

ANNUAL REPORT

2020



Brado AB
FRÖSUNDA OMSORG

Annual Report for the financial year 01/01/2020 – 31/12/2020

The Board of Directors and the CEO of Brado AB hereby submit the following annual report.

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All amounts are stated in TSEK, unless otherwise stated.

Brado AB

Brado was established in October 2017 and is controlled via companies owned by Kristian Adolfsen and Roger Adolfsen. The company acquired 100 percent of the shares in Frösunda Holdco AB with its subsidiaries on 6 March 2018. Frösunda Holdco AB with subsidiaries was consolidated as of the same date. Operations are conducted within four segments:

- Personal Assistance
- Disability
- Individual & Family
- Elderly Care

All activities in all segments are run under the name Frösunda Omsorg.

The Adolfsen brothers have over 20 years' experience within the social care sector, and Frösunda Omsorg's motivation is for people needing support and assistance to lead better lives and find a natural place in society, with a future where they themselves have the possibility of being in charge of their everyday lives.

Frösunda Omsorg is a value-driven company that combines clients' quality of life with good employeeship. At the centre, there are the concepts of respect, commitment and curiosity, and providing individual care services of high quality.

The CEO and the chairman of the board comment:

“We have laid the foundation for the future”

Never before have Brado and Frösunda Omsorg been tested harder than during the exceptional year of the pandemic in 2020. But at the same time as we have made great efforts to combat the risk of infection, we have also taken the health of our clients and staff as a cornerstone for building a clearer, stronger and more efficient company which can meet all the care requirements of the future.

No one could foresee last spring that Covid 19 would have such huge impact on all aspects of our lives. To date, some 13,000 Swedes have lost their lives to this treacherous disease. Globally, more than 2.6 million people have died.

As a consequence of the virus spreading and the need to protect the elders and those with disabilities from illness, Brados and Frösunda Omsorg's year in many ways became a challenging one for all our staff, managers, residents, clients and loved ones.

The elders were affected particularly hard by the pandemic infection. This had a particular impact especially in Frösunda elderly care, even if the spread of the virus could still be limited thanks to quick and solid efforts by staff and managers. They have demonstrated impressive professionalism and fantastic perseverance.

Much of what we took for granted at workplaces fell by the wayside this past year. The daily interaction between colleagues was affected, the informal conversations between staff limited, the opportunity to cooperate restricted.

For example, our opportunities as chairperson and CEO to meet regularly in person as planned to follow up on the operations were affected due to a travel ban and working from home. Digital forms of meeting work very well, but we look forward to being able to arrange face-to-face meetings once more so that both we and all other colleagues can meet again for real.

Our residents, clients and loved ones have contributed with great understanding and good cooperation all through these testing times. For many it has been tough to not be able to make their regular visits to the retirement home or group accommodation for the disabled. Instead, alternative methods and digital solutions have created opportunities for contact. But of course, they have not fully replaced face-to-face meetings.

At the same time, the pandemic has shown how important it is to be flexible when faced with change, have the ability to take quick measures according to procedures and guidelines and have size and breadth in your operations to be able to meet challenges. When a company such as Frösunda mobilises, this is done with strength.

For the segment Elderly care, though, last year was not just about the pandemic and disease control. Here, a great number of new business activities were launched, some of which managed in-house and others outsourced. At the same time, several challenging contracts and agreements were completed, which means that the operations are on solid ground to grow on in the future.

We look at the increasing need for elderly care with confidence, and our ambition is to be the ones who set the tone with a focus on activities managed in-house as well as outsourced.

The segment Personal Assistance has been working on implementing continuous improvements, which began yielding results during 2020. Here, the impact of Corona was not as great as among the elders, and hard and focused work yielded clear results. Marketing campaigns increased awareness of the operations. The loss of customers was eliminated. And now, growth is at the top of the agenda throughout the organisation.

The opportunities in personal assistance are very good. More and more people are

discovering that Frösunda is a safe, competent, experienced and stable assistance provider who takes full overall responsibility for its clients. We leave nothing to chance. We recruit the right assistants, take full responsibility for staffing and scheduling and follow up carefully on all efforts and activities. We assist with legal expertise and contacts with healthcare and authorities.

Not many can talk about 2020 as a record year. But the business segment Disability did just that. The quality is higher with very good results in customer service, improved efficiency and with that also follows profitability. At the same time, the business segment also yielded very good results in The Swedish association of Local Authorities and Regions' user questionnaire, which confirmed that our clients are satisfied with our efforts (see sustainability report).

In Disability we also have very good growth opportunities, which are the focus for 2021. The needs are increasing and we have a high-quality service in place already today, which is seeing more and more demand. In the segment's smaller activity, Individual & family, where we focus our efforts on family homes, we are also seeing a clearly positive trend with growth, several new framework agreements, interested municipalities and eliminated historical losses.

Even if the pandemic for natural reasons was top of the agenda during last year, Frösunda Omsorg continued its comprehensive journey towards change with a growing care company with a quality as the guiding star. This meant higher internal focus on change management and a certain level of risk-taking against the background of the corona pandemic. But at the same time it is crucial that the company and activities develop as fast as possible, which is clearly confirmed by the successive economic result improvement during last year.

Several joint central support functions were established during the year as a link in the increasing cooperation between Frösunda and Norlandia. Close cooperation between two companies in different groups creates great opportunities, but also high demands on discipline and compliance. This is managed by using clear routines and processes. Currently, the real estate department, HR, IT, market, communication and quality and operating support are working on behalf of Frösunda and Norlandia.

If the increasing cooperation meant less reorganisation in several areas during the year, the real estate department's strategy and skills balance was renewed in a more comprehensive process to form a clearer organisation for both new projects and management of existing properties. The adjusted organisation also meant more comprehensive changes for the quality department, where previously central functions were reduced and the regional and local quality management boosted.

With organisational adjustments and improved processes we have now laid the foundation for the future and created conditions for growth during 2021.

We will continue to work systematically with quality and efficiency and strengthen our important role in contributing to society, in a situation where every SEK paid in tax needs to yield maximum results. Our driving force is to ensure that citizens are given as much care as possible for the money they invest in welfare for the elders and disabled – so that they can live their lives just like everyone else, with the highest possible quality of life.

Kristoffer Lorck

CEO Brado AB

Chairperson Frösunda Omsorg AB

Nathalie Boulas Nilsson

CEO Frösunda Omsorg AB

Frösunda Omsorg's operations

Brado AB's operations are conducted under the brand Frösunda Omsorg within four segments: Disability, Personal Assistance, Elderly Care and Individual & Family. Each segment has its own unique conditions.

Frösunda Omsorg's overall concept

Frösunda Omsorg's care-model is based on how elderly people and people with functional impairments process information (cognitive expertise), and how this affects the ability to perceive the outside world and their own actions. The model is based on knowledge of the individuals, and that the clients themselves get to decide what quality of life and independence mean to them.

Frösunda Omsorg operates based on a salutogenic approach, i.e. that social care should focus on factors that promote well-being, function and health.

Personal Assistance

Frösunda Personal Assistance is one of the country's leading assistance providers with more than 25 years' experience. We ensure clients get a responsible provider who takes overall responsibility for their assistance around the clock, year-round. With local offices all across Sweden in combination with central support functions, we are always there for our clients, staff and loved ones.

By overall responsibility we mean recruiting the right assistants, managing contacts with healthcare and authorities, being responsible for staffing and scheduling and following up on the assistance at an individual level to see if there is anything that can be changed. We want our clients to focus on their day-to-day life, so we take care of the assistance.

The idea that people with functional impairments should have a natural place in society and live independent lives is a constant driving force for Brado and Frösunda Omsorg. Personal Assistance is Frösunda Omsorg's largest segment and the objective is to deliver the highest possible quality of life to customers, around the clock and throughout the year.

In the Personal Assistance segment, Frösunda Omsorg combines the strength, capacity and stability of a large company with local presence, a commitment to treating everyone as an individual and value-based leadership. We are where our clients are and our clients' safety and quality of life are at the core of everything we do.

Our clients have a team of assistants around them and individual implementation plans govern how the services are carried out. As a client you get an operations manager who is present locally with ultimate responsibility for the assistance service at an individual level.

We assist our clients in the recruitment process and employ assistants based on needs and preferences. We ensure staffing every day, around the clock, year-round. One important goal for us is therefore to boost our appeal as an employer in order to attract the very best staff and managers.

Companies that work with people as closely as we do rely totally on their employees. To create opportunities for relevant professional development and skills improvement, we boosted our training courses for new personal assistants in 2020. We continued with efforts to strengthen our corporate culture and leadership.

At Frösunda Personal Assistance there are also regional legal representatives who help out at no charge when legal help is needed.

The aim is to deliver an easier day-to-day life where we take care of administrative tasks and assist with the contact with health care and authorities.

Our legal experts and our central staffing function support our clients in their contact with authorities and ensure that the right person is in the right place at the right time. Staffing, personal treatment and availability are core values for our staff.

During 2020, quality and growth were areas of focus. In a climate characterised by fierce competition from small and medium-sized local companies, our work to increase client satisfaction and enhance quality in social documentation thus continued and we have seen that these efforts have come to fruition during the year.

Our existing clients are increasingly satisfied and more and more people are choosing to recommend us to potential new clients. Many of our clients have opted to become ambassadors in order to contribute by sharing their experience of using our services.

Continuous quality improvements are a crucial success factor for an assistance company, and during the year we achieved our established quality goals. Now we continue to work systematically to consolidate our business in accordance with our model for continuous improvement.

For Frösunda Personal Assistance it's about so much more than delivering high-quality assistance. Our clients' autonomy and chance to live like everyone else is our goal. We will continue to deliver this.

Key figures:

Share of turnover: 56 %

Disability

It was a natural development for Frösunda to expand into disability in 2004, after working for 10 years in personal assistance. Frösunda Omsorg runs some 100 activities from Vellinge in the south to Lycksele in the north. We seek to provide our clients with a higher quality of life through our services offered in group homes, assisted living facilities, short-term housing, daily activities, schools, plus supervision and coaching (housing support).

Over the years, Disability has become the company's second largest segment, accounting for just under 30% of the group's turnover. This makes Frösunda Omsorg one of the country's oldest, largest and most versatile private players in the Disability segment.

Our customers are children, young people and adults who need advanced and specialised care due to different kinds of disabilities. The operations are primarily focused on residential solutions and daily activities, run by our company and by contractors. In addition, we operate three schools for children and young people with special needs.

Our goal is to provide high-quality and safe care, as always, thus ensuring that every person can take their natural place in society and live an independent life. We want to provide the opportunity for maximum quality of life.

Our way of working is always based on residents' implementation plans, which we draw up together with the clients. The plan guarantees that our service is adapted to their needs and preferences. Here you'll find all the information about how clients prefer the service to be, both in the long and short term. The aim is for everyone to be able to live as independently as possible.

One of our most important tasks is to build up clients' self-esteem and self-confidence.

They are not their disability and their functional impairment should also not control how clients live their lives. We want to make the “impossible” possible in order for them to live a good life, just like everyone else.

Our operations in this segment are fundamentally governed by care-giving laws and regulations, especially the The Act on support and service for persons with certain functional impairments (LSS), the School Act and the Social Services Act (SoL). These typically concern long-term efforts and support given by employees who are experts in this segment.

To provide the operations with such knowledge and development, we built our own educational unit, Frösunda Academy, which offers an online learning platform where our employees can be certified in our methods and concepts.

Part of Frösunda Omsorg’s strategy is to give our customers maximum autonomy to establish collaborations between homes, so that skills and expertise can be shared between operations, and to increase the offers of our schools and daily activities, among other things, to complement this.

In 2020 systematic quality management was, as always, top of the agenda. By constantly reviewing and following up, we are able to provide solid and high-quality services, while being able to develop methods and concepts even further.

In 2020, we also conducted a user survey developed by the Swedish Association of Local Authorities and Regions (SKR). The results showed a clear improvement and overall strong results, well above the national average.

The outlook for the disability segment is good. For Frösunda Omsorg, this development means a stronger focus on the construction of new homes under our own management, in a sector where many communities have a shortage of places in group homes and insufficient activities for those who are disabled.

As a whole, Frösunda Omsorg strives to continue to increase the chances of a happy life for people with special needs to enjoy the same experiences as others.

Key figures:

Share of turnover: 30 %

Individual and Family

In 2019, it was decided to discontinue Frösunda’s residential care home operations and review the company’s property portfolio in the segment, to instead allow for renewed investment in the family home segment where the opportunities for development are assessed as being very good.

The driving force behind the family home venture is to help children, young people and adults to get away from difficult living conditions characterized by abuse, crime or neuropsychiatric problems, so that they can have a safe and comfortable life in another family or in alternative accommodation near the family homes.

Frösunda Omsorg offers three forms of family homes based on evidence-based care. Our goal is to help our customers get the highest possible quality of life and empower people so they can manage their everyday lives and, ultimately, live independent lives.

- **Emergency housing:** Immediate housing for those who are waiting for a home, e.g. inquiries, identifying their needs, breakdown and violent events in the biological family.
- **Family homes:** For long-term housing with different types of support, e.g. based on the level of care needed or other reasons making it necessary to find a family

to live with.

- **Treatment family:** An alternative to residential care homes/institutional welfare. We offer therapy options with the help of a mobile, highly qualified team. Our therapy families are highly educated and experienced and know how to handle different types of challenging behaviours, such as NPD diagnoses and trauma, knowledge, understanding and patience for particularly challenging behaviours and situations.

These offers are directed to children, young people and adults up to 65 years old – our goal is to create the right conditions to bring a permanent solution.

We want to make the difference for those who need us the most. Frösunda shall be the best alternative when nothing else is working. With the right help and support, we are certain that everyone, based on their background and conditions, can have a valuable life and a chance to start over.

In order to do that, we provide quality-assured care, attention and treatment that give 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 care-receivers participate and decide, influence and feel involved, in order to create trust, confidence, and respect.

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. Quality assessment is a crucial factor for further development of our services.

In order to handle emergency placement needs, we offer 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.

Key figures:

Share of turnover: 1 %

Elderly Care

The proportion of elderly in the population is increasing at a rapid pace, and according to the Swedish Association of Local Authorities and Regions (SKR), these numbers 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 many municipalities have a shortage of places in residential care for the elderly. According to the Ministry of Finance's calculations we will need as many as 560 new retirement homes to cope with the increase of elderly in society in the next six years.

