

A young girl with blonde hair, wearing a dark jacket and a wheelchair, is smiling and looking towards a woman. The woman has long blonde hair and is wearing a light-colored top, smiling back at the girl. They are in a stadium setting with bright lights and a crowd in the background.

Brado AB (publ) – Frösunda Omsorg

Q4'20 Presentation







- I Company snapshot
- II Segment information
- III Financials
- IV Outlook

A Care service provider dedicated to the customer's needs

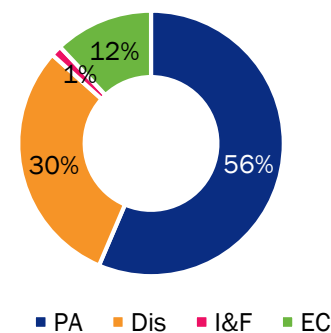
Introduction to Frösunda

- Founded in 1994, Frösunda has become a leading supplier of private care services in Sweden
- Diversified provider with operations in Disability, Personal Assistance, Individual & Family and Elderly Care
- From Q1'21 Individual and Family will be reported within Disability
- 1,958 customers
- Strong segments under one brand, strategy based on high quality and customer oriented concepts
- Experienced management team and organisation with all necessary central functions in-house
- ~5,000 employees
- Main office in Stockholm (Solna) with services offered throughout Sweden

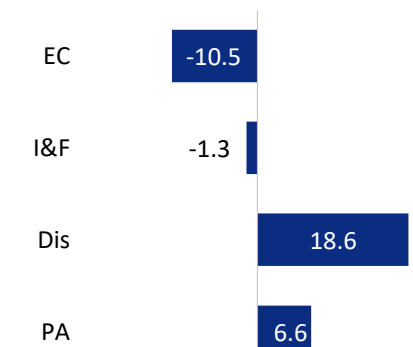
Diversified well balanced portfolio of care services

| | |
|---|--|
|  <p>Disability</p> <ul style="list-style-type: none">▪ Group homes▪ Activity centres▪ Guidance services▪ Short-term homes▪ Special schools▪ Coaching |  <p>Personal Assistance</p> <ul style="list-style-type: none">▪ Individually tailored services, taking care of customers' needs 24/7▪ Local focus and assistance teams ensuring best possible service for each customer |
|  <p>Individual & Family</p> <ul style="list-style-type: none">▪ Family homes and open treatment▪ Homes for customers with social or psychiatric disabilities |  <p>Elderly Care</p> <ul style="list-style-type: none">▪ Housing for elderly who are unable to live on their own▪ Serving needs such as illness, dementia, disabilities or general age weakness |

