

A young girl with blonde hair is seated in a wheelchair, looking towards a woman on the right. The woman 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.

frösunda.
OMSORG

Q4

INTERIM REPORT 2018
BRADO AB

CONTENT

CONTENT.....	2
KEY FIGURES	3
Q4 2018 HIGHLIGHTS (PF).....	3
BRADO AB (PUBL) / FRÖSUNDA OMSORG AB.....	5
GROUP ACTIVITIES.....	6
FINANCIALS	6
GROUP FINANCIAL STATEMENT	15
FINANCIAL STATEMENT FOR THE PARENT COMPANY.....	21
NOTES.....	23

KEY FIGURES

Pro forma (PF)

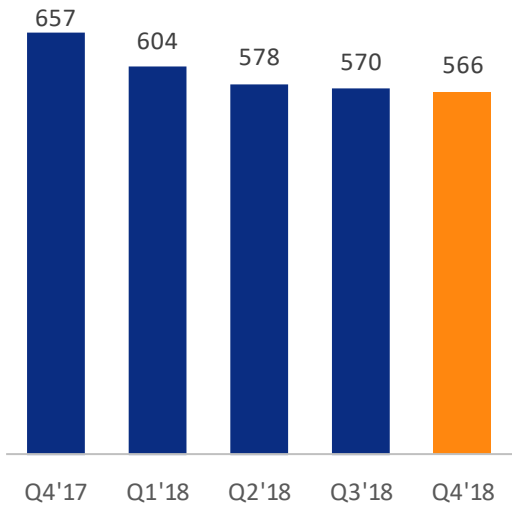
SEK million	Q4 18	Q3 18	YTD 18	Q4 17	Q3 17	YTD 17
Total revenue	565.6	570.5	2 318.3	656.5	692.7	2 797.0
EBITDA	-2.9	31.2	25.2	8.1	43.7	90.8
EBITDA (%)	-0.5 %	5.5 %	1.1 %	1.2 %	6.3 %	3.2 %
EBITA	-6.8	27.3	9.6	3.6	39.0	72.9
EBITA (%)	-1.2 %	4.8 %	0.4 %	0.5 %	5.6 %	2.6 %
EBIT	-6.8	27.3	9.6	3.6	39.0	72.9
EBIT (%)	-1.2 %	4.8 %	0.4 %	0.5 %	5.6 %	2.6 %
EBT	148.1	13.8	127.8	-2.7	33.0	49.1
EBT (%)	26.2 %	2.4 %	5.5 %	-0.4 %	4.8 %	1.8 %

Q4 2018 HIGHLIGHTS (PF)

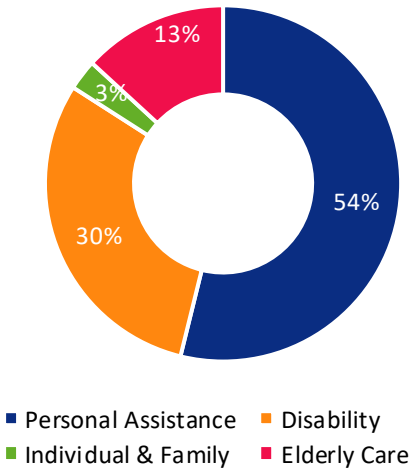
- Q4'18 revenues of SEK 565.5 million
- EBITA SEK -6.8 million (-1.2%)
- Unaudited full year 2018 revenue (PF) ended at SEK 2318.3 million, with EBITDA (PF) of SEK 25.2 million, EBITA (PF) SEK 9.6 million and EBT (PF) of SEK 127.8 million
- In 2018, EBITDA (PF) was negatively affected by SEK -14.4 million in transaction costs, implying in an operational EBITDA of SEK 39.6 million
- In 2018, EBT (PF) is positively affected by SEK 168.5 million due to reduction in the seller's credit. Correspondingly the Group's equity increases with the same amount
- The churn in Personal Assistance is showing signs of improvement and the number of prospects increases
- Occupancy within Disability is in some units lower than expected. Sales efforts have been initiated at the end of the quarter
- Weak performance within Individual & Family. Cost overruns primarily driven by expenses related to restoration of properties to be able to restart units. One new unit started operations within the segment, increasing number of customers by 17
- Improved performance in Elderly Care on the back of continued focus on staffing optimization in combination with increased occupancy
- Despite a weak EBITDA, cash flow has been kept up during the quarter due to improvements in working capital. At the end of Q4'18, total available cash including RCF was SEK 122.7 million, compared to SEK 99.9 million at the end of Q3'18

*Included in the report is pro-forma consolidated Group figures for 2018, 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 Group). In addition, the report includes consolidated Group figures for the period from the acquisition date until 31 December 2018. In 2017, the company presented its result before and after items affecting comparability 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.