However, almost half of the municipalities can't meet this demand in the long run. The SKR reports that about 90 municipalities already have a deficit in that area. Which makes it hard to make substantial savings.

Managing the rapid increase in the number of elderly people while municipalities' budgets are being squeezed is one of society's major challenges. And this is an important reason for Frösunda Omsorg's chances to grow and contribute to creating a solution for this welfare challenge in the elderly care segment.

The global corona pandemic made the situation even more challenging during 2020.

Frösunda Omsorg has been running residential care homes for the elderly since 2009, both by being contracted by municipalities and by building and operating its own residential units. Today, there are about 328 places in 6 residences around the country.

We have 217 places in facilities run on contract.

2020 was characterised by change, working with higher customer satisfaction and managing Covid 19. The overall ambition is to break away from the accustomed approach to care practices and see each individual as an asset. People should be able to decide for themselves how their life should be and what it should involve, even if they live in a retirement home. Every person should have an opportunity to create quality of life for themselves.

Frösunda's new generation of care- and support homes are imbued with forward-thinking. Our properties are designed based on our extensive knowledge and understanding of the needs of people with cognitive impairment. The content focuses on adequate treatment and stimulation along with a function-preserving approach. We create a home-like environment where our customers decide over their own lives in order to create the highest possible quality of life.

Elderly Care is still one of Frösunda Omsorg's smaller segments. The segment accounts for around 13 percent of the entire company's turnover. But the prospects for this 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 numbers of current employees retiring and a lack of younger people who want to work in the care sector mean that new methods must be developed. During 2020, the focus was also on managing corona where we as a private operator were able to act quickly to prevent the spread of the virus in our units.

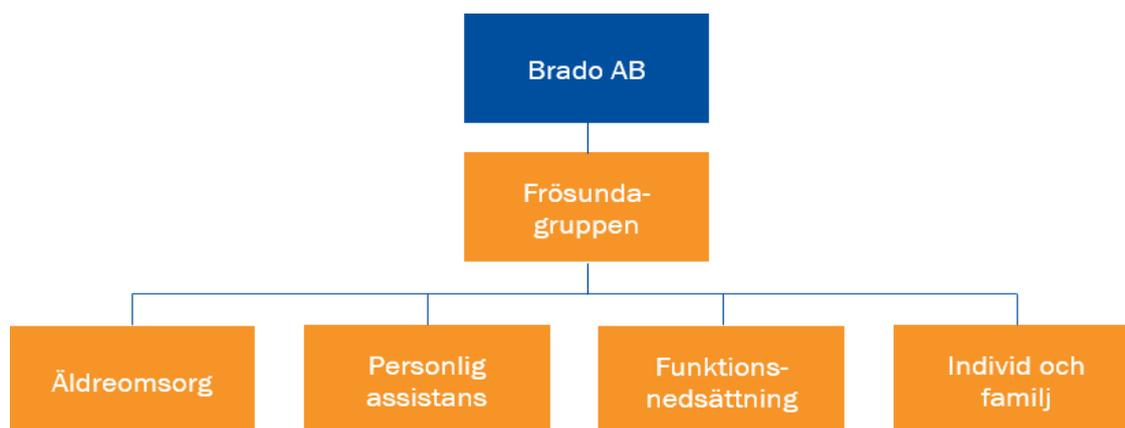
Key figures:

Share of turnover: 13%

Corporate Governance Report Brado AB

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

Operations are conducted within four segments: Personal assistance, Disability, Individual and family, and Elderly care, under the name Frösunda Omsorg.



Brado's bonds were listed on NASDAQ OMX Stockholm on 26 November 2018. A senior bond valued at 600 million SEK and a junior bond valued at 150 million SEK. Both bonds have variable interest rates and will mature in 2023. Institutional investors are the majors bondholders.

Corporate Governance

Good corporate governance is crucial for Brado and Brado's Frösunda Omsorg subsidiaries. In that way, we aim to achieve long-term growth and a healthy corporate culture. The aim of corporate governance is to establish a framework for 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 running the business.

Brado's corporate governance is based on current external regulations, such as the Companies Act, the Annual Accounts Act and NASDAQ OMX Stockholm's regulations for bond issuers. Brado is not following the Swedish Code of Corporate Governance, because Brado's shares are not listed. Internal regulations include the rules of procedure adopted by Brado's Board, which describe the way the Board operates and how the reports addressed to the Board should be prepared.

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 Companies Act and the Board's guidelines and instructions. The Board of Directors works according to an agenda covering each Board meeting, and it's decided by consulting the Chairman of the Board and the CEO. Additionally, 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 get a good insight into the business and to meet with leaders and employees. The Board of Directors is an 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.

The CEO is also responsible for managing every aspect of the day-to-day operations.

The Group's management continuously identify and evaluate the risks that arise in the company's operations and assess how they can be managed. Management carries out a strategic risk assessment, operational and financial risks and presents the information to the Board annually. 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. Frösunda Omsorg relies on a well-established control that identifies the risks and ensures a correct and reliable financial reporting.

Number of shares and owners

As of 31 December 2020, the number of shares in Brado AB totalled 5,000. Each share corresponds to one vote at the Annual General Meeting and to equal rights to share in the company's assets and earnings. The shares are 100% 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 yet decided on any authorization to issue new shares or acquire its 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 in the General Meeting and have the right to have one vote per share. The Annual General Meeting, the annual meeting, 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 Annual General Meeting decides, 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, decided on how the profits will be allocated, as well as decides on the discharge of the Board of Directors and the CEO.

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, management and control of the company's financial positions. The Board shall, among other things, appoint, evaluate and, if necessary, dismiss the CEO and ensure that systems for monitoring and controlling the operations are put in place, while assessing the risks for Brado. The Board shall also ensure that there are assessments which ensure that Brado complies with laws and regulations 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 have, at least three and no more than ten members. The Board of Directors are elected annually at the Annual General Meeting and will run the operations until next year's Annual General Meeting. An extraordinary general meeting is required in order to dismiss 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 rapporteurs and, if necessary, other executives and employees. The Board of Directors has decided that the Board constitutes an 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 handle. The rules of procedure are adopted annually.

The Board's work in 2020

The Board met 8 times during 2020. The Chairman of the Board approves the agenda for the Board meetings and sends it out to all Board members in advance, together with relevant documentation, in good time before each Board meeting. Brado's auditors will take part in the Board meetings regarding 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 and authority. In autumn, the Board shall decide on a budget for the next year.

Board composition and attendance 2020

Name	Title	Owner	Board meetings
Roger Adolfsen	Styrelsens ordförande	Yes (50%)*	8/8
Kristian Adolfsen	Styrelse ledamot	Yes (50%)*	8/8
Carl Lindstrand	Styrelse ledamot	No	8/8

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.

The Board's 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 evaluate areas such as the constitution, reporting, governance and working procedures. Such evaluation is presented and discussed at a separate Board meeting.

Auditor

At the annual general meeting of 2020, Öhrlings PricewaterhouseCoopers AB (PwC) was elected Brado's auditor for a one-year term, with Martin Johansson as auditor in charger.

Director's report

Business' Information

Frösunda is the leading Swedish care services provider. The Frösunda Group is covered by a number of operating companies, and the business is focuses in four segments: Personal assistance, Disability, Individual, Family and Elderly Care.

The company operates under the brand Frösunda Omsorg.

Brado/Frösunda Omsorg aims to be a driving force to develop new standards and procedures within the care industry, to offer people a much better life and a natural place in society. This means that the Group is working to build a future where the elderly, disabled and other people in need of support are given the opportunity to take the reins of their own lives, have good living conditions and a high quality of life.

The development of the company's operations, results and position

Frösunda Omsorg AB has an agreement between all companies for the operations of each to be carried out on behalf of the other with all of its enterprises, except for the Parent Company, Frösunda Bidco AB, Frösunda Holdco AB, Frösunda Group AB and Frösunda Omsorg Arbetsmarknad AB, Aberia AB and Billbag AB. This agreement means that the profit or loss is transferred to Frösunda Omsorg AB, where taxation takes place.

Net sales, results after financial items and key figures - Financial overview:

Group overview (SEK million)

	2020-12-31	2019-12-31	2018-12-31
Net Sales	2 039	2 066	1 891
Profit/Loss before income tax (EBT)	22	112	129
Balance Sheet Total	2 381	2 192	1 597
Equity ratio	19,1%	20,2%	21,6%
Average no of employees	3 164	3 165	3 560

Parent Company overview (SEK million)

	2020-12-31	2019-12-31	2018-12-31
Net Sales	0	0	0
Profit/Loss before income tax (EBT)	-1,8	-1,4	-17,0
Balance Sheet Total	930	929	1 089
Equity ratio	19,6%	19,8%	17,0%
Average no of employees	0	0	0

Key definitions

Equity/assets ratio: Adjusted equity as a percentage of total assets.

Significant events during the financial year

2020 was a trying year for many companies, organisations and states due to the global corona pandemic. Frösunda Omsorg was no exception. Many of the company's clients are in the risk group and will find it difficult to cope with a Covid illness. For the bigger part of 2020, the company has had an active crisis management organisation which has managed issues such as access to protective equipment, hygiene procedures, skills supply, information to clients and relatives and much more. A big part of the company's management resources were allocated to this work.

Despite this, the pandemic did affect the company mainly in the elderly care segment, where occupancy dropped gradually throughout the year as the number of new clients dropped significantly since the image of elderly care in Sweden in day-to-day conversation has been highly negative. Other segments have seen very little impact from the pandemic. The access to protective equipment and staff has been satisfactory all throughout the pandemic.

During the year, an area of focus was to increase cooperation with our sister company in Sweden, Norlandia, which is active in the same areas as Frösunda Omsorg AB and has the same owners. During the year, the majority of management functions were coordinated. Now the companies have, for example, a joint quality-, HR- and real estate department. This reduces costs and increases efficiency. It makes for stronger processes and gives more weight to the entire company group.

During the year, we have shifted the focus from internal issues, such as cost control routines and processes, to a more external focus such as bidding activities, marketing efforts and external contacts. This is aimed at laying the foundation for the growth we expect to start in 2021.

The segment individual and family completed its transformation during 2020. No activities related to residential care homes remain, all properties have been sold. As of 2021, this segment will be included in the segment Disability. Frösunda will thus be reporting three segments henceforth.

During 2020, Frösunda Omsorg opened two new units in Elderly Care, in Gävle and Sölvesborg. Doing this with the pandemic in full swing is, of course, very difficult, occupancy is low and it takes time to fill the homes. Both homes have been well received by clients and others and we look to the future with confidence.

The segment Personal Assistance continues to work with its service, which is known for high quality and good customer satisfaction. Initiatives to increase digitalisation were started during the year, such as regarding documentation. This to free up time for managers and assistants, so that even greater focus can be put on clients. Furthermore, marketing activities have increased and the segment is now ready to transition into growth during 2021.

Sustainability Report

In accordance with the Annual Accounts Act, Chapter 6, Section 11, Brado has chosen to prepare the sustainability report as a separate report and not as part of the annual report. The sustainability report can be found on Brado's website, i.e. www.brado.se and under the heading "Other reports and presentations".

The Sustainability Report has been submitted to the auditor along with the Annual Report.

The Board's Work

In 2020, Brado's Board of Directors held eight Board meetings.

Expected future development, significant risks and uncertainties

Overall, the company had a good year regarding its operations.

Frösunda's focus area for growth is within the Elderly Care segment, both through its private services or as a contractor. We are seeing an underlying trend within the Elderly Care segment, which means this segment is expected to grow. This increased growth is due mainly to the higher share of elderly in the population, which means an increased demand for capacity. Statistics Sweden's demographic forecasts up to the year 2030 show that the share of elderly over 75 years will amount to some 25 percent of the population, which corresponds to an increase of just over 50 percent compared to today.

Sweden's demographic development is a challenge for its municipalities. The need for care services is increasing, while the number of people holding a job is decreasing. The Swedish Association of Local Authorities and Regions calls this the welfare challenge or recruitment challenge. The Swedish Institute for Growth Policy Studies has published several reports in which it says that this is due to the ageing population and longer life expectancy at birth at the same time as the birth rate is declining.

The elderly population meanwhile is creating opportunities for Frösunda Omsorg and we will be able to support the municipalities and to collaborate in order to help them meet the needs of elderly, especially by building new homes own their own.

The private care providers within the personal assistance segment continue to increase their market share. The private sector presently performs about 70% of all the assistance rendered, the Swedish Social Insurance Agency's statistics show. For other segments in care and welfare, the private share is at around 10-20 percent, according to the Swedish Association of Local Authorities and Region's database Kolada's data on the municipalities' purchases and services.

Therefore, Frösunda Omsorg's opportunities to expand in Personal Assistance are very good. The company has an extensive experience and a wide range of operations throughout the country.

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.

At the same time, there is a political interest at all levels in limiting costs for care services, particularly in Personal Assistance. This could affect Frösunda Omsorg's opportunities in this segment.

The number of people in need of support and help due to disabilities is increasing as the population grows, according to the Swedish Agency for Participation. The number of people with special needs has been at a constant 16 percent of the population since a long time already. This provides Frösunda Omsorg with an excellent opportunity to assist people in moving into group and assisted living facilities.

In 2009, the Freedom of Choice Act (LOV) was introduced as an addition to the Public Procurement Act (LOU). 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 provider must ensure that they meet the required quality standards and are accredited by the current governing body.

The introduction of the Freedom of Choice Act (LOV) in the municipalities seems to contribute to Frösunda Omsorg's operations.

Events after the balance sheet date

Since 1 January 2021, the personal assistance activities are run in a dedicated, legal entity in order to strengthen the focus on growth. In February, the elderly care which was run on contract for Lomma municipality was also returned to the municipality. During the first three months of 2021, all homes and housing which are part of Frösunda Omsorg's elderly care

were vaccinated against Covid 19.

Financial Risks

See Note 3 for information on financial risks.

