

ANNUAL REPORT
FOR THE FINANCIAL YEAR

2018



Brado AB
FRÖSUNDA OMSORG

ANNUAL REPORT FOR THE FINANCIAL YEAR

The Board of Directors and the CEO of Brado AB hereby submit the annual report for the period 2017-10-02 – 2018-12-31.

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All amounts, unless otherwise stated, are reported in thousands of SEK (SEK thousand).

Brado in brief

Frösunda Omsorg is one of the country's leading care companies with activities within *Personal Assistance*, *Disability*, *Elderly Care* and *Individual & Family*. We are controlled by the brothers Kristian and Roger Adolfsen from Norway who have more than 20 years of experience in the care industry. Our motivation is that people needing support and assistance will live better lives and find a natural place in society, a future where they get to influence and decide in their everyday lives. Frösunda Omsorg is a value-driven company that combines the Customer's Focus with co-operation. At the centre are our core values *respect*, *commitment* and *curiosity* which helps us to deliver individual quality care services.

OUR CONCEPT, THE CUSTOMER'S FOCUS

Frösunda Omsorg's overall care model is called the Customer's Focus. The model is based on how people process information and how it affects the ability to perceive the outside world and their own actions. Other crucial components are; knowledge about each individual customer, allowing the customer to define quality of life, and the salutogenic approach – meaning that we focus on promoting the healthy and well functioning.

With the Customer's Focus, Frösunda Omsorg wants to be a driving force in the development of new rules in the care industry, so that all people get a better and more independent life and an obvious place in society.

OUR BUSINESS AREAS

Personal Assistance

Frösunda Omsorg provides personal assistance to people with functional impairment. We have more than 900 customers who are located all over the country.



Disability

At present, we have around 900 customers in group homes, assisted living facilities, short-term accommodation, day-care facilities and schools. In addition, we provide services such as accompaniment and coaching. In total, Frösunda Omsorg operates over 100 activities from Vellinge in the south to Lycksele in the north.



Elderly Care

Frösunda Omsorg has been running special housing for the elderly since 2009, outsourced from local authorities or by building and operating housing on its own. Today, there are about 540 places in 10 residences around the country.



Individual & Family

Frösunda Omsorg provides evidence-based and quality assured care, attention and treatment that give long-term and stable solutions for vulnerable children, young people and adults. Reception and availability are decisive factors.



KRISTOFFER LORCK, CEO
OF FRÖSUNDA OMSORG



CEO comments

2018 was an eventful year for Frösunda Omsorg. We became a family-controlled business, with new owners with strong personal commitment and an emphasis on quality. We gained new management, which has initiated an extensive series of improvements. A strategy and change process was established, focusing on our quality management and employee involvement. In 2019 it is time to invest in development, growth and quality.

ON 6 MARCH 2018, FRÖSUNDA OMSORG GAINED A NEW OWNER in the form of the Swedish company Brado AB, owned by the Norwegian brothers Roger and Kristian Adolfsen.

The Adolfsen brothers have owned and operated care companies since 1997 and have systematically expanded their care business through start-ups and business acquisitions into a Group that now has more than 14,000 employees in several countries.

The acquisition marked an important milestone in Frösunda Omsorg's history and the beginning of the creation of a long-term stable, cost-effective and sustainable care company that has the strength to help municipalities manage future welfare challenges.

It is vital that, as a large care company, we respond to state policy needs and preferences and build closer relationships with politicians so we can contribute to solutions for the challenges facing society. Care needs will continue to grow as the percentage of elderly in the population rises and more people are affected by disabilities and psychosocial problems.

Many municipalities have a shortage of elderly care homes and group homes for people with disabilities. Numerous municipalities are also faced with difficult financial circumstances, which limits their margin for manoeuvre. As a private operator, we can play an important role in this regard and support municipalities in meeting their welfare mandate.

Society's growing care needs also pose a significant challenge in terms of recruitment and professional development. There is already a shortage of employees in virtually all areas of care, and this shortage is going to increase. This requires good working conditions, employee involvement and continual development at work. For Frösunda Omsorg, this means a renewed focus on employees, investment in leadership and in-house training within our *Frösundaakademin* training organisation and an emphasis on leadership and efficiency.

It is no secret that Frösunda Omsorg has had a number of challenges in recent years. These developments are reflected in our financial performance and earnings for 2018. Turnover decreased to SEK 1,891 million and operating income totalled SEK 6,4 million.

During 2018, the management and I put a lot of effort into addressing shortcomings and occasional misunderstandings in order to rebuild trust in our organisation. Trust is important in the care segment and Frösunda Omsorg aims to be a transparent, factually based and responsible company that is strong, secure and takes a long-term approach.

For example in Lomma, where we operate three separate elderly care units on behalf of the municipality, we have been conducting a successful improvement initiative

in cooperation with the municipality. And Sollentuna municipality lifted its previous block on placement in the Widaby elderly care unit following improvements and close dialogue with the municipality.

In 2018, we initiated a wide-ranging strategy and improvement initiative across all parts of the company to strengthen the organisation and develop a high-quality provider for the long term. Our aim remains to lead development of the care industry to ensure that everyone has a better life and a natural place in society, and a future in which customers have the opportunity to influence and decide in their lives. The concept of the Customer's Focus is key.

Frösunda Omsorg is and remains very much a value-driven company that combines the Customer's Focus with employee involvement. Based on this vision, we encourage employees to enthusiastically deliver care services of the highest quality.

And we continue to gauge customers' perceived quality of life as a measure of whether we are succeeding as a care provider, along with surveys of customers and relatives, and user questionnaires. These results are leading to enhancement of our concept, methods, employees and our professional development.

In the *Personal Assistance* business segment, which accounts for over half of the company's turnover, we have begun a phase of expansion so we can offer more people quality of life and a natural place in society. In a highly competitive market, we combine the strength and stability of a large company with a local presence close to our customers, an individualized customer service and communicative

leadership.

We build a team of care assistants around each customer and the way services are provided is governed by individual implementation plans. Our legal experts and central staffing assists our more than 900 customers in contact with the authorities and ensure that the right person is in the right place at the right time. Staffing, service and availability are the core values to ensure we can deliver an individually tailored care service for everyone, whatever their needs.

Giving people the right to make decisions about their own lives and delivering high quality of life are also key values in the *Disability* segment. Frösunda Omsorg runs over 100 operations from Vellinge in the south of Sweden to Lycksele in the north, and *Disability* is the Group's second largest segment, accounting for around 25 percent of the entire company's turnover.

Our organisation is centred around *Respect, Commitment* and *Curiosity*, providing the foundations from which we deliver individual services based on the Customer's Focus. Through the Customer's Focus, we aim to break away from the standard approach and to see each individu-

” Our aim remains to lead development of the care industry to ensure that everyone has a better life and a natural place in society, and a future in which customers have the opportunity to make decisions about their own lives.

”

al as an asset. Our quality management is a crucial factor in enhancing our work. By systematically collecting and evaluating information, we ensure Frösunda Omsorg is a quality provider of care services for the long term.

Elderly Care is one of Frösunda Omsorg's smaller segments. This segment started in 2009 and accounts for around 12 percent of the company's turnover. We currently operate 10 elderly care units with approximately 540 beds throughout Sweden.

We have a clear growth ambition within both full responsibility units and the contracting units. We consider prospects for the business area to be good. The latest housing market survey by the Swedish National Board of Housing, Building and Planning shows that 116 of Sweden's 290 municipalities have a shortage of places elderly care homes. In the survey, four out of ten municipalities say they will be unable to meet needs in the long term. And many municipalities are facing difficult financial circumstances. Frösunda can be a partner for municipalities and contribute to developing new solutions, models and future-proof technology.

Frösunda Omsorg founded the *Individual & Family* segment in 2011 and this activity currently accounts for a relatively small percentage of the company's total turnover. Market conditions have been challenging in recent years. Until late 2015, Frösunda received a large number of unaccompanied refugee children at residential care homes across Sweden. This segment was hit hard when politicians tightened the refugee policy.

For Frösunda Omsorg, this is an opportunity for a new start and a new direction. Change management efforts were intensified in 2018 and we are currently able to offer residential care homes, family homes, outpatient care and group homes for children, young people and adults. Our services include support, treatment and care based on diagnoses or social issues.

Now that the challenges of 2018 are behind us, we can concentrate fully on the new journey that Frösunda Omsorg has embarked on.

Frösunda Omsorg is fully controlled by Kristian and Roger Adolfsen, making us the only large care company in Sweden which is family owned. A long term, industrial and active owner offers a unique stability and visibility while also creating short decision paths. This enables us to continue investing in our customers and our employees.

We aim to create a stable Group for the future that not only delivers care services of the highest quality with personal commitment and respect, but that also helps solve society's future welfare challenges and gives our customers a natural place in society.

Finally, I'd like to thank all our employees for their work over the past year. You are the people that give our customers quality of life and allow us to develop even better care.

Kristoffer Lorck, CEO of Frösunda Omsorg, CEO of Brado



Business segment

Disability

ROOTED IN PERSONAL ASSISTANCE, it was natural for Frösunda Omsorg to decide to expand into a new segment; *Disability* in 2004. Currently, we have about 900 customers living in our group homes, assisted living facilities, short-term accommodation, daily activities centers. In addition, there are services such as accompaniment, schools and coaching.

In total, Frösunda Omsorg runs more than 100 units from Vellinge in the south to Lycksele in the north. *Disability* is the company's second largest segment and accounts for just under 30 percent of the company's total turnover.

The volumes make Frösunda Omsorg one of the largest and most versatile private players in *Disability* in the country.

Our customers are children, young people and adults with advanced and specialized care needs due to impairment of function. The operation is primarily focused on housing and daily activities, both within our full responsibility portfolio or contracted units. Additionally, we run three schools. All of our units are designed to provide high-quality and secure care.

At the centre of the business are our core values of *Respect*, *Commitment* and *Curiosity* in order to provide individual services according to our concept, *the Customer's Focus*. With the Customer's Focus, we want to break away from the standard approach to care practices and see each individual as an asset. A person should be able to decide for themselves how their life should be and what it should involve, even if the person lives in a group home. Everyone should have a natural place in society and the opportunity to create quality of life.

Our systematic quality management goes hand in hand with the Customer's Focus, where checks and follow-ups lead to constant enhancements that strengthen our service delivery. Quality management is a crucial factor for further development of our concept. Only through systematically collecting all the information and evaluating it, can we ensure that Frösunda Omsorg's care is of the highest possible quality.

The activities of the business segment are governed by care market laws and regulations, especially LSS, the School Act and SoL. These typically concern long-term efforts and support given by employees with upper secondary education. In order to expand and share our own knowledge, we have our own educational unit, *Frösundaaka-*

demin. All of Frösundas Omsorg's employees are able to obtain certification in our methods and in our concept.

Part of the strategy of Frösunda Omsorg is to establish collaboration between homes, so that competence may be shared between activities and to broaden our school and daily activities offer, among other things. This is done to give our customers maximum autonomy, a natural place in society and a high quality of life.

We are not content with only measuring how satisfied our customers are with the Satisfied Customer Index (NKI) or how loyal customers and related parties are with Net Promoter Score (NPS). To learn more about our customers, develop our concept, develop our methods and strengthen employee competence, we also measure the customers' subjective quality of life; that is, how they themselves perceive their life situation. The work we do is exciting and interesting, and we do it with the help of the Cantril ladder method, an internationally recognized model for measuring perceived quality of life.

In 2018, we also conducted a user survey developed by the Swedish Association of Local Authorities and Regions (SKL), which showed clear improvements and an overall strong result.

The market fundamentals within Disability are solid. Above all, mental illness in society is expected to increase. At the same time, competition for municipalities' care budgets is on the rise.

For Frösunda Omsorg, this development means a stronger focus on the construction of new homes under our own management, in a market where many municipalities have a shortage of places in group homes and insufficient activities for those who have impairments of function. For us, the Customer's Focus is the guiding principle. We want to give everyone a place in society.



KEY FIGURES:
Share of turnover: 29%
Number of customers: 882

Business segment

Individual & Family

THE OBJECTIVE OF INDIVIDUAL & FAMILY is to support and strengthen people so that they can manage their everyday lives better and ultimately will be able to live completely independent lives. Frösunda Omsorg founded *Individual & Family Care* in 2011 and this segment currently accounts for a relatively small percentage of the company's total turnover.

Market conditions have been challenging in recent years. Until late 2015, Frösunda received a large number of unaccompanied child refugees at residential care homes across Sweden. This segment was hit hard when politicians tightened the refugee policy.

For Frösunda Omsorg, this development created an opportunity to restart and provide a new direction for the company. Change management efforts intensified in 2018 and we are currently able to offer residential care homes and family care for children, young people and adults who show incipient abuse or full-scale abuse. Our services include support, treatment and care.

For a long time, great focus has been on revising our property portfolio and renovating the properties that show the greatest potential. This is accompanied by intense work in method development and the establishment of the concept the Customer's Focus.

At the centre of the business are our values of *Respect*, *Commitment* and *Curiosity* in order to be able to provide individual services according to the Customer's Focus. By focusing on the customer, we want to break away from the standard approach to care practices and see each individual as an asset. A person should be able to decide for themselves how their life should be and what it should involve. Everyone should have a natural place in society and the opportunity to create quality of life.

Our systematic quality management goes hand in hand with the Customer's Focus, where checks and follow-ups lead to constant enhancements that strengthen our service delivery. Quality management is a crucial factor for further development of our concept. Only through systematically collecting all the information and evaluating it, can we ensure that Frösunda Omsorg delivers the highest possible quality.

Frösunda Omsorg provides evidence-based and quality-assured care, support and treatment. We always work hard to find long-term and stable solutions for vulnerable

children, young people and adults. Good treatment and high accessibility are crucial factors, and we place great emphasis on letting our customers participate and decide, influence and feel involved, in order to create trust, confidence, and respect.

Within *Individual & Family*, our clients are primarily the municipal Social Services and the goal is always that customers will be able to lead an independent life and in the future take responsibility for school, jobs, housing, finances, family and relationships.

In order to handle emergency placement needs, we have a placement hotline that can be reached 24/7. The hotline is staffed with knowledgeable and service-oriented placement coordinators who are able to quickly assist the Social Services with adequate, stable and long-term solutions to current situations.

A rapidly growing segment within individual and family care is foster care, which means that children and young people can get away from difficult life conditions characterized by addiction, crime or neuropsychiatric problems and have a safe and caring life in another family. Frösunda Omsorg offers consultant-supported family care that work with evidence-based methods based on research. All our family care homes are investigated and quality-assured in collaboration with municipal social services, and the family care homes have access to supervision and support 24/7.

Despite challenging market conditions and major changes in the segment, Frösunda Omsorg consider the future prospects for *Individual & Family* to be solid. Mental illness and drug abuse are growing phenomena in society, and more people will need support and help.



KEY FIGURES:
Share of turnover: 4%
Number of customers: 80

Business segment

Personal Assistance

PERSONAL ASSISTANCE constitutes the very foundation of Frösunda Omsorg. The company was established in 1994, the same year as the Law regulating Support and Service to Persons with Certain Functional Disabilities (LSS) became reality.