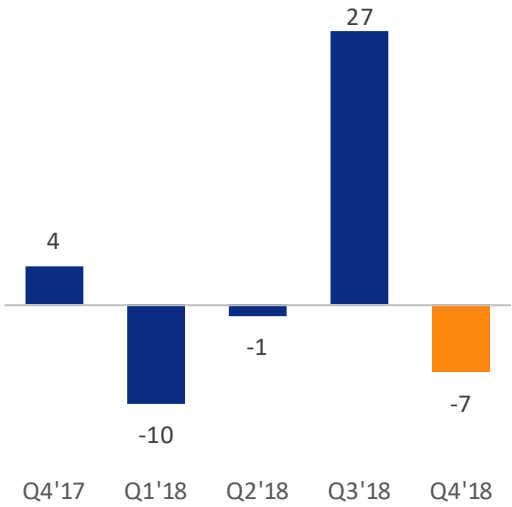
PF Revenue per quarter (SEKM):



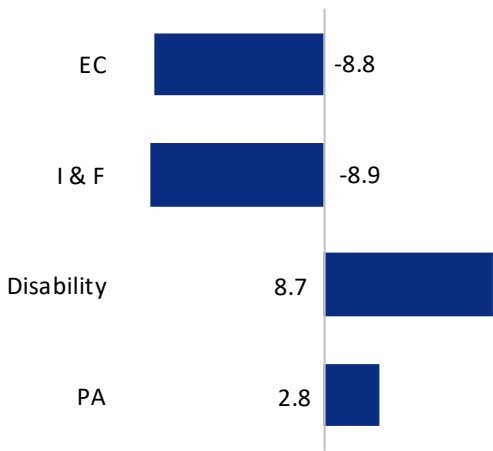
Segment distribution Q4'18 (%):



PF EBITA per quarter (SEKM):

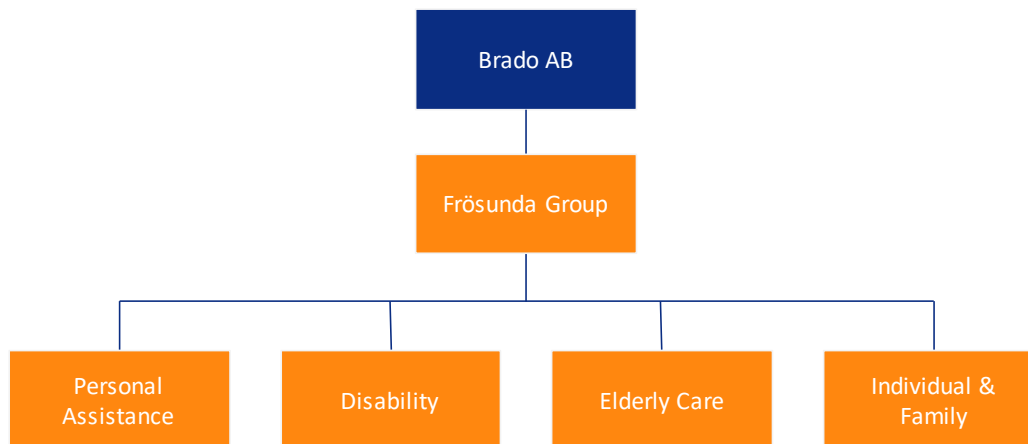


PF EBITA distribution Q4'18 (SEKM)



BRADO AB (PUBL) / FRÖSUNDA OMSORG AB

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 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 customized facilities to assist 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, Frösunda Omsorg Arbetsmarknad AB 559158-4635.

GROUP ACTIVITIES

During the fourth quarter of 2018 the company has continued working on improving internal routines, quality systems and optimization of operations.

FINANCIALS

Since this is the fourth interim report presented by Brado AB (publ) after the acquisition on 6 March 2018, no directly comparable figures exist for the quarter. Included in the report are pro-forma consolidated Group figures per Q4'18, 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 Group). In addition, the report includes consolidated Group figures for the period from the acquisition date until 31 December 2018. In 2017, the Company presented its result before and after items affecting comparability, 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 – per 31 December 2018 (PF, unaudited)

The Group reported PF operating revenue of SEK 565.6 million in Q4'18 compared to SEK 570.5 million in Q3'18 and SEK 656.5 million in Q4'17. The decrease in revenue mainly relates to churn within Personal Assistance and lower volume within the Individual & Family segment.