Proposal for profit's allocation

The following results are available to the Annual General Meeting:

At the disposal at the Annual General Meeting,
the following means of financing are available:

Retained earnings		183 818 416
Net loss of the period		-1 774 071
	SEK	182 044 345

The Board of Directors proposes that the means
of profit be allocated so that:

Brought forward		182 044 345
	SEK	182 044 345

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

The Group's consolidated income statement (SEK Thousand)

	Note	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Remaining operations			
<i>Operating income</i>			
Revenue	5	2 038 711	2 066 460
Other operating income	6	38 499	35 143
Total operating revenue		2 077 210	2 101 603
<i>Operating expenses</i>			
Cost of Goods Sold		-45 945	-61 574
Other external expenses	7,8	-105 949	-114 484
Personnel costs	9	-1 712 736	-1 773 511
Depreciation of Right of Use Assets	8	-109 926	-81 260
Depreciation and write-down of material and intangible fixed assets	14-19	-11 371	-27 660
Other operating expenses	10	-2 221	-8 430
Total Operating Expenses		-1 988 149	-2 066 918
Operating profit (EBIT)		89 061	34 685
<i>Profit & Loss from financial items</i>			
Finance income	11	8 673	152 049
Finance expenses	12	-75 629	-74 846
Total Financial items		-66 956	77 203
Profit/Loss before income tax (EBT)		22 105	111 888
Income Tax	13	-11 887	-14 053
Net Profit for the Year		10 218	97 835
Total Comprehensive Income for the Year		10 218	97 835
Profit for the Year Attributable to the Parent Company's Shareholders		10 218	97 835
Total Profit for the Year Attributable to the Parent Company's Shareholders		10 218	97 835

In the Group, no items are recognised in the comprehensive income, which is why the total comprehensive income corresponds to the profit/loss for the year. The profit/loss for the year and the total comprehensive income are entirely attributable to the parent company's shareholders.

Group statement of financial position

	Note	2020-12-31	2019-12-31
ASSETS			
Non-Current Assets			
<i>Intangible Fixed Assets</i>			
Other intangible assets	14	9 437	9 838
Goodwill	15,38	1 101 313	1 074 581
Total Intangible Fixed Assets		1 110 749	1 084 419
<i>Tangible Assets</i>			
Land and buildings	16	9 120	6 185
Improvement leasehold	17	5 922	4 329
Equipment, tools, fixtures and fittings	18	8 094	11 478
Right of Use Assets ¹⁾	8	841 882	718 105
Total Property, Plant & Equipment		865 018	740 097
Income tax receivable	19	4 093	3 798
Total Non-Current Assets		1 979 860	1 828 315
Current Assets			
Assets held for sales	20	1 235	19 635
<i>Current Receivables</i>			
Accounts receivables	23	232 850	218 536
Tax receivables		16 630	19 751
Other receivables	24	8 649	3 447
Receivables from related parties	21	235	235
Prepaid expenses and accrued income	25	29 869	35 253
Cash and cash equivalents	26	111 254	66 413
Total Current Assets		400 723	363 271
TOTAL ASSETS		2 380 583	2 191 586

Group statement of financial position

	Note	2020-12-31	2019-12-31
EQUITY AND LIABILITIES			
Equity	27		
Share capital		500	500
Retained earnings including current year's profit		453 014	442 796
Total Equity Attributable to owners of the Parent		453 514	443 296
Long-term liabilities			
Bond loans	28	718 240	741 648
Deferred tax liability	29	4 561	3 064
Leasing debt ¹⁾	8	732 634	621 426
Total Long-Term Liabilities		1 474 421	1 366 138
Current Liabilities			
Accounts payables		24 458	35 041
Leasing debt	8	101 308	85 563
Other current liabilities	30, 35	115 029	58 287
Accrued expenses and prepaid income	31	211 853	203 261
Total Current Liabilities		452 648	382 152
TOTAL EQUITY AND LIABILITIES		2 380 583	2 191 586

	Share Capital	Other restricted equity	Other reserves	Retained earnings	Net profit of the year and also total comprehensive income of the year	Total equity to holders of the Parent
Opening Balance 1 January 2019	500	0	0	344 961	0	345 461
Net profit of the year and also total comprehensive income of the year	0	0	0	0	97 835	97 835
Total transactions with Company owners						0
Closing Balance 31 December 2019	500	0	0	344 961	97 835	443 296
Allocation of earnings according to AGM	0	0	0	97 835	-97 835	0
Net profit of the year and also total comprehensive income of the year	0	0	0	0	10 218	10 218
Total transactions with Company owners						0
Closing balance as at 31 December 2020	500	0	0	442 796	10 218	453 514

The Group's consolidated cash flow statement (SEK Thousand)

	Note	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Cash flow from Operating Activities			
Operating Result		89 061	34 685
Adjustment for items not included in Cash Flow	34	124 567	114 117
		213 628	148 802
Paid interest, leasing contracts ¹⁾	8	-22 829	-23 163
Interest received, other contracts	11	8 673	42
Interest paid, other contracts	12	-52 800	-61 183
Taxes paid		-9 829	-12 510
Cash flow from the operating activities before changes in working capital			
		136 843	51 988
Changes in net working capital			
Changes in short-term receivables and other short-term receivables		-629	58 479
Changes in short-term liabilities		48 734	-67 254
Net cash flow from operating activities			
		184 948	43 213
<i>Cash flow from investing activities</i>			
Investment in intangible assets	14	-2 702	-1 145
Investment in tangible fixed assets	16-19	-2 078	-4 637
Investment in subsidiaries	38	-20 871	0
Divestments of tangible fixed assets	16-19	11 895	12 739
Investments in other financial fixed assets		-254	0
Kassaflöde från investeringsverksamheten			
		-14 010	6 958
<i>Cash flow from financing activities</i>			
	36		
Issuance of interest-bearing debt		2 637	2 583
Amortization of lease debt		-102 734	-74 066
Repayment of interest bearing-debt		-26 000	0
Net cash flow from financing activities			
		-126 097	-71 483
Net change in cash and cash equivalents			
		44 841	-21 311
Cash and cash equivalents at the beginning of the year			
		66 413	87 724
Cash and equivalents at year end			
		111 254	66 413

Income statement for the Parent company (SEK Thousand)

	Note	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Remaining operations			
<i>Operating income</i>			
Revenue	5	0	0
Other operating income	6	0	0
Total operating income		0	0
<i>Operating expenses</i>			
Other external expenses	7	-1 043	-1 264
Total Operating expenses		-1 043	-1 264
Operating Profit (EBIT)		-1 043	-1 264
<i>Profit & Loss from financial items</i>			
Finance income	11	50 675	50 534
Finance expenses	12	-51 406	-50 681
Total Financial items		-731	-147
Profit/Loss before income tax (EBT)		-1 774	-1 411
Income Tax	13	0	
Loss for the period		-1 774	-1 411

The Parent Company`s comprehensive income for the year

Loss for the period		-1 774	-1 411
Other comprehensive income		0	0
Total Comprehensive Income for the Year		-1 774	-1 411

Parent company`s statement of financial position (SEK Thousand)

	Note	2020-12-31	2019-12-31
ASSETS			
Tangible assets			
<i>Financial Assets</i>			
Shares in subsidiaries	22	300 727	300 727
Loans to group companies	21	586 366	586 366
Total Financial Assets		887 094	887 093
Total Fixed Assets		887 094	887 093
Current Assets			
<i>Short-term receivables</i>			
Receivables to Group companies	21	12 972	12 972
Prepaid expenses and accrued income	25	43	62
Total Short-Term Receivables		13 015	13 035
Cash and cash equivalents	26	30 327	29 185
Total current assets		43 343	42 220
TOTAL ASSETS		930 436	929 313

Parent company's statement of financial position (SEK Thousand)

	Note	2020-12-31	2019-12-31
EQUITY AND LIABILITIES			
Equity	27		
<i>Restricted equity</i>			
Share capital		500	500
Total restricted equity		500	500
<i>Unrestricted equity</i>			
Retained earnings		183 818	185 229
Loss for the period		-1 774	-1 411
Total unrestricted equity		182 044	183 818
Equity attributable to owners of the Parent		182 544	184 318
Non-Current Liabilities			
Bond loans	28	744 240	741 648
Total non-current liabilities		744 240	741 648
Current liabilities			
Accounts payables		14	16
Accrued expenses and prepaid income	31	3 639	3 330
Total current liabilities		3 652	3 346
TOTAL EQUITY AND LIABILITIES		930 436	929 313

Parent company's report on change in equity (SEK Thousand)

	Share Capital	Statutory reserves	Other restricted reserves	Retained earnings	Profit/Loss for the period	Total equity to the holders of the Parent
Opening equity balance 1 January 2019	500	0	0	185 229	0	185 729
Transfer of previous year's result				-16 971	16 971	0
Loss for the period					-1 411	-1 411
Total contribution to equity	500	0	0	185 229	-1 411	184 318
Shareholders contribution	0	0	0	0	0	0
Total transactions with company owners	0	0	0	0	0	0
Closing equity balance as at 31 December 2019	500	0	0	185 229	-1 411	184 318
Transfer of previous year's result				-1410,7536	1 411	0
Loss for the period					-1 774	-1 774
Total contribution to equity	500	0	0	183 818	-1 774	182 544
Total transactions with company owners				0		0
Closing equity balance as at 31 December 2020	500	0	0	183 818	-1 774	182 544

Parent company's cash flow (SEK Thousand)

	Note	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Cash flow from operating activities			
Operating result		-1 043	-1 264
Adjustment for items not included in Cash Flow	34	-263	263
		-1 306	-1 001
Interest received		0	0
Paid interest		-468	-409
Taxed paid		0	0
Cash flow from operating activities before changes in working capital			
		-1 774	-1 410
Changes in net working capital			
Changes in short-term receivables and other short-term receivables		19	-93
Changes in short-term liabilities		306	157
Net cash flow from operating activities		-1 449	-1 346
<i>Cash flow from investing activities</i>			
Investment in financial fixed assets	22	0	0
Cash flow from investing activities		0	0
<i>Cash flow from financing activities</i>			
	36		
Shareholders contribution		0	0
Issuance of interest-bearing bond loans		2 592	2 584
Increase other long-term debt		0	0
Increased long term lending to Group companies		0	0
Net cash flow from financing activities		2 592	2 584
Net change in cash and cash equivalents		1 143	1 238
Cash and cash equivalents at the beginning of the year		29 185	27 947
Cash and equivalents at year end		30 328	29 185

Further disclosures

Note 1 General information

Brado AB and its subsidiaries' (together the Group) mission is to improve quality of life for people who are in need of special support. Through its subsidiary – Frösunda – Brado AB offers services within segments such as elderly care, accommodation, personal assistance, day-to-day activities and schools. Two companies were acquired during the financial year, Aberia AB and Billba AB. These are active in the Disability segment.

The Parent Company is a limited liability company registered in Sweden, with its registered office in Tanumshede. The address of the parent company's head office is Brado AB c/o Frösunda Omsorg AB; Råsundavägen 18A; 169 67 Solna.

On 28 April 2021, the Board of Directors approved this consolidated financial statement for publication.

Note 2 Summary of important accounting principles

The most important accounting principles applied when this consolidated financial statement was prepared are set out below. These principles have been applied consistently for all years presented, unless otherwise specified.

The Parent Company's accounting principles follow the Group's unless otherwise specified. The differences that exist are listed at the end of this note.

All amounts in the following notes are in TSEK unless otherwise stated.

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. The accounts have mainly been prepared according to the acquisition cost method as the Group has few assets or liabilities that are reported at fair value.

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. The 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, are set out in Note 4.

New and amended standards applied by the Group

No significant new or changed standards have been applied in the group during 2020.

Principles for consolidated accounts

Subsidiaries are all companies over which the Group has a controlling influence. The Group controls a company when it is exposed to or entitled to variable returns from their holding in the company and has the opportunity to influence performance 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 a subsidiary comprises 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 carrying amount of the acquired company's identifiable 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 has arisen as a result of the revaluation is recognized in the income statement. Any contingent consideration to be transferred by the Group is recognized at fair value at the time of acquisition.

Subsequent changes in the fair value of a contingent consideration classified as an asset or liability are recognized 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 their role as owners. In the case of acquisitions from owners with non-controlling interests, the difference between the fair value of the purchase price paid and the actual acquired share of the carrying amount of the subsidiary's net assets in equity is reported. Gains and losses on disposals to owners without controlling influence are also accounted in equity.

There are no holdings without controlling interest for 2019 and 2020.

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 predominantly 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, are reported in the income statement. Exceptions to this are when the transactions constitute hedges which fulfil 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 the periods reported, the Group has only financial exchange gains and losses.

Cash flow analysis

The cash flow analysis is prepared in accordance with the indirect method. The reported

cash flow only shows transactions that resulted in ingoing 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 and cash equivalents. Changes in blocked funds are reported in the investment activities.

Revenue recognition

In order for revenue to be recognised in the group, a five-step analysis needs to be carried out first. Below is a description of these steps:

- Step 1: An agreement between at least two parties is identified and where there is an expressed right and corresponding obligation of service
- Step 2: Performance obligations are identified
- Step 3: Remuneration expected in exchange for goods or services has been determined. For this, consideration shall be given to variable parts as well as any discounts.
- Step 4: Remuneration is broken down for the different performance obligations.
- Step 5: Reporting of income, which first occurs when the performance obligations are fulfilled and control is seen to have been transferred to the client. This all happens at one and the same time.

Revenue is valued at the fair value of what is or will be received, and corresponds to the amounts received for goods and services sold less discounts, returns and VAT. The Group recognizes revenue when the customer is considered to have gained control of the goods or services sold. It is assessed that the Group's performance obligations meet the criteria in order to be fulfilled at a certain time. The majority of the Group's agreements fall within this rule. Payment terms for no matter what type of care service are usually 30 days net.

The Group's operating income is primarily generated by remuneration for performances achieved in Health and care. Health and care services are carried out partly in-house with responsibility for occupancy and the rental of premises, and partly via operational units with multi-year operating and framework agreements. Compensation for operations, regardless of the mode of operation, is based on the number of customers, the number of care days, the number of hours when assistance is provided, the number of accommodations or similar services performed within the Group. Revenue is recognized when the services are performed and invoicing takes place monthly. Interest income is recognized as income using the effective interest method. When the value of a claim in the categories loans and accounts receivable has decreased, the Group reduces the carrying amount to the recoverable value, which consists of the assessed future cash flow, discounted by the original effective interest rate for the instrument, and continues to dissolve the discount effect as interest income. Interest income on written-down loans and accounts receivable is accounted at the original effective interest rate.

All earnings reported in the group are regarded as originating from those subsidiaries that run operations. Earnings are mainly based on multi-year care agreements. Revenue is mainly linked to care services performed, either on an hourly basis (cf. the segment Personal Assistance), the number of care days or remuneration for time/services provided to the paying municipality. When a service is performed by Frösunda in own premises, Frösunda receives rental income from the customers who rent their accommodations (segment Elderly Care and Disability).