Q4'20 revenue distribution



EBITA distribution

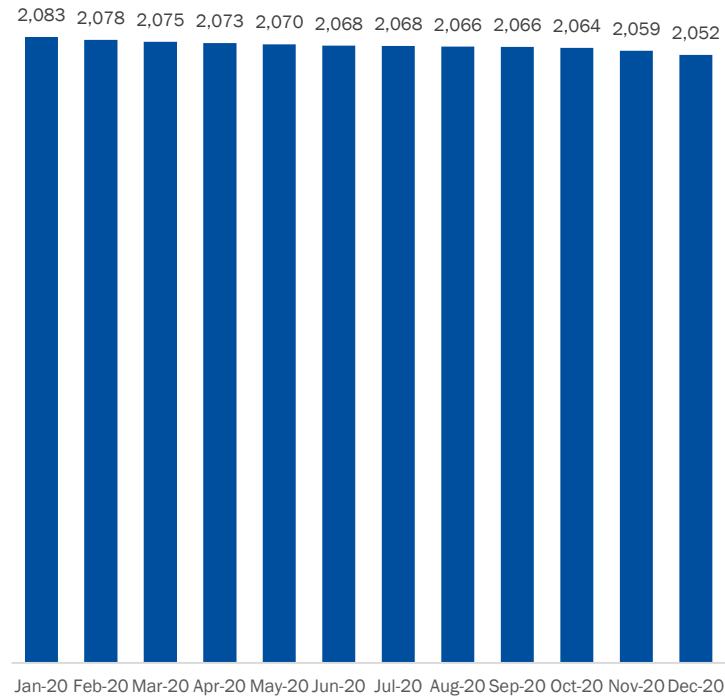


Profitability continues to improve

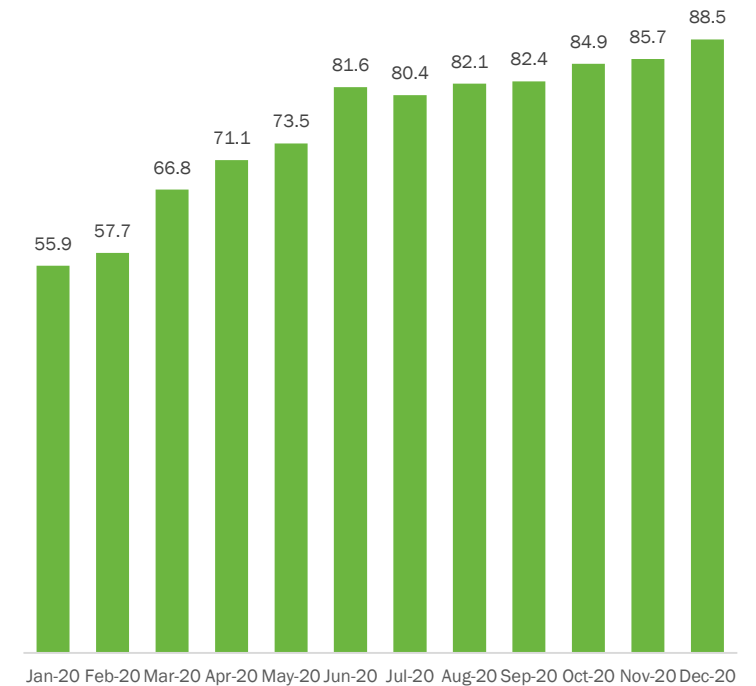
Customers



LTM Revenues (SEKm)*



LTM EBITDA (SEKm)*



* Frösunda level, without IFRS 16

Shifting focus towards more external factors

2018 and 2019 – Internal focus

- Quality ✓
- Culture ✓