Today, 25 years later, the idea that people with impairment of function should have a natural place in society and live independent lives is an equally strong driving force as it was then. At Frösunda, the customers are the ones who decide over their day-to-day lives, and *Personal Assistance* is the largest business segment at Frösunda Omsorg. Nowadays, approximately 15,000 individuals receive assistance allowances, and seven out of ten choose private companies or cooperatives as organizers.

In the personal assistance market, Frösunda Omsorg combines the strength and stability of a large company with a local presence, an individualized customer service and communicative leadership.

Our customers have a team of assistants around them and individual implementation plans govern how the services are carried out. Our legal experts and our central staffing function support more than 900 customers in their contact with the authorities and ensure that the right person is in the right place at the right time. Staffing, customer service and availability are the core values of our employees to ensure that we can deliver an individually tailored assistance service for everyone, whatever their needs.

In 2018, growth was an important focal point for Frösunda Omsorg *Personal Assistance*. Another focal point was to become an even more attractive employer. And in a market climate characterized by fierce competition from small and medium-sized companies in local markets, our work with customer satisfaction and strengthened quality in social documentation came to fruition.

We see clear improvements in our customer surveys with higher results in both the Satisfied-Customer Index (NKI) and Net Promoter Score (NPS). Our existing customers are increasingly more satisfied and more and more people are choosing to recommend Frösunda to new customers. Many customers have also chosen to become ambassadors to help spread their experience with our business.

Continuous quality improvements are crucial for our success, and during the year we reached all of our set qual-

ity goals. But we are not content with this, and continue to systematically strengthen our business in accordance with our model for continuous improvement.

During the autumn, we started a targeted campaign to make our assistance services more visible to more people. The campaign has produced clear positive effects, in the form of more new customer inquiries, more newly signed customers, as well as more people who return to us after having spent some time with another assistance provider.

In a company where people work with people, the crucial resource is our employees, those who get the job done. 2018 was an important employee year. We improved our training for new personal assistants, increased our investments in employee wellness and expanded our employee offers.

In order to strengthen the corporate culture, an internal cultural project was started as a further development of our leadership philosophy of a close and communicative leadership based on clarity, feedback and action.

2018 was also a year of challenges.

The political debate about the future of personal assistance and the Social Insurance Agency's cost development for the service has calmed down a bit after the election last autumn. But still, there are many people with impairment of function who will experience withdrawal of their assistance.

In many cases, costs are shifted onto the municipalities, as they have to take over when the Social Insurance Agency lowers the number of granted hours

or withdraws assistance completely. The municipalities normally grant considerably fewer hours.

The result of the changes means that the assistance market as a whole has shrunk considerably in recent years. But what is worse is the risk of the development leading to a deterioration in the quality of life for individuals with impairment of function in Sweden.



KEY FIGURES

Share of turnover: 55%
Number of customers: 916

Business segment

Elderly Care

THE PROPORTION OF ELDERLY IN THE POPULATION is already increasing at a rapid pace, and according to the Swedish Municipalities and County Council (SKL), the proportion will grow even faster starting in 2022.

At the same time, the housing market survey by the Swedish National Board of Housing, Building and Planning shows that 116 of Sweden's 290 municipalities have a shortage of places in elderly care homes. In the survey, four out of ten municipalities say they will be unable to meet needs in the long term.

According to the Ministry of Finance's calculations from the summer of 2018, as many as 700 new retirement homes may be needed to cope with the increase of elderly residents up until the year 2026.

Managing the rapid increase in the number of elderly residents is one of society's major challenges. And it is one of the driving forces behind Frösunda Omsorg's growth ambitions in the elderly care business segment.

Frösunda Omsorg has been running elderly care units since 2009 – both full responsibility units and contracted. We operate 10 units with about 540 beds throughout the country.

2018 has been characterized by emphasis on higher customer satisfaction and our concept, the Customer's Focus. We want to break away from the standard approach to care practices and see each individual as an asset. A person should be able to decide for themselves how their life should be and what it should involve, even if the person lives in a retirement home.

Everyone should have a natural place in society and the opportunity to create quality of life.

Our systematic quality management goes hand in hand with the Customer's Focus, where checks and follow-ups lead to constant improvements that strengthen our service delivery.

In the segment, we also see a continued need for improvement in order to really attain the trust of our customers, related parties and commissioning municipalities for our business. In 2018, the media, among others, brought attention to us because we did not deliver as expected in, among other places, Lomma municipality, where we run three elderly care homes on behalf of the municipality; and in Sollentuna, where the municipality had considerations regarding our full responsibility unit Widaby.

In Lomma, we quickly established a comprehensive action plan to address the question of quality, and we now see clear signs of improvement.

In Sollentuna, the improvement work has led to us fulfilling all the requirements of the municipality's thorough follow-ups. The trust is regained and the municipality is now placing elderly people with us again.

Within our full responsibility units, we started two new projects last year. In Gävle, groundwork has been started for a completely new elderly care unit in the area around the ice hockey arena Gavlerinken. In Sölvesborg, a new elderly care unit is being planned next to the beautiful Ljunga bay.

Frösunda's new generation of care- and support homes are imbued with future thinking. The design is based on extensive knowledge and understanding of customers with

cognitive impairments and new digital technology. The content focuses on adequate treatment and stimulation along with a function-preserving approach. We create a homely environment where customers decide over their own lives.

Elderly care is still one of Frösunda Omsorg's smaller segments, accounting for around 13 percent of the entire company's turnover. But the prospects for the segment are considered good. Demand for services will continue to increase along with the number of elderly people.

This does not mean that challenges do not exist. The increasing need for elderly care services, large retirement

numbers among existing employees and a lack of younger people who want to work in the care industry mean that new methods must be developed, our concept refined and that welfare technology should play a heavier role in care activities.

To manage this, it is required that the company is a long-term quality supplier of elderly care and ready to give people good quality of life.



KEY FIGURES

Share of turnover: 13%
Number of customers: 488

Corporate Governance Report

Brado AB

Brado AB (publ) is a Swedish public limited company with corporate identity number 559127-5176, whose loan bonds are listed on NASDAQ OMX Stockholm's bond market. Brado is based in Tanum municipality and headquarters are at Råsundavägen 18, 169 27 Solna.

Brado was established in October 2017 and is controlled via companies owned by Kristian Adolfsen (50%) and Roger Adolfsen (50%). The company acquired 100 percent of the shares in Frösunda Holdco AB with subsidiaries on 6 March 2018, please find additional information related to any indirect holding in Note 22. Frösunda Holdco with subsidiaries has been consolidated since that date. Operations are conducted in four business segments; *Personal Assistance, Disability, Individual & Family* and *Elderly Care*, under the name Frösunda Omsorg.

Brado's bonds were listed on NASDAQ OMX Stockholm on 26 November, 2018. One bond is senior and of the amount SEK 600 million, one is junior and of the amount SEK 150 million. Both bonds have variable interest rates and mature in 2023. Bondholders consist of institutional investors.

CORPORATE GOVERNANCE

A high level of corporate governance is crucial for Brado. The aim of corporate governance is to establish a framework of rules, areas of responsibility, processes and routines that protect the interests of owners, bondholders, customers, employees and other stakeholders by minimizing risks and creating good conditions for the business operations.

Brado's corporate governance is based on current external regulations such as the Swedish Companies Act, the Swedish Annual Accounts Act and NASDAQ OMX Stockholm's rules for bond issuers. Brado does not follow the Swedish Code of Corporate Governance since Brado's shares are not listed.

Internal regulations include the rules of procedure adopted by Brado's Board, which describe the forms of the Board's work and how reports to the Board of Directors are

to be drawn up. The Board has also decided on a CEO's instruction that describes the division of responsibility between the Board and the CEO. The Board is responsible for the company's organization and administration, and the CEO is responsible for the day-to-day management in accordance with the Swedish Companies Act and the Board of Director's instructions.

The Board of Directors works according to an agenda for each Board meeting, which is decided by consulting the Chairman of the Board and the CEO. The CEO is responsible for continuously keeping the Board informed of Brado's development. The Board members regularly visit Brado's operations within the Frösunda Omsorg Group to create a good insight into the business and to meet with leaders and employees.

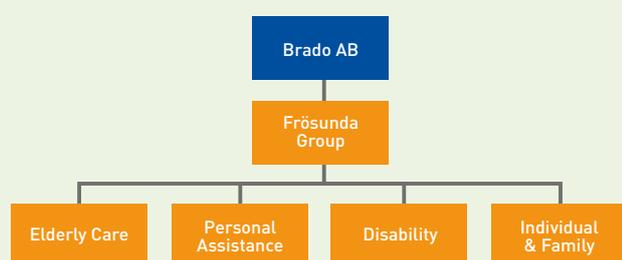
The Board of Directors is the audit committee whose main task is to monitor the company's financial position, the effectiveness of the company's internal control, internal audit and risk management in order to stay informed about the audit of the annual report, and to review and monitor the auditor's impartiality and independence. Responsibility for the internal activity-specific control in the daily operations lies with the CEO.

Brado's management team continuously identifies and evaluates the risks that arise in the company's operations and assesses how they can be managed. Brado's management annually carries out a risk assessment of strategic, operational and financial risks and presents the assessment to the Board. The CEO is responsible for the presentation, and the management's risk assessment is reviewed by the CFO before being presented to the Audit Committee and the Board.

Within Frösunda Omsorg there is a well-established controlling function that identifies risks and ensures a correct and reliable financial reporting.

NUMBER OF SHARES AND OWNERS

The number of shares in Brado AB amounted to 5,000 on 31 December. Each share corresponds to one vote at the Annual General Meeting and to equal share of the company's assets and earnings. The shares are wholly owned by Abros Invest AB, which in turn is controlled indirectly via companies owned, by Roger Adolfsen and Kristian Adolfsen. The Annual General Meeting has not decided on any authorization to issue new shares or acquire own shares during the year.



ANNUAL GENERAL MEETING

The Annual General Meeting is Brado's highest decision-making entity. All shareholders have the right to participate at the General Meeting with one vote per share.

The Annual General Meeting, the AGM, must be held within six months from the closing of the financial year. Under certain circumstances, the Board may convene an extraordinary general meeting. The same applies if the company's auditor requires that an extraordinary meeting is to be held.

The Annual General Meeting resolves, among other things, on the Articles of Association and deals with the election of the Board of Directors, the Chairman of the Board and the auditor. The Annual General Meeting also establishes the income statement and balance sheet, takes decisions on the allocation of profits and decides on discharge of the Board and the CEO from being held liable.

An Extraordinary General Meeting was held in 2018 on 18 September, when the election of the auditor was conducted. The company's first financial year has been extended from 2 October, 2017 to 31 December, 2018. The first Annual General Meeting will be held in the spring of 2019.

THE BOARD

The Board is the company's highest decision-making body after the Annual General Meeting and has the ultimate responsibility for Brado's organization and management and control of the company's financial conditions. The Board of Directors shall, among other things, appoint, evaluate and, if necessary, dismiss the CEO and ensure that there are systems for monitoring and controlling the operations, taking into account the risks to which Brado is exposed.

The Board shall also ensure that there are controls that ensure that Brado complies with laws and rules that are relevant to the company's operations and to approve internal governing documents that contribute to such compliance.

According to Brado's Articles of Association, the Board of Directors must consist of at least 3 and a maximum of 10 members. The Board of Directors are elected annually at the Annual General Meeting until the next year's Annual General Meeting. An extraordinary general meeting is required in order to vacate a Board member during the year, or to change the Board in any other way.

None of the Board members are employed by Brado. Brado's Board has since the autumn of 2017 consisted of three Board members. At Board meetings, the CEO and Chief Financial Officer participate as rapporteur and, if necessary, other leaders and employees.

The Board of Directors has decided that the Board is the Audit Committee.

Brado has no other Committees, to address specific matters.

THE BOARD'S RULES OF PROCEDURES

The Board has established rules of procedure with regulations on how the work is divided between the Board members and the Chairman of the Board, and a plan for the matters that the Board shall deal with. The rules of procedure are adopted annually.

THE BOARD'S WORK DURING 2018

The Board has had five meetings in 2018. The agenda for Board meetings has been approved in advance by the Chairman of the Board and is sent together with relevant documentation to all Board members well in advance of each Board meeting. Brado's auditors participate in Board meetings in connection with auditing.

The Board deals with issues concerning the company's development in areas such as quality, finance, risk management, internal control, customers, growth and employees. The Board also decides on significant investments and acquisitions, financing and other matters that the Board deems to be outside the scope of the CEO's responsibilities.

During each autumn, the Board of Directors sets the budget for the coming years. In 2018, the Board also decided on the appointment of a new CEO.

BOARD COMPOSITION AND ATTENDANCE 2018

| Name | Titel | Owner | Board meetings |
|-------------------|----------|------------|----------------|
| Roger Adolfsen | Chairman | Yes (50%)* | 5/5 |
| Kristian Adolfsen | Member | Yes (50%)* | 5/5 |
| Carl Lindstrand | Member | No | 5/5 |

* Indirectly through other companies.

THE CHAIRMAN OF THE BOARD

The Chairman of the Board leads the work of the Board, organizes the work and monitors that decisions are implemented. The Chairman continuously monitors the business through regular contact with the CEO and is responsible for ensuring that all Board members receive the information and documentation they need.

BOARD EVALUATION

The Board continuously evaluates the CEO's work and conducts an annual evaluation of the Board of Directors where all members evaluate the Board's work during the year. The Board evaluation includes areas such as the composition of the Board, reporting, governance and working methods. The evaluation is presented and discussed at a separate Board meeting.

AUDITOR

At the extraordinary general meeting in 2018, PricewaterhouseCoopers AB (PwC) was elected Brado's auditor for a term of one year, with Martin Johansson as lead auditor.

Management Report

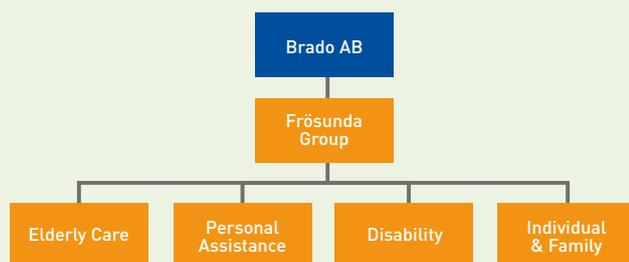
OWNERSHIP

Brado AB is owned by Abros Invest AB, corporate identity number 559127-5127, with its registered office in Tanumshede.

INFORMATION ABOUT THE BUSINESS

Brado AB was established in October 2017 and is controlled by Kristian Adolfsen (50%) and Roger Adolfsen (50%). The company acquired 100% of the shares in Frösunda Holdco AB and its subsidiaries as per 6 March 2018. Frösunda and its subsidiaries are consolidated as from that date.

Frösunda is a leading Swedish provider of care services and consists of a number of companies, where operations are conducted within four segments; *Personal Assistance*, *Disability*, *Individual & Family* and *Elderly Care*. The below structure offers an overview of the Group and its segments but shall not be regarded as a legal structure. The business is conducted under the brand name Frösunda Omsorg AB.