Total operating expenses in the period ended at SEK 568.5 million compared to SEK 539.3 million in Q3'18 and SEK 648.4 million in Q4'17. Staff costs as percent of revenue were 88.0% in Q4'18 compared to 83,3% in Q3'18 and 86.2% in Q4'17. Q3'18 was positively affected by the summer's holiday effect.

EBITA in Q4'18 ended at SEK -6.8 million (-1.2%) compared to SEK 27.3 million (4.8%) in Q3'18 and SEK 3.6 million (0.6%) in Q4'17. The fall in profitability compared to Q3'18 can mainly be explained by:

- Seasonal effects due to vacations in Q3 within OH and among regional leaders, which are not replaced by temporary staff.
- The churn within Personal Assistance
- High property costs in closed units within Individual and Family
- Low occupancy within Individual and family, but partly also in Disability
- Transaction costs in Brado AB, SEK -0.6 million

Finance expenses in Q4'18 amounted to SEK -13.6 million compared to SEK -13.5 million in Q3'18 and PF SEK -6.3 million in Q4'17.

Unaudited full year 2018 revenue (PF) ended at SEK 2 318.3 million compared to SEK 2 797.0 million in 2017. Full year EBITDA (PF) ended at SEK 25.2 million compared to SEK 90.8 million in 2017. EBT (PF) ended at SEK 127.8 million compared to SEK 49.1 million in 2017. In 2018, EBITDA was negatively affected by SEK -14.4 million in transaction costs, implying an operational EBITDA of SEK 39.6 million. EBT was positively affected by SEK 168.5 million due to reduction in the seller's credit. Correspondingly the Group's equity increases with the same amount.

Consolidated Balance Sheet per 31 December 2018 (unaudited)

Total assets ended at SEK 1 597.2 million per 31 December 2018.

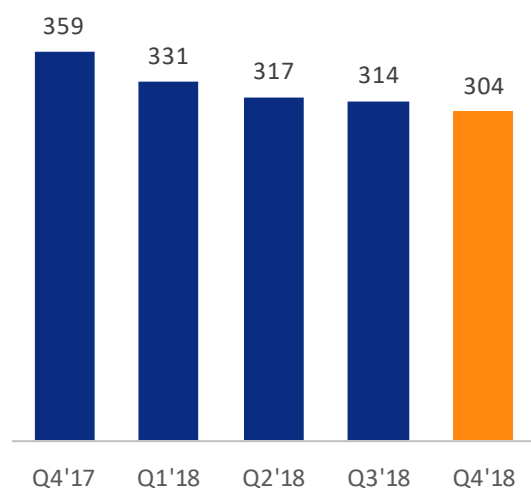
The purchase price allocation (PPA) supporting the acquisition, identification and valuation of intangible assets, calculation of goodwill and allocation of assets is now in a closed and final version. As a result, goodwill is stated to SEK 1 074.6 million, same as reported in Q3'18, and other non-current liabilities (seller's credit) is reduced to SEK 161.5 million. As previously described in the investor presentation per February 2018, the value of the seller's credit is dependent on the consolidated EBITDA of the Group over the period 2018-2020. As a result of the shortfall in EBITDA in 2018, the calculated value of the seller's credit is reduced by SEK 168.5 million in Q4'18, to SEK 161.5 million. The future value of the seller's credit is subject to uncertainty and may fluctuate depending on the Group's EBITDA. Revaluation will be done every quarter.

Total liabilities ended at SEK 1 251.7 million. Total equity per end of Q4'18 increased to SEK 345.5 million. Total cash and equivalents per end of Q4'18 amounted to SEK 87.7 million. Total available cash including RCF was SEK 122.7 million. Unused RCF at the end of Q4'18 was SEK 35 million. The Group had two clean-downs on the RCF during 2018.

