

frösunda.
OMSORG

A young girl with blonde hair is seated in a wheelchair, looking towards a woman on the right. The woman, also with blonde hair, is smiling warmly at the girl. They are in a sports arena, with a basketball court and spectators visible in the background. The lighting is warm, suggesting an indoor setting with bright lights. The girl is wearing a dark jacket, and the woman is wearing a light-colored top. The overall mood is positive and supportive.

Q1

INTERIM REPORT 2018
BRADO AB

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KEY FIGURES, PF*

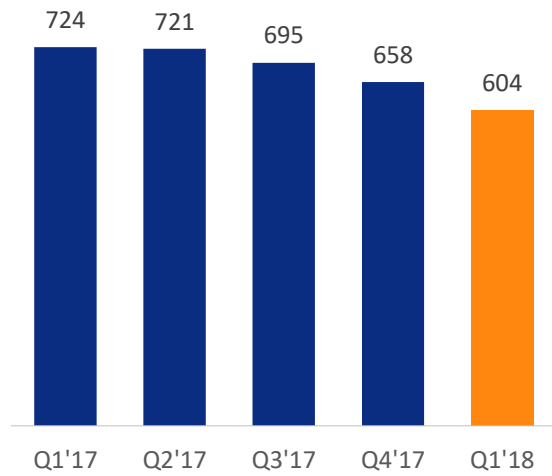
SEK million	Q1 18	Q4 17	FY 17	Q1 17	Q4 16	FY 16
Total revenue	604.1	657.5	2 798.1	724.4	751.8	3 022.9
EBITDA	-5.9	8.4	91.0	21.9	28.0	152.7
EBITDA (%)	-1.0 %	1.3 %	3.3 %	3.0 %	3.7 %	5.1 %
EBITA	-9.7	4.0	73.1	17.7	24.0	136.0
EBITA (%)	-1.6 %	0.6 %	2.6 %	2.4 %	3.2 %	4.5 %
EBIT	-9.7	4.0	73.1	17.7	24.0	136.0
EBIT (%)	-1.6 %	0.6 %	2.6 %	2.4 %	3.2 %	4.5 %
EBT	-19.1	-2.3	49.3	11.8	17.7	111.8
EBT (%)	-3.2 %	-0.3 %	1.8 %	1.6 %	2.4 %	3.7 %

Q1 2018 HIGHLIGHTS

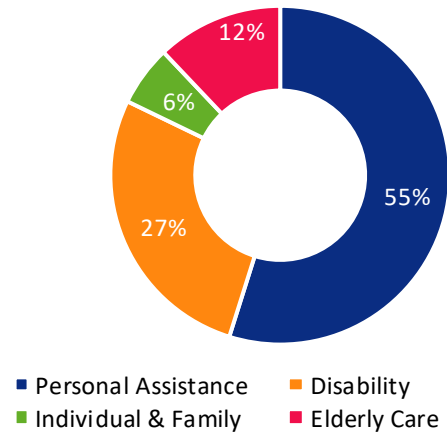
- Brado AB acquired Frösunda Holdco AB on March 6, 2018
- Q1'18 Pro forma (PF) revenues of SEK 604.1 million
- EBITA (PF) SEK -9.7 million (-1,6%)
- Seasonally weak quarter, also negatively affected by transactions costs (SEK 13.8 million)
- Measures taken to reduce overhead cost is starting to show effect
- Focus during Q1'18 has been to ensure quality of delivery, which in the long run yields higher returns
- The reconversion of the business area Individual & Family from migration services to regular business is in progress but has taken longer than expected and affected EBITA negatively
- The churn in Personal Assistance is higher than forecasted
- Based on the current run rate the management is currently revising the EBITDA guiding for 2018. The long term view of the Group and its ability to deliver improved quality and profitability remains unchanged

*Included in the report is pro-forma consolidated Group figures for Q1'18, as if the Group existed per 1 January 2018 (marked PF), compared with consolidated group figures for Frösunda Bidco AB for 2017 (the previous owner of Frösunda Holdco AB). In addition, the report includes consolidated Group figures for the period from the acquisition date until 31 March 2018. In 2017, the company presented its result before and after items affecting comparability (jämförelsestörande poster) with the purpose to visualize costs occurred outside of normal operations and to highlight the result in the underlying business. To get the best possible comparability, items affecting comparability has been reverted to the segment where they belonged in the PF figures for 2017. As from 2018 no items affecting comparability are reported.