Rental income is recognized in the period that use of the premises (flat) occurs. Invoicing of the rental fees occurs in advance and the income is accrued.

Revenue recognition is in accordance with IFRS 15 “Revenue from contracts with customers” which means that revenue is recognized when the customer has gained control over the goods or services sold. Consistent with these rules, revenue is reported broken down by segment, see further in Note 5.

Full responsibility units

Frösunda’s full responsibility units conduct care in premises that are run by Frösunda. Our activities are conducted within the segments: Elderly Care, Disability and Individual & Family.

Frösunda has a rental agreement with the property owner. Frösunda also owns a number of properties, which are mainly used as a complement to rented accommodations. Traditionally, such accommodations have been used in the segment Individuals and family. In our full responsibility units, Frösunda normally receives compensation for care, meals and rent. In a typical full responsibility operation, Frösunda receives compensation from the municipality for care and in many cases also for meals. The customers being cared for normally pay rent directly to Frösunda and in many cases they also pay for meals. There are various compensatory models which differ between municipalities. Compensation for care and meals is based on the number of care days, the rent is however paid monthly.

Contracting business

Activities run on contract mean that Frösunda runs the activity in publicly controlled premises, normally in municipality premises. Contracting businesses are run in the segments: Elderly Care, Disability and Individual & Family. The municipality is responsible for the premises. Frösunda normally receives compensation from the municipalities for care and meals. Different remuneration models exist which vary from one municipality to the next.

Price adjustments

Price adjustments are normally based on compensation for cost inflation. An annual notification of the new price for personal assistance is made by the Swedish Social Insurance Agency (Försäkringskassan), which regulates the price for the majority of care customers in the segment Personal Assistance.

Otherwise, price adjustments are based on compensation for cost increases based on the change in the so-called Care Price Index. Changes in this index are published yearly by the Swedish Municipalities and Regions Council (SKL) and forms the main driver for any price changes seen within the 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 made in accordance with the municipality's price lists which are published each year for the care service in question (level breakdown) – which is mainly seen under RAM or LOV agreements.

The effect of this year's price adjustments is estimated at approximately 1.4% -3.0% of the Group's net sales.

Segment reporting

According to IFRS 8, reporting of the operating segments (within Brado, these must be regarded as the Group's business areas, i.e. Personal Assistance, Disability, Elderly Care and Individual & Family) must be carried out 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 for the assessment of the operating segments’ results. Within the group, the board and CEO have been identified as the highest executive decision maker.

Within the Group, four segments have been defined that are regularly followed up by the

highest executive decision maker, who decides on the allocation of resources and on the assessment of the segment's results.

In order to merge a segment into a reporting segment, the Standard (IFRS 8) states that the segment shall have similar economic characteristics, that the characteristics are similar to each other with regard to the design of products or services, how the products or the services are produced, the categories of customers that use the products and services offered, and the extent to which the business is affected by different rules and risks. For the Group, this can be seen for the segments Personal Assistance, Disability, Elderly Care and Individual & Family.

The Brado Group and its operations in the Frösunda Group, all of which are care companies where the nature of the services and the customers to whom these services are offered are equivalent. The services performed and the regulations that they are covered by are equivalent, as well as the processes and routines used to perform such services within each segment. The segments that can be seen are Personal Assistance, Disability, Elderly Care and Individual & Family. Each reporting segment follows the same accounting principles as the Group as a whole. 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 procedures performed on an ongoing basis, monthly, to the highest executive decision maker in the Group. With regard to segment follow-up related to the balance sheet, this is mainly focused on monitoring outstanding accounts receivable, as other assets and liabilities mainly consist of Goodwill and bond loans, reported in the Parent Company. Trade receivables, on the other hand, are strongly linked to segment operations and business conditions, as seen in business agreements, price models, and which combine in terms of financial risks (mainly credit and liquidity risk).

Financial assets

Capitalized development expenditures

Capitalized development expenditures mainly refer to proprietary software. Software maintenance costs are expensed when they arise. Development expenditures directly attributable to the development and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically possible to complete the development of the software so that it can be used or sold.
- The company's intention is to complete development of the software for use or sale.
- The conditions are favourable 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 development and to use or sell the software.
- The expenditures attributable to the software during its development can be calculated in a reliable manner.

Development expenditures, which do not meet these criteria, are expensed when they arise. Development expenditures previously expensed are not recognized as assets in subsequent periods. Capitalized development expenditures are amortized during their estimated useful life, which in all cases is 5 years. A value that is equivalent to the development expenditures which were capitalised during the year is transferred to a development fund, which constitutes part of restricted equity. Cancellation from such development fund is done to

unrestricted equity in step with amortisation of current development expenditures being done.

Goodwill

Goodwill arises from the acquisition of subsidiaries and refers to the amount by which the purchase price, any non-controlling interest in the acquired company and fair value at the date of acquisition on the previous equity interest in the acquired company, exceeds the fair value of identifiable acquired net assets. If the amount is less than the fair value of the net assets of the acquired subsidiary, in the event of a low-price acquisition, the difference is reported directly in the income statement. In order to test impairment, goodwill resulting from a business acquisition is allocated to the cash-generating units or groups of cash-generating units. Each unit or group of units to which goodwill has been allocated to corresponds to the lowest level in the Group at 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 conditions indicate a possible decrease in value. The carrying amount of the cash-generating unit to which the goodwill is attributed is compared to the recoverable amount, which is the higher of value in use and the fair value less selling expenses. Any write-down is immediately accounted as an expense and is not reversed.

Tangible fixed assets

All tangible fixed assets are recognized at their acquisition value minus depreciation. The acquisition value includes expenditures that are directly attributable to the acquisition of the asset.

Future expenses are added to the asset's carrying amount or reported as a separate asset, whichever is appropriate, only when it is probable that the future financial benefits associated with the asset will benefit the Group and the asset's acquisition value can be measured reliably. The carrying amount of the asset that is replaced is removed from the balance sheet. All other forms of repair and maintenance are recognized as costs in the income statement during the period in which they are incurred. No depreciation is made of land. Depreciation of other assets, in order to allocate their acquisition value down to the estimated residual value over the estimated useful life, is carried out on a straight-line basis as follows:

- Buildings: 33-50 years
- Improvement expenses on another's property: 5-20 years
- Inventory, tools and installations: 3-5 years

The carrying amount of an asset is immediately written down to its recoverable amount if the carrying amount of the asset exceeds its assessed recoverable amount.

Gains and losses on disposals are determined by comparing the sales revenue and the book value and are recognized net in other operating income and other operating expenses respectively.

Fixed assets held for sale

Fixed assets that are seen as divestment groups are classified as assets held for sale when their carrying amount will mainly be recovered via a sales transaction and when a sale is considered very probable. For this to happen, the asset (or disposal group) shall be for immediate sale and the sale must be assumed to be highly probable. In order for the sale to appear highly probable, a decision regarding the sale shall be taken at the appropriate level, the work on the sale shall have started and be expected to be completed within one year, and the sale shall be at a reasonable market price.

When the criteria are met, the asset or the assets and liabilities included in a disposal group shall be separately recognized in the balance sheet.

The assets are reported at the lower of the carrying amount and fair value less selling expenses. However, deferred tax assets, assets attributable to employee benefits, financial assets and contractual rights in insurance contracts are exempt from this valuation requirement. A gain is recognized for each subsequent increase in the fair value after deduction of selling expenses, but not at a higher amount than the accumulated impairment value previously reported. A gain or loss that was not previously recognized when a non-current asset (or disposal group) is sold shall be recognized as of the date the asset or disposal group is removed from the statement of financial position.

Fixed assets (including those that form a part of a divestment group) are not depreciated as long as they are classified as held for sale. Interest and other costs attributable to the liabilities of a divestment group held for sale are reported continuously.

Right-of-use assets

From 1 January 2019, leasing commitments are reported in accordance with IFRS 16 Leasing Agreement, which replaced IAS 17 Leasing Agreement and IFRIC 4 Determining whether an agreement contains a lease agreement and related rules. All contracts that meet the definition of a leasing contract are recognized in the Group's financial position as a right of use asset and financial liability (leasing liability). The agreements previously recorded as operating leases are now reported in the balance sheet and as a result, the leasing fee is therefore no longer accounted as part of the Group's operating expense in the income statement, but instead as depreciation and an interest expense.

Based on the requirements for IFRS 16, the right of use is recognized initially at acquisition value, which is initially the same amount as defined upon initial measurement of the liability, adjusted for any existing lease payments before and on the start date, less any possible discounts received as well as any initial direct cost of restoration.

The Group has utilized the exemption specified in the regulations for IFRS 16 and excluded lease agreements that are considered to have a lower value. In addition, exceptions are also made for such agreements that are considered to be short, i.e. where the lease term is a maximum of 12 months. For these agreements, the leasing cost is reported as before, as part of the Group's operating expenses.

The leasing contracts entered into mainly concern rental agreements relating to property. These agreements normally run for 10-15 years. In addition to rental agreements for property, leasing agreements are also entered into where the contract period is usually for 3 years. The rental agreements for properties normally also contain one or more extension options. The extension option is reported when it is reasonably certain, which is based on an investment decision, which affects the valuation of the right of use and also the value of lease liability.

Write-down of non-financial assets excluding goodwill

Assets that are depreciated are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount is not recoverable. A write-down is made with the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset reduced by selling costs and its value in use. When assessing the need for impairment, assets are grouped at the lowest levels where there are essentially independent cash flows (cash-generating units). For assets (other than goodwill) that have previously been written down, a review is made on each balance sheet date as to whether a reversal should be made. Any reversal of previous

impairment can only be made so that the value of the asset corresponds to the value that would have been in accordance with the accounting rules that normally apply for the asset.

Financial assets and liabilities

Financial assets

The Group reports all financial assets and liabilities in accordance with IFRS 9. Financial assets and liabilities have been classified into different categories and some are valued at amortized cost and some at fair value. The classification made is based partly on a business model and partly on contractual cash flows.

Rules governing impairment loss pursuant to IFRS 9 are based on expected credit losses.

The impairment model is seen as a three-step model in which the recognition of impairment is governed by changes in the credit risk of the financial assets. As a consequence, a loss event is no longer required for an impairment to be reported.

Classification

Financial assets recognized at fair value through the income statement

Financial assets, valued at the fair value through the income statement are financial assets acquired for trade purposes. A financial asset is classified in this category if acquired principally for the purpose of being sold shortly afterwards. Derivatives are classified as being held for trading purposes unless they are identified as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as fixed assets. The Group has no financial assets held for trading.

Loans and accounts receivable

Loans and accounts receivable are financial assets that are not derivatives, they have fixed or determinable payments which are not quoted in an active market. They are included in current assets, except for items with a maturity date greater than 12 months after the end of the reporting period, which are classified as fixed assets. The Group's loans and accounts receivable consist mainly of accounts receivable, other receivables, accrued income and cash and cash equivalents.

Accounts receivable

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

Accounts receivable are reported at fair value and using simplification rules where provision is made for expected credit losses, not dependent on changes in credit risk.

When evaluating the Group's accounts receivable in such a way, the expected loss is estimated at TSEK 13,589 as of 31 December 2020 (TSEK 11,234 as of 31 December 2019). For more details, see also Note 23 and Note 35.

Factoring – sales of accounts receivable

From 2019, the Group has sold parts of undisputed accounts receivable, for which there is no recourse, and where the debtor is a Swedish municipality. Issued invoices are handed over to the factoring company, Avida Finans AB. The invoice value of the customer's invoice is removed from the balance sheet as soon as payment is received from Avida, normally 2 working days after the invoice is issued. Payment received is a net amount, i.e. invoiced amount reduced by the contractual credit fees. Credit fees are reported as part of the Group's other external costs.

Cash and cash equivalents

Cash and cash equivalents include, both in the balance sheet and in the report on cash flows, cash and bank balances.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets where the assets are identified as being available for sale or have not been classified in any of the other categories. They are included in fixed assets if management does not intend to dispose of the asset within 12 months of the end of the reporting period.

Write-down of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence for the impairment for a financial asset or a group of financial assets. A financial asset or group of financial assets have a need for impairment and are written down only 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.

The Group's financial assets consist of accounts receivable, other current receivables and cash and cash equivalents.

Financial liabilities

The Group's financial liabilities consist of bond loans listed on Stockholm Nasdaq, other long-term liabilities, short-term and long-term lease liabilities (see below), trade creditors and current liabilities.

Valuation of financial liabilities

The Group's financial liabilities are reported at amortised cost (level 3 in accordance with the regulations, see Note 35 for more details), with the exception of the conditional part of the purchase price (seller credit), which is included as part of other long-term liabilities. Transaction costs distributed over a period of time and related to the Group's bond loans are reversed on a straight-line basis over the term of the bond and are added to the carrying amount of the bond.

Loans

Loans are recognized at amortized cost and any difference between the amount obtained (net of transaction costs) and the repayment amount is recognized in the income statement distributed over the loan period, applying the effective interest method.

Loans are removed from the balance sheet when the obligations have been settled, cancelled or otherwise terminated. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration has been paid, including transferred non-cash assets or assumed liabilities is reported in profit or loss.

Long-term borrowing

Bond loans: The Group's main borrowing consists of bond loans listed on Stockholm Nasdaq. The loans are divided into senior and junior loans with maturity in March and June 2023 respectively. The loans are recognized at amortized cost adjusted for unrecognized transaction costs.

Other liabilities: Other liabilities include the seller credit granted as part of financing when

Brado acquired the Frösunda Group (6 March 2018), see also Note 39. The seller credit can be regarded as a conditional part of the total purchase price. The seller credit is measured at fair value, and is valued in accordance with level 3 (see also further rules for valuation of financial assets and liabilities as specified in Note 35), and any changes are adjusted according to the time when the preliminary allocation of the purchase price (PPA) was determined (in connection with the official reporting of Q3 2018 to Stockholm Nasdaq) via the income statement.

The valuation follows from the terms stated in the acquisition agreement and where the stated expected level of EBITDA during the period 2018-2020 forms the basis. If EBITDA is below the expected value, write-downs must be made. The value of the seller credit cannot be written up to a value that exceeds the original value at the time of acquisition. See also further disclosures in Note 39.

Short-term borrowing: Loans are classified as current liabilities unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the end of the reporting period.

Accounts payable

Trade receivables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade receivables are classified as short-term liabilities if they fall due within one year (or during the normal business cycle, if this is longer). If not, they are taken up as long-term liabilities.

