

Camanio Care



Interim report
Camanio Care AB
January – September 2018

Focus on commercialization and integration of acquisition

Summary

Figures in parentheses refer to the corresponding period during the previous year, unless otherwise is stated.

1 JULY – 30 SEPTEMBER 2018

- Total revenue for the period amounted to kSEK 4,129 (kSEK 953)
- Net sales for the period amounted to kSEK 4,104 (kSEK 775)
- Operating profit/loss was kSEK -3,482 (kSEK -3,749)
- Profit/loss after financial items was kSEK -4,256 (kSEK -3,799)
- Earnings per share amounted to -0.25 kr (SEK -0.26)
- Equity in the Group at 30 September amounted to kSEK 3,874 (31 Dec 2017; kSEK 15,769)
- Liquid assets in the Group at 30 September amounted to kSEK 2,329 (31 Dec 2017; kSEK 5,093).
Liquidity amounted to 44% (31 Dec 2017; 99 %)
- The equity ratio was 15% (31 Dec 2017; 61%)
- The number of shares at the end of the period was 16,674,539 (31 Dec 2017; 15,565,451)

1 JANUARY – 30 SEPTEMBER 2018

- Total revenue for the nine months constituting the period amounted to kSEK 9,345 (kSEK 5,055)
- Net sales for first nine months of 2018 amounted to kSEK 7,239 (kSEK 4,760)
- Operating profit/loss was kSEK -11,789 (kSEK -11,092)
- Profit after financial items amounted to kSEK -12,851 (kSEK -11,191)
- Earnings per share amounted to SEK -0.76 (SEK -0.90)

The amount within the parenthesis refers to the corresponding period from last year, if not clearly stated otherwise.

A word from the CEO

During the third quarter, Camanio Care has taken several steps to develop and commercialize our offer. Our total revenue continues to increase to 4,1 (1,0) million SEK. This was in most part due to the rollout of our products, the acquisition of VITAL Integration, as well as the cancellation of a subproject in an ongoing consignment of VITAL Smart Care solution. Despite the cost of integration after the acquisition the operating result improved to -3,5 (-3,7) million SEK.

Development of our product portfolio

Camanio Care offers digital assistive devices which increases the accessibility, improves quality and effectiveness of care in the home. Around 60 million SEK has been invested into the company, and a majority of this has been used in research and development. Today we have a strong portfolio with products and services such as VITAL Smart Care®, BikeAround™, Bestic® och Giraff™. We complement these with selected external products from other suppliers, to create an attractive complete solution within care technology.



The acquisition of VITAL Integration was an important step for us to take in order to be able to pursue the digitalization of care in the home. VITAL Integration offers a digital service platform which fits perfectly with our offer since it increases the possibilities of our other products, for instance by improving the connectivity in the home. Moreover, the platform also has a more attractive business model with recurring revenue, based on the number of end users and services. The most important feature however is that the platform collects data from a number of different sensors such as safety alarms, cameras, locks, stove alarms and cognitive aids, and sends it to a central, and thereby enables analysis, integration and business opportunities. Through an agreement with a large international supplier, digital care in the home is further strengthened. The cooperation can be described as an integration of a medical health hub which connects medical measurement equipment with sensors in the home, in order to deliver data to the care supplier of patients with chronic diseases living at home. We see great possibilities of this data collection for an effective and dignified care in the home.

Another important event during the quarter was that the United States Patent & Trademark Office granted patent for Bestic®, Camanio's assistive eating device. The patent regards the control algorithm, which enables Bestic to pick up food from normal, round plates. It protects us in one of the largest markets for care technology.

Commercialization

This summer the Swedish government allocated 350 million SEK to local municipalities for the digitalization of their elderly and disability care. The investment has increased the understanding, acceptance and rate of investments in care technology in the Swedish municipalities. For instance Kävlinge municipality bought Camanio's assistive eating device Bestic, the MQi quality measurements as well as our experience bike BikeAround jDome to improve the quality within elderly care. Together with Kävlinge municipality we are also initiating a collaboration to improve the mealtime for elderly people with home care service. The government's allocation has contributed to digitalization being on the agenda and has made digitalization a priority for municipalities and counties. This gives us new possibilities, both now and in following years.

