

**frösunda.**  
OMSORG

A photograph of two women outdoors, blowing bubbles. The woman on the left is wearing a bright pink jacket and glasses, blowing into a red bubble wand. The woman on the right is wearing a black jacket and is also blowing into a red bubble wand. Several colorful bubbles are floating in the air between them. The background shows bare trees and a cloudy sky.

**Q2**

**INTERIM REPORT 2019**  
**BRADO AB**

## CONTENT

CONTENT.....	2
KEY FIGURES .....	3
Q2 2019 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.....	19
NOTES.....	21

## KEY FIGURES

Pro forma (PF)

SEK million	Q2 19	Q1 19	YTD 19	Q2 18	Q1 18	YTD 18
Total revenue	524.7	537.9	1,062.6	578.1	604.1	1,182.2
EBITDA	29.5	29.2	58.7	2.8	-5.9	-3.1
EBITDA (%)	5.6 %	5.4 %	5.5 %	0.5 %	-1.0 %	-0.3 %
EBITA	4.3	5.7	10.0	-1.1	-9.7	-10.8
EBITA (%)	0.8 %	1.1 %	0.9 %	-0.2 %	-1.6 %	-0.9 %
EBIT	4.3	5.7	10.0	-1.1	-9.7	-10.8
EBIT (%)	0.8 %	1.1 %	0.9 %	-0.2 %	-1.6 %	-0.9 %
EBT	146.5	-13.6	132.9	-14.9	-19.1	-34.0
EBT (%)	27.9 %	-2.5 %	12.5 %	-2.6 %	-3.2 %	-2.9 %

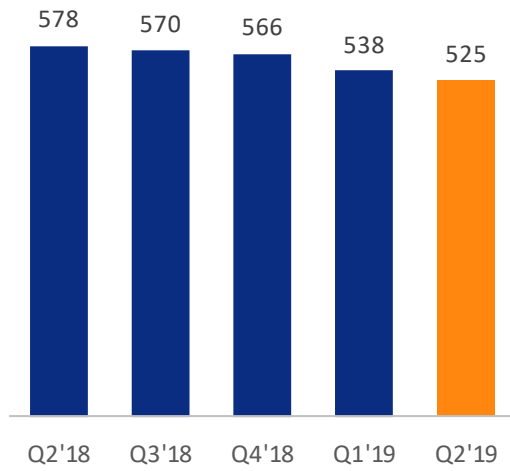
Figures for 2019 and onwards are reported including effects from IFRS 16, whereas all figures from previous periods are reported according to previous standard, IAS 17 and related interpretations IFRIC 4, SIC-15 and SIC-27. For further information, please see note 2.

## Q2 2019 HIGHLIGHTS (PF)

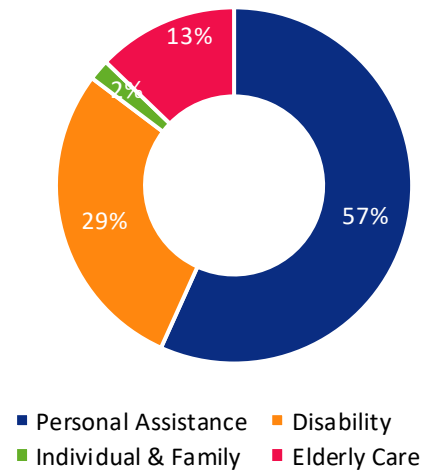
- Q2'19 revenues of SEK 524.7 million
- EBITA of SEK 4.3 million (0.8 %)
- EBT in Q2'19 is positively affected by SEK 161.5 million related to the reduction of the seller's credit, whose value is now set to zero.
- Another stable but seasonally weak quarter within Personal Assistance
- Slightly lower volumes within Disability, but increasing margins
- Continued improvements within Elderly Care, higher occupancy and increased efficiency strengthening margins
- Individual & family stable on low revenues and continued big losses
- At the end of Q2'19, total available cash including the RCF was SEK 144.8 million, compared to SEK 125.1 million at the end of Q1'19. The RCF facility of SEK 80 million was unused.

\*Included in the report is pro-forma consolidated Group figures for 2018, as if the Group existed per 1 January 2018 (marked PF). In addition, the report includes consolidated Group figures for the period from the acquisition date until 30 June 2019.

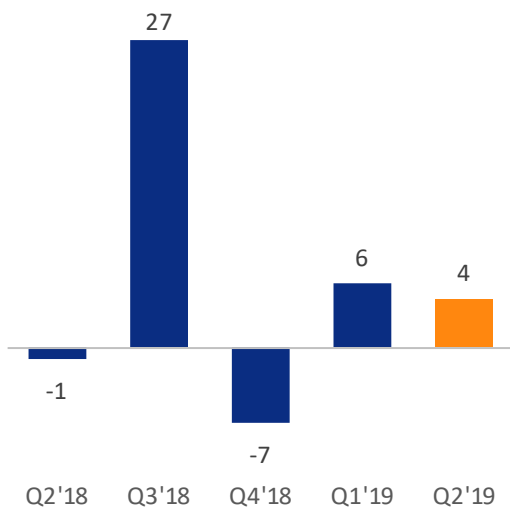
PF Revenue per quarter (SEKM):