Trade receivables are initially recognized at fair value and subsequently at amortised cost using the effective interest method.

For further information on risk management, see Note 3.

Offsetting

Financial assets and liabilities are offset and recognized with a net amount in the balance sheet only when there is a legal right to offset the recognized amounts and an intention to settle them with a net amount or to simultaneously realize the asset and to settle the debt. The legal right may not be dependent on future events and it must be legally binding on the company and the counterparty both in the course of normal business operations and in cases of suspension of payments, insolvency or bankruptcy.

Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new ordinary shares are recognized in equity, net of tax, as a deduction from the issue proceeds.

Lease liabilities

As a result of the implementation of the new rules for accounting for leasing, IFRS 16, the lease liability is reported from 1 January 2019 as the present value of the lease payments that are not paid on the start date. A breakdown is made into long-term and short-term lease liabilities which are recognized in the consolidated balance sheet as part of other long-term liabilities and other current liabilities.

The future contracted cash flows are discounted using the Group's marginal loan rate. The marginal loan rate varies mainly depending on the term of the contract and is based on the Swedish government bond interest rate (risk-free interest rate) for the corresponding term.

The lease payments that form a part of the debt are mainly fixed payments agreed on, variable payments mainly affected by indices or other adjustment factors, and residual

values.

Variable costs such as property tax, maintenance costs, electricity, heating and water etc. are excluded from the leasing liabilities calculation to the extent that such costs can be separated from the rental cost.

The cash flow statement reports payments attributable to lease liabilities that are reported in accordance with IFRS 16, in financing activities, while payments for short-term lease contracts, or lower-value lease contracts, are reported as part of the cash flow from operations. For more information see also Note 8 Leasing.

Assumptions when calculating the group's leasing liability

IFRS 16 has had a significant impact on Brado's financial reporting. When calculating the leasing liability, company management has made a number of estimates and assessments. These estimates and assessments are considered to be of importance to the leasing liability's reported value.

Leasing contracts relating to properties/premises account for approx. 97% (98%) of the Group's reported leasing liability as on 31 December 2020.

Contracts related to lower values and contracts that have a contract term that does not exceed 12 months are excluded and are not reported in the balance sheet.

The calculation of leasing liability is based on the leasing agreement's contractual agreement period not including any extension options. Quarterly reconciliation takes place to ensure that any extensions that are reasonably certain and agreed are included in the Group's reported leasing liability.

Provisions

A provision is a liability that is uncertain with regard to the due date or amount. A provision is recognized when the Group has an existing or informal legal obligation as a consequence of an event and it is probable that financial resources will be required to pay for the obligation and that a reliable estimate of the amount can be made.

Current and deferred income tax

The tax expense for the period includes current and deferred tax. Tax is recognized in the income statement, except where the tax relates to items recognized in other comprehensive income or directly in equity. In such cases, the tax is also recognized in other comprehensive income and equity respectively.

The tax expense in question is calculated on the basis of the tax rules decided or effectively decided on the balance sheet date in the countries where the Parent Company and its subsidiaries operate and generate taxable income. Management regularly evaluates the claims made in tax returns in respect of situations where the applicable tax rules are subject to interpretation. It makes, when deemed appropriate, provisions for amounts likely to be paid to the Swedish Tax Agency.

Deferred tax is recognized on all temporary differences that arise between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax liability is not recognized if it arises as a result of the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that future tax surpluses are likely to be available, against which the temporary differences can be used.

Deferred tax assets and liabilities are offset when there is a legal right of set-off for current tax assets and liabilities and when the deferred tax assets and liabilities relate to taxes

charged by the same tax authority and relate either to the same taxable entity or to different taxable entities, where there is an intention to settle the balances through net payments.

Remuneration to employees

Pension obligations

A defined-contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or informal obligation to pay additional fees if this legal entity does not have sufficient assets to pay all employee benefits related to the employee's service during the current or previous periods. A defined-benefit pension plan is a pension plan that is not based on defined contributions. A characteristic feature of defined-benefit plans is that they indicate an amount of the pension benefit an employee receives after retirement, usually based on one or more factors such as age, seniority and salary.

With the exception of insurance via Alecta, the Group has only defined-contribution plans. Commitments to salaried employees is mainly secured through Alecta. According to a statement from the Financial Reporting Council, UFR 10, the ITP 2 component via Alecta is a multi-employer defined-benefit plan. The Group, like other Swedish companies, has not had access to information that makes it possible to report this plan as a defined-benefit plan. The ITP pension plan secured through insurance with Alecta is therefore reported as a defined-contribution plan.

Short-term remunerations

Liabilities for salaries and remunerations, including non-monetary benefits and paid absences, which are expected to be regulated within 12 months after the end of the financial year, are recognized as short-term liabilities at the undiscounted amount expected to be paid when liabilities are settled. The cost is recognized as the services are provided by the employees. The liability is recognized as an obligation for employee benefits in the balance sheet.

Compensation in the event of 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 retirement in exchange for such benefits. The Group recognises severance pay when it is demonstrably obliged to terminate the employee according to a detailed formal plan without the possibility of withdrawal.

The Parent Company's accounting policies

The Parent Company prepares its 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. RFR 2 regulates that the Parent Company shall, in the annual report for the legal entity, apply all IFRS/IAS approved EU regulations and statements as far as possible within the framework of The Swedish Annual Accounts Act and shall take into account the relationship between accounting and taxation. The recommendation specifies the exceptions to be made from IFRS/IAS.

The Parent Company applies the accounting policies specified for the Group, with the exception of the following:

Reporting of group contributions

Group contributions are reported in accordance with the alternative rule in RFR 2, which means that both the group contributions submitted and received are recognized as

appropriations in the income statement.

Leasing costs

Leasing where a significant portion of the risks and benefits of ownership are retained by the lessor is classified as operational leasing. Payments made during the leasing period (net of any incentives from the lessor) are expensed in the income statement on a straight-line basis over the lease term. The Parent company has no financial leases.

Leasing fees are reported as operating expenses. No accounting is made in the Parent Company's balance sheet.

Financial assets and liabilities

Financial assets and liabilities are reported in accordance with the consolidated financial statements, except for the following:

Shares in subsidiaries

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

Claim Group companies

Group receivables (long and short-term) are not recognized in accordance with IFRS 9 in the Parent Company. The Parent Company reports Group receivables on the basis of the acquisition value. Impairment testing is carried out in accordance with what applies to the Group.

Format

The Parent Company follows the Annual Accounts Act's profit and loss account and balance sheet format, which means, among other things, a different division of equity.

Note 3 Financial risk management

Through its operations, the Group is exposed to a number of financial risks such as market risk (mainly interest rate risk), credit risk, liquidity risk and cash flow risk. Risk management is conducted in accordance with established principles and the Group's overall risk management policy strives to minimize unforeseen adverse effects on the Group's results and position. Further information on the Group's financial risk management can be seen in Note 35.

Currency risk

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

Interest rate risk

Interest rate risk refers to the risk that fair values or future cash flows fluctuate as a result of changes in market rates.

The Group is financed through the Parent Company's issuing bond loans, the loans are listed on the NASDAQ OMX Stockholm Stock Exchange. The financing solution runs up to and including 2023 and is linked to STIBOR as a reference rate. The effective interest rate for 2020 was 7.2 % (6.9%). The effective interest rate on deposits was 0 percent. If the interest rate changed by +/- 1%, the result would have changed by +/- TSEK 7,222 (TSEK 7,490).

In terms of cash and cash equivalents, the Group's financial policy is followed, which limits

investments of cash and cash equivalents to investments in interest-bearing accounts only, in recognized Nordic banks.

Counterparty risk and interest rate risk in the placement of cash and cash equivalents are considered to be very low against this background.

	2020	2019
Effective interest financing	7,1%	6,9%
Effective interest deposits	0,0%	0%
Effect on interest rate change +/- 1%	7 222 tSEK	7 490 tSEK

Credit risk

Credit risk refers to the exposure of receivables in the form of investments of surplus liquidity and accounts receivable. Surplus liquidity is only invested in a deposit account in Nordea. The risk that the company's clients do not meet their obligations, i.e. that payment is not made for accounts receivable constitutes a customer credit risk. The Group's credit risk is assessed as extremely small. A large part of the Group's turnover concerns sales to the Swedish Social Insurance Agency and municipalities for whom the credit risk is considered as very small. A major concentration of credit risks does not occur either.

The risk of bad debt losses within the Group is considered to be extremely limited. See details in note 23.

Provisions for expected credit losses – financial instruments covered by the simplified method

The Group's counterparties consist essentially of municipalities for whom the credit risk is considered as low. Most of the group's counterparties have adequate credit ratings, which means that the risk of credit losses can be considered as very limited. The Group has defined risk default as there are indications that late payment of receivables due are not one-off occurrences, and then primarily when the receivable is more than 90 days due, and the amount at risk is considered to be substantial.

Of the company's segments, a need is mainly seen for provisions for anticipated credit losses when this concerns the segment Personal Assistance, and therefore outstanding receivables from municipalities. A provision model is used in which several factors are assessed, and furthermore for each individual invoice. Several variables are assessed, including time since maturity, proportion of outstanding balance of the originally invoiced amount, as well as status of targeted requirement.

Concerning the Elderly Care, Disability and Individual and Family segments, there are grounds for provisions where the invoiced counterparty is a private individual and where the invoice is more than 90 days overdue. Provisions in 2020 for anticipated credit losses for these segments total TSEK 121 (TSEK 811).

Maximum exposure to credit risk

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Accounts receivables	232 850	218 536	0	0
Receivables from Group Companies	235	235	599 339	599 338
Other Receivables	8 649	3 447	0	0
Prepaid Expenses and Accrued Income	29 869	35 253	43	62
Cash and Cash equivalents	111 254	66 413	30 327	29 185
Total	382 857	323 885	629 709	628 585

Liquidity risk

Liquidity risk refers to the risk that the Group may have problems in meeting its commitments with regard to the Group's financial liabilities. Financing risk refers to the risk that the Group cannot raise sufficient financing at a reasonable cost. The Group finances its operations with two bond loans, one loan with a value of SEK 600 million (due date 7 March 2023) and another bond loan with a value of SEK 150 million (due date 7 June 2023).

The bond loans were issued on 7 March 2018 in Brado AB and are listed on the NASDAQ OMX Stockholm Stock Exchange. The bond program primarily has a covenant that shall at all times be adhered to, which is that, within the Group and at all times, there shall be at least SEK 20 million in available liquidity. See also the given information in Note 28.

In addition to the bond loans, the Group also has access to a revolving credit with Pareto Bank, with a maximum value of SEK 80 million. This credit is primarily intended to be used to balance fluctuations in cash flow on a monthly basis. Liquidity risk is minimized through coordination of the Group's companies in a cash pool in a joint bank (Nordea). The interest rate on the revolving credit is fixed at 4.85%.

During 2019, the company entered into an agreement with the credit market company Avida for the purchase of invoice receivables. The company pays a fixed fee per invoice (8 SEK) and a credit fee (0.3% on the invoice amount incl. VAT) and a commitment fee (0.25% on the credit amount of SEK 12 million).

Only undisputed invoices and invoices issued to a municipality customer in the Disability, Elderly Care and Individuals & Family segment have been bought by Avida.

When invoicing, current invoices are transferred electronically to Avida who then takes care of dispatching them to the end-customer (municipality). Avida normally pays the total invoice amount (including VAT) the following day with a deduction for applicable fees. The fees are reported as part of the Group's operating expenses.

Liquidity risk

Duration analysis regarding contractual payments for financial liabilities

Group

2020-12-31	0-3 months	3-12 months	1-5 years	5- years
Bond Loans	11 106	34 406	780 616	0
Leasing liabilities	31 194	93 583	375 064	484 973
Other liabilities ¹⁾	326 882	0	0	0
Accounts payables	24 458	0	0	0
Debt to Group Companies	0	0	0	0
	393 640	127 989	1 155 680	484 973

2019-12-31	0-3 months	3-12 months	1-5 years	5- years
Bond Loans	11 780	35 963	857 733	0
Leasing liabilities	26 195	76 804	306 390	395 051
Other liabilities ¹⁾	261 548	0	0	0
Accounts payables	35 041	0	0	0
Debt to Group Companies	0	0	0	0
	334 564	112 766	1 164 123	395 051

Moderbolaget

2020-12-31	0-3 mån	3-12 mån	1-5 år	5- år
Obligationslån	11 651	36 094	809 827	0
Leasingskulder	0	0	0	0
Övriga skulder ¹⁾	3 639	0	0	0
Leverantörsskulder	14	0	0	0
Skulder till koncernföretag	0	0	0	0
	15 303	36 094	809 827	0

2019-12-31	0-3 mån	3-12 mån	1-5 år	5- år
Obligationslån	11 780	35 963	857 733	0
Leasingskulder	0	0	0	0
Övriga skulder ¹⁾	3 330	0	0	0
Leverantörsskulder	16	0	0	0
Skulder till koncernföretag	0	0	0	0
	15 127	35 963	857 733	0

¹⁾ Other debts include accrued personnel-related costs, other personnel-related liabilities, accrued interest expenses.

The amounts included in the table are the instruments' contractual, undiscounted cash flows.

Capital

The Group's ambition for capital management is to ensure the Group's ability to continue its operations in order to generate a reasonable return to shareholders and benefit for other stakeholders. The Group's capital is defined as the Group's equity. The Group's current policy is not to pay any dividends. The Group has two bond loans issued on the Swedish financial market, totalling SEK 750 million. The requirement set out in the bond agreement (covenant), signed 7 March 2018, is that Brado AB and its subsidiary (i.e. the Group) must meet the requirement for a minimum amount of available liquidity. The Group shall at all times be able to report cash and cash equivalents amounting to at least SEK 20 million.

The covenants were satisfied in 2019 and 2020.

Note 4 Important estimates and assessments for accounting purposes

The Group's financial statements are prepared in accordance with IFRS. This means that the preparation of financial statements and the application of accounting principles are often based on estimates and assumptions that are considered reasonable and balanced at the time that the assessment is made. However, with other assessments, assumptions and estimates, the outcome may be different, and events may occur that may require a material adjustment to the carrying amount of the asset or liability concerned. The following are the main areas where assessments and assumptions have been made and which are deemed to have the greatest impact on the financial statements.

Further details about the accounting principles that are embraced by Brado can be found in note 2.