The Group's vision is to be a driving force to break away from standard approach within the care industry, so that all people get a better life and a natural place in society. We see a future where the customers are given the opportunity to decide for themselves and determine what is an independent life with good living conditions, in accordance with the law's intention on influence, co-determination and adaptation to individual needs.

A future where caregivers compete to offer the best services designed and executed as the customer desires, so that the resources are used for the right things and in the right way. In short: a care where the overriding principle is customer satisfaction.

DEVELOPMENT OF THE COMPANY'S OPERATIONS, RESULTS AND POSITION

Frösunda Omsorg AB has a commissionary agreement with all Group entities but for the Parent Company, Frösunda Bidco AB, Frösunda Holdco AB, Frösunda Group AB and Frösunda Omsorg Arbetsmarknad AB the agreement results in a transfer of profit or loss from Group entities to Frösunda Omsorg where taxation is carried out.

NET SALES, PROFIT AFTER FINANCIAL ITEMS AND KEY FIGURES – FINANCIAL OVERVIEW

| Group overview (SEK million) | 2018-12-31 |
|---------------------------------|------------|
| Net Sales | 1 891 |
| Profit before income tax (EBT) | 129 |
| Total assets | 1 597 |
| Equity/Asset ratio | 21.6% |
| Average no of employees | 3 560 |
| Parent overview (SEK million) | 2018-12-31 |
| Net Sales | 0 |
| Loss before income tax (EBT) | -17 |
| Total assets | 1 089 |
| Equity/Asset ratio | 17.0% |
| Average no of employees | 0 |

Key definitions Equity/assets ratio: adjusted equity as a percentage of total assets.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On March 6, 2018, HG Capital, through its company Frösunda Luxco S.a.r.l, sold 100 percent of the shares in Frösunda Holdco AB to Brado AB with registration office in Västra Götalands Län, Tanum municipality. As of that date, Brado AB became the Parent Company of the largest Group that Frösunda Omsorg AB is a subsidiary of and to which consolidated accounts will be performed. The acquisition was financed partly by bond loans, and partly by acquisition loans and also own liquid funds.

Our quality work has continued and amplified during the year. The activities will ensure that we continue our conceptual work with the *Customer's Focus* with continuous work which include self-monitoring, collegial control and quality advice. The Quality Department, as one of the most important activities in 2018, has performed a quality review of all social documentation for *Individual & Family*, *Disability* and *Elderly Care*. In addition, the Quality Department carries out systematic follow-up reviews and Group-wide analysis of goal fulfillment and whether they have led to increased quality – thus increasing customer satisfaction, contractual compliance and regulatory compliance.

During 2018, a number of customer surveys have been carried out, among other things, the measurements continue with an evidence-based method (Perma Score) to

measure the customer's perceived quality of life. It is one of Frösunda's contributions to a new customer-standard for the care industry. By measuring customer satisfaction and also including relatives, Frösunda measures also the interest for this group.

The Group's ambition is to have the market's proudest and most committed employees. Our aim since we started the change process is that this is a natural consequence from the work with *the Customer's Focus*.

SUSTAINABILITY REPORT

In accordance with the Swedish Annual Accounts Act, Chapter 6, section 11, Brado has chosen to prepare the sustainability as a report separate from the annual report. The sustainability report has been submitted to the auditor at the same time as the annual report.

THE BOARD'S WORK

In 2018, the Board of Directors of Brado held 5 Board meetings.

EXPECTED FUTURE DEVELOPMENT AND SIGNIFICANT RISKS AND UNCERTAINTIES

The conditions for the company's operations are judged to be good, in terms of organic growth.

Frösunda's focus area for growth is within the *Elderly Care* segment, both through own responsibility units and operational units.

There are strong underlying trends within the elderly care segment that indicate increased needs for care services. The increase is mainly driven by an increased proportion of elderly people, which means increased capacity requirements. Demographic forecasts up to 2030 show that the elderly proportion will amount to about 25 percent of the population.

The private care providers within the personal assistance segment continue to increase their market share and now account for just over 69 percent. For other segments in health and care, the private share is around 10–20 percent, which must be considered very low. No other industry has such a low proportion of private operators.

Frösunda conducts care business that are regulated through political decisions. The dominant part of the business is regulated by LSS. It is a law of rights, unlike, for example, the Health and Medical Services Act and The Social Services Act, which limits the risk of short-term political savings decisions.

In 2009, the Act on Elective Freedom Systems (LOV) was introduced as a supplement to the Public Procurement Act (LOV). This law enables management within the

healthcare sector to offer health and care so that those in need of such care can choose the provider they see best suited. The provided must ensure that they meet the required quality requirements and are thus accredited by the current principal.

PROPOSED ALLOCATION OF EARNINGS (SEK)

AT THE DISPOSAL OF THE ANNUAL GENERAL MEETING, THE FOLLOWING MEANS OF FINANCING ARE AVAILABLE:

| | |
|------------------------------|--------------------|
| Retained earnings | 202 200 000 |
| Net profit loss for the year | -16 971 073 |
| SEK | 185 228 927 |

THE BOARD OF DIRECTORS PROPOSES THAT THE MEANS OF PROFIT BE ALLOCATED SO THAT:

| | |
|-----------------------------|--------------------|
| Transferred to new accounts | 185 228 927 |
| SEK | 185 228 927 |

FINANCIAL RISKS

See Note 3 for information on financial risks.

Regarding the Group's and the Parent Company's earnings and financial position in general, reference is made to the following income statement and balance sheet with accompanying notes.

Group

THE GROUP'S CONSOLIDATED INCOME STATEMENT (SEK THOUSAND)

| | Note | 2018-03-06 – 2018-12-31 |
|--|-------|-------------------------|
| <i>Operating income</i> | | |
| Revenue | 5 | 1 891 306 |
| Other operating income | 6 | 23 311 |
| Total operating revenue | | 1 914 617 |
| <i>Operating Expenses</i> | | |
| Cost of Goods Sold | | -58 563 |
| Other external expenses | 7,8 | -200 698 |
| Personnel costs | 9 | -1 635 757 |
| Depreciations material and intangible fixed assets | 15–19 | -12 504 |
| Other operating expenses | 10 | -732 |
| Total Operating Expenses | | -1 908 254 |
| Operating profit (EBIT) | | 6 363 |
| <i>Profit & Loss from financial items</i> | | |
| Finance income | 11 | 168 561 |
| Finance expenses | 12 | -45 497 |
| Total Financial items | | 123 064 |
| Profit/Loss before income tax (EBT) | | 129 427 |
| Income Tax | 14 | 15 811 |
| Net Profit for the Year | | 145 238 |
| Total Comprehensive Income for the Year | | 145 238 |
| Profit for the Year Attributable to the Parent Company's shareholders | | 145 238 |
| Total Profit for the Year Attributable to the Parent Company's Shareholders | | 145 238 |

GROUP STATEMENT OF FINANCIAL POSITION (SEK THOUSAND)

| | Note | 2018-12-31 |
|--|------|------------------|
| Assets | | |
| Non-Current Assets | | |
| <i>Intangible Fixed Assets</i> | | |
| Other intangible assets | 15 | 12 348 |
| Goodwill | 16 | 1 074 581 |
| Total Intangible Fixed Assets | | 1 086 929 |
| <i>Tangible Assets</i> | | |
| Land and buildings | 17 | 42 889 |
| Improvement leasehold | 18 | 18 477 |
| Equipment, tools, fixtures and fittings | 19 | 17 573 |
| Total Property, Plant & Equipment | | 78 939 |
| Income tax receivable | 29 | 1 073 |
| Total Non-Current Assets | | 1 166 941 |
| Current Assets | | |
| <i>Current Receivables</i> | | |
| Accounts receivables | 23 | 288 490 |
| Other receivables | 24 | 13 268 |
| Receivables from related parties | 21 | 205 |
| Prepaid expenses and accrued income | 25 | 40 571 |
| Cash and cash equivalents | 26 | 87 725 |
| Total Current Assets | | 430 259 |
| TOTAL ASSETS | | 1 597 199 |

GROUP STATEMENT OF FINANCIAL POSITION (SEK THOUSAND)

| | Note | 2018-12-31 |
|--|-------|------------------|
| Equity and liabilities | | |
| Share capital | 27 | 500 |
| Retained earnings including current year's profit | | 344 961 |
| Total Equity Attributable to owners of the parent | | 345 461 |
| Long-Term Liabilities | | |
| Bond loans | 28 | 739 064 |
| Deferred tax liability | 29 | 5 918 |
| Other non-current liabilities | | 161 508 |
| Total Long-Term Liabilities | | 906 490 |
| Current Liabilities | | |
| Accounts payables | | 39 751 |
| Other current liabilities | 28.30 | 115 648 |
| Accrued expenses and prepaid income | 31 | 189 849 |
| Total Current Liabilities | | 345 248 |
| TOTAL EQUITY AND LIABILITIES | | 1 597 199 |

GROUP STATEMENT ON CHANGES IN EQUITY (SEK THOUSAND)

| | Share capital | Other restricted equity | Other reserves | Retained earnings | Total equity to holders of the parent |
|--|---------------|-------------------------|----------------|-------------------|---------------------------------------|
| Opening Balance as at 6 March 2018 | 500 | 0 | 0 | 199 722 | 200 222 |
| Profit/Loss for the period | | | | 145 238 | 145 238 |
| Total Comprehensive Income for the period | | | | 344 961 | 345 461 |
| Shareholders Contribution | | 0 | | | |
| Total transactions with Company owners | | 0 | - | | 0 |
| Closing balance as at 31 December 2018 | 500 | 0 | 0 | 344 961 | 345 461 |

THE GROUP'S CONSOLIDATED CASH FLOW STATEMENT (SEK THOUSAND)

| | Note | 2018-03-06 -2018-12-31 |
|--|-------|---------------------------|
| Cash Flow from Operating Activities | | |
| Operating Result | | 6 363 |
| Adjustment for items not included in Cash Flow | 34 | -417 612 |
| | | -411 249 |
| Financial items, paid net | | 123 064 |
| Taxes Paid | | 704 |
| Cash flow from operating activities before changes in working capital | | -287 481 |
| Changes in net working capital | | |
| Changes in short-term receivables and other short-term receivables | | 71 585 |
| Changes in short-term liabilities | | 40 320 |
| Net cash flow from operating activities | | -175 576 |
| <i>Cash flow from investing activities</i> | | |
| Investments in intangible assets | 15 | -6 287 |
| Investments in tangible fixed assets | 17-19 | -5 090 |
| Divestments of tangible fixed assets | | 33 |
| Divestments of financial fixed assets | 20 | 188 |
| Cash flow from investment activities | | -11 156 |
| <i>Cash flow from financing activities</i> | | |
| Issuance of interest-bearing debt | 36 | 900 572 |
| Repayment of interest-bearing debt | | -506 546 |
| Net cash flow from investing and financing activities | | 394 026 |
| Net change in cash and cash equivalents | | 207 294 |
| Cash and cash equivalents at the beginning of the year | | -119 569 |
| Cash and equivalents at year end | | 87 725 |

Parent Company

INCOME STATEMENT FOR THE PARENT COMPANY (SEK THOUSAND)

| | Note | 2017-10-02 -2018-12-31 |
|---|------|---------------------------|
| <i>Operating income</i> | | |
| Revenue | 5 | 0 |
| Other operating income | 6 | 0 |
| Total operating revenue | | 0 |
| <i>Operating Expenses</i> | | |
| Other operating expenses | 10 | -16 724 |
| Total Operating Expenses | | -16 724 |
| <i>Profit & Loss from financial items</i> | | |
| Finance income | 11 | 41 257 |
| Finance expenses | 12 | -41 504 |
| Total Financial items | | -247 |
| Profit/Loss before income tax (EBT) | | -16 971 |
| Income tax | 14 | |
| Loss for the period | | -16 971 |

THE PARENT COMPANY'S COMPREHENSIVE INCOME FOR THE YEAR

| | 2017-10-02 -2018-12-31 |
|--|---------------------------|
| Loss for the period | -16 971 |
| Other comprehensive Income | - |
| Total Comprehensive Income for the Year | -16 971 |

PARENT COMPANY'S STATEMENT OF FINANCIAL POSITION (SEK THOUSAND)

| | Note | 2018-12-31 |
|-------------------------------------|------|------------------|
| Assets | | |
| <i>Financial Assets</i> | | |
| Shares in subsidiaries | 22 | 462 235 |
| Loans to group companies | | 586 366 |
| Total Financial Assets | | 1 048 601 |
| Total Fixed Assets | | 1 048 601 |
| Current Assets | | |
| <i>Short-term Receivables</i> | | |
| Receivables to Group Companies | 21 | 12 942 |
| Total Short-Term Receivables | | 12 942 |
| <i>Cash and Cash Equivalents</i> | 26 | 27 947 |
| Total current assets | | 40 889 |
| TOTAL ASSETS | | 1 089 490 |

PARENT COMPANY'S STATEMENT OF FINANCIAL POSITION (SEK THOUSAND)

| | Note | 2018-12-31 |
|--|------|------------------|
| Equity and liabilities | | |
| Equity | 27 | |
| <i>Restricted Equity</i> | | |
| Share capital | | 500 |
| Total restricted equity | | 202 500 |
| <i>Unrestricted Equity</i> | | |
| Retained earnings | | 202 200 |
| Loss for the period | | -16 971 |
| Total unrestricted equity | | 185 229 |
| Equity attributable to owners of the parent | | 185 729 |
| Non-Current Liabilities | | |
| Bond loans | 28 | 739 064 |
| Other non-current liabilities | 28 | 161 507 |
| Total non-current liabilities | | 900 571 |
| Current Liabilities | | |
| Other current liabilities | 30 | 3 190 |
| Total Current Liabilities | | 3 190 |
| TOTAL EQUITY AND LIABILITIES | | 1 089 490 |

PARENT COMPANY'S STATEMENT ON CHANGES IN EQUITY (SEK THOUSAND)

| | Share Capital | Other Restricted Equity | Other Reserves | Retained Earnings | Total Equity to the holders of the Parent |
|--|---------------|-------------------------|----------------|-------------------|---|
| Subscription | 500 | 0 | 0 | 0 | 500 |
| Loss for the period | | | | -16 971 | -16 971 |
| Total Comprehensive Income for the period | | | | -16 971 | -16 471 |
| Shareholders Contribution | 0 | 0 | | 202 200 | 202 200 |
| Total transactions with Company owners | 0 | 0 | - | 202 200 | 202 200 |
| Closing balance as at 31 December 2018 | 500 | 0 | 0 | 185 229 | 185 729 |

PARENT COMPANY'S CASH FLOW (SEK THOUSAND)

| | Note | 2017-10-02 -2018-12-31 |
|--|------|---------------------------|
| Cash Flow from Operating Activities | | |
| Operating Result | | -16 724 |
| Adjustment for items not included in Cash Flow | | 0 |
| | | -16 724 |
| Financial items, paid net | | -247 |
| Taxes Paid | | 0 |
| Cash flow from operating activities before changes in working capital | | -16 471 |
| Changes in net working capital | | |
| Changes in short-term receivables and other short-term receivables | | -12 942 |
| Changes in short-term liabilities | | 3 190 |
| Net cash flow from operating activities | | -26 723 |
| <i>Cash flow from investing activities</i> | | |
| Investments in financial fixed assets | 22 | -462 235 |
| Cash flow from investing activities | | -462 235 |
| <i>Cash flow from financing activities</i> | | |
| Shareholders contribution | | 202 700 |
| Issuance of interest-bearing bond loans | | 739 064 |
| Increase other long-term debt | | 161 507 |
| Increased long-term lending to Group companies | | -586 366 |
| Net cash flow from investing and financing activities | | 516 905 |
| Net change in cash and cash equivalents | | 27 947 |
| Cash and cash equivalents at the beginning of the year | | 0 |
| Cash and equivalents at year end | | 27 947 |



Supplementary Disclosure

NOTE 1 GENERAL INFORMATION

Brado AB and its subsidiaries' (the Group) mission is to create quality of life for people in need of special care services. Brado AB is through its subsidiaries – Frösunda Group – providing services within areas such as elderly care, housing, personal assistance, day-care and schools.