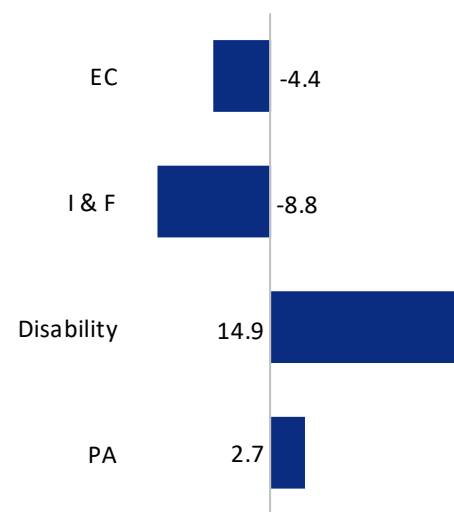
Segment distribution Q2'19 (%):



PF EBITA per quarter (SEKM):

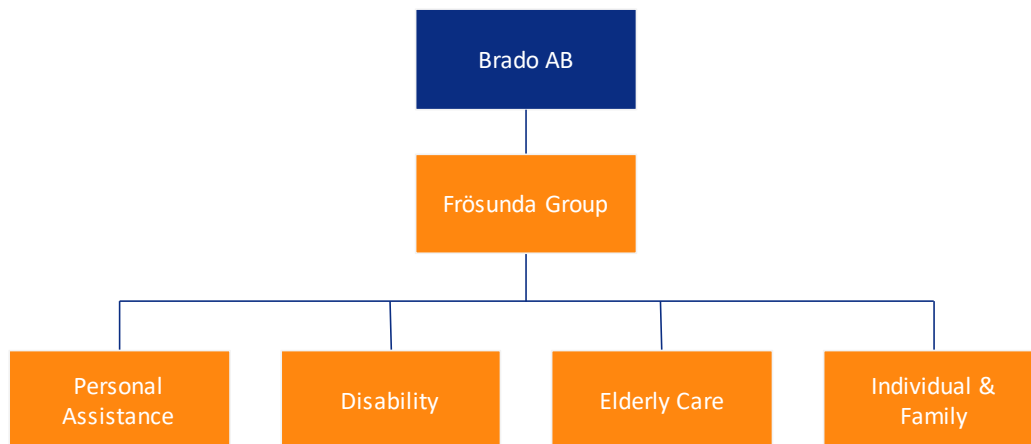


PF EBITA distribution Q2'19 (SEKM)



## BRADO AB (PUBL) / FRÖSUNDA OMSORG AB

Brado AB was established in October 2017 and is controlled by Kristian Adolfsen and Roger Adolfsen. 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 first half of the year, the company focused on internal processes, including strategy and corporate culture. This has given good results and strengthened the foundation for future success.

The reorganization of nurses in Stockholm-Uppsala is now completed and related costs are back to normalized levels.

During Q2'19, the company has started utilizing the factoring facility provided by Avida Finance (factoring of invoices on a non-recourse basis). The use of RCF has thus been reduced.

## FINANCIALS

Since this is the sixth interim report presented by Brado AB (publ) after the acquisition on 6 March 2018, no directly comparable figures exist for the full year. Included in the report is pro-forma consolidated Group figures for 2018, as if the Group existed per 1 January 2018 (marked PF). In addition, the report includes consolidated Group figures for the period from the acquisition date until 31 March 2019.

Figures for 2019 and onwards are reported including effects from IFRS 16, whereas all figures from previous periods are reported according to previous standard. For further information, please see note 2.

### Consolidated Income Statement – per 30 June 2019 (PF, unaudited)

The Group reported operating revenue of SEK 524.7 million in Q2'19 compared to SEK 537.9 million in Q1'19 and SEK 578.1 million in Q2'18. The decrease in revenue mainly relates to expired operational contracts within the Disability segment and one operational contract within the Elderly Care segment.

Total operating expenses in the period ended at SEK 495.2 million compared to SEK 508.7 million in Q1'19 and SEK 575.3 million in Q2'18. In Q2'19, the effect from IFRS 16 was SEK 25.0 million in lower operating expenses. Staff cost as percent of revenue was 87.8% in Q2'19 compared to 86.5% in Q1'19 and 88.2% in Q2'18.

EBITA in Q2'19 ended at SEK 4.3 million (0.8%) compared to SEK 5.7 million (1.1%) in Q1'19 and SEK -1.1 million (-0.2%) in Q2'18.

EBT in Q2'19 is positively affected by SEK 161.5 million related to the reduction of the seller's credit, whose value is now set to zero. The value of the seller's credit is determined by the average EBITDA during 2018-2020. When Brado AB acquired Frösunda Holdco AB, it was known that the company had declining sales and margins, though the weakness was deeper and took longer to turn than expected. This greatly affects the value of the seller's credit. The owners' and management's views on the company's ability in the long term have not changed. An impairment test of the value of the accumulated goodwill has taken place and does not give reason for any goodwill reduction.

Finance expenses in Q2'19 amounted to SEK -19.4 million compared to SEK -19.3 million in Q1'19 and PF SEK -13.8 million in Q2'18. The effect from IFRS 16 was SEK -6.4 million in Q2'19.

## Consolidated Balance Sheet per 30 June 2019 (unaudited)

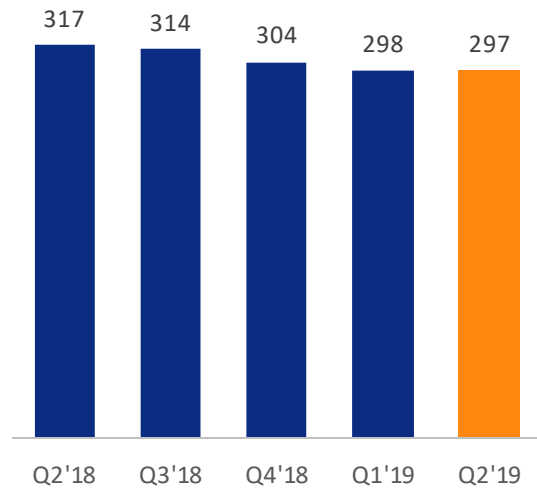
Total assets ended at SEK 2 032.5 million per 30 June 2019.