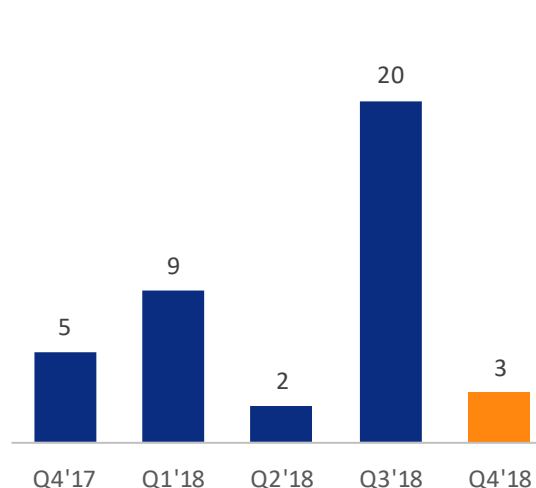
Business Segments

PERSONAL ASSISTANCE

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



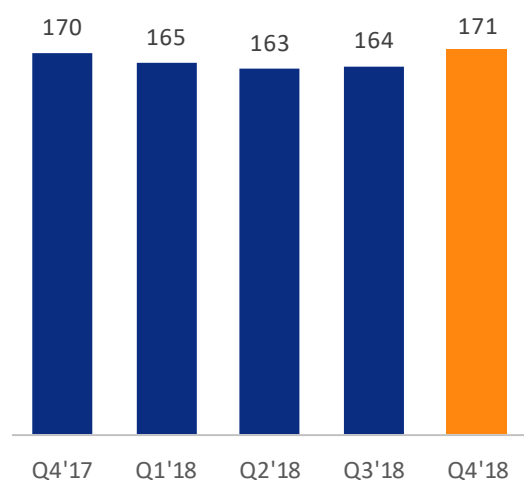
Revenues for Personal Assistance ended at SEK 304.2 million in Q4'18 compared to SEK 314.0 million in Q3'18 and SEK 359.3 million in Q4'17. EBITA for Q4'18 ended at SEK 2.8 million (0.9%) compared to SEK 19.7 million (6.3%) in Q3'18 and SEK 5.2 million (1.4%) in Q4'17. The result for Q4'18 was negatively affected by a one-off pension cost of SEK 4.2 million.

The number of customers at the end of Q3'18 was 916 (942 at Q3'18). Customer churn is still a challenge within the segment, although Q4'18 relative to previous quarters shows a solid improvement. A customer survey recently completed showed an improved satisfaction across all regions.

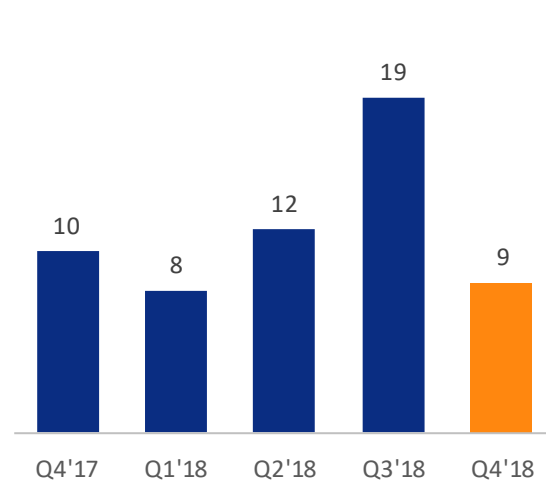
A higher number of prospects in Q4'18 were identified. This, in combination with declining customer losses, is expected to result in increased run-rate and improved margins in 2019.

DISABILITY

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



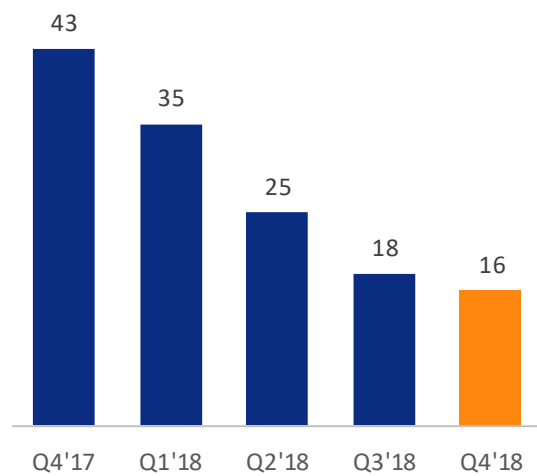
Revenues within the Disability segment ended at SEK 170.7 million in Q4'18 compared to SEK 163.7 million in Q3'18 and SEK 170.0 million in Q4'17. EBITA for Q4'18 ended at SEK 8.7 million (5.1%) compared to SEK 19.3 million (11.8%) in Q3'18 and SEK 10.5 million (6.1%) in Q4'17.

Revenues increased compared to Q3'18 as a result of the start-up of a new contract at the end of Q3'18. At the end of Q4'18, another contract expired resulting in decline in the number of customers in the end of the quarter. The number of customers ended at 882 (958 at the end of Q3'18). Another contract will expire during Q1'19. The expiration of the two contracts will have a negative affect on topline, but will have an insignificant impact on EBITA.

