care executes a rights issue
- 25 October | Kävlinge municipality buys Camanios welfare technology)
- 6 November | Camanio Care is shortlisted as a top 10 leading robotics company
- 8 November | Camanio Care's telepresence robot Giraff participates on event for AI and innovation.
- 15 November | Camanio Care publishes interim report January – September 2018
- 21 November | Camanio Care launches new digital therapy pets
- 23 November | Camanio Care's rights issue is successfully closed
- 13 December | Camanio Care delivers BikeAround to Vetlanda, Värnamo and Botkyrka
- 20 December | Digital therapeutic pets a success

Significant events since the end of the period

- 17 January | Camanio Care uses Virtual Reality to show visions for digital home care
- 18 January | Vinnova awards Camanio Care research grant for 5G development
- 28 January | Camanio Care's rights issue registered
- 6 February | Notice of extraordinary shareholders meeting in Camanio Care AB
- 8 February | Camanio Care's Giraff solves challenges with distance in care for two municipalities

Additional information

This interim financial 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 latest annual report issued. For a more detailed description of the accounting principles, see Camanio Care AB's (publ) annual report for 2017, pages 20–25.

THE BOARD OF DIRECTORS' PROPOSAL FOR THE APPROPRIATION OF EARNINGS

The following profits in SEK are at the disposal of the Annual General Meeting:

Earnings brought forward from previous years	15,370,469
Issue premium from issues during the year	6,423,198
Loss for the year	-18,255,320
Earnings at the company's disposal	3,538,348

The Board of Directors proposes that SEK 3,538,348 be carried forward to new accounts.

ANNUAL GENERAL MEETING

The Camanio Care AB (publ) Annual General Meeting will be held on 7 May 2019, at 10.00 at the company's offices at Hästholmsvägen 32, 6tr, Nacka. The deadline for shareholders to ask to have a matter discussed at the Annual General Meeting is 1 April 2019.

The Board of Directors proposes that no dividend will be paid for the fiscal year from January 1st to December 31st, 2018.

The annual report will be available at the time of the notice of the Annual General Meeting on the company's website, www.camanio.com

Future financial reports

Date	Report
03/27/2019	Annual report
05/07/2019	Annual general meeting
05/22/2019	Interim information January - March 2019
08/28/2019	Half-year report January - June 2019
11/20/2019	Interim information January - September 2019

The company's reports are published on the company's website, www.camanio.com. The reports can also be accessed via the Spotlights website, <https://spotlightstockmarket.com>.

Income statement

Group

KSEK

	1 Oct-31 Dec 2018	1 Oct-31 Dec 2017	1 Jan-31 Dec 2018	1 Jan-31 Dec 2017
Net sales	4,227	1,844	11,466	6,604
Work performed by the company for its own use and capitalized				
Other operating revenues	850	380	2,956	675
Total Revenue	5,077	2,224	14,422	7,279
Operating expenses				
Cost of goods	-2,772	-1,409	-5,898	-3,078
Other external expenses	-4,135	-4,172	-11,780	-10,160
Personnel costs	-3,201	-2,589	-11,430	-8,237
Operating profit/loss before depreciation and financial items (EBITDA)	-5,031	-5,946	-14,748	-14,196
Depreciation	-870	236	-2,943	-2,606
Operating profit/loss (EBIT)	-5,901	-5,710	-17,691	-16,802
Financial items	-381	-34	-1,443	-133
Pre-tax profit/loss	-6,282	-5,744	-19,133	-16,935
Deferred tax	47	11	162	151
Profit/loss for the period	-6,235	-5,733	-18,972	-16,784

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

Parent Company

KSEK

	1 Oct-31 Dec 2018	1 Oct-31 Dec 2017	1 Jan-31 Dec 2018	1 Jan-31 Dec 2017
Net sales	6,434	1,673	10,856	6,321
Other operating revenues	832	381	2,938	675
Total Revenue	7,266	2,054	13,794	6,996
Operating expenses				
Cost of goods	-3,165	-1,427	-5,983	-2,989
Other external expenses	-4,726	-4,018	-11,153	-10,240
Personnel costs	-3401	-2,589	-11,579	-8,237
Operating profit/loss before depreciation and financial items (EBITDA)	-4,027	-5,908	-14,984	-14,470
Depreciation	-409	-124	-1,636	-684
Operating profit/loss (EBIT)	-4,436	-6,104	-16,620	-15,154
Financial items	-457	-15	-1,636	-86
Profit/loss for the period	-4,892	-6,119	-18,255	-15,240
Deferred tax		-3,5		-35
Profit/loss for the period	-4,892	-6,154	-18,255	-15,275