We continuously develop our global reach through our US subsidiary and distributors in Asia, the Middle East, Hong Kong, Australia as well as in several European countries. During the quarter we signed agreements with new distributors in Hong Kong for the assistive eating device Bestic, for BikeAround in Thailand and with OneCo AS for a developed Nordic collaboration. Moreover, BikeAround was put into practice in hospitals in Dubai and Florida. During the quarter we also launched an e-commerce to increase the accessibility of our products.

Care and welfare faces a digital transformation

We have a driving role within care technology (connected health care solutions) to increase the accessibility, quality and effectiveness within elderly care with new digital devices. After several years of development we now face a commercialization with a leading product range and international reach.

Catharina Borgenstierna, Camanio Care CEO

Comments on the Group's financial development for the third quarter

During July the company Vital Integration of Scandinavia AB, was acquired. The subsidiary is now a wholly-owned subsidiary and included in the corporate accounting from 10th of July 2018.

Total revenue for the period January – September increased with 86 percent to 9,345 kSEK (5,055).

For the third quarter the total revenue increased with 333 percent to 4,129 kSEK (953). The increase was due to two parts: an increased product sales 1,049 kSEK (775) as well as revenue from Vital 3,034 kSEK, which also includes advance billing in a cancelled subproject, in a delivery of solutions based on the Vital Smart Care platform. Remaining projects with the client continues as before.

The company is currently in a growth phase, with investments in technical development, reach and staff. The operating result for the period of January – September amounted to -11,789 kSEK (-11,092). For the third quarter the negative operating result decreased and amounted to -3,482 kSEK (-3,749). The result after tax was lower due to increased financial costs.

During the first two quarters of the year other external costs and financial items were approximately 2,5 million SEK per quarter. During the third quarter these increased to ca 3,5 million SEK despite decreased salary costs due to vacation. The cost level increased due to higher costs for rent and costs in connection of new loans. Additionally, the investments in development and commercialization of Vital Smart Care platform has meant increased costs for external consultants with 345 kSEK during the quarter.

During December 2017 the company issued a convertible loan of 4,000 kSEK. The lender chose to convert 300 kSEK to shares in December 2017, 600 kSEK to shares during the first quarter of 2018 and 1,100 kSEK to shares during the second quarter. During the third quarter the company paid back the remaining convertible loan of 2,000 kSEK.

During the quarter the company took out a short-term loan of 12 million SEK from a current shareholder. The liquidity was used to solve a smaller loan from the same shareholder of 2 million SEK. The payment of the remaining convertible loan of 2 million SEK as well as the costs for ongoing business. Cost of interest for the new loan amounted to 600 kSEK during the quarter. In connection with the new loan, other external costs arose to 450 kSEK. Today, this loan has been renegotiated with more beneficial conditions with lower financial costs. At the end of the quarter, the cash and bank balance amounted to 2,3 million SEK.

Camanio Care currently has the following financial loans to related parties of the companies:

Brighter AB: 12,0 million SEK, yearly interest 10%

Avacado: 1,0 million SEK, yearly interest 5%

Camanio Care is currently executing a rights issue of 5 million SEK with an oversubscription of 2 million SEK. The full terms of the rights issue is available through the company's website. The subscription period runs until the 19th of November 2019.

The ongoing rights issue has received subscription commitments of 5,2 million SEK, which means that the rights issue is fully subscribed. Of the received subscription commitments in the rights issue, 2,3 million SEK concerns subscriptions with preferential rights and 2,9 million SEK concerns subscriptions without preferential rights. Of the received subscription commitments in the rights issue, 4,0 million SEK concerns cash payment and 1,2 million SEK concerns offset for refunding of shareholder's contributions as well as part of the purchase price for the acquisition of Vital Integration AB. Costs of the rights issue is estimated at 0,2 million SEK. At full subscription of the rights issue through preferential rights, an additional maximum of cash issue amounts of 2 million SEK can be included.