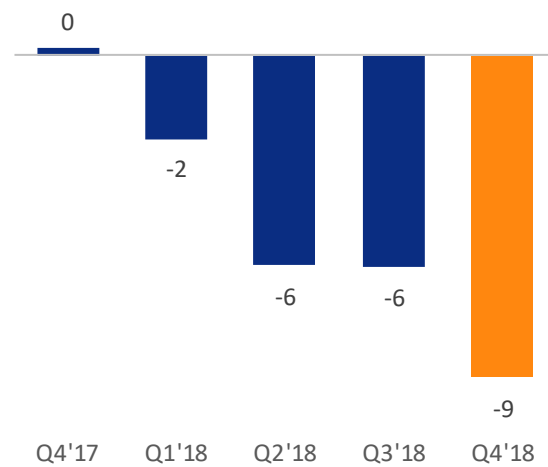
The occupancy within the the segment has had a slight reduction during the quarter, driven by the loss of some customers on select units, combined with slow start-up on full responsibility units opened during Q4'18. The market fundamentals remain solid and we expect occupancy to improve gradually during 1H 2019. This, in combination with optimization of personnel expenses is expected to improve numbers going into 2019.

INDIVIDUAL & FAMILY

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



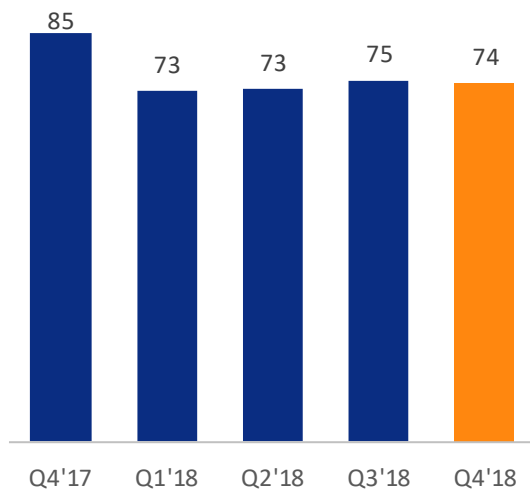
Revenues for Individual & Family ended at SEK 15.6 million in Q4'18 compared to SEK 17.5 million in Q3'18 and SEK 43.5 million in Q4'17. EBITA for Q4'18 ended at SEK -8.9 million (-57.2%) compared to SEK -5.8 million (-33.4%) in Q3'18 and SEK 0.2 million (0.0%) in Q4'17.

The number of customers at the end of Q4'18 was 80 (63 in Q3'18). One new unit started in Q4'18.

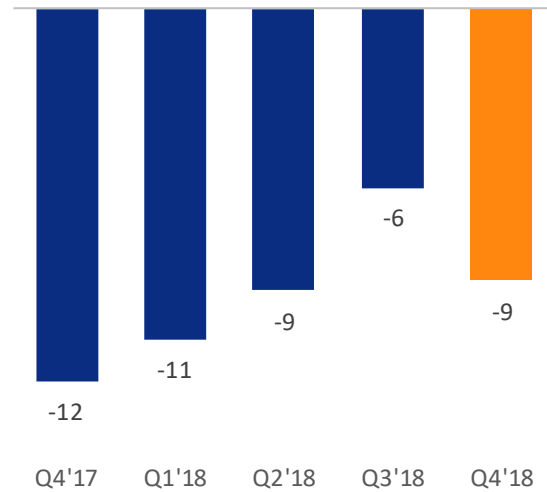
The segment is still having challenges with volumes at an all time low. This, in combination with extraordinary costs related to units being closed, start-up costs on new units and an organization scaled for growth results in weak results. Going into 2019, the segment will be focusing on building a sustainable operation, however, results will continue to be affected negatively by maintenance expenses on properties and start-up costs.

ELDERLY CARE

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



Revenues for Elderly Care ended at SEK 74.4 million in Q4'18 compared to SEK 75.0 million in Q3'18 and SEK 84.7 million in Q4'17. EBITA for Q4'18 ended at SEK -8.8 million (-11.8%) compared to SEK -5.8 million (-7.7%) in Q3'18 and SEK -12.1 million (-14.2%) in Q4'17.

The number of customers at the end of Q4'18 was 488 (472 in Q3'18).

The segment continues to show improvements in terms of both efficiency and quality. During Q4'18 the occupancy increased, and is expected to improve further into 2019. We still see an upside potential in continuing to optimize the operations.

An operational contract will expire during Q1'19 and one in Q2'19, following the loss of tender processes. The expiration will have a negative impact on revenues, but will have limited effect on profitability.