- Strategy ✓
- Cost ✓
- Processes/routines

2020 – Coordination and growth

- Quality ✓
- Cost ✓
- Processes/routines ✓
- Growth
- Coordination with NHC ✓

2021 – Growth & profitability

- Cash Flow
- Quality
- Organic growth
- Profitability



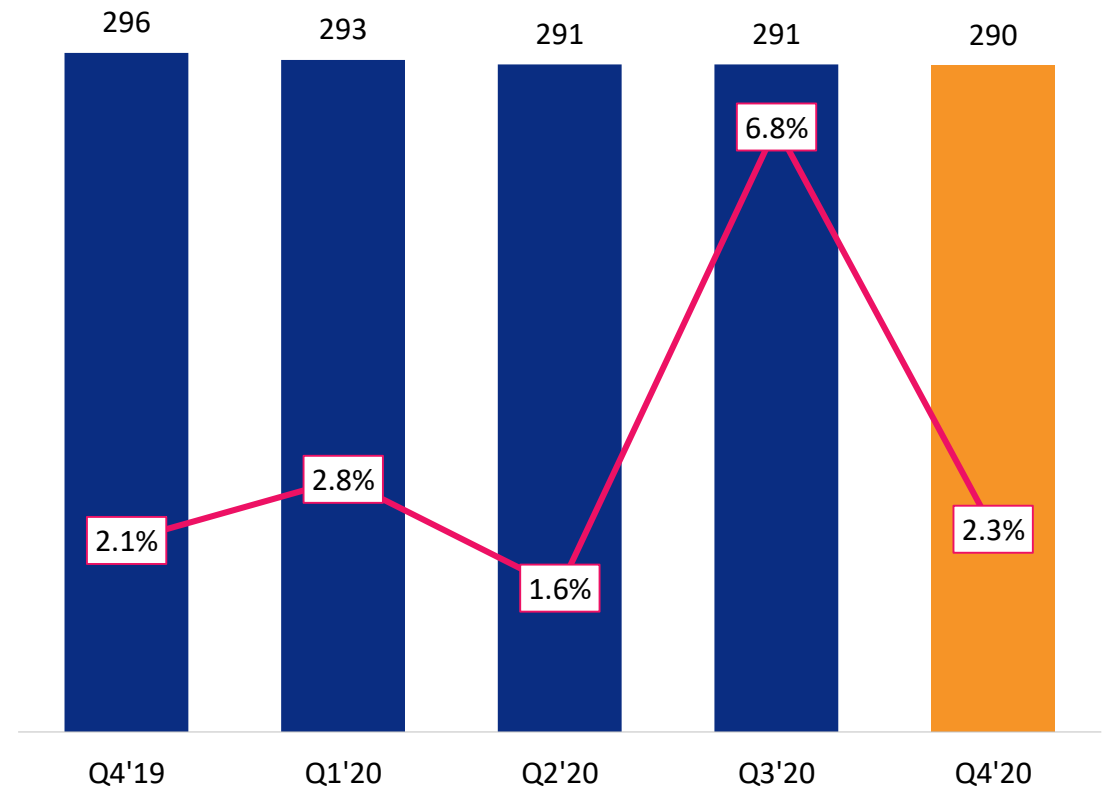
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Personal Assistance – key financials