The issue amount will be used for commercialization, research & development as well as work regarding organization and partnerships. The evaluation is that the rights issue covers the company's cash flow until February 2019. This is one of the first steps in the company's long-term financial strategy. Through an agreement with the European Select Growth Opportunities Fund, Camanio Care is able, if necessary, to solve convertible debentures of a total of 16 million SEK. In addition, through an agreement with Recall, the company can request funding of approximately 1,8 million SEK per quarter.

As previously communicated we have initiated an application process for listing at Nasdaq First North, with the purpose of increasing the visibility of the company and facilitate for our international shareholders.

We have a strong support from current investors to continue with our strategic and financial growth plans.

Financial ratios

Quarterly overview – The Group

kSEK

	Quarter 1 1 Jan-31 Mar 2018	Quarter 2 1 April-30 June 2018	Quarter 2 1 July – 30 Sept 2018	Acc. Quarter 3 1 Jan-30 Sept 2018
Total revenue	2,477	2,739	4,129	9,345
Costs for goods	-616	-1,186	-1,324	-3,126
EBITDA	-3,079	-3,894	-2,744	-9,716
EBIT	-3,746	-4,562	-3,482	-11,789
Period result	-3,787	-4,716	-4,212	-12,712
Result per share, SEK	-0.24	-0.28	-0.25	-0.76
Liquidity %	66%	32%	44%	44%
Solidity %	56%	40%	15%	15%

Significant events during the third quarter

- *2 July* | Camanio Care signs agreement with OneCo AS to promote further Nordic collaboration
- *9 July* | Camanio Care sign a new distributor for Bestic in Hong Kong
- *11 July* | Camanio Care acquires Vital Integration
- *23 July* | Themtech Company Ltd becomes a new distributor for Camanio Care in Thailand
- *25 July* | Repurchase of convertible notes
- *27 July* | Camanio Care continues global expansion to Dubai in UAE
- *7 August* | Camanio Care is granted a patent for Bestic in the United States
- *13 August* | Camanio Care signs a collaboration agreement with Spring Hills Senior Communities in Florida, USA
- *4 September* | Camanio Care signs agreement with Thumbay Group for distribution in the GCC-region
- *17 September* | Camanio Care signs agreement with Flextronics for distribution of innovative e-health hub
- *26 September* | Camanio Care prepare for next growth phase

Significant events since the end of the period

- *18 October* | Camanio Care executes a rights issue and secures next step in pursued expansion plans
- *29 October* | First day of subscription period
- *6 November* | Camanio Care is shortlisted as a top 10 leading robotics company
- *8 November* | Camanio Care's telepresence robot Giraff participates on an event for AI and innovation

Additional information

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

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.

Future financial reports

Date	Report
02/27/2019	Press release of unaudited annual earnings figures, etc. 2018
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 reached via Spotlight's website, www.spotlightstockmarket.com.

Income statement

Group
kSEK

	1 July – 30 Sept 2018	1 July – 30 Sept 2017	1 Jan – 30 Sept 2018	1 Jan – 30 Sept 2017
Net sales	4,104	775	7,239	4,760
Other operating revenues	25	178	2,106	295
Total Revenue	4,129	953	9,345	5,055
Operating expenses				
Costs of goods	-1,324	-313	-3,126	-1,669
Other external expenses	-2,912	-1,508	-7,706	-5,988
Personnel costs	-2,637	-1,907	-8,229	-5,648
Operating profit/loss before depreciation and financial items (EBITDA)	-2,744	-2,775	-9,716	-8,250
Depreciation	-738	-974	-2,073	-2,842
Operating profit/loss (EBIT)	-3,482	-3,749	-11,789	-11,092
Financial items	-774	-50	-1,062	-99
Pre-tax profit/loss	-4,256	-3,799	-12,851	-11,191
Deferred tax	46	46	139	139
Profit/loss for the period	-4,210	-3,753	-12,712	-11,052