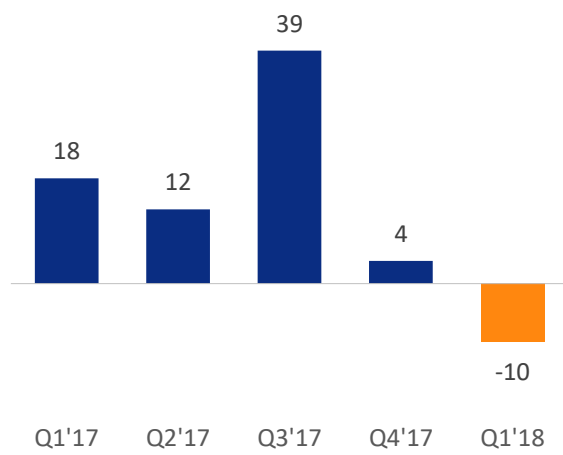
PF Revenue per quarter (SEKM):



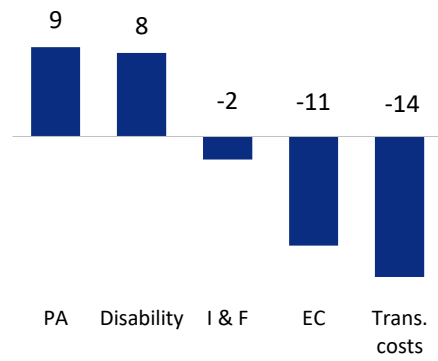
Segment distribution Q1'18 (%):



PF EBITA per quarter (SEKM):

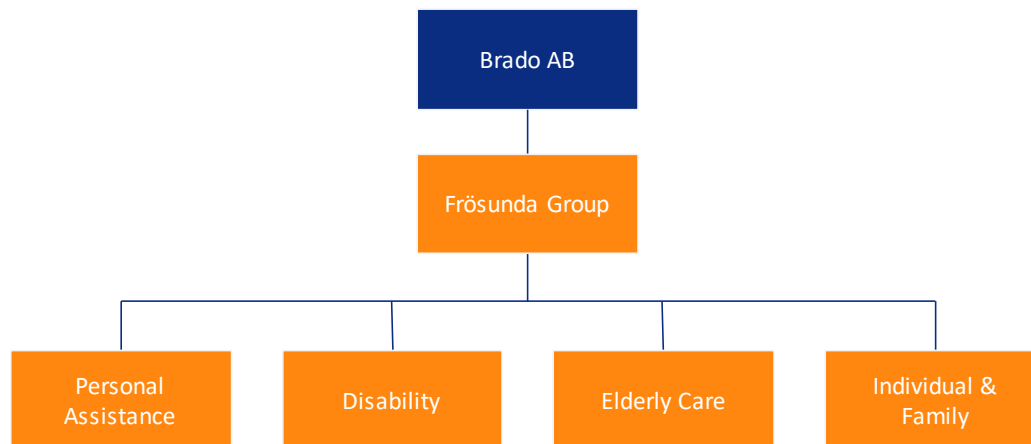


PF EBITA distribution Q1'18 (SEKM)



BRADO AB (PUBL) / FRÖSUNDA OMSORG

Brado AB was established in October 2017 and is controlled by Kristian Adolfsen (50%) and Roger Adolfsen (50%). The company acquired 100 percent of the shares in Frösunda Holdco AB and its subsidiaries as per 6 March 2018. Frösunda Holdco AB and its subsidiaries are consolidated as from that date. Frösunda is a leading Swedish private provider of care services. Frösunda Group consists of a number of companies, where operations are conducted within the four segments; Personal Assistance, Disability, Individual & Family and Elderly Care. The below structure offers an overview of the Group and its segments but shall not be regarded as a complete legal structure.



Brief description of the four segments:

The Personal Assistance segment provides help in the daily life of its customers. Each customer is supported by an assistance team ensuring availability on short notice around the clock. The services are offered in the homes of the customers or wherever they are.

The Disability segment offers a range of services directed towards disabled people in order to support them in living independent lives. The segment employs experienced staff and has several units with the customized facilities to assist the customers. The services are offered at operational units or at Frösundas own full responsibility units.

The Elderly Care segment offers housing for elderly who are unable to live on their own. Staff and units can support different needs related to illness, dementia diagnosis or age weaknesses. Strong environmental focus to create relaxed surroundings is implemented in full responsibility units.

The Individual & Family segment offers a break or new start for children and youth with a troubled upbringing. The Group owns and operates several units, in addition to collaborating with several families to provide safe and stable surroundings.

Companies in Frösunda Group (together with Brado AB; the "Group"): Frösunda Holdco AB 556778-0076, Frösunda Bidco AB 556777-9961, Frösunda Group AB 556748-4158, Frösunda LSS I Södra Sverige AB 556386-7398, Frösunda LSS I Väst AB 556435-4834, Frösunda Omsorg AB 556509-2482, Frösunda Omsorg I Uppland AB 556560-1548, Frösunda Social Omsorg AB 556606-2401, Frösunda Omsorg Fastigheter AB 556629-5290, Frösunda Omsorg i Stockholm AB 556597-2352, Frösunda Omsorg i Gävleborg AB 556106-1853.