Total liabilities ended at SEK 1 563.8 million. Total equity per end of Q2'19 is SEK 468.8 million. Total cash and equivalents per end of Q2'19 amounted to SEK 64.8 million. Total available cash including RCF was SEK 144.8 million. Undrawn amount on the RCF at the end of Q2'19 was SEK 80 million. The Group had several clean-downs on the RCF during Q2'19.

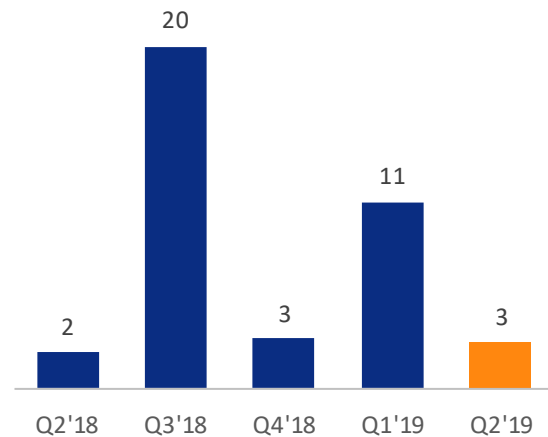
## Business Segments

### PERSONAL ASSISTANCE

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



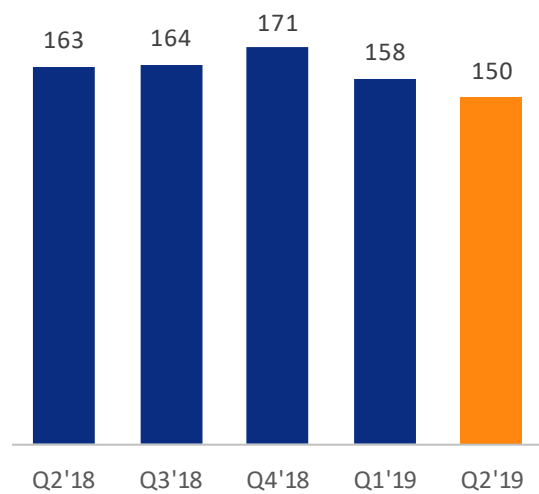
Revenues for Personal Assistance ended at SEK 297.3 million in Q2'19 compared to SEK 297.5 million in Q1'19 and SEK 317.4 million in Q2'18. EBITA for Q2'19 ended at SEK 2.7 million (0.9%) compared to SEK 10.8 million (3.6%) in Q1'19 and SEK 2.1 million (0.7%) in Q2'18.

The second quarter is seasonally weak. This is driven by a series of holidays that creates inconvenient working hours. The number of customers at the end of Q2'19 was 898 (905 at Q1'19). A continued stabilization of the churn can be noted and a higher customer satisfaction was measured in the segment. Marketing initiatives have intensified and will continue throughout 2H'19. This has created increased interest and more dialogue with prospective customers. The number of customers showed a positive net growth in June. Moderate growth is still expected during the second half of the year.

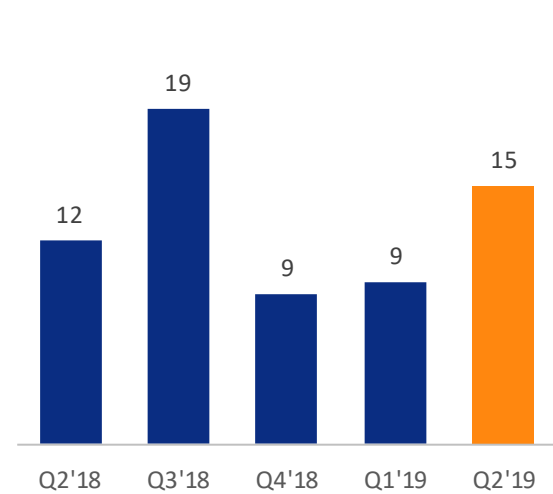


## DISABILITY

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



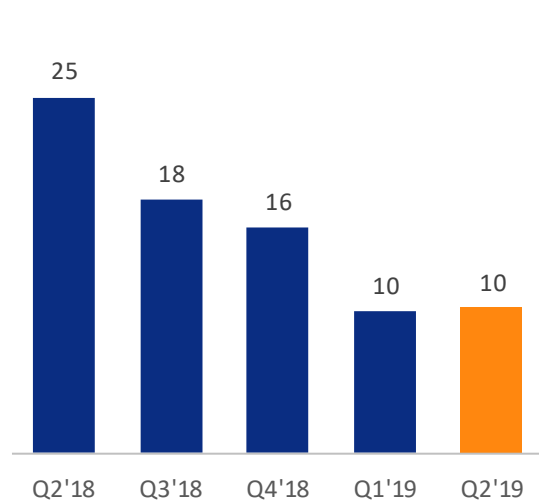
Revenues within the Disability segment ended at SEK 149.7 million in Q2'19 compared to SEK 157.6 million in Q1'19 and SEK 162.6 million in Q2'18. EBITA for Q2'19 ended at SEK 14.9 million (9.9%) compared to SEK 9.4 million (5.9%) in Q1'19 and SEK 11.7 million (7.2%) in Q2'18.

The number of customers ended at 790 (808 at the end of Q1'19).