Outlook and main risk factors

The strong increase in new units in Elderly Care throughout Sweden can create local over-establishments. Therefore, Frösunda chooses carefully where and when new units will be established. The pace of establishment within Frösunda's segment Elderly Care may be somewhat lower than previously communicated. The focus will be on improving the profitability of existing operations.

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.

This report has not been reviewed by the company's auditor.

Stockholm, 21 February 2019

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

For more information:

Johan Wewel
CFO
+46 10 1304035
johan.wewel@frosunda.se

Kristoffer Lorck
CEO
kristoffer.lorck@frosunda.se

Ticker codes:

Brado AB has issued bond loans with the following names:

Brado AB (publ) Senior Secured Callable Floating Rate Notes 2018/2023, ISIN: NO0010816184
Ticker: The bond was listed on Nasdaq Stockholm on 26 November 2018.

Brado AB (publ) Junior Secured Callable Floating Rate Notes 2018/2023, ISIN: NO0010816192
Ticker: The bond was listed on Nasdaq Stockholm on 26 November 2018.

This report was released for publication on 21 February 2019.

GROUP FINANCIAL STATEMENT

CONSOLIDATED INCOME STATEMENT (PF, Unaudited)

All figures in SEK million	Notes	Q4 18	YTD 18	Q4 17	YTD 17
OPERATING INCOME					
Revenue		559.0	2 290.2	644.5	2 762.1
Other operating revenue		6.6	28.1	12.0	34.9
Total operating revenue		565.6	2 318.3	656.5	2 797.0
OPERATING EXPENSES					
Cost of goods sold		-17.8	-71.5	-19.8	-101.2
Personnel expenses		-491.8	-1 977.5	-555.6	-2 327.5
Other operating expenses		-58.9	-244.0	-73.0	-277.5
EBITDA		-2.9	25.2	8.1	90.8
Depreciation & amortization		-3.9	-15.5	-4.5	-17.9
Operating profit/loss (EBIT)		-6.8	9.6	3.6	72.9
FINANCE					
Finance income		168.5	168.5		-
Finance expense	6	-13.6	-50.4	-6.3	-23.8
Profit/Loss before income tax (EBT)		148.1	127.8	-2.7	49.1
Income tax	7	17.0	17.0	1.7	-3.0
Profit/Loss for the period		165.1	144.8	-1.0	46.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (PF, Unaudited)

All figures in SEK million	Notes	Q4 18	YTD 18	Q4 17	YTD 17
OTHER COMPREHENSIVE INCOME					
Profit/Loss for the period		165.1	144.8	-1.0	46.1
ATTRIBUTABLE TO					
Equity holders of the parent company		165.1	144.8	-1.0	46.1
Non-controlling interest		-	-	-	-
Total compr. income for the period		165.1	144.8	-1.0	46.1
ATTR. TO EQUITY HOLDERS, ARISING FROM					
Continuing operations		165.1	144.8	-1.0	46.1
Discontinuing operations		-	-	-	-
Equity holders of the parent company		165.1	144.8	-1.0	46.1

CONSOLIDATED BALANCE SHEET STATEMENT (PF, Unaudited)

ASSETS

All figures in SEK million	Notes	2018-12-31
NON-CURRENT ASSETS		
Goodwill		1074.6
Other intangible assets		12.3
Property, plant & equipment		78.9
Financial assets		1.1
Total non-current assets		1 166.9
CURRENT ASSETS		
Accounts receivables		288.5
Income tax receivables		8.4
Receivables from related parties		0.2
Other short-term receivables		45.5
Cash and cash equivalents	8	87.7
Total current assets		430.2
Total assets		1 597.2

CONSOLIDATED BALANCE SHEET STATEMENT (PF, Unaudited)

EQUITY AND LIABILITIES

All figures in SEK million	Notes	2018-12-31
EQUITY		
Share capital		0.5
Share premium reserve		202.2
Other reserves		-
Retained earnings		142.8
Equity attributable to owners of the parent		345.5
Total equity		345.5
NON-CURRENT LIABILITIES		
Deferred tax liability		5.9
Bond loans	9	739.1
Interest bearing debt to credit institutions		-
Other non-current liabilities	10	161.5
Total non-current liabilities		906.5
CURRENT LIABILITIES		
Accounts payable		39.8
Short term interest bearing debt to credit institutions		-
Other current liabilities		305.5
Total current liabilities		345.2
Total liabilities		1 251.7
Total equity & liabilities		1 597.2

CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE INCOME (Unaudited)