GROUP ACTIVITIES

The first quarter of 2018 has been characterized by continued focus on quality in all our segments, in addition to efforts to adjust the staffing to the business case level, in order to achieve the desired run-rate of 4.7% (EBITA). During Q1'18, the Group has identified synergy potential within the Adolfsen Group, e.g. related to purchasing and IT-services.

In March 2018, Susanne Sidén decided to resign from the position as CEO at Frösunda. Kristoffer Lorck, a representative of the new owners, will assume the position as acting CEO from June 2018 and will remain in such interim position until a permanent solution is in place.

The Group established an RCF facility of SEK 80 million with Pareto Bank which replaced a facility previously held with Nordea.

FINANCIALS

As this is the first interim report presented by Brado AB after the acquisition on 6 March 2018, no directly comparable figures exist. Included in the report is pro-forma consolidated Group figures for Q1'18, as if the Group existed per 1 January 2018 (marked PF), compared with consolidated group figures for Frösunda Bidco AB for 2017 (the previous owner of Frösunda Holdco AB). In addition, the report includes consolidated Group figures for the period from the acquisition date until 31 March 2018. In 2017, the company presented its result before and after items affecting comparability (jämförelsestörande poster) with the purpose to visualize costs occurred outside of normal operations and to highlight the result in the underlying business. To get the best possible comparability, items affecting comparability have been reverted to the segment where they belonged in the PF figures for 2017. As from 2018, no items affecting comparability are reported.

Consolidated Income Statement during period 6 - 31 March 2018 (unaudited)

The Group reported total operating revenue of SEK 200.9 million in the period 6 – 31 March 2018. PF Q1 2018 was SEK 604.1 million compared to PF Q1 2017 of SEK 724.4 million. The decrease in revenue mainly relates to the churn within Personal Assistance and the lower volume in migration services within the Individual & Family segment.

Total operating expenses in the period 6 – 31 March 2018 ended at SEK 212.8 million. Total operating expenses PF Q1 2018 ended at SEK 610.0 million compared to PF Q1 2017 of SEK 702.5 million. The decrease in PF expenses is explained by higher activity and more employees in 2017. However, the staff costs have not fallen at the same rate as the revenue. Staff costs as percent of revenue were 85.9% in Q1'18 compared to 84.3% in Q1'17.

EBITDA for the period 6 – 31 March 2018 ended at SEK -11.9 million. EBITDA for PF Q1 2018 ended at SEK -5.9 million compared to PF Q1 2017 of SEK 21.9 million. The decrease is due to:

- Transaction costs of SEK 13.8 million
- Decreased intake of new customers (sales) in Personal Assistance due to business development /quality focus
- Reduced turnover within Individual & Family due to closure of several units in order to change target groups, methods, etc .
- Low growth within the Disability and Elderly Care segments in the latter part of 2017 and in 2018 (as previously compensated for reduced volume in PA)
- Overhead cost is being reduced, however, not enough relative to the reduced volume

Actions going forward in order to reduce administration and to ensure growth in 2019:

- Increased focus on taking in new customers in Personal Assistance
- Preparing for full responsibility start up's in Individual & Family, Disability and Elderly care
The units will be up and running during the second half of 2019
- Adjusting and streamlining central and regional overhead cost
- Selected tenders will be placed primarily within Disability and Elderly care

Finance expenses in the period 6 – 31 March 2018 amounted to SEK -4.6 million. Finance expenses PF Q1 2018 amounted to SEK -9.4 million compared to PF Q1 2017 SEK -5.9 million. The increase refers to the refinancing in connection with Brado's acquisition of Frösunda Holdco AB.

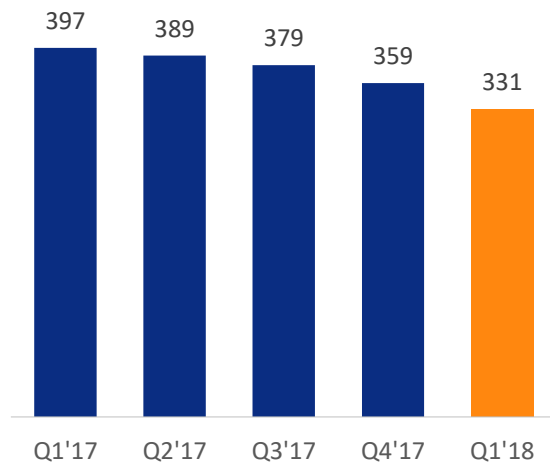
Consolidated Balance Sheet per 31 March 2018 (unaudited)

Total assets ended at SEK 1 680.4 million per Q1 2018 compared to SEK 2 235.3 per PF FY 2017. The reduction mainly relates to goodwill adjustments in connection with Brado's acquisition of the shares in Frösunda Holdco AB. The purchase price allocation (PPA) supporting the acquisition, identification and valuation of intangible assets, calculation of goodwill and allocation of assets is still preliminary and will be concluded during the year. Total liabilities ended at SEK 1 492.9 million per Q1 2018 compared to SEK 843.9 million per PF FY 2017. The increase relates to refinancing in connection with Brado's acquisition of the shares in Frösunda Holdco AB with two new bond loans issued on 7 March 2018 in Brado AB. For further information see Note 7 - Bond loans.