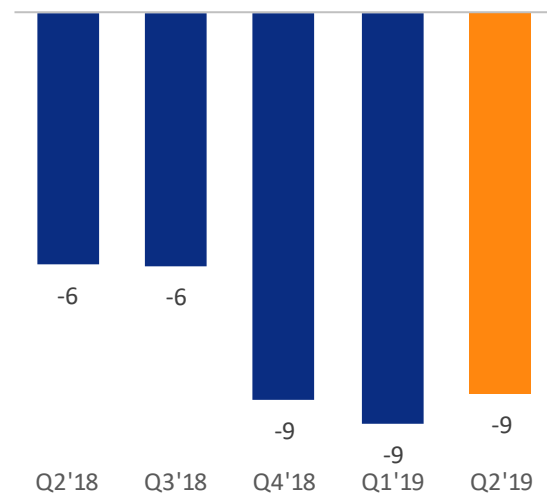
Costs increased during Q4'18-Q1'19 in connection with inhousing of nursing services. During the quarter, costs have been successively reduced. Slightly higher occupancy in full responsibility units and a distinct follow-up of the business is now showing results in increased margins. The margin has also improved as a result of the expiration of some lossmaking operational contracts.

## INDIVIDUAL & FAMILY

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



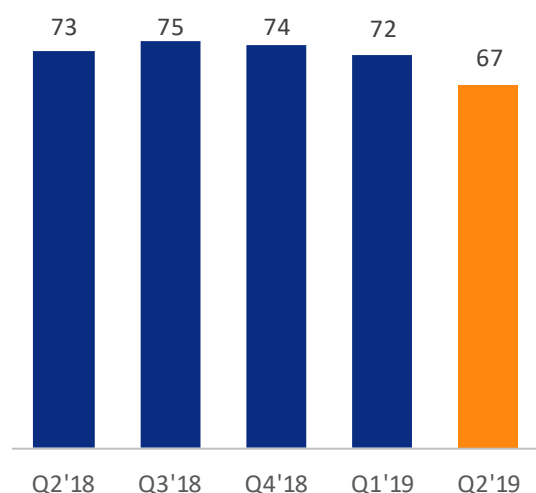
Revenues for Individual & Family ended at SEK 10.0 million in Q2'19 compared to SEK 9.8 million in Q1'19 and SEK 24.6 million in Q2'18. EBITA for Q2'19 ended at SEK -8.8 million (-87.8%) compared to SEK -9.5 million (-96.7%) in Q1'19 and SEK -5.8 million (-23.7%) in Q2'18.

The number of customers at the end of Q2'19 was 51 (57 in Q1'19).

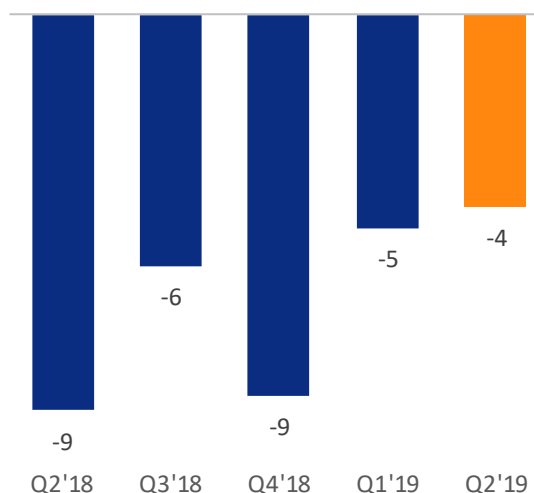
The sale of one property in Q2'19 had a positive effect on P&L of SEK 1.1 million. The cash effect is SEK 1.8 million and occurs in Q3'19. In the end of Q2'19 the activity within HVB is almost non-existent. At the same time there are costs for properties and staff. A strategic review of the activities within the segment is ongoing and will be concluded during Q3'19. The focus for H2'19 will be to reduce costs significantly in order to minimize losses within the segment.

## ELDERLY CARE

PF Revenue per quarter (SEKM)



PF EBITA per quarter (SEKM)



Revenues for Elderly Care ended at SEK 67.1 million in Q2'19 compared to SEK 72.4 million in Q1'19 and SEK 73.3 million in Q2'18. EBITA for Q2'19 ended at SEK -4.4 million (-6.6%) compared to SEK -4.9 million (-6.8%) in Q1'19 and SEK -9.1 million (-12.4%) in Q2'18.

The number of customers at the end of Q2'19 was 380 (416 in Q1'19). One operational contract expired during the quarter. This has a negative affect on topline but will have an insignificant impact on EBITA.

The quarter was characterized by stability in the service and in the quality delivered. Costs increased during Q4'18-Q1'19 in connection with inhousing of nursing services, however, these have been successively reduced during Q2'19. Occupancy and efficiency continue to improve during the quarter. The occupancy at the beginning of Q3'19 is the highest in a long time, expected to have a positive impact on the margins ahead.

### Key events after balance sheet date

In August 2019, one real estate was sold within the Individual and Family segment. This will give a positive effect both in cash and the income statement.

### Outlook and main risk factors

The strong increase in new units within 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. The segment needs more volume to reach positive margins. The goal is to open two new full responsible units annually from 2020.

Media's focus on the care market has decreased. The fundamental market conditions remain strong. However, there are continuing challenges with the municipalities' financial position, which may affect future growth rates.

A strategic review of the activities within Individual & Family has been initiated and will be concluded in Q3'19. The review is expected to result in measures which will have a positive effect on the group's future margins.

### Use of Alternative Performance Measures (APM)

Alternative Performance Measures (APM) are understood as financial measures of historical or future financial performance, financial position, or cash flows, other than financial measures defined or specified in the applicable financial reporting framework. Brado AB reports the financial measures "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, 26 August 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](mailto:johan.wewel@frosunda.se)

Kristoffer Lorck  
CEO  
[kristoffer.lorck@frosunda.se](mailto: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 26 August 2019.