Impairment testing for goodwill

The most significant part of the Group's intangible assets concerns goodwill which has arisen in connection with business acquisitions, assessed customer contracts and customer relations and, to a lesser extent, other intangible assets. The Group's reported intangible assets are mainly in the form of assets that arose in connection with Brado acquiring the

Frösunda Group in 2018. Goodwill is tested annually for impairment or as soon as indications are seen that suggest that the asset in question has dropped in value.

The market analysis in which Swedish municipalities' demographic development is seen as an important parameter and is one of the most important factors included in the assessment of the Group's expected future cash flows. Government and municipal decisions have a direct effect on estimates of future development. Intangible assets in the Group total MSEK 1,111 (MSEK 1,084) of which goodwill makes up MSEK 1 101 (1,074).

When assessing the recoverable amount in connection with impairment testing, estimated future cash flows based on a three-year business plan that management has drawn up for Brado are used. For the period after the forecast period, 2.0 percent (2.0) growth has been assumed and a maintained margin. For discounting of future cash flows to the present value, the weighted average cost of capital constitutes 6.3 percent (7.2–9.3) before tax. Although company management considers that estimated future cash flows are reasonable, other assumptions about cash flow may affect the calculated valuations.

Each year, the Group examines whether there is any requirement 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.

Acquisition analyses

When Brados acquired the Frösunda Group (2018), an acquisition analysis was made in which the fair value on the date of acquisition of acquired, identifiable assets along with liabilities assumed and any contingent liabilities were reported, see further details in Note 39. The acquisition analysis was based on essential estimates and assessments of future events. Actual values can consequently differ from those assigned in the acquisition analysis.

The annual analysis has shown that the seller credit the previous owner of the Frösunda Group, Hg Capital, issued in connection with the acquisition, has been assessed to have a fair value of SEK 0. The basis for this assessment is based on conditions according to the acquisition agreement. The assessment made by Brados' Board and management is that the EBITDA levels for the years 2018-2020, which were stated in the acquisition agreement, have not been achieved. As a consequence of this, the conditions are not seen as fulfilled to justify a reported value for the seller credit. See also Note 39.

Two additional acquisitions were made during 2020, Aberia AB and Billbag AB. The acquisitions were made on 1 August 2020 by the associated company Norlandia Health & Care AB. More details and acquisition analysis can be found in Note 39.

Note 5 Segment reporting

Net sales relate in their entirety to Care and healthcare services. Total operating income also includes rental income from clients who can be found in the segments Elderly Care and Disability. All operating income relates to performance obligations that were received at a given point in time (unless otherwise identified).

The revenue can be divided into the Group's four main segments, corresponding to the segments, in accordance with the reporting requirements in IFRS 8. Based on internal reporting, the reporting segments are: Personal Assistance, Disability, Elderly Care and Individual & Family.

In total, 45% of the annual net turnover is considered attributable to invoicing of the Swedish Social Insurance Agency, in the Group's biggest segment, Personal Assistance.

Revenue by Segment

	Group 2020	Group 2019
Revenue per segment:		
Personal Assistance	1 164 597	1 188 520
Disability	620 742	608 021
Individual & Family	24 086	34 398
Elderly Care	262 844	268 013
Other	4 942	2 650
Total	2 077 210	2 101 603

Accounts Receivables by Segment (SEK thousand)

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Personal Assistance	149 982	146 440
Disability	57 741	46 839
Individual & Family	21 828	22 007
Elderly Care	2 722	3 635
Other	578	-385
Total Accounts Receivables	232 850	218 536

Note 6 Other operating income

	2020	2019
Rental	33 737	30 228
Capital gains sold fixed assets	346	3 247
Other income	4 416	1 668
Total	38 499	35 143

Note 7 Disclosure of auditors' fees and cost compensation

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
<i>Öhrlings PricewaterhouseCoopers</i>				
Auditing services	1 043	1 303	403	576
Auditing activities in addition to the audit assignment	0	0	0	0
Other services	0	0	0	0
Total	1 043	1 303	403	576

Audit assignments refer the review of the annual accounts and accounting records, as well as the Boards' and the CEO's administration, other tasks that are the responsibility of the company's auditor carrying out such tasks. The above-mentioned fee refers to the following: PwC Sweden, audit assignment TSEK 1,043, audit activities in addition to the

audit assignment TSEK 0 and other services TSEK 0.

Note 8 Leasing

Brado implemented IFRS 16 on 1 January 2019.

The parent company has no leasing contracts. Leasing contracts mainly concern the leasing of premises, passenger vehicles, aids, office machinery and computer equipment.

Expensed Amounts

Group	2020	2019
Current year's depreciations	-109 926	-81 260
Interest costs related to leasing debts	-22 830	-23 163
Expenses related to Low Value Assets	-993	-806
Expenses related to Short term leases	-7 185	-12 958
Costs related to variable leasing costs not included in the leasing debt	0	0
Total expensed amount	-140 934	-118 186
This years total payments related to leasing e	-125 573	-97 230

Contracts entered into but which have not started yet total MSEK 15.

Right of Use Assets

Group	Land and Buildings	Equipment	Total
Opening balance 1 January 2020	780 118	19 247	799 365
New acquisitions	237 949	11 264	249 213
Revaluation	-21 898	6 387	-15 510
Scrapping/disposals	0	0	0
Reclassifications	0	0	0
Current year's revaluation differences	0	0	0
Closing balance 31 December 2020	996 170	36 898	1 033 068
Opening balance 1 January 2020	-73 849	-7 410	-81 260
Current year's depreciations and amortization	-100 781	-9 145	-109 926
Scrapping/disposals	0	0	0
Reclassifications	0	0	0
Closing balance 31 December 2020	-174 631	-16 555	-191 186
Net Book Value			
Opening balance 1 January 2020	706 269	11 836	718 105
Closing balance 31 December 2020	821 539	20 343	841 882

Leasing debt that is included in the Group's statement of financial position (tSEK)

The amount has been discounted ¹⁾

	2020	2019
Short-term leasing debt	101 309	85 563
Total short-term leasing debts	101 309	85 563
Long-term leasing debt	732 634	621 426
Total long-term leasing debts	732 634	621 426

Contractual future cash flows have been discounted by the marginal loan interest rate.

Discount rates used on 31/12/2020 (and 31/12/2019) for the discounting of the Group's future cash flows are:

Interest rates	(%)
Short term interest (1-5 years)	1,58%
Medium term interest (5-10 years)	2,33%
Long term interest (10-15 years)	3,39%

Note 9 Average number of employees, personnel costs, pensions and other

	Group 2020	Group 2019
Average number of employees:		
Men	949	983
Women	2 215	2 182
Total	3 164	3 165

The information above refers to the number of employees converted into full-time employees.

	Group 2020		Group 2019	
Salaries and remunerations (incl. Bonus)				
Board of Directors and CEO	1 199	(343)	4 876	(970)
Other employees	1 245 800	(50)	1 292 604	(354)
Total	1 246 999	(393)	1 297 480	(1 324)
	Group 2019	Group 2019		
Social tax expenses				
Social tax expenses Board members and the CEO	169	(48)	701	(156)
Pension costs Board members and the CEO	0	0	0	0
Pension costs other employees	69 290	0	69 525	0
Other social tax expenses according to law and contract	395 014	(16)	407 305	(111)
Total	464 473	(64)	477 531	(267)

1) Pension costs concern defined-contribution pension plans.

	Group 2020		Group 2019		Parent Company 2020		Parent Company 2019	
	Men	Women	Men	Women	Män	Kvinnor	Män	Kvinnor
Gender distribution within management:								
CEO	1	0	1	0	1	0	1	0
Board members	5	0	5	0	3	0	3	0
Other senior executives	4	6	4	4	0	0	0	0
Total	10	6	10	4	4	0	4	0

The Group's pension plans with Alecta

As stated in Note 2 Accounting Policies, ITP 2 is a defined-benefit plan where it is not possible to obtain such information whereupon it is possible to determine the plan in accordance with defined-benefit plan rules. Instead, the plan is reported as a defined contribution plan. This year's total fees were subscribed through Alecta, i.e. all ITP plans amount to TSEK 37,890 (TSEK 40,501). Alecta's surplus can be distributed to policyholders and/or insured persons. At the end of 2020, Alecta's surplus in the form of the collective consolidation level amounted to 148% (148%). The collective consolidation level is the market value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's actuarial calculation assumptions.

Remuneration to the Board of Directors and senior executives

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

During 2020, senior executives, except for the CEO, have had a conventional pension plans (ITP/ITP-K). There are no agreements for severance pay. During 2020, the CEO's services were purchased once more from Hospitality Invest AS. For other senior executives, a mutual notice period of 3-12 months applies. The following summarizes the remuneration and benefits to the Board of Directors and senior executives of the Group.

	Group 2020			
	Basic Salaries/ Director's fees	Variable remuneration	Pension costs	Total
<i>Chairman of the Board</i>				
Roger Adolfsen	0	0	0	0
<i>Board members</i>				
Kristian Arne Adolfsen	0	0	0	0
Carl Lindstrand	53	0	0	53
Kristoffer Lorck	856	343	0	1 199
Yngvar Tov Herbjörnsson	0	0	0	0
Martin Block	0	0	0	0
<i>Other senior executives (10)</i>	13 596	0	3 510	17 106
Total	14 505	343	3 510	18 358

Group 2019

	Basic Salaries/ Director's fees	Variable remuneration	Pension costs	Total
<i>Chairman of the Board</i>				
Roger Adolfsen	0	0	0	0
<i>Board members</i>				
Kristian Arne Adolfsen	0	0	0	0
Carl Lindstrand ¹⁾	53	0	0	53
Kristoffer Lorck	3 929	1 126	0	5 055
Yngvar Tov Herbjörnsson	0	0	0	0
Martin Block (from 2019-07-11)	234	0	0	234
David Critchley (until 2019-07-10)	235	0	0	235
<i>Other senior executives (9)</i>	12 346	0	3 467	15 813
Total	16 797	1 126	3 467	21 390

¹⁾ Refers to invoiced fee for legal services rendered.

All board members' fees are invoiced and can be found in the income statement item other external costs.

Note 10 Other operating expenses

	Group 2020	Group 2019
Loss sold/dispensed fixed assets	-2 221	-8 430
Total	-2 221	-8 430

Note 11 Financial income and similar income items

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Interest income	1 198	42	50 675	50 534
Capital gains repurchase own bonds	7 475	0	0	0
Effect from fair value of other long-term debt (Sellers Credit)	0	152 007	0	0
Total	8 673	152 049	50 675	50 534

Note 12 Financial costs and similar income statement items

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Interest expenses	-52 799	-48 500	-48 815	-47 938
Interest expenses leasing	-22 830	-23 163	0	0
Other financial expenses	0	-3 183	-2 592	-2 742
Total	-75 629	-74 846	-51 406	-50 681

Note 13 Tax on profit for the year

	Group 2020	Group 2019
Current tax expense		
Current tax expense	-10 936	-4 547
Adjustment of tax attributable to previous years	-215	-9 376
Total current tax expense	-11 151	-13 923
Deferred tax expense		
Defferred tax expense attributable to temporary differenses	-736	-130
Total deferred tax expense	-736	-130
TOTAL ACCOUNTED TAX EXPENSE	-11 887	-14 053
Reconciliation of effective tax		
Profit before tax	22 105	111 888
Tax according to applicable tax rate (21.4% 2019 vs 22% 2018)	-4 730	-23 944
Tax effect of non-deductible costs	-7 788	-13 156
Tax effect of non-taxable income	2 060	32 553
Adjustment for previous years	-1 462	-9 376
Current year's tax expense	-11 921	-13 923
Total effective tax in %	-53,9%	-12,4%

In 2019, rules were introduced regarding limits on deductibility for negative net interest. This is seen as having a material impact on items included in tax effect of non-deductible expenses both in 2019 and 2020.

Note 14 Capitalized development fees

	Group 2020-12-31	Group 2019-12-31
Opening balance acquisition cost	52 589	52 132
Acquisitions	2 718	1 145
Sales/Disposals	-684	-688
Closing balance accumulated acquisition cost	54 623	52 589
Opening balance depreciations	-42 750	-39 784
Sales/Disposals	669	117
Depreciations and amortizations for the year	-3 104	-3 083
Closing balance accumulated depreciations	-45 186	-42 750
Closing Net Book Value	9 437	9 838

Capitalized development fees refer to proprietary software, licenses and capitalized costs for business systems, management systems and the development of reports.

Note 15 Goodwill

	Group 2020-12-31	Group 2019-12-31
Opening balance acquisition cost	1 074 581	1 074 581
Acquisitions	26 732	0
Closing balance accumulated acquisition cost	1 101 313	1 074 581
Opening balance depreciations	0	0
Depreciations and amortizations for the year	0	0
Closing balance accumulated depreciations	0	0
Closing Net Book Value	1 101 313	1 074 581

Impairment testing for goodwill

Goodwill is monitored by management and distributed per cash-generating unit where the entire Group constitutes a separate cash-generating unit. For such an analysis and assessment, each group company constitutes a separate cash-generating unit. The recoverable amount for a cash-generating unit has been determined based on calculations of useful value. These calculations are based on estimated future pre-tax cash flows based on financial budgets that have been approved by management covering a five-year period. Cash flows beyond the five-year period are not extrapolated in line with the estimated growth rate. The growth rate does not exceed the long-term growth rate of the segment in which the cash-generating unit operates.

When analysing the cash generating unit's future cash flows before tax, essential assumptions are made regarding, among other things, sales growth and discount rate which constitute important factors when calculating the respective unit's value in use. Cash flows after the forecast period are calculated on the assumption of a long-term growth rate after the forecast period of two percent per year.

In the event of a write-down, the recoverable amount is also specified.

Gross margin: 97-98 %

Discount rate before tax 8.65 %

The annual growth rate is used over the five-year forecast period. It is based on past performance and management's expectations of 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 the current composition of sales.

As a part of the analysis and assessment of the cash-generating activities' future cash flows, a sensitivity analysis has also been performed. This analysis confirms that even in the case of a reduction of the operating margin by 5%, the goodwill value would be maintained.

There is no need for impairment of goodwill in 2020.

The higher goodwill value for the year relates to the two acquired subsidiaries, Aberia AB and Billbag AB. The acquisition was carried out on 1 August 2020, also see Note 39.