Comments

- Revenues for Personal Assistance ended at SEK 290.4 million in Q4'20 compared to SEK 295.8 million in Q4'19
- EBITA for Q4'20 ended at SEK 6.6 million (2.3%) compared to SEK 6.3 million (2.1%) in Q4'19
- After a period with high customer churn, Frösunda has managed to stabilize the customer base
- The segment has built a solid market position based on high quality services and high customer satisfaction
- From that position, we strive to enter into growth territory, primarily focusing on organic initiatives
- The industry is still highly fragmented and offers several consolidation opportunities, however, Frösunda has so far chosen not to pursue these opportunities
- An unusually large price increase will take place on January 1, prices were increased by 3.5%

Revenue (SEKm) and EBITA margin (%)

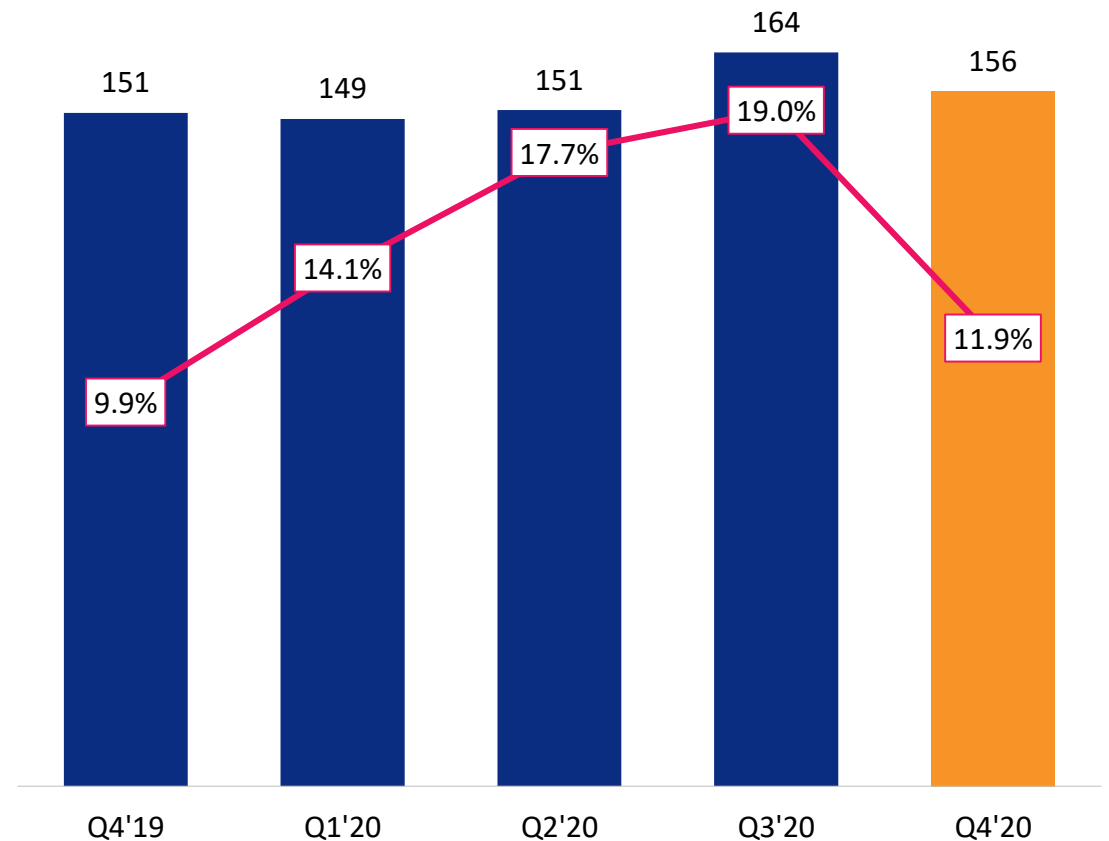


Disability – key financials

Comments

- Revenues within the Disability segment ended at SEK 155.6 million in Q4'20 compared to SEK 150.8 million in Q4'19
- EBITA for Q4'20 ended at SEK 18,6 million (11.9%) compared to SEK 15.0 million (9.9%) in Q4'19
- The segment is very well organized with satisfied customers and stable, efficient operation
- From Q4'20 to Q3'21, some relatively large contracts have expired and will expire. New contracts and the new growing operations within Aberia will compensate for this in terms of volume. However, margins will be affected somewhat negatively – from high levels

Revenue (SEKm) and EBITA margin (%)