## GROUP FINANCIAL STATEMENT

### CONSOLIDATED INCOME STATEMENT (PF, Unaudited)

All figures in SEK million	Notes	Q2 19	YTD 19	Q2 18	YTD 18
<b>OPERATING INCOME</b>					
Revenue		515.6	1,045.9	571.2	1,167.8
Other operating revenue		9.1	16.7	6.9	14.4
<b>Total operating revenue</b>	5	<b>524.7</b>	<b>1,062.6</b>	<b>578.1</b>	<b>1,182.2</b>
<b>OPERATING EXPENSES</b>					
Cost of goods sold		-14.3	-33.7	-16.8	-36.0
Personnel expenses		-452.8	-911.4	-503.9	-1,016.3
Other operating expenses		-28.1	-58.8	-54.6	-133.0
<b>EBITDA</b>		<b>29.5</b>	<b>58.7</b>	<b>2.8</b>	<b>-3.1</b>
Depreciation & amortization		-25.2	-48.7	-3.9	-7.7
<b>Operating profit/loss (EBIT)</b>	6	<b>4.3</b>	<b>10.0</b>	<b>-1.1</b>	<b>-10.8</b>
<b>FINANCE</b>					
Finance income		161.5	161.5	-	-
Finance expense	8	-19.4	-38.7	-13.8	-23.2
<b>Profit/Loss before income tax (EBT)</b>		<b>146.5</b>	<b>132.9</b>	<b>-14.9</b>	<b>-34.0</b>
Income tax	9			3.9	8.4
<b>Profit/Loss for the period</b>		<b>146.5</b>	<b>132.9</b>	<b>-11.0</b>	<b>-25.6</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (PF, Unaudited)

All figures in SEK million	Notes	Q2 19	YTD 19	Q2 18	YTD 18
<b>OTHER COMPREHENSIVE INCOME</b>					
Profit/Loss for the period		146.5	132.9	-11.0	-25.6
<b>ATTRIBUTABLE TO</b>					
Equity holders of the parent company		146.5	132.9	-11.0	-25.6
Non-controlling interest		-	-	-	-
<b>Total compr. income for the period</b>		<b>146.5</b>	<b>132.9</b>	<b>-11.0</b>	<b>-25.6</b>
<b>ATTR. TO EQUITY HOLDERS, ARISING FROM</b>					
Continuing operations		146.5	132.9	-11.0	-25.6
Discontinuing operations		-	-	-	-
<b>Equity holders of the parent company</b>		<b>146.5</b>	<b>132.9</b>	<b>-11.0</b>	<b>-25.6</b>

## CONSOLIDATED BALANCE SHEET STATEMENT (PF, Unaudited)

### ASSETS

All figures in SEK million	Notes	2019-06-30	2018-12-31	2018-06-30
<b>NON-CURRENT ASSETS</b>				
Goodwill		1,074.6	1,074.6	1,094.6
Other intangible assets		11.4	12.3	10.5
Property, plant & equipment	2	602.9	78.9	82.7
Financial assets		1.1	1.1	1.3
<b>Total non-current assets</b>		<b>1,690.0</b>	<b>1,166.9</b>	<b>1,189.1</b>
<b>CURRENT ASSETS</b>				
Accounts receivables	7	247.9	288.5	328.2
Income tax receivables		4.8	-	19.2
Receivables from related parties		0.2	0.2	0.2
Other short-term receivables		24.7	45.5	55.1
Cash and cash equivalents	10	64.8	87.7	47.1
<b>Total current assets</b>		<b>342.5</b>	<b>421.9</b>	<b>449.8</b>
<b>Total assets</b>		<b>2,032.5</b>	<b>1,588.8</b>	<b>1,638.9</b>

### EQUITY AND LIABILITIES

All figures in SEK million	Notes	2019-06-30	2018-12-31	2018-06-30
<b>EQUITY</b>				
Share capital		0.5	0.5	0.5
Share premium reserve		-	-	-
Other reserves		-	-	-
Retained earnings		468.3	335.5	174.9
<b>Equity attributable to owners of the parent</b>		<b>468.8</b>	<b>336.0</b>	<b>175.4</b>
<b>Total equity</b>		<b>468.8</b>	<b>336.0</b>	<b>175.4</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liability		5.9	5.9	16.2
Bond loans	11	740.3	739.1	737.8
Other non-current liabilities	2, 12	445.4	161.5	350.0
<b>Total non-current liabilities</b>		<b>1,191.6</b>	<b>906.5</b>	<b>1,104.0</b>
<b>CURRENT LIABILITIES</b>				
Accounts payable		37.1	39.8	28.0
Other current liabilities	2	335.1	306.6	331.5
<b>Total current liabilities</b>		<b>372.1</b>	<b>346.3</b>	<b>359.5</b>
<b>Total liabilities</b>		<b>1,563.8</b>	<b>1,252.8</b>	<b>1,463.5</b>
<b>Total equity &amp; liabilities</b>		<b>2,032.5</b>	<b>1,588.8</b>	<b>1,638.9</b>