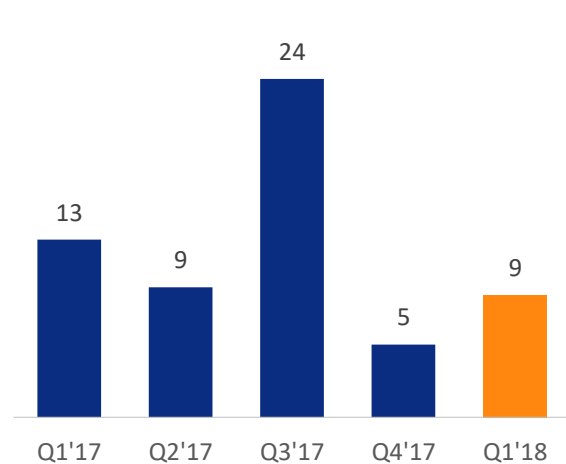
Business Segments

PERSONAL ASSISTANCE

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



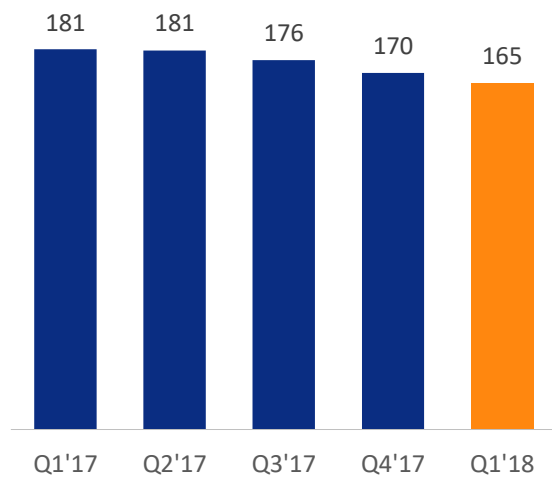
Revenues for the Personal Assistance segment ended at SEK 331.3 million in Q1'18 compared to SEK 359.3 million in Q4'17 and SEK 397.3 million in Q1'17. EBITA for Q1'18 ended at SEK 8.8 million (2.7%) compared to SEK 5.2 million (1.4%) in Q4'17 and SEK 36.7 million (3.2%) in Q1'17.

The number of customers at the end of Q1'18 was 987 (1 033 at Q4'17). 28 customers were moved from the Disability segment to the Personal Assistance segment in February.

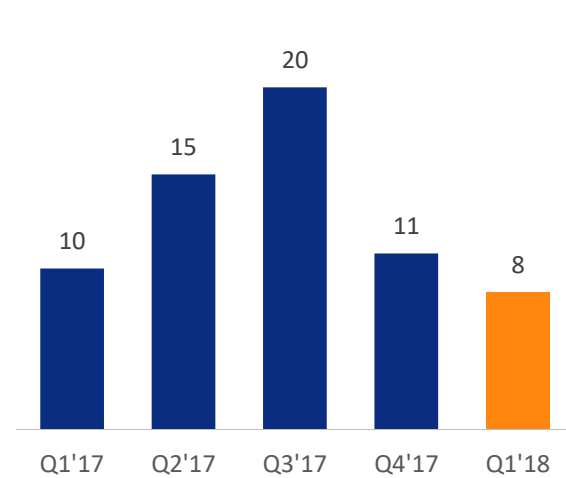
During the past couple of years, the segment has focused on quality rather than sales, with the aim of retaining customers instead of replacing lost customers with new ones. We can now see that the service in three out of six regions achieves the stability and quality which makes it possible to turn the focus towards attracting new customers to enable organic growth from 2019.

DISABILITY

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



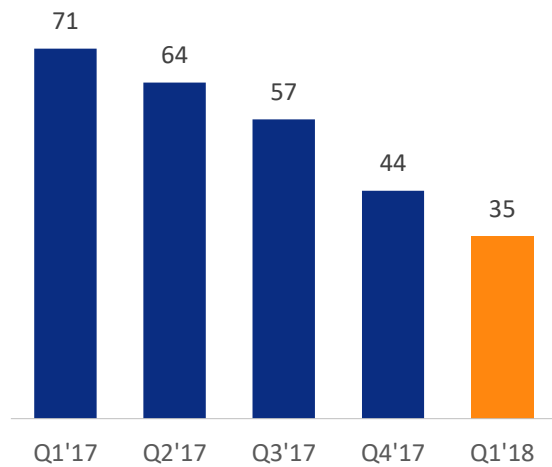
Revenues for the Disability segment ended at SEK 165.1 million in Q1'18 compared to SEK 170.0 million in Q4'17 and SEK 181.4 million in Q1'17. EBIT for Q1'18 ended at SEK 8.2 million (5.0%) compared to SEK 10.5 million (6.2%) in Q4'17 and SEK 9.6 million (5.3%) in Q1'17.