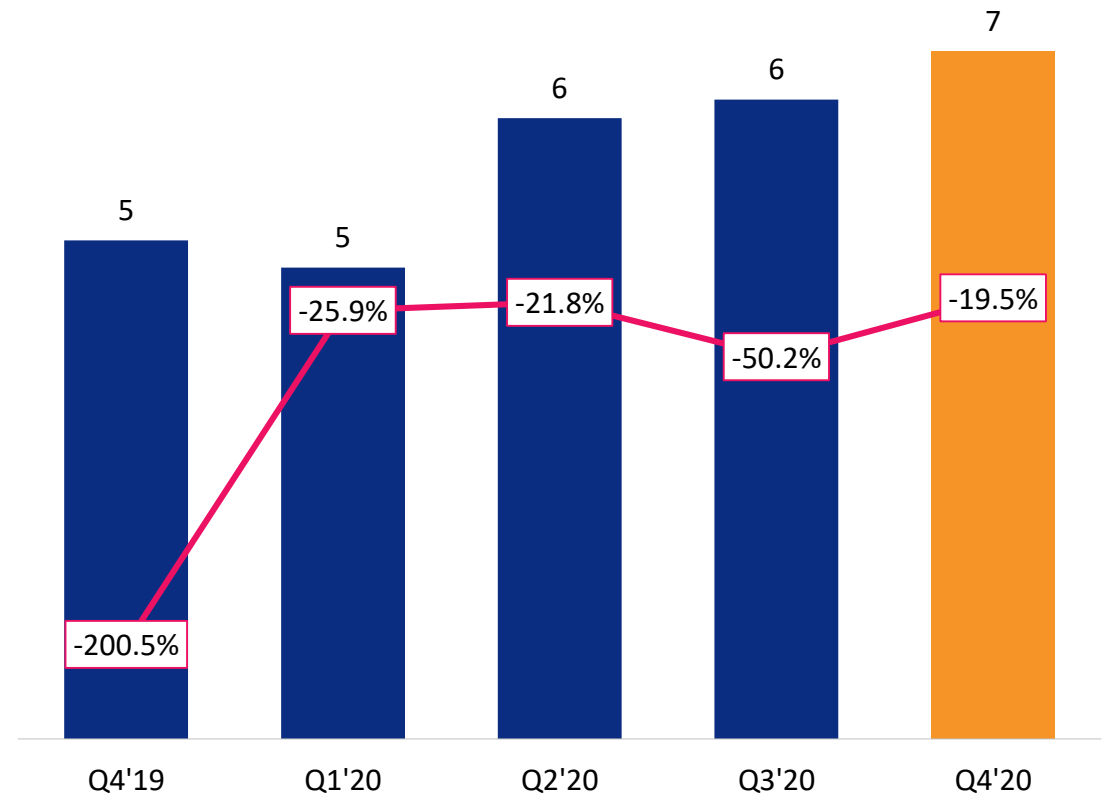


Individual & Family – key financials

Comments

- Revenues for Individual & Family ended at SEK 6.8 million in Q4'20 compared to SEK 5.0 million in Q4'19
- EBITA for Q4'20 ended at SEK -1.3 million (-19.5%) compared to SEK -9.9 million (-200.5%) in Q4'19
- The segment has now completed the transformation from HVB homes to family homes and housing according to the Social Services Act. The costs from the old business are now gone
- During 2020, a portfolio of framework agreements within family homes was built up. Based on this, the business can now actively process customers and create growth
- As of Q1'21, the segment will be reported as part the Disability segment

Revenue (SEKm) and EBITA margin (%)