## CONSOLIDATED CASH FLOW STATEMENT (Unaudited)

All figures in SEK million	Notes	Q2 19	Q1 19	YTD 19
CASH FLOW FROM OPERATING ACTIVITIES				
<b>Operating result</b>		<b>4.3</b>	<b>5.7</b>	<b>10.0</b>
Adjustments for items not included in cash flow*		-2.3	3.2	0.9
		<b>2.0</b>	<b>8.9</b>	<b>10.9</b>
Financial items, paid net		-11.1	-12.9	-23.9
Taxes paid		-6.8	-7.8	-14.5
<b>Cash flow from operating activities before changes in working capital</b>		<b>-15.8</b>	<b>-11.7</b>	<b>-27.5</b>
Change in net working capital		12.3	-4.2	8.1
<b>Net cash flow from operating activities</b>		<b>-3.5</b>	<b>-15.9</b>	<b>-19.4</b>
CASH FLOW FROM INVESTING ACTIVITIES				
Net investment in property, plant and equipment		-1.8	-1.7	-3.5
<b>Net cash flow from investing activities</b>		<b>-1.8</b>	<b>-1.7</b>	<b>-3.5</b>
CASH FLOW FROM FINANCING ACTIVITIES				
Net cash from acquisition		-	-	-
Issuance of interest-bearing debt		-	-	-
Repayment of interest-bearing debt		-	-	-
Net interest paid and other financial items		-	-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>
CHANGES IN CASH AND CASH EQUIVALENTS				
<b>Net change in cash and cash equivalents</b>		<b>-5.3</b>	<b>-17.6</b>	<b>-22.9</b>
Effects of changes in exchange rates on cash		-	-	-
<b>Cash and cash equivalents at the beginning of period</b>		<b>70.1</b>	<b>87.7</b>	<b>87.7</b>
<b>Cash and cash equivalents at end of period</b>		<b>64.8</b>	<b>70.1</b>	<b>64.8</b>

\*Adjustments for items not included in cash flow refers to reversal of depreciation according to plan, IFRS 16 effects, and accrued transaction costs attributable to the raising of the bond loans.

## 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 1 January 2019		0.5	-	345.0	345.5
Adjustment - Opening balance				-9.5	-9.5
<b>Adjusted Opening balance as at 1 January 2019</b>		-	-	<b>335.5</b>	<b>335.5</b>
Profit/Loss for the period		-	-	132.9	132.9
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	<b>132.9</b>	<b>132.9</b>
<b>Transactions with Company owners</b>					
Shareholder contribution				-	-
<b>Total transactions with Company owners</b>		-	-	-	-
<b>Closing balance as at 30 June 2019</b>		<b>0.5</b>	-	<b>468.3</b>	<b>468.8</b>

## FINANCIAL STATEMENT FOR THE PARENT COMPANY

### INCOME STATEMENT (Unaudited)

All figures in SEK '000	Notes	Q2 19	YTD 19	Q2 18	YTD 18
<b>OPERATING INCOME</b>					
Revenue		-	-	-	-
Other operating revenue		-	-	-	-
<b>Total operating revenue</b>		-	-	-	-
<b>OPERATING EXPENSES</b>					
Other operating expenses		-559	-609	-9.390	-13.635
<b>EBITDA</b>		<b>-559</b>	<b>-609</b>	<b>-9.390</b>	<b>-13.635</b>
Depreciation		-	-	-	-
Amortization		-	-	-	-
<b>Operating profit/loss (EBIT)</b>		<b>-559</b>	<b>-609</b>	<b>-9.390</b>	<b>-13.635</b>
<b>FINANCE</b>					
Finance income	8	12,599	25,059	12.599	15.783
Finance expense	8	-12,741	-25,191	-12.730	-16.050
<b>Profit/Loss before income tax (EBT)</b>		<b>-701</b>	<b>-741</b>	<b>-9.521</b>	<b>-13.902</b>
Income tax		-	-	-	-
<b>Profit/Loss for the period</b>		<b>-701</b>	<b>-741</b>	<b>-9.521</b>	<b>-13.902</b>

## BALANCE SHEET STATEMENT (Unaudited)

### ASSETS

All figures in SEK '000	Notes	2019-06-30	2018-12-31	2018-06-30
NON-CURRENT ASSETS				
Shares in subsidiaries		300,727	462,235	650,727
Loans to group companies		586,366	586,366	586,366
<b>Total non-current assets</b>		<b>887,093</b>	<b>1,048,601</b>	<b>1,237,094</b>
CURRENT ASSETS				
Receivables to group companies		12,817	12,942	12,800
Cash and cash equivalents	10	28,883	27,947	27,276
<b>Total current assets</b>		<b>41,700</b>	<b>40,889</b>	<b>40,077</b>
<b>Total assets</b>		<b>928,793</b>	<b>1,089,490</b>	<b>1,277,171</b>

### EQUITY AND LIABILITIES

All figures in SEK '000	Notes	2019-06-30	2018-12-31	2018-06-30
EQUITY				
Share capital		500	500	500
Retained earnings		184,488	185,229	185,820
<b>Equity attributable to owners of the parent</b>		<b>184,988</b>	<b>185,729</b>	<b>186,320</b>
NON-CURRENT LIABILITIES				
Bond loans	11	740,345	739,064	737,761
Other non-current liabilities	12	0	161,507	350,000
<b>Total non-current liabilities</b>		<b>740,345</b>	<b>900,571</b>	<b>1,087,761</b>
CURRENT LIABILITIES				
Accounts payable		421	0	0
Other current liabilities		3,039	3,190	3,090
<b>Total current liabilities</b>		<b>3,460</b>	<b>3,190</b>	<b>3,090</b>
<b>Total liabilities</b>		<b>743,805</b>	<b>903,761</b>	<b>1,090,851</b>
<b>Total equity &amp; liabilities</b>		<b>928,793</b>	<b>1,089,490</b>	<b>1,277,171</b>

## 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 Brado AB's annual report 2018. The principles are unchanged except for IFRS 16.