The Parent Company is a limited liability company registered in Sweden and based in Tanumshede.

The address to the head office is c/o Norlandia Fastigheter AB, Affärsvägen 3, 457 30 Tanumshede.

On April 30, 2019, the Board of Directors has approved this consolidated financial statements for publication.

NOTE 2 SUMMARY OF IMPORTANT ACCOUNTING PRINCIPLES

The most important accounting principles applied when this consolidated financial statement has been prepared are set out below

The Parent Company's accounting principles follows the Group's unless otherwise stated.

The differences that exist are listed at the end of this note.

All amounts in the following notes are in thousands of SEK (SEK thousand).

REASON FOR THE PREPARATION OF THE REPORTS

The consolidated accounts for Brado AB have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Group Accounting, as well as International Financial Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. It has been prepared according to the acquisition cost method when the Group has no assets or liabilities where fair value accounting is required.

Preparing reports in accordance with IFRS requires the use of some important assumptions for accounting purposes.

Furthermore, management must make certain assessments when applying the Group's accounting principles. Those areas that include a high degree of assessment, which are complex, or such areas where assumptions and estimates are of significant importance for the consolidated financial statements, these are set out in Note 4.

New and amended standards applied by the Group

A number of new standards and interpretations have been implemented during the financial year (IFRS 9 and IFRS 15).

In addition, new regulations regarding accounting for leasing costs, IFRS 16 will be applied from 1 January 2019.

New standards 2018

A number of new standards and interpretations have been

implemented during the financial year (IFRS 9 and IFRS 15). None of these standards has had a significant impact on the Group's finance reports, with the exception for the valuation effects of the Group's accounts receivable. Effects seen are mainly due to increased disclosure requirements, which are seen in the related notes.

- **IFRS 9**

"Financial Instruments" handles the classifications, valuation, and accounting of financial assets and liabilities and introduces new rules for hedge accounting. The new accounting regulation replaces IAS 39 Financial Instruments and is applied from 1 January 2018. The new rules entail a change in the classification and valuation of financial instruments and introduce a new impairment model based on expected losses instead of incurred losses. Our assessment is that the implementation of the new standard, has only had a material impact in regards to the Group's valuation of account receivables. When assessing the valuation of the Group's accounts receivable, the expected loss from such valuation as of 31 December 2018 is SEK 8,580 thousand. For more details see also Note 23 and Note 35.

- **IFRS 15**

"Revenue from contracts with customers". The new rule was implemented 1 January 2018 and the Group is consistently applying the new sets of rules for revenue accounting. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 is based on the principle that revenue is reported when the customer has gained control of the sold goods or services – a principle that replaces the former principle, where revenue was recognized when risks and benefits had been transferred to the buyer. Our assessment is that this new accounting regulation has not had any material effect on the revenue recognition within the Group. The impact that is foreseen is primarily related to expanded information requirements in regards to revenue recognition. Consistent with these increased disclosure requirements, further details can be found in this note under the heading "revenue recognition" and also Note 5.

Standards that have not yet been applied by the Group

- **IFRS 16 Leases**

In January 2016, IASB published a new leasing standard that will replace IAS 17 Leases and related interpretations IFRIC 4, SIC-15 and SIC-27. The new standard requires that assets and liabilities attributable to all leases, with some exceptions, are reported in the balance sheet. This standard is based on the view

that the lessee has a right to use an asset for a specific period of time and at the same time an obligation to pay for this right. The accounting for the lessor will only almost remain unchanged remain unchanged. The standard applies to fiscal year beginning 1 January 2019 or later. Early adoption is allowed. The new standard is expected to have a significant effect on the Group's income statement and balance sheet (but not when it comes to cash-flow). The Group's total assets are expected to increase by approximately SEK 527 million from 1 January 2019 and with a corresponding increase in liabilities. IFRS 16 is not applied prematurely. The Company applies the standard with modified retrospective approach, therefore comparative periods are not recalculated. For more details, see Note 13.

No other IFRS or IFRIC interpretations that have not yet entered into force are expected to have any significant impact on the Group.

PRINCIPLES FOR CONSOLIDATED ACCOUNTS

Subsidiaries are all companies over which the Group has a controlling influence. The Group controls a company when exposed to or entitled to variable returns from their holding in the company and have the opportunity to influence the return through its controlling interest in the company. Subsidiaries are included in the consolidated accounts from the date on which the controlling influence is transferred to the Group. They are excluded from the Group accounts as of the date on which the controlling influence ceases.

The acquisition method is used for reporting the Group's business combinations. The purchase price for the acquisition of one subsidiaries comprise the fair value of transferred assets, liabilities that the Group incurs to previous owners of the acquired company and the shares issued by the Group. The purchase price also includes a fair value of all assets or liabilities resulting from a contingent consideration agreement. Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value at the acquisition date.

For each acquisition – that is, acquisition by acquisition – the Group decides on non-controlling interests in the acquired company and will in such case report at fair value or at the proportionate share of the holding in the company's reported net assets. Acquisition-related costs are expensed when they occur. If the business combination is carried out in several steps, the previous equity shares in the acquired company are revalued to the fair value applicable at the acquisition date. Any profit or loss that have arisen as a result of the revaluation is reported in the profit and loss accounting.

Any contingent considerations related to the purchase price to be transferred by the Group is reported at its fair value at the time for the acquisition. Any changes of the fair value of any contingent considerations related to the purchase price, which has been price classified as an asset or liability, should be accounted for in the income statement.

Intra-group transactions, balance sheet items and unrealized gains and losses on transactions between Group companies are eliminated.

Transactions with an owner with a non-controlling interest, that does not lead to loss of control, are reported as equity transactions – i.e. as transactions with the owners in the their role as owners. Upon acquisition from non-controlling interests, the difference between the fair value of the purchase price, the actual acquired share of the carrying amount of the subsidiary's net assets paid, is reported as equity.

Gains and losses on disposals to owners with non-controlling interests, are also reported as equity.

There are no non-controlling interests for the 2018 financial year.

PRINCIPLES FOR FOREIGN CURRENCY TRANSACTIONS

Functional currency and reporting currency

Items included in the financial reports for the various units in the Group are valued in the currency which is used in the economic environment in which each company is mainly active (functional currency). For consolidated accounts – Swedish kronor (SEK) is used and is to be seen as the Group's reporting currency.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency according to the exchange rates that apply on the transaction date on which the items are revalued. Exchange gains or losses arising from payment of such transactions and in the translation of monetary assets and liabilities in foreign currency at the closing day rate, is reported in the income statement. Exception to this is when the transactions constitute hedges which fulfills the conditions for the hedge accounting of cash flows or of net investments, in such events, profits/losses from such transactions are reported in other comprehensive income.

Exchange gains and losses related to loans and cash and cash equivalents are reported in the income statement as financial income or expenses. All other foreign exchange gains and losses are reported in the item Other income and Other operating expenses. For reported periods, the Group has only financial exchange gains and losses.

CASH FLOW ANALYSIS

The cash flow statement is prepared in accordance with the indirect method. The reported cash flow is only showing those transactions which has resulted in in- or outgoing payments. As cash and cash equivalents, the company classifies, in addition to cash, disposable assets, balances with banks and other credit institutions. Blocked funds are not classified as cash. Changes in blocked funds are reported in the investment activities.

REVENUE RECOGNITION

The Brado income is predominantly reported within the Frösunda Group. Frösunda's revenue is mainly based on multi-year care agreements. Revenue is most often linked to carried out care performance, either on an hourly basis (*Personal Assistance* Segment) or care days or performed time or effort granted by the municipalities.

In Frösundas full responsibility units, Frösunda receives rental income from the residential customers (see segments *Elderly Care* and *Disability*).

Full responsibility units

Frösunda's full responsibility units, care is conducted in premises that are controlled by Frösunda. Full responsibility operations are conducted in the business segments: *Elderly Care*, *Disability* and *Individual & Family*.

Frösunda has a rental agreement with the property owner. Frösunda also owns a number of properties, which is mainly used as a complement for housing within the *Individual & Family* Segment.

In full responsibility operations, Frösunda normally receives compensation for care, meals and rent. In a typical full responsibility operation, Frösunda receives compensation from the municipality regarding care and in many agreements also meals. The customer normally pays rent to Frösunda and in several cases also meals. There are various compensation models which differ between municipalities.

Compensation for care and meals are in general based on number of care days, while rent is monthly.

Operational units

Operations carried out in operational units means that Frösunda conducts business in publicly controlled premises, i.e. premises controlled by the municipality. Operational units are mainly seen within the business segments: *Elderly Care*, *Disability* and *Individual & Family*.

The municipality is responsible for the premises. Frösunda normally receives compensation from the municipalities regarding care and meals. Different remuneration models exist which varies amongst different municipalities.

Price adjustments:

Price adjustments are normally based on a compensation for cost inflation.

A yearly announcement is made by the Social Insurance Agency ("Försäkringskassan") which regulates the price for main part of the *Personal Assistance* segment.

Otherwise, price adjustments based on cost inflation compensation are mainly based on the change in the so-called OPI (Care Price Index). Changes in this index is published yearly by the Swedish Municipalities and Regions Council (SKL) and forms the main driver of any price changes seen within the business segments; *Disability*, *Individual & Family* as well as *Elderly Care*.

There are also price adjustment clauses which are individual and on a contract-by-contract basis, not related to

any general price index (OPI). In addition, price adjustments can also be based on official price lists, published on the Municipalities websites, where the price is mainly related to a certain level of care service decided for each customer.

This is mainly seen where there is a more global agreement with the municipalities, i.e. LOV- or RAM agreement.

Segment reporting

According to IFRS 8, operating segments must be reported in a manner that is consistent with the internal reporting provided to the highest executive decision maker. The highest executive decision maker is the function that is responsible for allocating resources and assessment of the operating segments' results. Within the Brado and Frösunda Group, the CEO has been identified as the highest executive decision maker.

Within the Group four operating segments have been defined which are regularly followed up by the highest executive decision maker, who decides allocation of resources and assessment of operating segments' results.

To merge operating segments into a reportable segment, the standard dictate that the segments should have similar features. Such similar features, are for instance economic properties and also there is a resemblance amongst the products and the nature of the services.

Also the nature of the production process, the customer categories using the product or service, how the products are distributed or how the services are performed and, where applicable, in which the extent to which the operations are affected by different regulations and risks.

Frösunda is a care company where the nature of the services delivered and customers who take part of the services are equivalent. The performed services and the regulations that they are covered by are equivalent, as well as Frösunda's processes and routines used to carry out such services within such business segment. As a result of this, the operational segment is consolidated into a reportable segment. Each reporting segment follows the same accounting principles as the Group.

Segment reporting is primarily focused on revenue recognition and other analysis of the economic performance of each segment. This is consistent with internal reporting and follow-up that is performed on an ongoing basis, monthly, to the highest executive decision maker in the Group.

When it comes to segment follow-up related to the balance sheet, this is mainly focused on monitoring outstanding accounts receivable, as other assets and liabilities mainly consists of Goodwill and bond loans, reported in the Parent Company. Accounts receivable however are strongly linked to any segment operations and this includes terms that are found in any business agreements, pricing models, and which combine in terms of financial risks (such as credit- and liquidity risks).

REVENUE BY SEGMENT

| SEK (thousand) | 2018-03-06 -2018-12-31 |
|----------------------|---------------------------|
| Personal Assistance | 1 046 734 |
| Liability | 555 608 |
| Elderly Care | 234 164 |
| Individual & Family | 53 634 |
| Other | 1 166 |
| Total Revenue | 1 891 306 |

ACCOUNTS RECEIVABLES BY SEGMENT

| SEK (thousand) | 2018-12-31 |
|----------------------|----------------|
| Personal Assistance | 174 572 |
| Liability | 78 818 |
| Elderly Care | 34 634 |
| Individual & Family | 8 561 |
| Other | 487 |
| Total Revenue | 297 071 |

REVENUE ACCOUNTING

Revenue is valued at the fair value of what is received or will be received, and corresponds to the amounts received for goods and services sold after deductions for discounts, returns and VAT.

The Group reports revenue when its amount can be measured reliably, it is likely that future economic benefits will accrue to the company and specific criterias have been met for each of the Group's activities as described below.

Health and care services are carried out in operations with full responsibility, where the responsibility covers occupancy and also to offer rental of premises. In addition services are also operated thru operational units with multi-year operating and framework agreements. Compensation for the business, regardless of the model of operation, is based on number of customers, number of care days, number of assistance hours, number of accommodation places or similar services performed within the Group. Revenue is recognized when the services are performed and this is in connection with monthly invoicing.

Interest income is recognized as revenue using the effective interest method. When the value of a claim in the category loan receivables and accounts receivable have declined, the Group reduces the carrying amount to the recoverable value, which consists of the estimated future cash flow, discounted by the original effective interest rate for the instrument, and continues to dissolve the discounting effect as interest income. Interest income on impaired loan receivables and accounts receivable are reported at the original effective interest rate.

INTANGIBLE ASSETS

Other intangible assets

Other intangible assets or capitalized development expenditures mainly relate to proprietary software.

Software maintenance costs are expensed as they arise. Development expenditure that is directly attributable to the development and testing of identifiable and unique software products controlled by the Group, is reported as intangible assets when the following criterias are met:

- It is technically possible to complete the software so that it can be used or sold.
- The company's intention is to complete the development for the use or sale.
- There are prerequisites to use or sell the software.
- It can be shown how the software generates likely future economic benefits.
- There are adequate financial and other resources to complete the development for the use or sell of the software.
- The expenses attributable to the software during its development can be calculated in a reliable way.

Development expenses, which do not meet these criterias, are expensed as they arise. Development expenditure previously expensed are not reported as an asset in subsequent periods.

Capitalized development expenses are amortized during their estimated useful life, which in all cases is 5 years.

Goodwill

Goodwill arises on the acquisition of subsidiaries and refers to the amount by which the purchase price, possibly holding without controlling influence in the acquired company and fair value on the acquisition date of earlier equity capital in the acquired company, exceeds the fair value of identifiable acquired net assets.

If the amount is less than the fair value of the acquired subsidiary's net assets, in the event of an acquisition at a lower price, the difference is reported directly in the income statement.