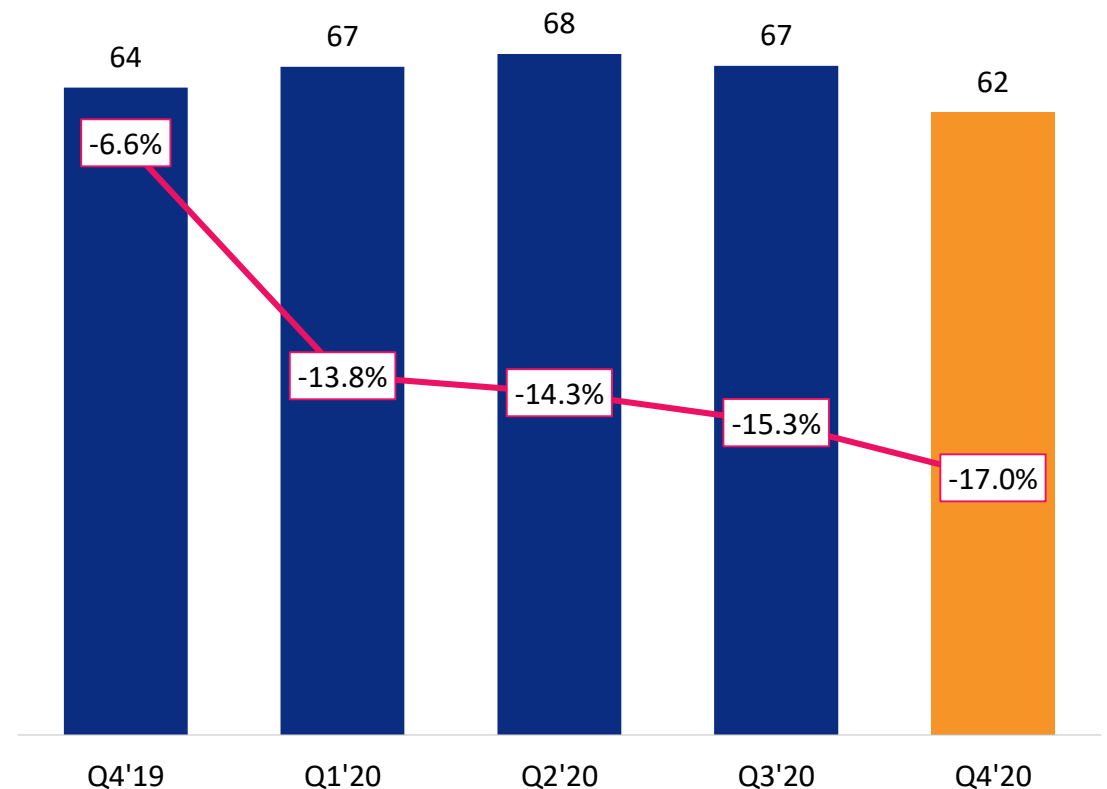


Elderly Care – key financials

Comments

- Revenues for Elderly Care ended at SEK 61.9 million in Q4 '20 compared to SEK 64.5 million in Q4 '19
- EBITA for Q4 '20 ended at SEK -10.5 million (-17.0%) compared to SEK -4.2 million (-6.6%) in Q4 '19
- The segment has not been affected to any great extent by infection and deceased customers in connection with the pandemic...
- ...however, as the picture of elderly care in the country is now very negative and as there has been visitation restrictions, it is very difficult to attract new customers and maintain occupancy at a high level.
- During Q4'20 and Q1'21 the two contracts in Alingsås and Lomma are terminated. This is compensated by two smaller operational contracts and two new own management units in Gävle and Sölvesborg
- Occupancy is expected to return in existing units, however, there is an uncertainty as to how quickly the rate will return to normalized levels
- The company will in the future focus on the existing full responsibility units

Revenue (SEKm) and EBITA margin (%)





Company snapshot



Segment information



Financials



Outlook

Income statement

Comments

- The Group reported operating revenue of SEK 516.5 million in Q4 '20, compared to SEK 529.1 million in Q3'20 and SEK 516.8 million in Q4 '19
- Total operating expenses in the period ended at SEK 471.3 million compared to SEK 460.4 million in Q3'20 and SEK 484.0 million in Q4'19
- Staff cost as percent of total operating revenue was 83.5% in Q4'20 compared to 79.8% in Q3'20 and 85.4% in Q4'19
- Finance expenses in Q4'20 amounted to SEK -19.6 million compared to SEK -19.4 million in Q3'20 and SEK -14.2 million in Q4'19. The effect on net finance from IFRS 16 was SEK -6.2 million in Q4'20
- In Q2'19 the company reduced the seller's credit by SEK 161.5 million which affects result YTD 19

Income statement (unaudited)