#### **IFRS 16 Leases, effective from 1 January 2019**

IFRS 16 became effective from 1 January 2019 and replaced IAS 17 Leases and associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard is effective for reporting periods beginning on or after 1 January 2019. Frösunda has taken the opportunity to use the exemption in the IFRS framework permitting the exclusion of low value leases, i.e. below SEK 50 thousand, and leases with terms less than twelve months. Right of Use assets reported in accordance with IFRS 16 comprise only the value of discounted leases for assets that have a lease term longer than twelve month and are not of a lower value. The Company applies the standard with modified retrospective approach, therefore comparative periods are not recalculated.

On 31 December 2018 Frösunda had approximately 250 lease agreements, which have been recognised in the balance sheet as required under IFRS 16. These constitute the majority of the leased assets and liabilities. The leases related to leased premises usually run for 10–15 years and cars for 3 years. The lease for real estate normally also contains one or more extension options. Since the use of an extension requires that an investment decision has first been approved, and the approval is only made if there is a continued operation, the extension option will only be subject for IFRS 16 accounting when a decision on continued operations have been made. Variable costs such as property tax, VAT and other variable property costs such as maintenance costs, electricity, heat and water etc. are excluded from the leasing debt calculation to the extent that the costs can be separated from the rental cost. In order to calculate the leasing debt (the present value of future leasing fees) the interest rate used as discount rate for the purpose of such present value calculation is the unsecured incremental borrowing rate (Revolving Credit Facility Interest – at present 4.85%) The majority of Frösunda's leasing agreements contain some kind of index adjustment clauses, usually based on consumer price index (CPI) and on a yearly basis.

The effects from IFRS 16 accounting in the income statement are recognised in note 2.

## Note 2 – IFRS 16

All figures in SEK million	Notes	Reported Q2 19	IFRS 16 effect	Ex IFRS 16 effect	Reported YTD 19	IFRS 16 effect	Ex IFRS 16 effect
<b>OPERATING INCOME</b>							
Revenue		515.6	-	515.6	1,045.9	-	1,045.9
Other operating revenue		9.1	-	9.1	16.7	-	16.7
<b>Total operating revenue</b>		<b>524.7</b>	<b>-</b>	<b>524.7</b>	<b>1,062.6</b>	<b>-</b>	<b>1,062.6</b>
<b>OPERATING EXPENSES</b>							
Cost of goods sold		-14.3	-	-14.3	-33.7	-	-33.7
Personnel expenses		-452.8	-	-452.8	-911.4	-	-911.4
Other operating expenses		-28.1	25.0	-53.1	-58.8	48.2	-107.0
<b>EBITDA</b>		<b>29.5</b>	<b>25.0</b>	<b>4.5</b>	<b>58.7</b>	<b>48.2</b>	<b>10.5</b>
Depreciation & amortization		-25.2	-21.5	-3.7	-48.7	-41.1	-7.6
<b>Operating profit/loss (EBIT)</b>		<b>4.3</b>	<b>3.6</b>	<b>0.8</b>	<b>10.0</b>	<b>7.1</b>	<b>2.9</b>
<b>FINANCE</b>							
Finance income		161.5	-	161.5	161.5	-	161.5
Finance expense	6	-19.4	-6.4	-13.0	-38.7	-12.8	-25.9
<b>Profit/Loss before income tax (EBT)</b>		<b>146.5</b>	<b>-2.8</b>	<b>149.3</b>	<b>132.9</b>	<b>-5.7</b>	<b>138.6</b>
Income tax	7	-	-	-	-	-	-
<b>Profit/Loss for the period</b>		<b>146.5</b>	<b>-2.8</b>	<b>149.3</b>	<b>132.9</b>	<b>-5.7</b>	<b>138.6</b>
All figures in SEK million	Notes	Q2 19	IFRS 16 effect	ex. IFRS effect	Q1 19	IFRS 16 effect	ex. IFRS effect
<b>OTHER COMPREHENSIVE INCOME</b>							
Profit/Loss for the period		146.5	-2.8	149.3	132.9	-5.7	138.6
<b>ATTRIBUTABLE TO</b>							
Equity holders of the parent company		146.5	-2.8	149.3	132.9	-5.7	138.6
Non-controlling interest		-	-	-	-	-	-
<b>Total compr. income for the period</b>		<b>146.5</b>	<b>-2.8</b>	<b>149.3</b>	<b>132.9</b>	<b>-5.7</b>	<b>138.6</b>
<b>ATTR. TO EQUITY HOLDERS, ARISING FROM</b>							
Continuing operations		146.5	-2.8	149.3	132.9	-5.7	138.6
Discontinuing operations		-	-	-	-	-	-
<b>Equity holders of the parent company</b>		<b>146.5</b>	<b>-2.8</b>	<b>149.3</b>	<b>132.9</b>	<b>-5.7</b>	<b>138.6</b>

In January 2016, IASB published a new leasing standard that has replaced IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27.