In order to test the need for impairment, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the acquisition.

Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group on which the goodwill in question is monitored in the internal governance.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate a possible one-off write-down of the asset value. The carrying amount of the cash-generating unit to which the goodwill is attributed is compared with the recoverable amount, which is the highest of the value in use and the fair value less the sales value costs. Any write-down is reported immediately as an expense and is not reversed.

TANGIBLE FIXED ASSETS

All tangible fixed assets are recognized at cost less depreciation. The acquisition value include expenses that can be directly attributed to the acquisition of the asset.

Additional expenses are added to the asset's carrying amount or reported as a separate asset, dependent whichever is appropriate, only when it is likely that the Group's future financial benefits can be estimated in a reliable way.

Any carrying amount of the asset that is replaced is removed from the balance sheet. All other forms of repairs and maintenance are reported as expenses in the income statement during the period when they arise.

No depreciation is made on land. Depreciation of other assets, to allocate their acquisition value down to the estimated residual value over the estimated useful life time, is made linear as follows:

- | | |
|--------------------------------------|-------------|
| • Buildings | 33–50 years |
| • Leasehold improvements | 5–20 years |
| • Equipment, Tools and installations | 5 years |
| • Computers | 3 years |

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount exceeds its estimated recovery value.

Gains and losses on disposal are determined by a comparison between the selling price and the carrying amount and reported net in other operating income and other operating expenses, respectively.

IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL

Needs for write-downs are assessed with respect to the decline in value whenever events or changes occur which indicate that the carrying amount is not recoverable. A write-down is made with the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable value is the higher amount of the asset's fair value less sales costs and the use value. When an assessment of the need for impairment is performed, assets are grouped at the lowest levels where a common ground for independent cash flows (cash-generating units) can be identified. For assets (other than goodwill) that have previously been written down, a review is made on each balance sheet date whether a reversal should be made.

FINANCIAL ASSETS

The Group classifies its financial assets into the following categories: financial assets valued at fair value through the income statement, loan receivable and accounts receivable, and financial assets that can be sold.

The classification depends on the purpose for which the financial asset was acquired. The management determines the classification of the financial asset at the first accounting date.

CLASSIFICATIONS

Financial assets at fair value through profit or loss

Financial assets valued at fair value through the income statement are financial assets held for trade. A financial asset is classified in this category if it is acquired mainly for the purpose of being sold shortly. Derivatives are classified as held for trading unless they are identified as hedges.

Assets in this category are classified as current assets if they are expected to be settled within twelve months, otherwise they are classified as fixed assets.

Loan receivable and accounts receivable

Loan receivables and accounts receivable are financial assets that are not derivatives that have determined or determinable payments and which are not listed on a financial market. They are included in current assets with exceptions for those assets with maturities more than 12 months after the end of the reporting period, and are classified as fixed assets. The Group's loan receivables and accounts receivables mainly consist of accounts receivable, other receivables, accrued income and cash and cash equivalents.

Available-for-sale Financial Assets

Available-for-sale financial assets are assets that are not derivatives and where the assets can be sold and cannot be classified in any of the other categories. They are included in non-current assets if management does not intend to dispose the asset within 12 months after the end of the reporting period. The Group has no assets in this category for the reported fiscal year.

Accounting and valuation

Purchases and sales of financial assets are reported on the trade date – the date on which the Group commits itself to buy or sell the asset. Financial instruments are initially recognized at fair value plus transaction costs, which apply to all financial assets that are not reported at fair value through the income statement.

Financial assets valued at fair value through the income statement are initially recognized at fair value, while related transaction costs are reported in the income statement. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and benefits associated with the ownership. Financial assets which can be sold and financial assets valued at fair value through the income statement are reported after acquisition date at fair value. Loan receivables and accounts receivable are reported after the acquisition date at the discounted value using the effective interest method.

Offsetting

Financial assets and liabilities are offset and reported with a net amount in the balance sheet, only when there is a legal right to offset the reported amounts and an intention to settle them with a net amount or to at the same time realize

the asset and settle the debt. The legal right may not be dependent on future events and it must be legally binding to the company and the counterparty both in the normal business operation and in cases of suspension of payments, insolvency or bankruptcy.

IMPAIRMENT OF FINANCIAL ASSETS

Assets reported at amortized cost

At the end of each reporting period, the Group assesses whether there is objective evidence that impairment exists for a financial asset or group of financial assets. A financial asset or group of financial assets have a need for impairment and will be written down if there is objective evidence for impairment as a result of one or more events occurring after the asset has been recognized for the first time (a “loss event”) and that this event (or events) has an impact on the estimated future cash flows for the financial asset or group of financial assets and which can be estimated in a reliable way.

For the category loan receivables and accounts receivable, the write-down is calculated as the difference between the asset’s reported value and the present value of estimated future cash flows (excluding future credit losses which has not occurred), discounted to the financial asset’s original effective interest rate. The assets reported value is written down and the write-down amount is reported in the consolidated income statement.

ACCOUNTS RECEIVABLE

Accounts receivable are amounts that are to be paid by customers for goods sold or services rendered in an ongoing operation. If payment is expected within one year (or during normal business cycle if this is longer), they are classified as current assets. If not, they are listed as fixed assets.

Accounts receivable are initially recognized at fair value and subsequently at amortized cost based on the effective interest method, less any provision for impairment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include, in both the balance sheet and in the cash flow, cash and bank balances.

SHARE CAPITAL

Ordinary shares are classified as equity.

Transaction costs that can be directly attributed to the issue of new ordinary shares are reported, net after tax, in equity as a deduction from the issue payment.

ACCOUNTS PAYABLE

Accounts payable are obligations to pay for goods or services that have been acquired in the ongoing operations from suppliers. Accounts payable are classified as current liabilities if they fall due within one year (or during normal business cycle if this is longer). If not, they are listed as long-term liabilities.

Accounts payable are initially recognized at fair value and subsequently at amortized cost, based on the effective interest method.

LOANS

Loans in the Group refers to liabilities to credit institutions and liabilities to Group companies.

Loans are initially recognized at fair value, net after transaction costs. Loans are reported thereafter at amortized cost and any difference between the amount received (net after transaction costs) and the repayment amount is reported in the income statement distributed over the loan period, by using the effective interest method.

Loans are removed from the balance sheet when the obligations have been settled, canceled or otherwise ceased. The difference between the carrying amount of a financial liability (or part of a financial liability) which has been extinguished or transferred to another party, and the compensation paid, including transferred assets that are not cash, or assumed liabilities, are recognized in profit or loss.

Loans are classified as current liabilities unless the Group has an unconditional right to postpone amortization of the debt for at least 12 months after the end of the reporting period.

Acquisition credit is valued at fair value, any changes following the valuation will be reported in the income statement.

PROVISIONS

A provision is a liability that is uncertain as for the due date or amount. A provision is reported when the Group has an existing legal or informal obligation as a result of an event that has occurred, and it is likely that there will be an outflow of resources will be required to regulate the commitment, and a reliable estimate of the amount can be made.

CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except when the tax refers to items recognized in other comprehensive income or directly in equity. In such cases, tax is reported in other comprehensive income and equity respectively.

The current tax expense is calculated on the basis of the tax rules applicable on the balance sheet date or in practice the tax rules in the countries where the Parent Company and its subsidiaries operate and generate taxable income. The management regularly evaluates the claims made in the tax returns where applicable tax rules are subject to interpretation. It means in practice, and when deemed appropriate, make provisions for amounts that are likely to be paid to the Tax Authority.

Deferred tax is recognized on all temporary differences that arise between the taxable value of assets and liabilities and their carrying amounts in the consolidated accounts.

Deferred tax liability is however not accounted for, if it arises as a result of the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available, against which such temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legal right to off-set for current tax assets and tax liabilities and when the deferred tax assets and tax liabilities relate to taxes charged by one and the same Tax Authority and refers to either the same tax subject or different tax subjects, where there is an intention to regulate the balances through net payments.

EMPLOYEE COMPENSATIONS

Pension obligations

A defined-contribution pension plan is a pension plan under which the Group pays fixed contributions to an exclusive legal entity. The Group has no legal or informal obligations to pay additional fees if this legal entity does not have sufficient assets to pay employee remunerations based on the employees employment during current or previous periods. A defined-benefit pension plan is a pension plan that is not based on any defined contributions. A distinctive feature of defined-benefit plans is that it specifies an amount for the pension benefit an employee receives after retirement, usually based on one or several features, such as the employees age, period of employment and salary.

With the exception of insurance through Alecta, the Group only has defined contribution plans. Commitment to officials is mainly secured with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, the ITP 2 part is via Alecta a defined-benefit plan that covers several employers. Like other Swedish companies, the Group has had no access to such information that makes it possible to report this plan as a defined-benefit pension plan.

The pension plan according to ITP which is secured through an insurance with Alecta is therefore reported as a defined-contribution plan.

Short-term remuneration

Liabilities for salaries and remunerations, including non-monetary benefits and paid absence, expected to be regulated within 12 months after the end of the financial year, is reported as current liabilities at its undiscounted amount which is expected to be paid when the debts are settled. The cost is reported when performances are carried out by the employees. The liability is reported as a liability for remuneration to employees in the balance sheet.

Compensation at termination

Compensation in the event of termination is payable when an employment is terminated by the Group before the normal retirement date or when an employee accepts a voluntary resignation in exchange for such remuneration. The Group reports the remuneration when proven that the

Group is obliged to terminate an employee according to a detailed formal plan without the option to recall.

LEASING

Leases where a substantial part of the risks and benefits of ownership are retained by the lessor, are classified as operational leasing. Payments made during the lease period (after deduction of any incentives from the lessor) is expensed in the income statement on a straight-line basis over the lease term.

The Group has no financial leasing agreements.

FIXED ASSETS FOR SALE AND DISCONTINUED OPERATIONS

A company must classify a fixed asset (or a disposal group) as held for sale if its reported value will be recovered mainly through sales and not through continuous use. In order for this to happen, the asset (or disposal group) must be available for immediate sale and sales must be assumed to be very likely. In order for the sale to appear as highly probable, the decision for sale must have been made at the accepted level, the work on sales should have begun and expected to be completed within one year, and at a reasonable market price. When the criterias are met, the assets and liabilities included in a disposal group, should be reported separately in the balance sheet.

A discontinued operation is part of a business that has been discontinued or classified as being for sale and;

- it constitutes an independent business segment or business operation that is conducted within a geographical area,
- is included in a single coordinated plan to dispose of an independent business segment or of a significant operation conducted within a geographical area, or
- is a subsidiary acquired solely for the purpose of being resold.

Revenues, expenses and earnings from a discontinued operation shall be reported on a separate line in the Group report on the comprehensive income, different from the results of the continuing operations.

THE PARENT COMPANY'S ACCOUNTING PRINCIPLES

The Parent company prepares the annual report in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board, reporting recommendation RFR 2, Accounting for legal entities and the Emergency Group statement.

The rules in RFR 2 mean that the Parent Company must apply in annual report for the legal entity, all IFRS / IAS approved EU regulations and statements as far as possible within the framework of The Swedish Annual Accounts Act and should take into account the correlation between accounting and taxation. The recommendation states those exceptions that should be made from IFRS / IAS. The Parent company applies the accounting principles stated for the Group with the exception of the following:

SHARES IN SUBSIDIARIES

Subsidiaries are reported according to the acquisition method, which means that the holdings are reported in the balance sheet at acquisition value less any impairment losses.

REPORTING OF GROUP CONTRIBUTION

Group contributions are reported according to the alternative rule in RFR 2, which means that both left and received Group contributions are reported as appropriations in the income statement.

FORMAT

The Parent Company complies with the Swedish Annual Accounts Act's schedule for the income statement and balance sheet, which includes, among other things another disclosure of equity.

NOTE 3 FINANCIAL RISK MANAGEMENT

Through its operations, the Group is exposed to several financial risks, such as market risk (mainly interest rate risk), credit risk, liquidity risk and cash flow risk. Risk management is managed in accordance with established principles and The Group's overall risk management policy, aimed to minimize unforeseen unfavorable effects on the Group's results and position.

Currency Risk

The Group has very few transactions in foreign currency, which is why the currency risk is very limited.

Interest Rate Risk

Interest rate risk refers to the risk that fair value or future cash flows fluctuate as a result of changed market interests. Until the acquisition of the Frösunda Group (Brado AB's acquisitions of the shares in Frösunda Holdco AB as per 6 March 2018) the financing of the Group entities were through loans with a group of Swedish Banks. These loans were at floating interest rate (3 months fixed) where STIBOR was the reference interest rate.

As part of the financing of the acquisition, bond loans have been issued, which are listed on NASDAQ OMX Stockholm Stock Exchange. This financing solution runs until 2023 and is also based on STIBOR as the reference interest rate.

The effective interest rate for 2018 was 4.3%. The effective interest rate on deposits was 0%.

In any cases where the interest rate changes by +/- 1 % the effect is +/- SEK 7.800 thousand in changed interest costs.

In terms of cash and cash equivalents, the Group's finance policy is followed, which limits investments of liquid funds to investments in interest-bearing accounts in recognized Nordic banks. Counterparty risk and interest rate risks related to placement of cash and cash equivalents, is as a consequence of the above, considered as being very low.

MAXIMUM EXPOSURE TO CREDIT RISK

| | Group 2018 | Parent Company 2018 |
|--|----------------|------------------------|
| Accounts Receivable | 288 490 | 0 |
| Receivables from Group Companies | 205 | 599 308 |
| Other Receivables | 13 268 | 0 |
| Prepaid Expenses and Accrued Income | 40 572 | 0 |
| Cash and Cash equivalents | 87 725 | 27 947 |
| Total | 430 260 | 627 255 |

Credit Risk

Credit risk refers to exposure of receivables in the form of investments of surplus liquidity and accounts receivable.

Surplus liquidity is only invested in Nordea's deposit account. The majority of the Group's accounts receivable reported balance is against the Swedish State, i.e. the Social Insurance Fund (Försäkringskassan) and municipalities which are deemed to have good and high credit rate. The risk for bad debt losses within the Group is deemed to be extremely limited. The Group has established principles which limits the size of the credit exposure for each individual bank. Investments in banks can only be made with banks with high official credit rating. See also more information in Note 23.

Liquidity Risk

Liquidity risk refers to the risk that the Group will have problems meeting its commitments related to the Group's financial liabilities. Financing risk refers to the risk that the Group cannot generate sufficient funding at a reasonable cost. The Group finances its operations with two bond loans, one loan of the amount SEK 600 million (maturity date 7 March 2023) and one bond loan of SEK 150 million (maturity date 7 June 2023).

These bond loans were issued 7 March 2018, in Brado AB, and are listed on the NASDAQ OMX Stockholm Stock Exchange.

The covenant that needs to be complied with is that, in any event, there should be at least SEK 20 million available in cash or cash equivalent.

In addition, the Group has a revolving credit facility with Pareto bank, of maximum SEK 80 million, to parse liquidity fluctuations during the month.

Liquidity risk is minimized by coordinating the Group's companies in a cash pool in a common bank (Nordea). The interest rate related to the revolving credit is fixed, 4.85 %.