The number of customers at the end of Q1'18 was 917 (966 in Q4'17). 28 customers were moved from Disability segment to Personal Assistance segment in February.

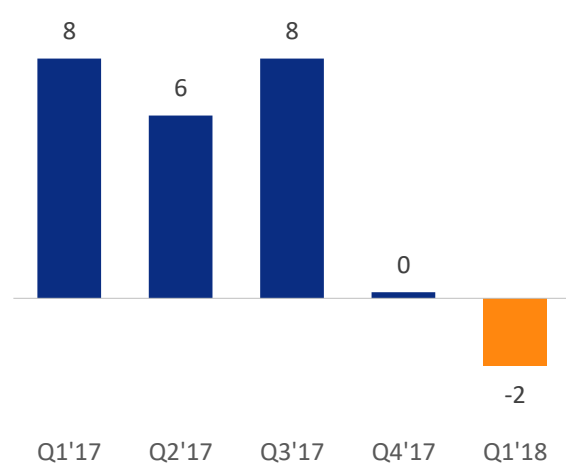
A new management for the segment was established in the autumn of 2017. The business is now stable, both financially and in terms of quality. The decrease in revenue and EBITA compared to Q1'17 is mainly related to closed units (5) and costs to improve the quality in certain units. A major tender contract was won in 2017 with planned start June 2018. The start will be postponed due to a delay in the permission process (for more information, "outlook and main risk factors").

INDIVIDUAL & FAMILY

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



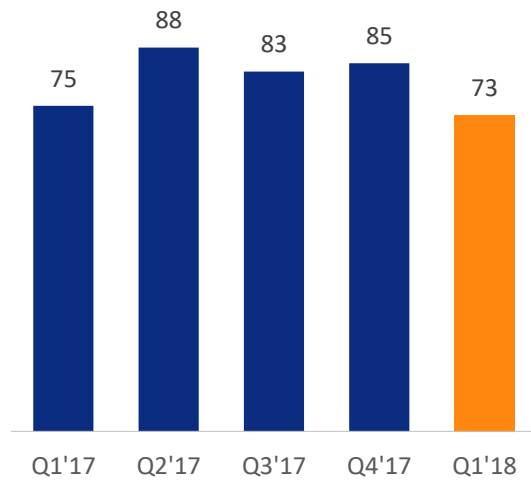
Revenues for the Individual & Family segment ended at SEK 34.8 million in Q1'18 compared to SEK 43.5 million in Q4'17 and SEK 70.6 million in Q1'17. EBITA for Q1'18 ended at SEK -2.3 million (6.6%) compared to SEK 0,2 million (0.0%) in Q4'17 and SEK 8.0 million (11.3%) in Q1'17.

The number of customers at the end of Q1'18 was 121 (175 in Q4'17).

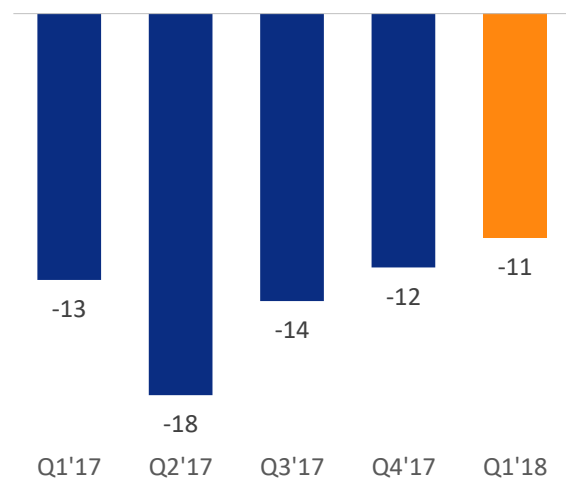
As previously communicated, the revenues in the Individual & Family segment will decrease due to the transition from migration services to normal activities, which has been completed in 2017. This work has taken longer than expected, resulting in unstable quality of the underlying service in certain units. This has resulted in one withdrawn permission in February 2018 in addition to one unit being closed on own initiative in March 2018. Both units are expected to reopen during 2H 2018. Margins in the segment are expected to be lower than previous years, and the segment is in process of creating a stable platform for growth with improved margins. All units in the segment are expected to reach a satisfactory quality level during Q2 2018.

ELDERLY CARE

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



Revenues for the Elderly Care segment ended at SEK 72.8 million in Q1'18 compared to SEK 84.7 million in Q4'17 and SEK 75.1 million in Q1'17. EBITA for Q1'18 ended at SEK -10.7 million (-14.7%) compared to SEK -12.1 million (-14.2%) in Q4'17 and SEK -12.7 million (-16.9%) in Q1'17.