All figures in SEK million	Notes	Q4 18	YTD 18
OPERATING INCOME			
Revenue		559.0	1 891.3
Other operating revenue		6.6	23.3
Total operating revenue		565.6	1 914.6
OPERATING EXPENSES			
Cost of goods sold		-17.8	-58.6
Personnel expenses		-491.8	-1 635.8
Other operating expenses		-58.9	-201.4
EBITDA		-2.9	18.8
Depreciation & amortization		-3.9	-12.5
Operating profit/loss (EBIT)		-6.8	6.3
FINANCE			
Finance income		168.5	168.5
Finance expense	6	-13.6	-45.4
Profit/Loss before income tax (EBT)		148.1	129.4
Income tax	7	17.0	15.9
Profit/Loss for the period		165.1	145.3
OTHER COMPREHENSIVE INCOME			
Profit/Loss for the period		165.1	145.3
ATTRIBUTABLE TO			
Equity holders of the parent company		165.1	145.3
Non-controlling interest		-	-
Total compr. income for the period		165.1	145.3
ATTR. TO EQUITY HOLDERS, ARISING FROM			
Continuing operations		165.1	145.3
Discontinuing operations		-	-
Equity holders of the parent company		165.1	145.3

*6 March – 31 December 2018

CONSOLIDATED CASH FLOW STATEMENT (PF, Unaudited)

All figures in SEK million	Notes	Q4 18	YTD 18
CASH FLOW FROM OPERATING ACTIVITIES			
Operating result		-6.8	9.6
Adjustments for items not included in cash flow		4.5	13.0
		-2.3	22.7
Financial items, paid net		-13.4	-50.2
Taxes paid		23.2	1.7
Cash flow from operating activities before changes in working capital		7.5	-25.8
Change in net working capital		14.0	47.9
Net cash flow from operating activities		21.5	22.1
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in property, plant and equipment		-3.7	-14.1
Net cash flow from investing activities		-3.7	-14.1
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash from acquisition		-	-
Issuance of interest-bearing debt		-	737.0
Repayment of interest-bearing debt		-	-531.4
Net interest paid and other financial items		-	-36.6
Net cash flow from financing activities		-	169.0
CHANGES IN CASH AND CASH EQUIVALENTS			
Net change in cash and cash equivalents		17.8	177.0
Effects of changes in exchange rates on cash		-	-
Cash and cash equivalents at the beginning of period		69.9	-89.3
Cash and cash equivalents at end of period		87.7	87.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

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		-	-	145.4	145.4
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	145.4	145.4
Transactions with Company owners					
Shareholder contribution			200.0	-	200.0
Total transactions with Company owners		-	200.0	-	200.0
Closing balance as at 31 December 2018		0.5	202.2	142.8	345.5

FINANCIAL STATEMENT FOR THE PARENT COMPANY

INCOME STATEMENT (Unaudited)

All figures in SEK '000	Notes	Q4 18	YTD 18
OPERATING INCOME			
Revenue		-	-
Other operating revenue		-	-
Total operating revenue		-	-
OPERATING EXPENSES			
Other operating expenses		-608	-14 246
EBITDA		-608	-14 246
Depreciation		0	0
Amortization		0	0
Operating profit/loss (EBIT)		-608	-14 246
FINANCE			
Finance income	6	12 737	41 257
Finance expense	6	-12 728	-41 504
Profit/Loss before income tax (EBT)		-599	-14 493
Income tax		-	-
Profit/Loss for the period		-599	-14 493

BALANCE SHEET STATEMENT (Unaudited)

ASSETS

All figures in SEK '000	Notes	2018-12-31
NON-CURRENT ASSETS		
Shares in subsidiaries		462 235
Loans to group companies		586 366
Total non-current assets		1 048 601
CURRENT ASSETS		
Receivables to group companies		12 942
Cash and cash equivalents		27 947
Total current assets		40 889
Total assets		1 089 490

EQUITY AND LIABILITIES

All figures in SEK '000	Notes	2018-12-31
EQUITY		
Share capital		500
Share premium reserve		202 200
Retained earnings		-16 971
Equity attributable to owners of the parent		185 729
NON-CURRENT LIABILITIES		
Bond loans	9	739 064
Other non-current liabilities	10	161 507
Total non-current liabilities		900 571
CURRENT LIABILITIES		
Other current liabilities		3 190
Total current liabilities		3 190
Total liabilities		903 761
Total equity & liabilities		1 089 490

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.

For an overview of the complete accounting principles, please refer to Frösunda Omsorg AB's annual report 2017. The principles are unchanged except for IFRS 9 and IFRS 15.