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

Parent Company
kSEK

	1 July – 30 Sept 2018	1 July – 30 Sept 2017	1 Jan – 30 Sept 2018	1 Jan – 30 Sept 2017
Net sales	1,049	905	4,422	4,648
Other operating revenues	25	178	2,106	294
Total revenue	1,074	1,083	6,528	4,942
Operating expenses				
Cost of goods	-700	-346	-2,818	-1,562
Other external expenses	-2,608	-1,843	-6,489	-6,222
Personnel costs	-2,586	-1,907	-8,178	-5,648
Operating profit/loss before depreciation and financial items (EBITDA)	-4,820	-3,013	-10,957	-8,490
Depreciation	-409	-213	-1,227	-560
Operating profit/loss (EBIT)	-5,229	-3,226	-12,184	-9,050
Financial items	-812	-33	-1,179	-71
Profit/loss for the period	-6,041	-3,259	-13,363	-9,121

Balance sheet

KSEK

	30 Sept 2018 (Group)	31 Dec 2017 (Group)	30 Sept 2018 (Parent Company)	31 Dec 2017 (Parent company)
Fixed assets				
Capitalized expenses	10,554	11,593	9,876	10,783
Patents, trademarks	2,507	3,153	12	14
Goodwill	2,099	1,275	1,050	1,275
Equipment	346	438	346	438
Participations in group companies	-	-	15,561	14,912
Total fixed assets	15,506	16,459	26,845	27,422
Current assets				
Stocks	1,664	1,357	1,252	1,306
Current receivables	7,189	3,064	6,298	3,419
Cash and bank balances	2,329	5,093	1,934	4,354
Total current assets	11,182	9,514	9,484	9,079
TOTAL ASSETS	26,688	25,973	36,329	36,501
Equity	3,874	15,769	6,713	18,483
Deferred tax liabilities	558	697	-	-
Liabilities				
Non-current liabilities	806	1,274	10,123	10,396
Current liabilities	21,450	8,233	19,493	7,622
Total liabilities	22,256	9,507	29,616	18,018
TOTAL EQUITY AND LIABILITIES	26,688	25,973	36,329	36,501

Change in equity, Group

kSEK	Share capital	Other Contributed capital	Other equity Including profit/loss for the period	Total capital
Amount at start of year	3,113	51,134	-38,478	15,769
Conversion to shares	222	1,372		1,594
Repayment of shareholder contribution			-742	-742
Translation differences			-35	-35
Profit/loss for the period			- 12,712	-12,712
Amount at end of period	3,335	52,506	-51,932	3,874

Change in equity, Parent company

kSEK	Share capital	Other Contributed capital	Other equity Including profit/loss for the period	Total capital
Amount at start of year	3,113	30,645	-15,275	18,483
Conversions to shares	222	1,372		1,594
Appropriation of earnings		-15,275	15,275	
Profit/loss for the period			-13,363	-13,363
Amount at end of period	3,335	16,742	-13,363	6,714

Contact

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About Camanio Care

Camanio Care is a care tech company that develops innovative solutions for an excellent care at home with the individual in focus. Camanio Care offers digital service platforms for digital care, robotics, assistive devices and gamification, with products such as VITAL, BikeAround TM, Bestic® and Giraff TM. Through three focus areas; Activation, Mealtime and Digital Care, Camanio Care wishes to support people's basic needs and increase accessibility and quality within health care. Camanio Care has its headquarters in Stockholm, a US subsidiary, Camanio Care Inc., as well as distributors in Asia, The Middle East, Hong Kong, Australia and in ten European countries.

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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 November 15th 2018.

The interim annual report was approved for issue by the Board of Directors on November 15th 2018.