The number of customers at the end of Q1'18 was 458 (471 in Q4'17).

The reduction in revenues in Q1'18 compared to Q4'17 can primarily be explained by the closing of one unit in Sundbyberg. The segment shows improvements in quality parameters and can now shift focus to cost control. This applies primarily to adjusting staffing towards desired calculations.

The segment is expected to show solid growth in the years to come on the back of improved occupancy in existing units as well as growth from establishing new full responsibility units.

Outlook and main risk factors

As described in the marketing material related to the bond issue in Brado AB, Frösunda had received a formal notice from Sundbyberg Stad with a claim of SEK 27 million in relation to damages caused by the alleged breaches of a contract for the provision of elderly care services. During Q1'18, Frösunda received a formal subpoena resulting in formal court proceedings. The company is still rejecting the claim and is of the opinion that it has a strong position in the legal proceedings.

In June, the Swedish Parliament will decide on the proposal to limit the possibility for private welfare companies to make profit. Based on the current political landscape, the proposal is unlikely to be approved. However, the issue remains in focus at least until the parliamentary election in September 2018.

IVO, "Inspektionen för vård och omsorg", is currently intensifying its work on quality review. This year, Individual & Family and Personal Assistance are in focus. The company appreciates the work of IVO and sees it as an opportunity to improve the business.

A change of the permission requirements has been made by IVO, implying that all units in Elderly Care now needs permission. This has resulted in increased queues for obtaining new licenses. The risks of delaying new startups in all business areas can be expected.

By a strong opinion, the government has changed the directives in the LSS investigation and eliminated the requirement for savings. This will improve the market situation primarily in Personal Assistance. Although the effect is hard to quantify, this will result in a change of attitude of the authorities in regards to approving personal assistance.

<http://www.regeringen.se/pressmeddelanden/2018/04/besparingskrav-tas-bort-fran-lss-utredningen/>

Use of Alternative Performance Measures (APM)

Alternative Performance Measures (APM) is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. Brado AB reports the financial measure "EBITDA", "EBITA" and "EBIT" in its quarterly reports, which are not financial measures as defined in IFRS. The reported numbers are included in the financial statements and can be directly reconciled with official IFRS line items. The APMs are used consistently over time and accompanied by comparatives for the corresponding previous periods.

Statement from the Board of Directors

The interim financial statements are, to the best of our knowledge and based on our best opinion, presented in accordance with International Financial Reporting Standards and the information provided in the financial statements give a true and fair view of the Company's and Group's assets, liabilities, financial position and result for the period. The financial report provides an accurate view of the development, performance and financial position of the Company and the Group, and includes a description of the key risks and uncertainties the Group is faced with.

Stockholm, 28 May 2018

Board of Directors of Brado AB (publ)

Roger Adolfsen
Chairman of the Board

Kristian A. Adolfsen
Member of the Board

Carl Lindstrand
Member of the Board

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Kristoffer Lorck
Acting CEO

Ticker codes:

Brado AB has issued a bond loans with the following names:

Brado AB (publ) Senior Secured Callable Floating Rate Notes 2018/2023, ISIN: NO0010816184

Ticker: The bond will be listed on Nasdaq Stockholm during 2H 2018

Brado AB (publ) Junior Secured Callable Floating Rate Notes 2018/2023, ISIN: NO0010816192

Ticker: The bond will be listed on Nasdaq Stockholm during 2H 2018

This report was released for publication on 29 May 2018.

GROUP FINANCIAL STATEMENT

CONSOLIDATED INCOME STATEMENT PROFORMA (Unaudited)

All figures in SEK million	Notes	Q1 18	Q1 17	FY 17
OPERATING INCOME				
Revenue		596.6	716.3	2 763.2
Other operating revenue		7.5	8.1	34.9
Total operating revenue		604.1	724.4	2 798.1
OPERATING EXPENSES				
Cost of goods sold		-19.2	-24.3	-102.1
Personnel expenses		-512.4	-603.5	-2 327.5
Other operating expenses		-78.4	-74.7	-277.5
EBITDA		-5.9	21.9	91.0
Depreciation & amortization		-3.8	-4.2	-17.9
Operating profit/loss (EBIT)		-9.7	17.7	73.1
FINANCE				
Finance income		-	-	-
Finance costs		-9.4	-5.9	-23.8
Profit/Loss before income tax (EBT)		-19.1	11.8	49.3
Income tax		4.5	-0.6	-3.0
Profit/Loss for the period		-14.6	11.2	46.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME PROFORMA (Unaudited)