Note 16 Buildings and land

	Group 2020-12-31	Group 2019-12-31
Opening balance acquisition cost	16 955	69 618
Reclassifications	8 612	-37 543
Acquisitions	0	0
Sales/Disposals	0	-15 120
Closing balance accumulated acquisition cost	25 566	16 955
Opening balance depreciations	-10 770	-26 729
Reclassifications	259	13 490
Sales/Disposals	0	4 152
Depreciations and amortizations for the year	-556	-1 683
Closing balance accumulated depreciations	-11 066	-10 770
Opening balance impairments	0	0
Reclassifications	-5 380	0
Impairment	0	0
Sales/Disposals	0	0
Closing balance accumulated write-downs	-5 380	0
Closing Net Book Value	9 120	6 185

Note 17 Improvement expenses on another person's property

	Group 2020-12-31	Group 2019-12-31
Opening balance acquisition cost	19 710	43 664
Reclassifications	6 617	-15 711
Acquisitions	1 831	2 919
Sales/Disposals	-2 565	-11 162
Closing balance accumulated acquisition cost	25 593	19 710
Opening balance depreciations	-15 381	-25 187
Reclassifications	-4 040	7 300
Acquisitions	-766	0
Sales/Disposals	1 800	5 090
Depreciations and amortizations for the year	-1 285	-2 584
Closing balance accumulated depreciations	-19 671	-15 381
Closing Net Book Value	5 922	4 329

Note 18 Inventory, tools and installations

	Group 2020-12-31	Group 2019-12-31
Opening balance acquisition cost	41 853	41 320
Acquisitions	4 126	1 718
Sales/Disposals	-4 849	-1 185
Closing balance accumulated acquisition cost	41 131	41 853
Opening balance depreciations	-30 320	-23 747
Acquisitions	-541	0
Sales/Disposals	4 281	852
Depreciations and amortizations for the ye	-6 426	-7 425
Closing balance accumulated depreciations	-33 006	-30 320
Opening balance impairments	-56	0
Impairment	0	0
Sales/Disposals	24	-56
Closing balance accumulated depreciations	-32	-56
Closing Net Book Value	8 094	11 478

Note 19 Deferred tax assets

Tax relating to:

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

	Group 2020-12-31	Group 2019-12-31
Opening balance	3 798	1 073
Change reported in the profit or loss	295	2 725
Closing balance	4 093	3 798

Note 20 Fixed assets held for sale

In 2019, the Board decided to close all of the Group's residential care homes, which belonged to the segment Individuals and Family. As a consequence, 15 properties were identified for sale, consistent with the accounting rules, IFRS 5, and these properties were thus reported separately from the properties that shall be kept (see Note 16 Land and Buildings as well as note 17 Improvement expenses on another person's property).

Seven of these properties were sold in 2019, and an additional six properties were sold in 2020. One property has been identified as suitable for running operations in the segment Disability and this property is thus seen as reclassified as a fixed asset (see also Note 16). As of 31/12/2020, one property remains up for sale, Franshammar 2:5/Hassela. This is expected to be sold in 2021.

The properties were valued on 31/12/2019 at fair value, i.e. net sales value (fair value with deduction for expected selling expenses). This valuation resulted in a write-down to a value equivalent to TSEK 12,829. An assessment on 31/12/2020 sees no need for further write-down.

	Group 2020-12-31	Group 2019-12-31
Opening balance acquisition cost	53 254	0
Reclassifications	-15 118	53 254
Sales/Disposals	-36 145	0
Closing balance accumulated acquisition cost	1 991	53 254
Opening balance depreciations	-20 790	0
Reclassifications	3 758	-20 790
Depreciations	0	
Sales/Disposals	16 275	0
Closing balance accumulated depreciations	-756	-20 790
Opening balance impairment	-12 829	0
Impairment		-12 829
Reclassification	5 380	0
Sales/Disposals	7 449	0
Closing accumulated impairments	0	-12 829
Closing Net Book Value	1 235	19 635

Note 21 Receivables with Group companies

	Group 2020-12-31	Group 2019-12-31	Parent Company 2020-12-31	Parent Company 2019-12-31
Current receivables from Parental Related company	235	235	235	235
Current receivables from other Group companies			12 737	12 737
Long term receivables from other Group companies	0	0	586 366	586 366
Closing balance	235	235	599 338	599 338

Note 22 Shares in Group companies

Company	Corporated Identity Number	Country	Domicile	Business	Shares of ordinary shares owned by the Parent Company (no)	Capital share	Outgoing carrying value
Frösunda Holdco AB	556778-0076	Sverige	Solna	Holding Company	23 408 503	100%	300 727
Closing balance							300 727

	Parent Company 2020-12-31	Parent Company 2019-12-31
Opening value shares in Group companies	300 728	462 235
Current year's acquired shares in Group companies	0	0
Current year's impairments of shares in Group companies	0	-161 507
Closing value shares in Group companies	300 728	300 728

See also details about the valuation followed by the acquisition in a separate note – not 39.

The subsidiary is consolidated in the Group. The voting rights in the subsidiary that are directly owned by the Parent Company, are no different from the ordinary shares that are owned.

Specification of subsidiary holdings of shares in Group companies:

Company	Corporate Identity Number	Country	Domicile	Business	Shares of ordinary shares owned by the Parent Company (no)	Capital Share
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 Personlig Assistans AB	556386-7398	Sweden	Malmö	Personal Assistance	1 000	100%
Frösunda Äldreomsorg	556435-4834	Sweden	Göteborg	Elderly Care	6 000	100%
Frösunda Omsorg AB	556509-2482	Sweden	Solna	Care Business	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 Business	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	Norrköping	Care Business	1 000	100%
Frösunda Omsorg i Gävleborg AB	556106-1853	Sweden	Nordanstig	Care Business	1 000	100%
Frösunda Omsorg Arbetsmarknad AB	559158-4635	Sweden	Solna	Resource supply	500	100%
Aberia AB	556652-0176	Sweden	Stockholm	Care Business	1 000	100%
Billbag AB	556426-7440	Sweden	Vallentuna	Care Business	1 000	100%

Note 23 Accounts receivable

The Group applies the simplified method for calculating expected credit losses. The method uses expected losses over the entire life of the receivable as a basis for such loss calculation. Experience shows that there is a need for reservation for expected credit losses in the Personal Assistance segment. A smaller risk is also seen for other segments, mainly with respect to rental invoices and therefore to private individuals. In these cases too, the time taken for payment of receivables is an important parameter in assessing the need provisions.

In the case of invoices issued to municipalities within the segment Personal Assistance, several national cases can be seen, with different assistance providers, where legal proceedings are underway to ensure that the invoiced amount can be recovered. Outcomes in these processes are closely monitored, and based on this experience, the probability is assessed that an unpaid claim will not be paid and therefore should be considered as a probable loss. Another important parameter when assessing the probability of loss is how long the claim has been outstanding. The longer the delay, the larger the provision considered for expected credit losses. The expected loan losses have been valued on the basis of an individual assessment carried out for each customer/municipality and for each individual invoice.

	Group 2020-12-31	Group 2019-12-31
Account Receivables		
Account Receivable	246 439	229 771
Reservation for expected credit loss	-13 589	-11 234
Net account balance	232 850	218 537

Balance by age breakdown – and the ratio of provisions to expected loss (%)

2020-12-31	Reported amounts gross accounts	Expected loss (%)	Bad debt reserve
Maturity	receivables		
Not due	167 557	0,2%	267
Due 1-30 days	43 384	0,3%	142
Due 31-60 days	6 212	2,6%	162
Due 61-90 days	2 140	14,5%	310
Due > 90 days	27 146	46,8%	12 707
Total accounts receivables	246 439	5,5%	13 589

2019-12-31	Reported amounts gross accounts	Expected loss (%)	Bad debt reserve
Maturity	receivables		
Not due	173 050	0,1%	231
Due 1-30 days	17 514	0,7%	123
Due 31-60 days	11 359	1,2%	140
Due 61-90 days	4 442	6,1%	273
Due > 90 days	23 405	44,7%	10 467
Total accounts receivables	229 771	4,9%	11 234

Change of provisions for expected credit losses can be seen below.

	Group 2020-12-31	Group 2019-12-31
Opening balance expected credit loss		
	-11 234	-8 580
Provision for the year regarding expected credit loss	-2 355	-3 024
Current year's confirmed credit losses	-6	-387
Adjustment fair value valuation	6	757
Closing balance	-13 589	-11 234

Note 24 Other receivables

	Group 2020-12-31	Group 2019-12-31
Tax account	2 102	122
Claims employees	1 400	1 554
Other receivables	5 147	1 771
Closing balance	8 649	3 447

No part of the other receivables were due for payment as of 31/12/2020. Amounts are included at nominal values.

Note 25 Prepaid costs and accrued revenues

	Group 2020-12-31	Group 2019-12-31	Parent Company 2020-12-31	Parent Company 2019-12-31
Accrued customer income	12 499	9 878	0	0
Prepaid rents	6 118	10 026	0	0
Other prepaid expenses	11 252	15 350	43	62
Closing balance	29 869	35 254	43	62

Note 26 Liquid assets

	Group 2020-12-31	Group 2019-12-31	Parent Company 2020-12-31	Parent Company 2019-12-31
Cash and cash equivalent	111 254	66 413	30 327	29 185
Closing balance	111 254	66 413	30 327	29 185

Note 27 Equity Group

Share capital

Holders of ordinary shares are entitled to dividends that are determined in the course of time and share ownership entitles voting rights 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 consists in its entirety of amounts paid at issue in addition to the quota value of the issued shares.

Retained earnings including profit for the year

This also includes Group contributions and a tax effect on Group contributions. Shareholder contributions are also included.

Dividends

No dividend payments will be proposed at the 2021 Annual General Meeting.

Parent Company

Share capital

	Parent Company 31/12/2020	Parent Company 31/12/2019
Opening balance	500	500
Subscription of shares	0	0
Current year's change	0	0
Closing balance	500	500

The Parent Company's ordinary shares have a quota value of SEK 100 per share. Each share entitles one vote. The number of shares shall be at least 5,000 and not more than 20,000.

Retained earnings

Consist of the previous year's free equity after a possible dividend has been paid. Together with profit for the year, they make up the total amount of unrestricted equity.

Note 28 Borrowing

Borrowing occurs through bond loans that are listed on the NASDAQ OMX Stockholm Stock Exchange. The loans are divided into Senior with a due date on 7 March 2023 and Junior with a due date on 7 June 2023.

	Group 2020-12-31	Group 2019-12-31	Parent Company 2020-12-31	Parent Company 2019-12-31
Amortization due within 1 year	0	0	0	0
Amortization due within 2-5 years				
Bond Loan Junior (interest rate STIBOR + 8,5%)	124 000	150 000	150 000	150 000
Bond Loan Senior (interest rate STIBOR +5,75%)	600 000	600 000	600 000	600 000
Accrued transactions costs	-5 760	-8 352	-5 760	-8 352
Closing balance	718 240	741 648	744 240	741 648

During the financial year, bonds have been re-bought at a nominal value of SEK 26,000, at a rate of 71.25.

Note 29 Deferred tax liability

	Group 2020-12-31	Group 2019-12-31
Opening balance	-3 064	-5 918
Tax on untaxed reserves	-460	2 509
Change reported in the profit or loss	-1 037	345
Closing balance	-4 561	-3 064

There are no tax deficit deductions in the Group as of 31/12/2020.

Note 30 Other liabilities

Other financial liabilities are reported in Note 35, only concern the Group for the comparison year 2019.

	Group 2020-12-31	Group 2019-12-31
Employee related taxes	51 270	26 151
Employer's contribution	58 333	30 162
Value Added Tax	532	831
Other liabilities	4 893	1 142
Closing balance	115 029	58 287

Note 31 Accrued costs and deferred income

	Group 2020-12-31	Group 2019-12-31	Parent Company 2020-12-31	Parent Company 2019-12-31
Accrued payroll	78 884	77 838	0	0
Vacation pay liability	57 206	50 059	0	0
Social security contribution	38 979	37 822	0	0
Special payroll tax (pension)	17 177	16 565	0	0
Accrued expenses	11 057	17 290	489	443
Accrued interest expenses	3 150	2 888	3 150	2 888
Prepaid customer income	5 400	801	0	0
Closing balance	211 853	203 261	3 639	3 330

Note 32 Pledged assets

	Group 2020-12-31	Group 2019-12-31	Parent Company 2020-12-31	Parent Company 2019-12-31
Collaterals for debt to credit institutions				
Pledged shares in Group companies	886 331	883 770	300 727	300 727
Other pledged assets	0	0	586 366	586 366
Total	886 331	883 770	887 093	887 093

Other pledged relates to an intercompany loan from Brado AB to the subsidiary Frösunda Holdco AB.

Note 33 Contingent liabilities

	Group 2020-12-31	Group 2019-12-31
Rental guarantees	0	300
Other guarantees	0	0
Total	0	300

Note 34 Items that do not affect cash flow

	Group 2020-12-31	Group 2019-12-31	Parent Company 2020-12-31	Parent Company 2019-12-31
This year's depreciation and amortization of right of use assets	109 926	81 260	0	0
This year's depreciations and amortization of other assets	11 372	14 775	0	0
This year's impairments other assets	0	12 885	0	0
Fair value effect in connection with acquisitions	0	0	0	0
Capital gains/loss	1 875	5 552	0	0
Change impairment	1 498	0	0	0
Change of interest receivable	-104	0	0	0
Change of interest debt	0	-355	-263	263
Total	124 567	114 117	-263	263

Note 35 Financial assets and liabilities

Valuation of financial assets and liabilities is in accordance with the accounting regulation IFRS 9. This includes the Group's estimates and assessments when determining the fair value of the financial assets and liabilities recognised at fair value in the financial statements.

In order to ensure reliability regarding the input data for such fair value determination, the Group has classified the financial instruments (financial assets and liabilities) at the three levels described in the accounting standard.

Level 1: The fair value of financial instruments traded on an active market (such as listed derivatives and equity securities) is based on quoted market prices at the balance sheet date. The quoted market price used for the Group's financial assets is the current bid price.

Level 2: Fair value of financial assets that are not traded on an active market (e.g. OTC derivatives) are determined using valuation techniques that are as far as possible based on market information, while company-specific information is used to measure financial assets and liabilities, where these are entered at accrued acquisition value.

Level 3: In cases where unlisted financial instruments are used, and where valuation is not available. Valuation is also carried out at acquisition value in such a case.