DURATION ANALYSIS REGARDING CONTRACTUAL PAYMENTS FOR FINANCIAL LIABILITIES

| Group | 0-3 months | 3-12 months | 1-5 years | 5- years |
|--|----------------|-------------|----------------|----------|
| Liabilities to Credit Institutions excl. Swaps | 45 000 | | 739 064 | |
| Other Liabilities | 260 497 | | 161 507 | |
| Accounts Payable | 39 751 | | 0 | |
| Liabilities to Group Companies | 0 | | 0 | |
| Total | 345 248 | 0 | 900 571 | 0 |

The amounts included in the table above are the instruments' contractual undiscounted cash flows. The amounts fall due within 12 months and within 1-5 years.

Capital

The Group ambition for capital management is to ensure the Group's ability to continue its operations aimed to generate a fair return and benefit to shareholders and to other stakeholders. The Group capital is defined as the Group equity. The Group's policy is not to make dividends.

The Group has two bond loans issued in the market, of total amount SEK 750 million. The financial covenant requirement is according to the bond agreement, signed 7 March 2018, that Brado AB and its subsidiaries (i.e. the Group) must be in compliance with a financial undertaking in form of Minimum Liquidity. The Group shall at all times retain liquidity in excess of SEK 20 million.

NOTE 4 IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group's financial reports have been prepared in accordance with IFRS. This means that the preparation of the financial statements and the application of accounting principles is often based on estimates and assumptions that are considered reasonable and well balanced at the time the assessment is made. With other assessments, assumptions and estimates however, the result may be different, and events may occur which may require substantial adjustment of the reported amount in regards to the asset or liability concerned. Below are the most important areas of assessments and assumptions carried out and which are considered to have the greatest impact on the financial report.

IMPAIRMENT TESTING FOR GOODWILL

Each year, the Group examines whether there is any need for impairment of goodwill, in accordance with accounting principles described in Note 2. In connection with impairment testing, calculations are made, based on assessments and assumptions. The most important assumptions underlying these assessments are growth rate, gross margin and discount rate. Other assessments than those made by management, can result in a completely different result and another financial position. More information is given in Note 16.

NOTE 5 REVENUE

Revenue is related to net sales and is related to care and healthcare services.

Revenue can be allocated into the Group's four main segments in accordance with the reporting requirements in IFRS 8.

Based on the internal reporting the reporting segments are: *Personal Assistance, Disability, Elderly Care and Individual & Family*. See also Note 2.

NOTE 6 OTHER OPERATING INCOME

| | Group 2018 |
|---------------------------------|---------------|
| Rental | 22 673 |
| Capital gains sold fixed assets | 2 |
| Other income | 636 |
| Total | 23 311 |

NOTE 7 INFORMATION ON AUDITORS' FEES AND COST COMPENSATION

| | Group 2018 | Parent Company 2018 |
|---|--------------|---------------------|
| Öhrlings Pricewaterhouse Coopers | | |
| Auditing services | 1 078 | 250 |
| Auditing activities in addition to the audit assignment | 435 | 435 |
| Other services | 0 | 0 |
| Total | 1 513 | 685 |

Audit assignments include review of the annual accounts and bookkeeping, as well as the Boards's and the CEO's administration, other tasks that are seen reasonably applicable for the Company's auditor. Auditing activities in addition to the audit assignment is mainly compensations for reviews of the prospect information published in connection with the listing of the bond loans.

The above fees relate to the following: PWC Sweden auditing assignment SEK 1,078 thousand, auditing activities in addition to the audit assignment SEK 435 thousand and Other services SEK 0.

NOTE 8 OPERATIONAL LEASING

| | Group 2018 |
|---|----------------|
| Leasing cost | 87 984 |
| Nominal value of future non-cancellable leases distributed as follows: | |
| <i>Remaining duration as per 31 December:</i> | |
| Due within 1 year | 97 143 |
| Between 2-5 years | 270 341 |
| Exceeding 5 years | 301 190 |
| Total remaining duration as per 31 December | 668 674 |

Operational leasing refers to rent for premises as well as leasing of cars, office equipment and computer inventory.

NOTE 9 AVERAGE NUMBER OF EMPLOYEES, PERSONNEL COSTS, PENSIONS AND OTHER

| | Group 2018 |
|------------------------------|---------------|
| Average number of employees: | |
| Men | 1 085 |
| Women | 2 475 |
| Total | 3 560 |

The statistics above are based on number of employees recalculated to represent number of full time employees.

| | Group 2018 | | Parent Company 2018 | |
|---|---------------|----------|------------------------|----------|
| | Men | Women | Men | Woman |
| Gender distribution within management: | | | | |
| Board members | 3 | 0 | 3 | 0 |
| Other senior executives | 6 | 3 | 0 | 0 |
| Total | 9 | 3 | 3 | 0 |

| | Group 2018 | |
|---|------------------|-----------------|
| Salaries and other remunerations (whereof bonuses) | | |
| Board of Directors and the CEO | 3 150 | (814) |
| Other employees | 1 197 254 | (22 430) |
| Total | 1 200 404 | (23 244) |
| Payroll overhead (whereof bonuses) | | |
| Pension costs for Board of Directors and the CEO | 0 | (0) |
| Pension costs for other employees | 65 145 | (2 047) |
| Other social security contributions by law and agreement | 380 151 | (7 047) |
| Total | 445 296 | (9 094) |

THE GROUP'S PENSION PLANS VIA ALECTA

As stated in Note 2 Accounting principles, ITP 2 is a defined-benefit plan where it is not possible to obtain such information that enables to report the plan in accordance with rules for defined-benefit plans. Instead, the plan is reported as a defined-contribution plan. Total fees for the year signed via Alecta, that means all such pension plans, are of the amount SEK 39 428 thousand. At the end of 2018, Alecta's surplus can be distributed to the policyholders and/or the insured. Alecta's total collective surplus was at year end 2018, 142 percent. The collective consolidated amount consists of the fair value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's actuarial calculation assumptions.

REMUNERATION TO THE BOARD AND SENIOR EXECUTIVES

Remuneration is paid to the Chairman and members of the Board in accordance with the Board's decision. Compensation to the CEO is decided by the Board of Directors and remuneration of other senior executives by the CEO together with the Chairman of the Board.

The senior executives have the common pension plans (ITP / ITP-K). There are no agreements on severance pay. From 24 May, 2018, the Group has a new CEO, the service is purchased from Hospitality invest AS.

For other senior executives, there is a mutual notice period of 3–12 months.

Below is a summary of remunerations and benefits to the Board of Directors and senior executives of the Group.

| 2018 | Basic Salary/ Directors fees | Other Remu- neration | Pension Cost | Total |
|--|------------------------------------|----------------------------|-----------------|---------------|
| <i>Chairman of the Board</i> | | | | |
| Kristian Arne Adolfsen | | | | |
| <i>Board Members</i> | | | | |
| Roger Adolfsen | | | | |
| Carl Lindstrand | | | | |
| <i>Other senior executives (9)</i> | 11 196 | 24 477 | 922 | 36 595 |
| Kristoffer Lorck (also the CEO) | 2 336 | 814 | 0 | 3 150 |
| Other remunerations compensated by previous owners | 0 | -24 477 | 0 | -24 477 |
| Total | 13 532 | 814 | 922 | 15 268 |

Explanations to the table:

All Board members' fees are invoiced and found in the income statement Other external costs.

NOTE 10 OTHER OPERATING EXPENSES

| | Group 2018 |
|------------------------------------|---------------|
| Loss of sold/scrapped fixed assets | -179 |
| Total | -179 |

NOTE 11 FINANCIAL INCOME AND SIMILAR INCOME STATEMENT ITEMS

| | Group 2018 | Parent Company 2018 |
|--|----------------|------------------------|
| Interest income | 40 | 41 257 |
| Effect from fair valuation of other long-term debt | 168 521 | 0 |
| Total | 168 561 | 41 257 |

NOTE 12 FINANCIAL EXPENSES AND SIMILAR INCOME STATEMENT ITEMS

| | Group 2018 | Parent Company 2018 |
|--------------------------|----------------|------------------------|
| Interest expenses | -44 429 | -39 256 |
| Other financial expenses | -1 068 | -2 248 |
| Total | -45 497 | -41 504 |

NOTE 13 IFRS 16

Frösunda offers care services through two contractual models – full responsibility operations or operational units.

Full responsibility units means that Frösunda offers health and care services in its own premises, i.e. premises that Frösunda in most cases rents from external landlords. In the operational units, Frösunda offers health and care services in the municipalities' premises and thus there are no rental contract against external landlords. A lease under IFRS 16 is a contract that transfers the right to control the use of an identifiable asset for a period of time against compensation. Frösunda's analysis shows that the majority of the contracts that are classified as leasing contracts according to IFRS 16 relate to premises where Frösunda conducts full responsibility operation, or cars used within the four business segments (i.e. *Personal Assistance*, *Disability*, *Elderly Care* and *Individual & Family*), as well as a few other leased assets.

On 31 December 2018 Frösunda had approximately 250 lease agreements related to assets that according to IFRS 16 will be reported in the balance sheet from 2019. These constitute the majority of the leased assets and liabilities. The leases related to leased premises usually run for 10–15 years and cars for 3 years. The lease for real estate normally also contains one or more extension options. Since the use of an extension requires that an investment decision has first been approved, and the approval is only made if there is a continued operation, the extension option will only be subject for IFRS 16 accounting when a decision on continued operations have been made.

Variable costs such as property tax, VAT and other variable property costs such as maintenance costs, electricity, heat and water etc. are excluded from the leasing debt calculation to the extent that the costs can be separated from the rental cost. In order to calculate the leasing debt (the present value of future leasing fees) the interest rate used as discount rate for the purpose of such present value calculation is the unsecured incremental borrowing rate (Revolving Credit Facility Interest – at present 4.85%)

The majority of Frösunda's leasing agreements contain some kind of index adjustment clauses, usually based on consumer price index (CPI) and on a yearly basis.

RESTATED BALANCE SHEET UNDER IFRS 16

| | Closing balance 2018-12-31 before imple- mentation of IFRS 16 | Estimated adjust- ments when IFRS 16 is imple- mented | Estimated opening balance 2019-01-01 |
|--|---|--|---|
| Assets | | | |
| Non-Current Assets | | | |
| Tangible fixed assets | 78 939 | | 78 939 |
| Right of Use Assets | | 527 066 | 527 066 |
| Intangible fixed assets | 1 086 929 | | 1 086 929 |
| Deferred tax asset | 1 073 | | 1 073 |
| Total non-current assets | 1 166 941 | 527 066 | 1 694 007 |
| Other short term assets | 430 259 | | 430 259 |
| Total current assets | 430 259 | | 430 259 |
| Total assets | 1 597 199 | 527 066 | 2 124 266 |
| Equity and liabilities | | | |
| Equity | 345 461 | | 345 461 |
| Long-term liabilities | | | |
| Bond loans and other non-current liabilities | 900 572 | | 900 572 |
| Deferred tax liability | 5 918 | | 5 918 |
| Long-term lease debt | 0 | | 0 |
| Total Long-term liabilities | 906 490 | | 906 490 |
| Current liabilities | | | |
| Current liabilities | 345 248 | | 345 248 |
| Current leasing debt | | 527 066 | 527 066 |
| Total current liabilities | 345 248 | 527 066 | 872 314 |
| Total equity and liabilities | 1 597 199 | 527 066 | 2 124 266 |

Frösunda has taken the opportunity to use the exemption in the IFRS framework permitting the exclusion of low value leases, i.e. below SEK 50 thousand, and leases with terms less than twelve months. Right of Use assets reported in accordance with IFRS 16 comprise only the value of discounted leases for assets that have a lease term longer than twelve month and are not of a lower value.

NOTE 14 TAX ON PROFIT FOR THE YEAR

| | Group 2018 |
|---|----------------|
| Current tax expense | 15 875 |
| Deferred tax (Note 31) | -64 |
| Total | 15 811 |
| Profit before tax | 129 428 |
| Reconciliation of effective tax: | |
| Tax according to applicable tax rate (22 %) | -28 474 |
| Deferred tax | -27 |
| Tax effect of non-taxable income | 45 145 |
| Tax related to previous years | -67 |
| Tax effect of non-deductible costs | -766 |
| Total | 15 811 |

NOTE 15 OTHER INTANGIBLE ASSETS

| | Group 2018-12-31 |
|--|---------------------|
| Acquired initial cost | 46 924 |
| Acquisitions | 6 287 |
| Scrapping/disposals | -1 079 |
| Accumulated acquisition cost | 52 132 |
| Acquired initial depreciations | -38 028 |
| Scrapping/disposals | 1 050 |
| Depreciations and amortizations for the year | -2 807 |
| Accumulated depreciations | -39 784 |
| Net closing balance | 12 348 |

Other intangible assets or capitalized development expenses relate to proprietary software, licenses and capitalized costs for business systems, management systems and report systems.

NOTE 16 GOODWILL

| | Group 2018-12-31 | Parent Company 2018-12-31 |
|--|---------------------|------------------------------|
| Acquired initial cost | 1 074 581 | 0 |
| New acquisitions | - | - |
| Closing accumulated cost | 1 074 581 | 0 |
| Acquired initial depreciation | 0 | 0 |
| Depreciations and amortizations for the year | 0 | 0 |
| Accumulated depreciations | 0 | 0 |
| Net closing balance | 1 074 581 | 0 |

IMPAIRMENT TEST FOR GOODWILL

Goodwill is monitored by management and is divided by cash-generating unit where each Group company constitutes one separate cash-generating unit.

The recoverable amount for a cash generating unit has been determined based on calculations of value in use.

These calculations are based on estimated future cash flows before tax based on financial budgets such as approved by management and cover a five-year period. Cash flows beyond the five-year period are not extrapolated proportionally, in line with the estimated growth rate. The growth rate does not exceed the long-term growth rate for the area in which the cash-generating unit operates.

For each cash-generating unit, ie subsidiaries, to which significant goodwill amounts have been allocated, below are the significant assumptions, growth and discount rate used when calculating the value in use. Cash flows after the forecast period are calculated with the assumption of

a long-term growth rate after the forecast period of two percent per year.

In cases where a write-down has been made, the recoverable amount is also stated.

| | |
|--------------------------|-------------|
| Gross margin | 85.3–99.0 % |
| Discount rate before tax | 8.9–9.5 % |

The annual growth rate is used over the five-year forecast period. It is based on past results and management's expectations on market developments.

The gross margin is the average margin, calculated as a percentage of revenue, over the five-year forecast period. It is based on current levels of sales margins and current structure of the sale.

No impairment of goodwill exists in 2018.