All figures in SEK million	Notes	Q1 18	Q1 17	FY 17
OTHER COMPREHENSIVE INCOME				
Profit/Loss for the period		-14.6	11.2	46.3
ATTRIBUTABLE TO				
Equity holders of the parent company		-14.6	11.2	46.3
Non-controlling interest		-	-	-
Total compr. income for the period		-14.6	11.2	46.3
ATTR. TO EQUITY HOLDERS, ARISING FROM				
Continuing operations		-14.6	11.2	46.3
Discontinuing operations		-	-	-
Equity holders of the parent company		-14.6	11.2	46.3

CONSOLIDATED BALANCE SHEET STATEMENT PROFORMA (Unaudited)

The below table shows consolidated balance sheet for Brado AB per 2018-03-31 compared to consolidated balance sheet for Frösunda Holdco AB per year end 2017. Please note that the figures are not directly comparable as they are consolidated on different levels in the group structure. The main difference in the values are reduced goodwill and equity following the acquisition of Frösunda Holdco.

ASSETS

All figures in SEK million	Notes	2018-03-31	2017-12-31
NON-CURRENT ASSETS			
Goodwill		1 095.2	1 826.1
Other intangible assets		9.1	7.8
Property, plant & equipment		83.8	87.1
Financial assets		1.3	1.4
Total non-current assets		1 189.4	1 922.4
CURRENT ASSETS			
Accounts receivables		328.3	346.9
Income tax receivables		13.2	1.9
Receivables from related parties		0.2	-
Other short-term receivables		59.1	53.3
Cash and cash equivalents	6	90.2	-89.2
Total current assets		491.0	312.9
Total assets		1 680.4	2 235.3

CONSOLIDATED BALANCE SHEET STATEMENT PROFORMA (Unaudited)

The below table shows consolidated balance sheet for Brado AB per 2018-03-31 compared to consolidated balance sheet for Frösunda Holdco AB per year end 2017. Please note that the figures are not directly comparable as they are consolidated on different levels in the group structure. The main difference in the values are reduced goodwill and equity following the acquisition of Frösunda Holdco.

EQUITY AND LIABILITIES

All figures in SEK million	Notes	2018-03-31	2017-12-31
EQUITY			
Share capital		0.5	23.4
Share premium reserve		202.2	-
Other reserves		-	-
Retained earnings		-15.2	1 368.0
Equity attributable to owners of the parent		187.5	1 391.4
Total equity		187.5	1 391.4
NON-CURRENT LIABILITIES			
Deferred tax liability		16.2	13.9
Bond loans	7	737.1	-
Interest bearing debt to credit institutions		-	440.6
Other non-current liabilities	8	350.0	-
Total non-current liabilities		1 103.3	454.5
CURRENT LIABILITIES			
Accounts payable		28.6	33.9
Short term interest bearing debt to credit institutions		-	66.0
Other current liabilities		361.0	289.5
Total current liabilities		389.6	389.4
Total liabilities		1 492.9	843.9
Total equity & liabilities		1 680.4	2 235.3

CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE INCOME (Unaudited)

The below table shows the consolidated income statement for Brado AB in the period from 6 March 2018 until 31 March 2018.

All figures in SEK million	Notes	6-31 March 18
OPERATING INCOME		
Revenue		198.1
Other operating revenue		2.8
Total operating revenue		200.9
OPERATING EXPENSES		
Cost of goods sold		-6.3
Personnel expenses		-170.7
Other operating expenses		-35.8
EBITDA		-11.9
Depreciation & amortization		-0.7
Operating profit/loss (EBIT)		-12.6
FINANCE		
Finance income		-
Finance expense	4	-4.6
Profit/Loss before income tax (EBT)		-17.2
Income tax	5	3.4
Profit/Loss for the period		-13.8
OTHER COMPREHENSIVE INCOME		
Profit/Loss for the period		-13.8
ATTRIBUTABLE TO		
Equity holders of the parent company		-13.8
Non-controlling interest		-
Total compr. income for the period		-13.8
ATTR. TO EQUITY HOLDERS, ARISING FROM		
Continuing operations		-13.8
Discontinuing operations		-
Equity holders of the parent company		-13.8

CONSOLIDATED BALANCE SHEET STATEMENT (Unaudited)

ASSETS

All figures in SEK million	Notes	2018-03-31
NON-CURRENT ASSETS		
Goodwill		1 095.2
Other intangible assets		9.1
Property, plant & equipment		83.8
Financial assets		1.3
Total non-current assets		1 189.4
CURRENT ASSETS		
Accounts receivables		328.3
Income tax receivables		13.2
Receivables from related parties		0.2
Other short-term receivables		59.1
Cash and cash equivalents	6	90.2
Total current assets		491.0
Total assets		1 680.4

CONSOLIDATED BALANCE SHEET STATEMENT (Unaudited)