IFRS 9 Financial Instruments Since 1 January 2018

The Group applies IFRS 9 Financial Instruments. The new standard replaces IAS 39 Financial Instruments. Reporting and valuation as of January 1, 2018 IFRS 9 mainly involves changes on how financial assets and liabilities are classified and valued. The new standard also includes changes in the principle for hedge accounting and introduces a write-down model based on expected losses instead of losses incurred. The new standard has not entailed any significant change in the accounting in the the Brado Group's financial assets other than accounts receivables. The new write-down model for accounts receivables entails, in principle, the differences in how and when a write-down of accounts receivables is reported. The basis for such write-down is a detailed risk valuation carried out on a customer basis and also considering the aging of such unpaid customer invoices. The write-down effect of the Group's accounts receivables is SEK 8.6 million, as per 31 December 2017 the equivalent amount was SEK 3.9 million. The reporting of the Group's financial liabilities, consisting mainly of interest-bearing bonds and other current liabilities, has no significant impact from the new standard. The introduction of IFRS 9 has not had any effect on equity.

IFRS 15 Revenue from Contracts with Customers

Since 1 January 2018, the Group applies IFRS 15 Revenue from Contracts with Customers. The new standard replaces previous IFRS principle related to revenue recognition accounting. IFRS 15 is based on revenue being recognized when control of goods or services is transferred to the customer and entails new ways of determining how revenue is reported. The new standard does not cause any material difference to the Group's revenue recognition compared to previous standard. IFRS 15 contains increased disclosure requirements regarding income, see also Note 4.

IFRS 16 Leases will be in force from 1 January 2019

This will have an impact on how to recognize, measure, present and disclose lease contracts. IAS 17 will as a consequence be replaced by this new standard. The standard will result in recognizing and presenting assets and liabilities for leases unless the lease term is 12 months or less or the underlying asset has a low value. The new standard is expected to have a material effect on the income statement and balance sheet (but not the cash flow). The Group's assets are estimated to increase by a total of SEK 524.2 million from January 1, 2019, and the corresponding increase in liabilities is SEK 524.2 million.

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 now in a final version.

Included in the report are consolidated Group figures for Q4'18 compared with consolidated group figures for Frösunda Bidco AB for 2017 (the previous owner of Frösunda Group). In addition, the report includes pro-forma consolidated Group figures (marked PF) for the period 1 January – 31 December 2018 as if the Group existed per 1 January 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 – Revenue by segment

The Group has identified operation segments in accordance with the reporting requirement in IFRS 8. Based on the internal reporting the reportable segments are; "Personal Assistance", "Disability", "Elderly Care" and "Individual & Family".

SEK million	Q4 18	YTD 18	Q4 17	YTD 17
Revenue by segment				
Personal Assistance	304.2	1267.1	359.2	1 524.1
Disability	170.7	662.1	169.6	707.6
Individual & Family	15.6	92.5	43.2	234.9
Elderly Care	74.4	295.5	84.6	330.7
Overhead	0.8	1.2	-0.0	-0.2
Total	565.6	2318.3	656.5	2 797.0

Note 5 – EBITA by segment

SEK million	Q4 18	YTD 18	Q4 17	YTD 17
EBITA by segment				
Personal Assistance	2.8	33.3	5.2	51.5
Disability	8.7	47.9	10.5	55.8
Individual & Family	-8.9	-22.9	0.2	22.3
Elderly Care	-8.8	-34.4	-12.1	-56.6
Transaction cost	-0.6	-14.4	-0.0	-
Total	-6.8	9.6	3.6	72.9

Note 6 – Finance income and expense

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

Note 7 – Income tax

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

Note 8 – 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). The Group shall at all times retain liquidity in excess of SEK 20 million.

Note 9 – 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 Brado AB and are listed on the Nasdaq OMX Stockholm Stock Exchange. The value of the bonds has initially been reduced by listing cost of SEK 13.1 million. The listing cost is accrued over the life of the bonds. See the consolidated balance sheet statement for the bonds' reported value.

Note 10 – Other non-current liabilities

Other non-current liabilities refers to a seller's 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. As previously discribed in the investor presentation per February 2018, the value of the seller's credit is dependent on the consolidated EBITDA of the Group over the period 2018-2020. The future value of the Seller's Credit is subject to uncertainty and may fluctuate depending on the Group's EBITDA. Revaluation will be done every quarter.

Brado AB

Affärsvägen 3
457 30 Tanumshede
www.brado.se

Frösunda Omsorg AB

Råsundavägen 18 A
169 67 Solna
www.frosunda.se