NOTE 17 LAND AND BUILDINGS

| | Group 2018-12-31 |
|--|---------------------|
| Acquired initial Cost | 69 455 |
| Acquisitions | 163 |
| Accumulated acquisition cost | 69 618 |
| Acquired initial depreciations | -25 343 |
| Depreciations and amortizations for the year | -1 385 |
| Accumulated depreciations | -26 729 |
| | |
| Net Closing balance | 42 889 |

NOTE 18 IMPROVEMENT LEASEHOLD

| | Group 2018-12-31 |
|--|---------------------|
| Acquired initial cost | 42 131 |
| Acquisitions | 2 436 |
| Scrapping/disposals | -903 |
| Accumulated cost | 43 664 |
| Acquired initial depreciations | -23 739 |
| Scrapping/disposals | 847 |
| Depreciations and amortizations for the year | -2 295 |
| Accumulated depreciations | -25 187 |
| | |
| Net Closing balance | 18 477 |

NOTE 19 EQUIPMENT, TOOLS AND INSTALLATIONS

| | Group 2018-12-31 |
|--|---------------------|
| Acquired initial cost | 39 939 |
| Acquisitions | 2 491 |
| Scrapping/disposals | -1 110 |
| Accumulated cost | 41 320 |
| Acquired initial depreciations | -18 161 |
| Scrapping/disposals | 983 |
| Depreciations and amortizations for the year | -6 569 |
| Accumulated depreciations | -23 746 |
| | |
| Net Closing balance | 17 573 |

NOTE 20 OTHER LONG-TERM RECEIVABLES

| | Group 2018-12-31 |
|------------------------|---------------------|
| Acquired initial cost | 188 |
| Disposals | -188 |
| Closing balance | 0 |

NOTE 21 RECEIVABLES FROM GROUP COMPANIES

| | Group 2018-12-31 | Parent Company 2018-12-31 |
|--|---------------------|---------------------------------|
| Current receivables from other Group companies | 204 | 12 942 |
| Long term receivables from other Group companies | 0 | 586 366 |
| Closing balance | 204 | 599 308 |

NOTE 22 SHARES IN GROUP COMPANIES

| | Parent Company 2018-12-31 |
|---|---------------------------------|
| Current years acquired shares in subsidiaries | 462 235 |
| Closing balance | 462 235 |

SPECIFICATION OF THE PARENT COMPANY'S HOLDING OF SHARES IN GROUP COMPANIES

| Company | Corporate identity number | Country | Domicile | Business | Share of ordinary shares owned by the Parent company (no) | Capital share | Outgoing carrying value |
|------------------------|---------------------------|---------|----------|-----------------|---|---------------|-------------------------|
| Frösunda Holdco AB | 556778-0076 | Sweden | Solna | Holding company | 23 408 503 | 100% | 462 235 |
| Closing balance | | | | | | | 462 235 |

All subsidiaries are consolidated in the Group. The voting share in the subsidiaries owned directly by the Parent Company does not differ from owned portion of ordinary shares

SPECIFICATION OF THE SUBSIDIARIES' HOLDINGS OF SHARES IN GROUP COMPANIES

| Company | Corporate identity number | Country | Domicile | Business | Share of ordinary shares owned in Group companies by subsidiaries (no) | Capital share | Outgoing carrying value |
|----------------------------------|---------------------------|---------|------------|-----------------------------------|--|---------------|-------------------------|
| Frösunda Bidco AB | 556777-9961 | Sweden | Solna | Holding company | 4 606 872 | 100% | – |
| Frösunda Group AB | 556748-4158 | Sweden | Solna | Holding company | 3 131 330 | 100% | – |
| Frösunda LSS i Södra Sverige AB | 556386-7398 | Sweden | Solna | Holding company | 1 000 | 100% | – |
| Frösunda LSS i Väst AB | 556435-4834 | Sweden | Solna | Holding company | 6 000 | 100% | – |
| Frösunda Omsorg AB | 556509-2482 | Sweden | Solna | Care company | 10 000 | 100% | – |
| Frösunda Social Omsorg AB | 556606-2401 | Sweden | Solna | Holding company | 1 000 | 100% | – |
| Frösunda Omsorg i Uppland AB | 556560-1548 | Sweden | Uppsala | Care company | 1 177 | 100% | – |
| Frösunda Omsorg Fastigheter AB | 556629-5290 | Sweden | Uppsala | Real estate company | 1 000 | 100% | – |
| Frösunda Omsorg i Stockholm AB | 556597-2352 | Sweden | Norrtälje | Care company | 1 000 | 100% | – |
| Frösunda Omsorg i Gävleborg AB | 556106-1853 | Sweden | Nordanstig | Care company | 1 000 | 100% | – |
| Frösunda Omsorg Arbetsmarknad AB | 559158-4635 | Sweden | Solna | Support & matching, work training | 500 | 100% | – |

NOTE 23 ACCOUNTS RECEIVABLE

The Group applies the simplified method for calculating expected credit losses. The method means that expected losses during the entire term of the receivable is used as a basis for any such loss calculation.

Experience shows that there is only a need for risk evaluation and provision for anticipated credit losses within the business segment, *Personal Assistance*.

In several national court cases, against different assistance service providers, legal procedures are currently ongoing, to ensure that the invoiced amount can be recovered. Outcome of these legal processes are followed closely and based on this experience, the probability that an unpaid claim will be paid is assessed against the likelihood of such claim becoming a probable loss.

Another important parameter when assessing the likelihood of loss is the time the claim is delayed. When the overdue time increases, a higher proportion is allocated as provision for probable loss.

The expected loan losses have been valued on the basis of an individual assessment performed for each individual customer / municipality and for each individual invoice.

| | Group |
|----------------------------|-------------------|
| Accounts receivable | 2018-12-31 |
| Accounts receivable | 297 071 |
| Bad debt reserve | -8 580 |
| Net account balance | 288 490 |

| 2018-12-31 | | | |
|----------------------------------|-----------------------------------|--------------------|------------------|
| Maturity | Reported amount Gross Receivables | Estimated loss [%] | Bad debt reserve |
| Not due | 182 556 | 0.3% | 561 |
| Due < 30 days | 69 049 | 0.0% | 0 |
| Due 31–60 days | 16 996 | 1.1% | 180 |
| Due 61–90 days | 4 053 | 3.9% | 157 |
| Due > 90 days | 24 417 | 31.5% | 7 682 |
| Total Accounts Receivable | 297 071 | 2.9% | 8 580 |

NOTE 24 OTHER RECEIVABLES

| | Group 2018-12-31 |
|------------------------|---------------------|
| Tax account | 85 |
| Claim employees | 2 033 |
| Other receivables | 11 150 |
| Closing balance | 13 268 |

No part of Other receivables has fallen due for payment prior to 31 December 2018. All amounts are reported at nominal value.

NOTE 25 PREPAID EXPENSES AND ACCRUED INCOME

| | Group 2018-12-31 |
|-------------------------|---------------------|
| Accrued customer income | 8 382 |
| Prepaid rents | 21 928 |
| Other prepaid expenses | 10 261 |
| Closing balance | 40 572 |

NOTE 26 CASH AND CASH EQUIVALENTS

| | Group 2018-12-31 | Parent Company 2018-12-31 |
|--------------------------|---------------------|---------------------------------|
| Cash and cash equivalent | 87 725 | 27 947 |
| Closing balance | 87 725 | 27 947 |

NOTE 27 OTHER COMPREHENSIVE INCOME/EQUITY

Equity

Group

Share Capital

Holders of ordinary shares are entitled to dividend which is determined over time and which entitles the shareholder to vote at the Annual General Meeting with one vote per share. All shares have the same right to the Group's remaining net assets.

Other contributed capital

Other contributed capital is entirely related to excess amounts; i.e. in excess to the shares quotation value, and which is paid in connection with the issuing of shares.

Retained earnings including profit for the year

This also includes any contributions made and any tax on such contributions.

Any shareholders contributions will be included as part of retained earnings.

Dividend

No dividend will be proposed at the Annual General Meeting 2019.

Parent Company

Share Capital

| | Parent Company 2018-12-31 |
|------------------------|---------------------------------|
| Opening balance | 500 |
| Closing balance | 500 |

The Parent company's ordinary shares have a quote value of SEK 100 per share. Each share entitles to one vote. Number of shares should be at a minimum 5 000 and at a maximum 20 000.

Restricted funds

Restricted funds may not be reduced through dividends.

During the financial year, a development fund has been booked which corresponds to the amount booked as capitalized development costs and is accounted for as a transfer of funds from unrestricted equity to restricted equity by the same amount.

Accumulated profit or loss

Consists of net profit for the year and forms the total unrestricted equity.

NOTE 28 LIABILITIES TO CREDIT INSTITUTIONS

| | Group | Parent Company |
|-----------------------------------|----------------|----------------|
| | 2018-12-31 | 2018-12-31 |
| Amortization due within 1 year | 45 000 | 0 |
| Amortization due within 2–5 years | 739 064 | 739 064 |
| Closing balance | 784 064 | 739 064 |

NOTE 29 DEFERRED TAX ASSET AND DEFERRED TAX LIABILITY

Deferred tax asset

Tax related to:

Difference between book value and tax value of improvement expenses on another external party's property.

| | Group |
|---------------------------------------|--------------|
| | 2018-12-31 |
| Acquired opening balance | 1 137 |
| Change reported in the profit or loss | -64 |
| Closing balance | 1 073 |

Deferred tax liability

Tax related to:

Difference between book value and tax value of properties.

| | Group |
|---------------------------------------|---------------|
| | 2018-12-31 |
| Acquired opening balance | -16 216 |
| Tax on untaxed reserves | 10 260 |
| Change reported in the profit or loss | 38 |
| Closing balance | -5 918 |

There are no tax loss carryforwards in the Group on 31 December 2018.

NOTE 30 OTHER LIABILITIES

| | Group | Parent Company |
|-------------------------|---------------|----------------|
| | 2018-12-31 | 2018-12-31 |
| Employee related taxes | 29 394 | 0 |
| Employer's contribution | 33 499 | 0 |
| Value Added Tax | 810 | 0 |
| Other liabilities | 6 945 | 3 190 |
| Closing balance | 70 648 | 3 190 |

NOTE 31 ACCRUED EXPENSES AND PREPAID INCOME

| | Group |
|-------------------------------|----------------|
| | 2018-12-31 |
| Accrued payroll | 82 421 |
| Vacation pay liability | 54 543 |
| Social Security contributions | 40 527 |
| Accrued expenses | 7 797 |
| Accrued interest expenses | 3 150 |
| Prepaid customer income | 1 319 |
| Closing balance | 189 849 |

NOTE 32 PLEDGED ASSETS

| Collaterals for debt to credit institutions | Group | Parent Company |
|---|------------------|------------------|
| | 2018-12-31 | 2018-12-31 |
| Pledged shares in Group companies | 1 023 756 | 462 235 |
| Other pledged assets | 586 366 | 586 366 |
| Total | 1 610 123 | 1 048 602 |

Other pledged assets refer to intra-group loans from Brado AB to the subsidiary Frösunda Holdco AB.

NOTE 33 CONTINGENT LIABILITIES

| | Group |
|------------------|--------------|
| | 2018-12-31 |
| Rental guarantee | 300 |
| Other guarantees | 5 000 |
| Total | 5 300 |

NOTE 34 ITEMS THAT ARE NOT INFLUENCING CASH-FLOW

| | Group |
|---|-----------------|
| | 2018-12-31 |
| This year depreciations and amortizations | 12 504 |
| Capital gain or loss | 177 |
| Valuation effect from investments | -429 980 |
| Change of interest receivable | -315 |
| Total | -417 612 |

NOTE 35 FINANCIAL ASSETS AND LIABILITIES

Valuation of financial assets and liabilities are in accordance with the new accounting regulation, IFRS 9.

This includes the Group's estimates and assessments when determining the fair value of financial assets and financial liabilities reported at their fair value in the financial statement. To ensure reliable input data for such assessment of fair value, the Group has classified the financial statement (financial assets and liabilities) in three levels as described in the accounting standards.

Level 1: Fair value of financial instruments traded on an active financial market (such as listed derivatives and share-related securities) is based on quoted market prices when reported in the balance sheet. The quoted market price used for the Group is any current purchase price.

Level 2: The fair value of financial assets that are not traded on an active financial market (eg OTC derivatives) are determined by using valuation techniques, which as far as it is possible are using available market information, whilst company specific information is rather used for any valuation of assets and liabilities accounted for at their acquisition cost.

Level 3: In cases where unlisted financial instruments are used, and such input data used for valuation of the instrument is not available. Valuation will in such case be carried at acquisition cost.

Analysis shows that calculation of fair value would not result in any material effects to the reported value of the Group's long-term loans. When valuing the fair value of long-term interest bearing liabilities, the Group's bond loans, recalculation is performed using observable market prices for identical securities. Other long-term liabilities have been revalued according to the principles stated above. For short-term loans, no revaluation has been carried out as the reported value is deemed to be a good estimate of the fair value mainly due to the short term of such financial liability.

See also Note 3, for more information regarding financial risk management and risk management.

The table below shows the fair value of financial assets and liabilities compared to the reported values. The fair value is the value to which an asset or liability could be transferred between knowledgeable parties who are independent of each other and who have an interest of such transactions.

| The Group 2018 | Reported value | Fair value |
|--|------------------|------------------|
| Financial assets | | |
| Accounts receivable | 288 490 | 288 490 |
| Other receivables | 13 268 | 13 268 |
| Accrued income | 8 382 | 8 382 |
| Cash and cash equivalents | 87 725 | 87 725 |
| Total | 397 865 | 397 865 |
| Financial liabilities | | |
| Liabilities to credit institutes | 784 064 | 784 064 |
| Liabilities to former owners of Frösunda Holdco AB | 161 507 | 161 507 |
| Accounts payable | 39 751 | 39 751 |
| Other liabilities | 70 648 | 70 648 |
| Total | 1 055 970 | 1 055 970 |

| Parent Company 2018 | Reported value | Fair value |
|--|----------------|----------------|
| Financial assets | | |
| Cash and cash equivalents | 27 947 | 27 947 |
| Total | 27 947 | 27 947 |
| Financial liabilities | | |
| Liabilities to credit institutes | 739 064 | 739 064 |
| Liabilities to former owners of Frösunda Holdco AB | 161 507 | 161 507 |
| Other liabilities | 3 190 | 3 190 |
| Total | 903 761 | 903 761 |

Reported values in the balance sheet are deemed to correspond to the fair value.

Due to the short maturity of short receivables and liabilities, the carrying amount is assumed to be the best approximation of the fair value.

The fair value of long-term borrowing is judged to be in line with the reported value when the interest burden is variable against the indebtedness. whereby the book value is representative for the fair value.

NET PROFIT / LOSS FOR EACH CATEGORY OF FINANCIAL INSTRUMENTS

| | Group 2018-12-31 |
|--|---------------------|
| Loan receivables and accounts receivable | -3 967 |
| Total | -3 967 |

Net profit / loss refers to customer losses and exchange rate effects. Interest income and interest expenses are not included as net profit / loss but are instead listed separately in Note 11 and Note 12.

NOTE 36 ADDITIONAL INFORMATION ON THE REPORT ON CASH FLOWS

The following additional information refers to liabilities in which cash flow changes are reported in financing activities.

| | Opening balance 2018-03-06 | Items affecting cash-flow Debt amortization | Borrowings | Closing balance 2018-12-31 |
|---|-------------------------------|---|----------------|-------------------------------|
| Long-term debt to credit institutions | 440 565 | | 298 499 | 739 064 |
| Long-term other liabilities | | | 161 507 | 161 507 |
| Short-term debt to credit institutions | 65 981 | -65 981 | 0 | 0 |
| Total liabilities reported in the Financing activities | 506 546 | -65 981 | 460 006 | 900 572 |

NOTE 37 TRANSACTIONS WITH RELATED PARTIES

Purchase and sales transactions with related parties take place at official market terms.