EQUITY AND LIABILITIES

All figures in SEK million	Notes	2018-03-31
EQUITY		
Share capital		0.5
Share premium reserve		202.2
Other reserves		-
Retained earnings		-15.2
Equity attributable to owners of the parent		187.5
Non-controlling interests		-
Total equity		187.5
NON-CURRENT LIABILITIES		
Deferred tax liability		16.2
Bond loans	7	737.1
Other non-current liabilities	8	350.0
Total non-current liabilities		1 103.3
CURRENT LIABILITIES		
Accounts payable		28.6
Other current liabilities		361.0
Total current liabilities		389.6
Total liabilities		1 492.9
Total equity & liabilities		1 680.4

CONSOLIDATED CASH FLOW STATEMENT (Unaudited)

All figures in SEK million	Notes	6-31 March 18
CASH FLOW FROM OPERATING ACTIVITIES		
Operating result		-12.6
Adjustments for items not included in cash flow		0.7
		-11.9
Financial items, net		-4.9
Taxes paid		-11.7
Cash flow from operating activities before changes in working capital		-28.5
Change in net working capital		72.6
Net cash flow from operating activities		44.1
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in property, plant and equipment		-1.0
Net cash flow from investing activities		-1.0
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of interest-bearing debt		737.0
Repayment of interest-bearing debt		-531.4
Net interest paid and other financial items		-38.9
Net cash flow from financing activities		166.7
CHANGES IN CASH AND CASH EQUIVALENTS		
Net change in cash and cash equivalents		209.8
Effects of changes in exchange rates on cash		-
Cash and cash equivalents at the beginning of period		-119.6
Cash and cash equivalents at end of period		90.2

CONSOLIDATED CASH FLOW STATEMENT (Unaudited)

CHANGES IN EQUITY (Unaudited numbers)

All figures in SEK million	Notes	Share capital	Other restricted equity	Retained earnings	Total equity to holders of the parent
Opening balance as at 6 March 2018		0.5	2.2	-2.5	0.2
Profit/Loss for the period		-	-	-13.8	-13.8
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	-13.8	-13.8
Transactions with Company owners					
Shareholder contribution			200.0	-	200.0
Effect from acquisition of subsidiary		-	-	-1.4	-1.4
Total transactions with Company owners		-	200.0	-1.4	198.6
Closing balance as at 31 March 2018		0.5	202.2	-15.2	187.5

Stockholm, 28 May 2018
The Board of Directors of Brado AB (publ)

Roger Adolfsen
Chairman of the Board

Kristian A. Adolfsen
Member of the Board

Carl Lindstrand
Member of the Board

NOTES

Note 1 – Accounting policies

The consolidated financial statements of Brado AB comprise the company and its subsidiaries, collectively referred to as the Group. This report and the financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting along with applicable stipulations of the Swedish Annual Accounts Act. The report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act – Interim Reports. The interim report does not include all the information required for complete annual consolidated financial statements. The financial statements in this interim report are unaudited.

Note 2 – Basis for preparation

Brado AB acquired 100 percent of the shares in Frösunda Holdco AB and its subsidiaries as per 6 March 2018. Frösunda Holdco AB and its subsidiaries are consolidated as from that date. The purchase price allocation (PPA) supporting the acquisition, identifying and valuation of intangible assets and calculation of goodwill and allocation of assets is still preliminary and will be further focused on during the year.

Included in the report is pro-forma consolidated Group figures for Q1'18, as if the Group existed per 1 January 2018 (marked PF), compared with consolidated group figures for Frösunda Bidco AB for 2017 (the previous owner of Frösunda Holdco AB). In addition, the report includes consolidated Group figures for the period from the acquisition date until 31 March 2018.

Note 3 – Estimations and assessments

Preparation of financial statements in accordance with IFRS requires that company management makes assessments and estimations along with assumptions that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual outcome may deviate from these estimations and assessments. Estimations and assumptions are reviewed on a regular basis. Changed estimations are reported prospectively.

Note 4 – Finance income and expense

The finance expense primarily relates to interest paid on bond loans and other long-term borrowings.

Note 5 – Income tax

The income tax is based on preliminary tax calculations and may become subject to change in the annual statements.

Note 6 – Financial covenants

According to the bond agreements signed 7 March 2018, Brado AB and its subsidiaries (the Group) must be in compliance with a financial undertaking in form of Minimum Liquidity (financial covenant). Brado AB shall at all times ensure that the Group retain liquidity in excess of SEK 20 million.

Note 7 – Bond loans

The group has two bond loans issued in the market, one bond loan amounting to SEK 600 million (maturity date 7 March 2023) and one bond loan amounting to SEK 150 million (maturity date 7 June 2023). The bond loans were issued 7 March 2018 in the new legal entity Brado AB. The bond loans are in process of listing on the Nasdaq OMX Stockholm Stock Exchange.

Note 8 – Other non-current liabilities

Other non-current liabilities refers to a sellers credit to the former owner, Frösunda Luxco S.a.r.l, in connection with Brado AB's acquisition of the shares of Frösunda Holdco AB and its subsidiaries.

Brado AB

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