**Reconciliation between operating leases (according to IAS 17) and recognized lease liabilities (according to IFRS 16)**

All figures in SEK million	
Obligations for operating leases as of 31 December 2018	<b>546.1</b>
Short term leases (expenses in income statement)	6.8
Leases of low value (expenses in income statement)	1.4
Effect of discounting	-
<b>Carrying lease liabilities, 1 January 2019</b>	<b>537.9</b>

All figures in SEK million	Notes	Reported Q2 19	IFRS 16 effect	Excl IFRS 16 effect	Reported Q1 19	IFRS 16 effect	Excl IFRS 16 effect
<b>NON-CURRENT ASSETS</b>							
Goodwill		1,074.6		1,074.6	1,075		1,075
Other intangible assets		11.4		11.4	12		12
Property, plant & equipment		602.9	528.7	74.3	619	542.1	76
Financial assets		1.1		1.1	1.1		1.1
<b>Total non-current assets</b>		<b>1,690.0</b>	<b>528.7</b>	<b>1,161.3</b>	<b>1,706.2</b>	<b>542.1</b>	<b>1,164.1</b>
<b>CURRENT ASSETS</b>							
Accounts receivables		247.9		247.9	263.4		263.4
Income tax receivables		4.8		4.8	1.2		1.2
Receivables from related parties		0.2		0.2	0.2		0.2
Other short-term receivables		24.7	-18.5	43.2	39.0	-2.6	41.7
Cash and cash equivalents		64.8		64.8	70.1		70.1
<b>Total current assets</b>		<b>342.5</b>	<b>-18.5</b>	<b>361.0</b>	<b>373.9</b>	<b>-2.6</b>	<b>376.5</b>
<b>Total assets</b>		<b>2,032.5</b>	<b>510.2</b>	<b>1,522.3</b>	<b>2,080.1</b>	<b>539.5</b>	<b>1,540.6</b>
<b>EQUITY</b>							
Share capital		0.5		0.5	0.5		0.5
Retained earnings		468.3	-5.7	474.0	321.9	-2.9	324.7
<b>Equity attributable to owners of the parent</b>		<b>468.8</b>	<b>-5.7</b>	<b>474.5</b>	<b>322.4</b>	<b>-2.9</b>	<b>325.2</b>
<b>Total equity</b>		<b>468.8</b>	<b>-5.7</b>	<b>474.5</b>	<b>322.4</b>	<b>-2.9</b>	<b>325.2</b>
<b>NON-CURRENT LIABILITIES</b>							
Deferred tax liability		5.9		5.9	5.9		5.9
Bond loans		740.3		740.3	739.7		739.7
Other non-current liabilities		445.4	445.4	-0.0	635.1	473.6	161.5
<b>Profit/Loss for the period</b>		<b>1,191.6</b>	<b>445.4</b>	<b>746.3</b>	<b>1,380.7</b>	<b>473.6</b>	<b>907.1</b>
<b>CURRENT LIABILITIES</b>							
Accounts payable		37.1		37.1	28.9		28.9
Other current liabilities		335.0	70.5	264.5	348.2	68.7	279.5
<b>Profit/Loss for the period</b>		<b>372.1</b>	<b>70.5</b>	<b>301.6</b>	<b>377.1</b>	<b>68.7</b>	<b>308.3</b>
<b>Total liabilities</b>		<b>1,563.7</b>	<b>515.9</b>	<b>1,047.8</b>	<b>1,757.8</b>	<b>542.4</b>	<b>1,215.5</b>
<b>Total equity &amp; liabilities</b>		<b>2,032.5</b>	<b>510.2</b>	<b>1,522.3</b>	<b>2,080.2</b>	<b>539.5</b>	<b>1,540.6</b>

### Note 3 – 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 pro-forma consolidated Group figures for Frösunda Bidco AB (the previous owner of Frösunda Group) for YTD'18 and FY'18 (marked PF) for the period 1 January – 31 December 2018 as if the Group existed per 1 January 2018.

### Note 4 – 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 5 – 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	Q2 19	YTD 19	Q2 18	YTD 18
<b>Revenue by segment</b>				
Personal Assistance	297.3	594.8	317.4	648.7
Disability	149.7	307.3	162.6	327.8
Individual & Family	10.0	19.8	24.6	59.4
Elderly Care	67.1	139.5	73.3	146.2
Overhead	0.7	1.2	0.1	0.2
<b>Total</b>	<b>524.7</b>	<b>1062.6</b>	<b>578.1</b>	<b>1,182.2</b>

### Note 6 – EBITA by segment

SEK million	Q2 19	YTD 19	Q2 18	YTD 18
<b>EBITA by segment</b>				
Personal Assistance	2.7	13.4	2.1	10.9
Disability	14.9	24.2	11.7	20.0
Individual & Family	-8.8	-18.3	-5.8	-8.1
Elderly Care	-4.4	-9.4	-9.1	-19.8
Transaction cost	0.0	0.0	0.0	-13.8
<b>Total</b>	<b>4.3</b>	<b>10.0</b>	<b>-1.1</b>	<b>-10.8</b>



## Note 7 – Accounts receivable by segment

All figures in SEK million	Reported Q2 19	Reported Q1 19
Personal Assistance	160.5	154.5
Disability	60.0	67.4
Elderly Care	21.9	33.7
Individual & Family	5.4	7.8
Other	0.2	0.1
<b>Total accounts receivable</b>	<b>247.9</b>	<b>263.4</b>

Following the reporting requirements according to IFRS 8, when it comes to segment follow-up related to the balance sheet, this is mainly focused on monitoring of outstanding accounts receivable, as other assets and liabilities mainly consists of Goodwill and bond loans, reported in the Parent Company.

## Note 8 – Finance income and expense

The finance expense primarily relates to interest paid on bond loans and other long-term borrowings. As from 1 January 2019 we also see effects from the new standard IFRS 16 accounting standard, more details are seen in note 2.

## Note 9 – Income tax

The income tax is based on preliminary tax calculations and may become subject to change in the annual statements. As we foresee a positive taxable income for the full year 2019 no tax asset has been reported for Q2'19.

## Note 10 – 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 11 – 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 12 – 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 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. 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](http://www.brado.se)

## Frösunda Omsorg AB

Råsundavägen 18 A  
169 67 Solna  
[www.frosunda.se](http://www.frosunda.se)