The following transactions have been made with related parties:

| The Group | Sales of services to related parties | Purchases of services to related parties |
|-----------------------------------|---|---|
| | 2018-03-06 – 2018-12-31 | 2018-03-06 – 2018-12-31 |
| Related party | | |
| Key people in executive positions | 0 | 0 |
| Total | 0 | 0 |

| Parent Company | Sales of services to related parties | Purchases of services to related parties |
|-----------------------------------|---|---|
| | 2017-10-02 – 2018-12-31 | 2017-10-02 – 2018-12-31 |
| Related party | | |
| Key people in executive positions | 0 | 0 |
| Total | 0 | 0 |

| The Group | 2018-12-31 | 2018-12-31 |
|--------------------------------------|------------|------------|
| Transactions to related party | | |
| Key people in executive positions | 0 | 0 |
| Total | 0 | 0 |

| Parent Company | 2018-12-31 | 2018-12-31 |
|--------------------------------------|------------|------------|
| Transactions to related party | | |
| Key people in executive positions | 0 | 0 |
| Total | 0 | 0 |

Normal payment terms are applicable also for claims and liabilities to related parties. Remunerations to the Board, to the CEO and to other senior executives are stated in Note 9.

NOTE 38 APPROPRIATIONS OF PROFIT

| | |
|--|--------------------|
| At the disposal at the Annual General Meeting, the following means of financing are available: | |
| Retained earnings | 202 200 000 |
| Net profit / loss for the period | -16 971 000 |
| Total SEK | 185 729 000 |
| The Board of Directors proposes that the means of profit be allocated so that: brought forward | 185 729 000 |
| Total SEK | 185 729 000 |

NOTE 39 INVESTMENT

Current year's investments

During the year, Brado AB acquired 100% of the shares in Frösunda Holdco AB, and its subsidiaries.

Investments after the end of the financial year

No investments have been made after the end of the financial year.

Goodwill

In connection with the investment, a goodwill value has arisen, which can mainly be seen against expected future cash flows from the operational activities of the Group, and the brand amongst the subsidiaries included in the acquisition.

Goodwill arises when the acquisition price exceeds the acquired company/companies' net assets, valued at fair value.

The purchase price is calculated on the basis of value of the acquired company with deduction for net debt or supplement for contributed cash. Within one year after the transaction date, a final assessment is made of the fair value of the purchase price.

PRELIMINARY ALLOCATION OF THE PURCHASE PRICE (PPA)

| Assets valued at fair value | |
|--|------------------|
| (SEK thousand) | 2018-03-06 |
| Purchase price | 630 757 |
| Total | 630 757 |
| <i>Identified acquired assets and liabilities</i> | |
| Operating credit | -119 569 |
| Tangible fixed assets | 84 282 |
| Intangible assets | 8 896 |
| Deferred tax asset | 1 137 |
| Other long-term receivables | 188 |
| Account receivables and other receivables | 405 791 |
| Accounts payable and other liabilities | -846 600 |
| Tax liability | 22 051 |
| Total identified net assets | -443 824 |
| Goodwill 1) | 1 074 581 |
| 1) No part of the reported goodwill is expected to be tax deductible | |

Acquisition-related expenses amount to SEK 14.4 million and can be seen as part of the Group's reported Other expenses.

All reported net sales can be seen as related to the acquired companies.

If the acquisition had been carried out as at 2018-01-01 profermo net revenue would have been SEK 2.318 million and proferma operating income SEK 9.6 million. The acquisition was financed by equity and an acquisition credit of the amount SEK 350 million which was granted by the Seller Hg Capital. In a situation where the Brado Group is not delivering the expected results over the period 2018–2020, an fair value revaluation of the Seller's credit will be carried out.

Seller's credit was revaluation at fair value and to the closing amount SEK 161.5 million. The fair value of the total purchase price is calculated as a multiple of average annual EBITDA, during the period 201–2020.

The multiple is 8.5 the Seller's credit can be at a most of the amount SEK 350 million. 2020 the Seller's credit can be valued between SEK 0 to SEK 350 million.

NOTE 40 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant events have occurred after the end of the financial year.

The Board of Directors and the CEO assure that the annual report has been prepared in accordance with generally accepted accounting standards and that the consolidated accounts have been prepared in accordance with the international accounting standards set out in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual report and the consolidated accounts give a true and fair view of the Parent company respectively the Group's position and results. The Management report for the Parent company and the Group provides a true and fair view of the development of the Parent company and the Group's operations, position and results as well as describes significant risks and uncertainties that the Parent company and other companies within the Group are facing.

Solna April 30, 2019

Kristian Arne Adolfsen
Chairman of the Board

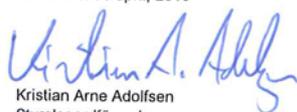
Roger Adolfsen
Board member

Kristoffer Lorck
CEO

Carl Henrik Widell Lindstrand
Board member

The official version of Brado AB:s annual report is in Swedish. Brado AB:s auditors have reviewed the Swedish version in accordance with Swedish law. The English version of the annual report is translated from the Swedish version and contains the same information.

Solna den 30 april, 2019



Kristian Arne Adolfsen
Styrelseordförande



Kristoffer Lorck
Styrelseledamot



Roger Adolfsen
Styrelseledamot



Carl Lindstrand
Styrelseledamot

Vår revisionsberättelse har lämnats den 30 april, 2019
Öhrlings Pricewaterhouse Coopers AB



Martin Johansson
Auktoriserad revisor
Huvudansvarig revisor

Revisionsberättelse

Till bolagsstämman i Brado AB (publ), org.nr 559127-5127

Rapport om årsredovisningen och koncernredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen och koncernredovisningen för Brado AB (publ) för räkenskapsåret 2017-10-02—2018-12-31 avseende moderbolaget och räkenskapsåret 2018-03-06—2018-12-31 avseende koncernen med undantag för bolagsstyrningsrapporten på sidorna 13-15. Bolagets årsredovisning och koncernredovisning ingår på sidorna 16-61 detta dokument.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av moderbolagets finansiella ställning per den 31 december 2018 och av dess finansiella resultat och kassaflöde för räkenskapsåret enligt årsredovisningslagen. Koncernredovisningen har upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av koncernens finansiella ställning per den 31 december 2018 och av dess finansiella resultat och kassaflöde för året enligt International Financial Reporting Standards (IFRS), såsom de antagits av EU, och årsredovisningslagen. Våra uttalanden omfattar inte bolagsstyrningsrapporten på sidorna 13-15. Förvaltningsberättelsen är förenlig med årsredovisningens och koncernredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för moderbolaget och koncernen.

Våra uttalanden i denna rapport om årsredovisningen och koncernredovisningen är förenliga med innehållet i den kompletterande rapport som har överlämnats till moderbolagets och koncernens styrelse i enlighet med revisorsförordningens (537/2014) artikel 11.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav. Detta innefattar att, baserat på vår bästa kunskap och övertygelse, inga förbjudna tjänster som avses i revisorsförordningens (537/2014) artikel 5.1 har tillhandahållits det granskade bolaget eller, i förekommande fall, dess moderföretag eller dess kontrollerade företag inom EU.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Vår revisionsansats

Revisionens inriktning och omfattning

Vi utformade vår revision genom att fastställa väsentlighetsnivå och bedöma risken för väsentliga felaktigheter i de finansiella rapporterna. Vi beaktade särskilt de områden där verkställande direktören och styrelsen gjort subjektiva bedömningar, till exempel viktiga redovisningsmässiga uppskattningar som har gjorts med utgångspunkt från antaganden och prognoser om framtida händelser, vilka till sin natur är osäkra. Liksom vid alla revisioner har vi också beaktat risken för att styrelsen och verkställande direktören åsidosätter den interna kontrollen, och bland annat övervägt om det finns belägg för systematiska avvikelser som givit upphov till risk för väsentliga felaktigheter till följd av oegentligheter.

Vi anpassade vår revision för att utföra en ändamålsenlig granskning i syfte att kunna uttala oss om de finansiella rapporterna som helhet, med hänsyn tagen till koncernens struktur, redovisningsprocesser och kontroller samt den bransch i vilken koncernen verkar.

Särskilt betydelsefulla områden

Särskilt betydelsefulla områden för revisionen är de områden som enligt vår professionella bedömning var de mest betydelsefulla för revisionen av årsredovisningen och koncernredovisningen för den aktuella perioden. Dessa

områden behandlades inom ramen för revisionen av, och i vårt ställningstagande till, årsredovisningen och koncernredovisningen som helhet, men vi gör inga separata uttalanden om dessa områden.

Särskilt betydelsefullt område

Hur vår revision beaktade det särskilt betydelsefulla området

Intäktsredovisning (not 2 och 5)

Verksamheten är från intäktperspektiv transaktionsintensiv och varje affärsområde rymmer olika aspekter. Intäkterna baseras på en mängd avtal och ett flertal ersättningsmodeller. Fullständighet och riktighet i intäkter har bedömts vara ett signifikant område utifrån risken för fel utifrån komplexiteten i området.

Vi har i vår revision utvärderat verksamhetens processer för styrning och kontroll av intäktsredovisningen. Vidare har vi stickprovvis testat intäkterna mot underlag i form av avtal, externa bekräftelser från uppdragsgivare samt inbetalning. Vi har även analyserat trenderna för de olika affärsområdena för att identifiera potentiella avvikelser. Ledningens tillämpning av redovisningsprinciper samt lämnade upplysningar i årsredovisningar har granskats för att säkerställa att dessa överensstämmer.

Värdering av goodwill och andelar i koncernföretag (not 2, 4, 16 samt 22)

Goodwill respektive andelar i koncernföretag redovisas till 1.075 MSEK i rapport över finansiell ställning för koncernen och till 462 MSEK i moderbolagets balansräkning per 31 december 2018. Värderingen och redovisning av dessa tillgångar utgjorde ett särskilt betydelsefullt område i vår revision mot bakgrund av de redovisade beloppens materialitet i relation till koncernens och moderföretagets finansiella ställning.

Värderingsperspektivet vad gäller goodwill och andelar i koncernföretag tar sikte på ett eventuellt nedskrivningsbehov. I de fall indikationer på nedskrivningsbehov föreligger prövas de bokförda värdena mot tillgångarnas beräknade återvinningsvärde. En nedskrivning redovisas när en tillgångs redovisade värde varaktigt överstiger återvinningsvärdet. Återvinningsvärdet fastställs genom en beräkning av nyttjandevärdet för respektive kassagenererande enhet och utgörs av nuvärdet av de framtida kassaflödena för enheten. Beräkningen av återvinningsvärdet innehåller flera antaganden och bedömningar bland annat avseende den diskonteringsfaktor som tillämpas samt avseende storleken på de framtida kassaflödena. Som framgår av not 16 i årsredovisningen genomförde koncernen under 2018 nedskrivningsprövningar avseende goodwill och andelar i koncernföretag. Nedskrivningsprövningarna visade att inget nedskrivningsbehov förelåg.

Vi har granskat förvärvet av Frösunda Holdco med dotterbolag utifrån beslut och avtal.

Vad gäller nedskrivningsprövningar har vi utvärderat verksamhetens beräkningsmodeller och rimligheten i gjorda antaganden. *Förvärvet skedde under 2018 och indikerade ett marknadsvärde som tagits med i vår bedömning.* Vi har granskat processen för identifiering av kassagenererande enheter mot fastställda kriterier och jämfört detta med ledningens uppföljning av verksamheten för att verifiera att dessa stämmer överens. Vi har även bedömt huruvida lämnade upplysningar i årsredovisningen ger en rättvisande bild av bolagets arbete med nedskrivningsprövningar.

Annan information än årsredovisningen och koncernredovisningen

Detta dokument innehåller även annan information än årsredovisningen och koncernredovisningen och återfinns på sidorna 1-12. Det är styrelsen och verkställande direktören som har ansvaret för denna andra information.

Vårt uttalande avseende årsredovisningen och koncernredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen och koncernredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen och koncernredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen och koncernredovisningen upprättas och att de ger en rättvisande bild enligt årsredovisningslagen och, vad gäller koncernredovisningen, enligt IFRS, så som de antagits av EU, och årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning och koncernredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen och koncernredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets och koncernens förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen och koncernredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen och koncernredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen och koncernredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfälskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen och koncernredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen och koncernredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen och koncernredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen och koncernredovisningen, däribland upplysningarna, och om årsredovisningen och koncernredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.
- inhämtar vi tillräckliga och ändamålsenliga revisionsbevis avseende den finansiella informationen för enheterna eller affärsaktiviteterna inom koncernen för att göra ett uttalande avseende koncernredovisningen. Vi ansvarar för styrning, övervakning och utförande av koncernrevisionen. Vi är ensamt ansvariga för våra uttalanden.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Vi måste också förse styrelsen med ett uttalande om att vi har följt relevanta yrkesetiska krav avseende oberoende, och ta upp alla relationer och andra förhållanden som rimligen kan påverka vårt oberoende, samt i tillämpliga fall tillhörande motåtgärder.

Av de områden som kommuniceras med styrelsen fastställer vi vilka av dessa områden som varit de mest betydelsefulla för revisionen av årsredovisningen och koncernredovisningen, inklusive de viktigaste bedömda riskerna för väsentliga felaktigheter, och som därför utgör de för revisionen särskilt betydelsefulla områdena. Vi beskriver dessa områden i revisionsberättelsen såvida inte lagar eller andra författningar förhindrar upplysning om frågan.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen och koncernredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Brado AB (publ) för räkenskapsåret 2017-10-02—2018-12-31 avseende moderbolaget och räkenskapsåret 2018-03-06—2018-12-31 avseende koncernen samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionsred i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisionsred i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets och koncernens verksamhetsart, omfattning och risker ställer på storleken av moderbolagets och koncernens egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets och koncernens ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningskyldighet mot bolaget

- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionsssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionsssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Revisorns granskning av bolagsstyrningsrapporten

Det är styrelsen som har ansvaret för bolagsstyrningsrapporten på sidorna x1–y1 och för att den är upprättad i enlighet med årsredovisningslagen.

Vår granskning har skett enligt FAR:s uttalande RevU 16 Revisorns granskning av bolagsstyrningsrapporten. Detta innebär att vår granskning av bolagsstyrningsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionsssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för våra uttalanden.

En bolagsstyrningsrapport har upprättats. Upplýsningar i enlighet med 6 kap. 6 § andra stycket punkterna 2–6 årsredovisningslagen samt 7 kap. 31 § andra stycket samma lag är förenliga med årsredovisningens och koncernredovisningens övriga delar samt är i överensstämmelse med årsredovisningslagen.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, utsågs till Brado AB (publ)s revisor av bolagsstämman den 18 september 2018 och har varit bolagets revisor sedan 15 oktober 2018.

Stockholm den 30 april 2019

Öhrlings PricewaterhouseCoopers AB



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