Balance sheet

KSEK

	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	(Group)	(Group)	(Parent company)	(Parent company)
Fixed assets				
Capitalised expenses	10,169	11,593	9,573	10,783
Patents, trademarks	2,291	3,153	11	14
Goodwill	2,989	1,275	975	1,265
Equipment	674	438	630	438
Participations in group companies	-	-	16,695	14,912
Total fixed assets	16,124	16,459	27,885	27,422
Current assets				
Stocks	2,410	1,357	2,143	1,306
Current receivables	10,241	3,064	12,450	3,419
Cash and bank balances	2,451	5,093	985	4,354
Total current assets	15,102	9,514	15,578	9,079
TOTAL ASSETS	31,225	25,973	43,463	36,501
Equity	3,386	15,769	7,591	18,483
Deferred tax liabilities	1,761	679	1,250	-
Liabilities				
Non-current liabilities	12,636	1,274	22,063	10,369
Current liabilities	13,442	8,233	12,559	7,622
Total liabilities	26,078	9,507	34,622	18,018
TOTAL EQUITY AND LIABILITIES	31,225	25,973	43,463	36,501

Change in equity, Group

KSEK	Share capital	Subscribed, non-Registered share capital	Other Contributed capital	Other equity including profit/loss for the year	Total capital
Amount at start of year	3,113		51,134	-38,478	15,769
New share issues, cash		717	5,381		6,098
Issue costs, after tax			-329		-329
Conversion to shares	222		1,372		1,594
Repayment of shareholders' contribution				-742	-742
Translation difference				-32	-32
Profit/loss for the period				-18,972	-18,972
Amount at end of period	3,335	717	57,558	-58,224	3,386

Change in equity, Parent company

KSEK	Share capital	Subscribed, unregistered share capital	Share premium reserve	Profit/loss brought forward	Profit/loss for the year	Total capital
Amount at start of year	3,113		30,645	-15,275		18,483
New share issues		717	5,381			6,098
Issue costs after tax			-329			-329
Conversion to shares	222		1,372			1,594
Appropriation of earnings						0
Profit/loss for the period				-18,255	-18,255	
Amount at end of period	3,335	717	37,069	-15,275	-18,255	7,591

Cash flow analysis

KSEK

	31/12/2018 (Group)	31/12/2017 (Group)	31/12/2018 (Parent company)	31/12/2017 (Parent company)
Operating activities				
Operating profit	-17,691	-16,802	-16,620	-15,155
Adjustment for items not included in cash flow	2,959	2,606	2,681	683
Paid/Received interest	1,007	-133	-1,224	-86
Paid income tax	-30	-27	-13	0
Cash flow from operating activities before changes in working capital	-15,769	-14,356	-15,160	-14,558
Changes in working capital				
Change in inventories	-1,053	-501	-837	-739
Change in current receivables	-6,051	1,403	-10,054	906
Change in current liabilities	4,116	2,005	5,596	2,333
Cash flow from operating activities	-18,757	-11,449	-20,455	-12,058
Investment activities				
Acquisition of intangible assets	0	-1,499	0	-11,484
Acquisitions / investments in Group companies	-425	-	-533	-
Other investment activities	-370	-47	-315	-649
	-795	-1,546	-848	-12,133
Financing activities				
New share issue	4,527	10,189	4,529	10,239
Loan raised	16,042	8,868	16,042	18,766
Amortized loans	-2,886	-2,107	-2,637	-1,397
Reimbursed / received shareholder contribution	-742	-5,555	-	-5,555
	16,941	11,395	17,934	22,053
Cash flow for the period	-2,611	-1 600	-3,369	-2,138
Opening cash and cash equivalents	5,093	6 701	4,354	6,491
Exchange rate diff. in cash	-31	-7	-	-
Closing cash and cash equivalents	2,451	5 094	985	4,353

Contact

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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.

Subscribe to our newsletter and learn more about the company on our website: www.camanio.com.

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This is information that Camanio Care AB is required to publish under the EU Market Abuse Regulation. The information was provided through the above contact person for publication on 19 February 2019.

This interim annual report was approved for issue by the Board of Directors on 19/02/2019.