Other long-term liabilities, which appear in the Group's balance sheet, are mainly attributable to long-term lease liabilities. Valuation of such debt constitutes discounted future cash flows in accordance with existing contracts. For short-term loans, no revaluation was carried out to ensure that the carrying amount represents a good estimate of fair value due to the short term involved.

See also Note 3 Financial risk management, for more information on risk management.

The following table shows the fair value of financial assets and liabilities compared to the

carrying amount. Fair value is the amount to which an asset or liability could be transferred between knowledgeable parties who are independent of each other and who have an interest in carrying out such a transaction.

Analysis 31/12/2020, shows that a calculation of fair value could show a lower value than that reported as it concerns the Group's bond loans. When converting, market prices for existing bond programs listed on the Stockholm Nasdaq are used.

Group

	2020		2019	
	Reported value	Fair value	Reported value	Fair value
Financial assets				
Accounts receivable	232 850	232 850	218 536	218 536
Other receivables	8 649	8 649	3 447	3 447
Accrued income	12 499	12 499	9 878	9 878
Cash and cash equivalents	111 254	111 254	66 413	66 413
Total	365 252	365 252	298 274	298 274
Financial liabilities				
Liabilities to credit institutes	0	0	0	0
Bond Loans	718 240	663 380	741 648	648 648
Sellers Credit	18 986	18 986	0	0
Leasing debt (IFRS 16) ¹⁾	833 942	833 942	706 989	706 989
Accounts payable	24 458	24 458	35 041	35 041
Other liabilities	115 029	115 029	58 287	58 287
Total	1 710 654	1 655 794	1 541 966	1 448 966

Parent Company

	2020		2019	
	Reported value	Fair value	Reported value	Fair value
Financial assets				
Cash and cash equivalents	30 327	30 327	29 185	29 185
Total	30 327	30 327	29 185	29 185
Financial liabilities				
Bond Loans	744 240	685 740	741 648	648 648
Liabilities to former owners of Frösunda Holdco AB (Sellers Credit)	0	0	0	0
Other liabilities	3 652	3 652	3 346	3 346
Total	747 892	689 392	744 994	651 994

Fair value assessment of the seller credit received from previous owners, Hg Capital, was carried out during the preceding financial year. For details about how this assessment is performed, see also Note 39 Acquisitions.

	Group 2020-12-31	Group 2019-12-31	Parent Company 2020-12-31	Parent Company 2019-12-31
Sellers Credit 2018-03-06				
Opening balance	0	161 507	0	161 507
Valuation at fair value	0	-161 507	0	-161 507
Total	0	0	0	0

Carrying amounts in the balance sheet are considered to be in line with fair value except for seller credit. Due to the short maturity of short receivables and liabilities, the carrying amount

is assumed to be the best approximation of fair value. The fair value of long-term loans is deemed to be in line with the carrying amount when the interest burden is variable against the indebtedness, the book value is representative of fair value.

Net profit/loss for each category of financial instruments:

	Group 2020-12-31	Group 2019-12-31
Loan receivables and accounts receivables	-2 355	-3 024
Total	-2 355	-3 024

Net profit/loss refers to bad debt losses and foreign exchange effects. Interest income and interest expenses are not included as net profit/loss, but are instead listed individually in Notes 11 and 12.

Note 36 Supplementary disclosures to the cash flow statement

The following supplementary disclosures refer to liabilities whose cash flow changes are reported in financing activities.

Group:

	Items affecting Cash-Flow		Items not affecting Cash Flow		Reversal accrued transaction costs	Change long-term leasing debt (IFRS 16)	Closing balance 2020-12-31
	Opening balance 1 January 2020	Amorization of debt	Borrowings	Impairment of debt			
Long-term funding							
Bond Loans	741 648	-26 000	0	0	2 592	0	718 240
Other debt (Seller's Credit)	0	0	0	0	0	0	0
Total liabilities reported in the Financing activities	741 648	-26 000	0	0	2 592	0	718 240

	Items affecting Cash-Flow		Items not affecting Cash Flow		Reversal accrued transaction costs	Change long-term leasing debt (IFRS 16)	Closing balance 2019-12-31
	Opening balance 1 January 2019	Amorization of debt	Borrowings	Impairment of debt			
Long-term funding							
Bond Loans	739 064	0	0	0	2 584	0	741 648
Other debt (Seller's Credit)	161 507	0	0	-161 507	0	0	0
Total liabilities reported in the Financing activities	900 572	0	0	-161 507	2 584	0	741 648

Parent Company

	Items affecting Cash-Flow		Items not affecting Cash Flow		Reversal accrued transaction costs	Closing balance 2020-12-31
	Opening balance 1 January 2020	Amorization of debt	Borrowings	Impairment of debt		
Long-term funding						
Bond Loans	741 648	0	0	0	2 592	744 240
Other debt (Seller's Credit)	0	0	0	0	0	0
Total liabilities reported in the Financing activities	741 648	0	0	0	2 592	744 240

	Items affecting Cash-Flow		Items not affecting Cash Flow		Reversal accrued transaction costs	Closing balance 2019-12-31
	Opening balance 1 January 2019	Amorization of debt	Borrowings	Impairment of debt		
Long-term funding						
Bond Loans	739 064	0	0	0	2 584	741 648
Other debt (Seller's Credit)	161 508	0	0	-161 508	0	0
Total liabilities reported in the Financing activities	900 572	0	0	-161 508	2 584	741 648

Note 37 Related party transactions

Purchase and sales transactions with related parties are conducted on market terms.

Purchase of services is primarily considered as anything connected to the purchase of CEO services (see also Note 9) from Hospitality Invest AS, which is also owned by Kristian och Roger Adolfsen, and some legal counselling from Lindstrand Partners Advokatbyrå AB owned by Board member Carl Lindstrand. During 2020, management for the staff function HR was also purchased from the affiliated group Norlandia.

Provided services primarily concern remuneration for staff functions in the Group, where the Group has provided services to the affiliated group Norlandia (Norlandia Care AB and Norlandia Förskolor AB).

The following transactions have been made with related parties:

Group

(SEK)

Related party	2020		2019	
	Sales of services to related parties	Purchase of services from related parties	Sales of services to related parties	Purchase of services from related parties
Key people in executive positions	0	0	0	52 500
Related company	4 481 622	2 945 960	1 375 200	5 117 409
Total	4 481 622	2 945 960	1 375 200	5 169 909

Parent Company

(SEK)

Related party	2020		2019	
	Sales of services to related parties	Purchase of services from related parties	Sales of services to related parties	Purchase of services from related parties
Key people in executive positions	0	0	0	0
Related company	0	0	0	0
Total	0	0	0	0

Note 38 Profit disposition

At the disposal at the Annual General Meeting, the following means of financing are available:

Retained earnings		183 818 416
Net loss of the period		-1 774 071
	SEK	182 044 345

The Board of Directors proposes that the means of profit be allocated so that:

Brought forward		182 044 345
	SEK	182 044 345

Note 39 Acquisitions

Acquisitions made during the financial year

Two companies were acquired during the year, Aberia AB and Billba AB. Both companies were acquired from the affiliated group, Norlandia Health Care.

Acquisitions made after the end of the financial year

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

Acquisitions made in 2018 - 2020

In 2018, Brado AB acquired the Frösunda Omsorg Group. Details about the acquisition can be seen as below.

On 01/08/2020, the subsidiary Frösunda Omsorg AB acquired the two companies, Aberia AB and Billbag AB, from the affiliated company Norlandia Health & Care AB.

Goodwill:

In connection with Brado's acquisition of the Frösunda Group (06-03-2018), a goodwill value was recognized which primarily can be considered as expected future cash flows from operational activities in the Group, as well as brands among the subsidiaries that were included in the acquisition.

Goodwill is recognized in connection with acquisitions where the acquisition price exceeds the acquired company's net assets, valued at fair value. The purchase price is calculated based on the acquisition value with a deduction for net debt or an addition for contributed cash and cash equivalents.

A definitive acquisition analysis was established in Q4, 2018, which resulted in the assessed fair value for the goodwill that arose following the acquisition amounting to SEK 1,074.5.

When acquiring the companies Aberia AB and Billbag AB, the acquisition analysis drawn up resulted in a goodwill value of TSEK 26,732 being reported.

Acquisition of the Frösunda Group (2018)

Preliminary purchase price allocation (PPA)

Assets valued at fair value

(tSEK)	2018-03-06
Conditional purchase price ("Sellers Credit")	350 000
Unconditional purchase price	280 757
Total	630 757
 <i><u>Identified acquired assets</u></i>	
Operating credit	-119 569
Tangible fixed assets	84 282
Intangible fixed assets	8 896
Deferred tax assets	1 137
Other long-term receivables	188
Accounts receivables and other receivables	405 791
Accounts payables and other liabilities	-846 600
Tax liability	22 051
Total identified net assets	-443 824
Goodwill ¹⁾	-1 074 581

¹⁾ No share of the accounted goodwill is expected to be tax-deductible.

Acquisition-related costs total TSEK 14,400 and can be considered as accounted parts of the Group's other costs in 2018. All recorded net turnover, after the acquisition date 06-03-2018, can be considered as relating to the acquired companies.

If the acquisition had been made on 01-01-2018 (instead of 06-03-2018), the proforma net turnover for 2018 would have totalled MSEK 2,318 and proforma operating profits for 2018 would then have totalled MSEK 9.6.

The acquisition was financed with equity as well as a seller credit of MSEK 350, which was issued by the seller, Hg Capital. In the case that the company delivers a result other than that expected for 2018-2020, the acquisition loan's fair value will be adjusted. At the end of 2018, the acquisition loan was valued at MSEK 161.5. In 2019, a new valuation of the acquisition loan's fair value was SEK 0. The valuation done in 2019 has been confirmed with a new valuation in 2020, i.e. fair value for the acquisition loan shall continue to be SEK 0.

The fair value of the total purchase price is calculated as a multiple of the average annual EBITDA in the period 2018-2020. The multiple is 8.5. The acquisition loan's fair value can at most total MSEK 350. The acquisition loan's fair value in 2020 can amount to a value between MSEK 0 and 350. The assessment is that the fair value will ultimately amount to SEK 0.

Acquisition of Aberia AB & Billbag AB (2020)

Preliminary purchase price allocation (PPA)

Assets valued at fair value

	2020-12-31
Goodwill	26 732
Tangible fixed assets	1 423
Other short-term receivables	17 509
Cash and cash equivalents	-10 871
Provisions	-7
Short-term liabilities	-5 800
Total purchase price	28 986
<u>Aquisition effect on cash flow</u>	
Total purchase price	28 986
Unpaid part of the purchase price	-18 986
Cash and cash equivalents in the acquired companies	10 871
Total cash flow attributable to investments in subsidiaries	20 871

¹⁾ No share of the accounted goodwill is expected to be tax-deductible.

Note 40 Significant events after the end of the financial year

Since 1 January 2021, the personal assistance activities are run in a dedicated, legal entity in order to strengthen the focus on growth. In February, the elderly care which was run on contract for Lomma municipality was also returned to the municipality. During the first three months of 2021, all homes and housing which are part of Frösunda Omsorg's elderly care were vaccinated against Covid 19.

The Board of Directors and the CEO declare that the annual accounts have been prepared in accordance with GAAP and that the consolidated financial statements have been prepared in accordance with the international accounting standards referred to 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 accounts and the consolidated accounts give a true and fair view of the Parent Company's and the Group's position and earnings.

The Annual Report for the Parent Company and the Group provides a true and fair view of the development of the Parent Company's operations, position and results, and describes the significant risks and uncertainties that the Parent Company and the companies that are part of the Group face.

Solna, 30 April 2021



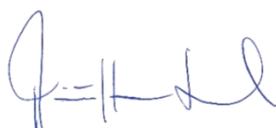
Roger Adolfsen

Chairman of the Board



Kristian Arne Adolfsen

Board member



Kristoffer Lorck

CEO



Carl Lindstrand

Board member

Our audit report was submitted on 30 April 2021

Öhrlings Pricewaterhouse Coopers AB



Martin Johansson
Auktoriserad revisor
Huvudansvarig revisor

Revisionsberättelse

Till bolagsstämman i Brado AB (publ), org.nr 559127-5176

Rapport om årsredovisningen och koncernredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen och koncernredovisningen för Brado AB (publ) för år 2020. Bolagets årsredovisning och koncernredovisning ingår på sidorna 14-67 i 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 2020 och av dess finansiella resultat och kassaflöde för året 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 2020 och av dess finansiella resultat och kassaflöde för året enligt International Financial Reporting Standards (IFRS), såsom de antagits av EU, och årsredovisningslagen. 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 revisionsssed 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

Intäktsredovisning (not 2 och 5)

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

Hur vår revision beaktade det särskilt betydelsefulla området

Vi har i vår revision utvärderat verksamhetens processer för styrning och kontroll av intäktsredovisningen. Vidare har vi stickprovsvist testat intäkterna mot underlag i form av avtal och 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, 15, 22 samt 39)

Goodwill respektive andelar i koncernföretag redovisas till 1.101 MSEK i rapport över finansiell ställning för koncernen och till 301 MSEK i moderbolagets balansräkning per 31 december 2020. 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 per 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 15 i årsredovisningen genomförde koncernen under 2020 nedskrivningsprövningar avseende goodwill, som visade att inget nedskrivningsbehov förelåg.

Värderingen av den förvärvskredit som utgör tilläggsköpeskillning i förvärvet av Frösunda Holdco med dotterbolag har uppdaterats med anledning av uppdaterade prognoser på vilka den baseras. Detta har lett till en finansiell intäkt i koncernen respektive en justering av värderingen på moderbolagets andelar i koncernföretag.

Vi har granskat den slutliga förvärvsanalysen för Frösunda Holdco med dotterbolag, som överensstämmer med den preliminära.

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.

Värderingen av förvärvskrediten har analyserats och bedömts uppdaterad

Vi har granskat bedömningen, även omvärderingen av förvärvskrediten, och jämfört detta med ledningens bedömningar och 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 1-13. 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, förfalskning, 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 år 2020 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 revisionssed i Sverige. Vårt ansvar enligt denna 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.

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 revisionssed 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 revisionssed 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.

Öhrlings PricewaterhouseCoopers AB, 113 97, utsågs till Brado AB (publ)s revisor av bolagsstämman den 7 maj 2020 och har varit bolagets revisor sedan 15 oktober 2018.

Stockholm den ~~20~~ april 2021

Öhrlings PricewaterhouseCoopers AB



Martin Johansson
Auktoriserad revisor