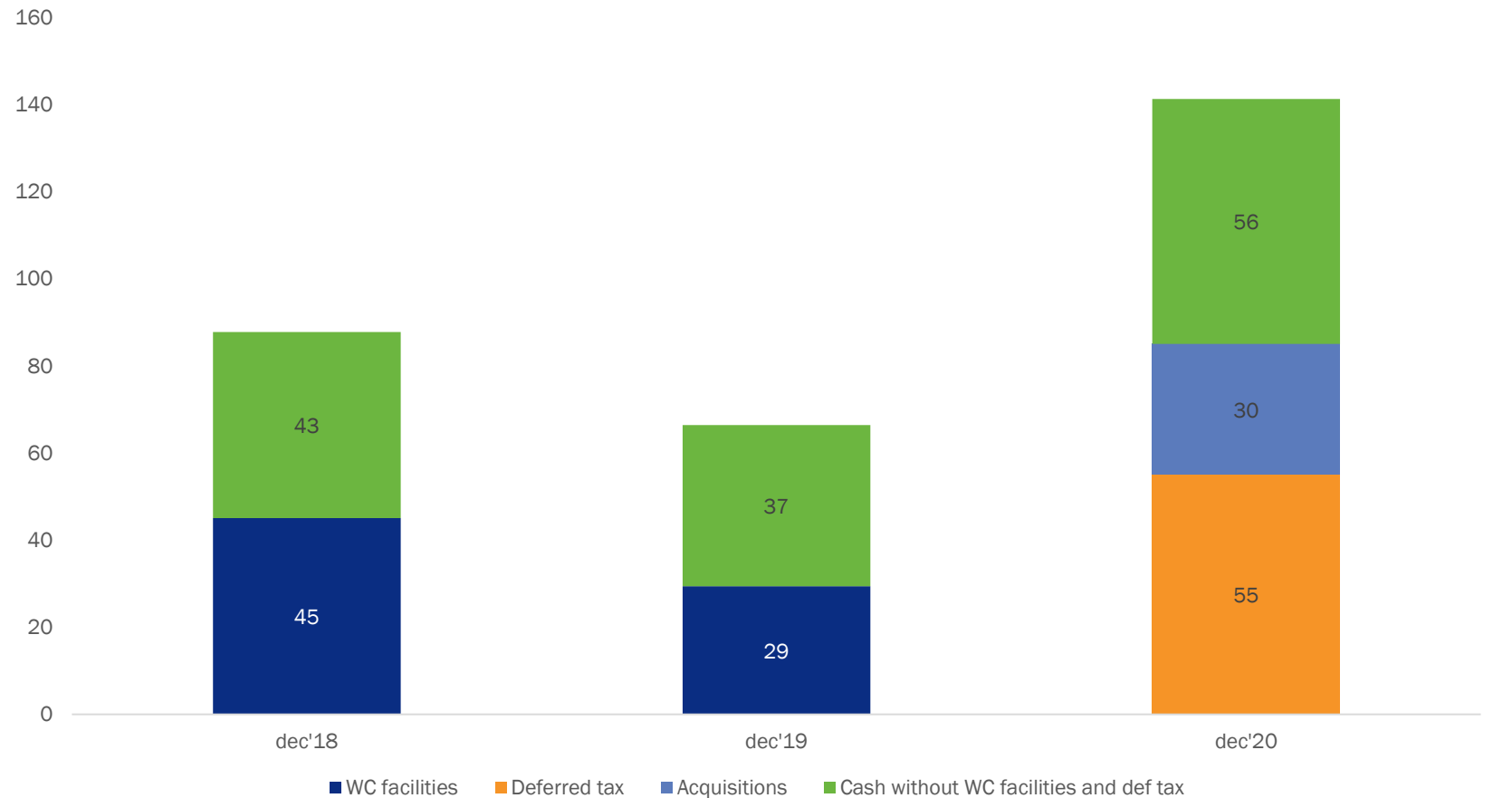
| All figures in SEK million | Notes | Q4 20 | YTD 20 | Q4 19 | YTD 19 |
|---|-------|--------------|----------------|--------------|----------------|
| OPERATING INCOME | | | | | |
| Revenue | | 506.8 | 2,038.7 | 508.5 | 2,066.5 |
| Other operating revenue | | 9.7 | 38.2 | 8.3 | 31.9 |
| Total operating revenue | 5 | 516.5 | 2,076.9 | 516.8 | 2,098.4 |
| OPERATING EXPENSES | | | | | |
| Cost of goods sold | | -11.2 | -45.9 | -14.1 | -61.6 |
| Personnel expenses | | -431.2 | -1,712.7 | -441.5 | -1,773.5 |
| Other operating expenses | | -29.0 | -106.7 | -28.5 | -115.3 |
| EBITDA | | 45.1 | 211.5 | 32.8 | 148.0 |
| Depreciation & amortization | | -31.8 | -121.3 | -25.6 | -96.0 |
| Operating profit/loss (EBIT)-bef Property Sales & impairment | | 13.3 | 90.2 | 7.2 | 51.9 |
| Property Sales & impairment results (gain/loss) | | -0.4 | -1.2 | -16.7 | -17.2 |
| Operating profit/loss (EBIT) | | 12.9 | 89.1 | -9.5 | 34.7 |
| FINANCE | | | | | |
| Finance income | 8 | 0.4 | 8.7 | -5.0 | 152.0 |
| Finance expense | 8 | -19.6 | -75.6 | -14.2 | -74.8 |
| Profit/Loss before income tax (EBT) | | -6.3 | 22.1 | -28.7 | 111.9 |
| Income tax | 9 | 2.6 | -11.9 | -1.5 | -14.1 |
| Profit/Loss for the period | | -3.7 | 10.2 | -30.2 | 97.8 |

Net cash development

Cash position

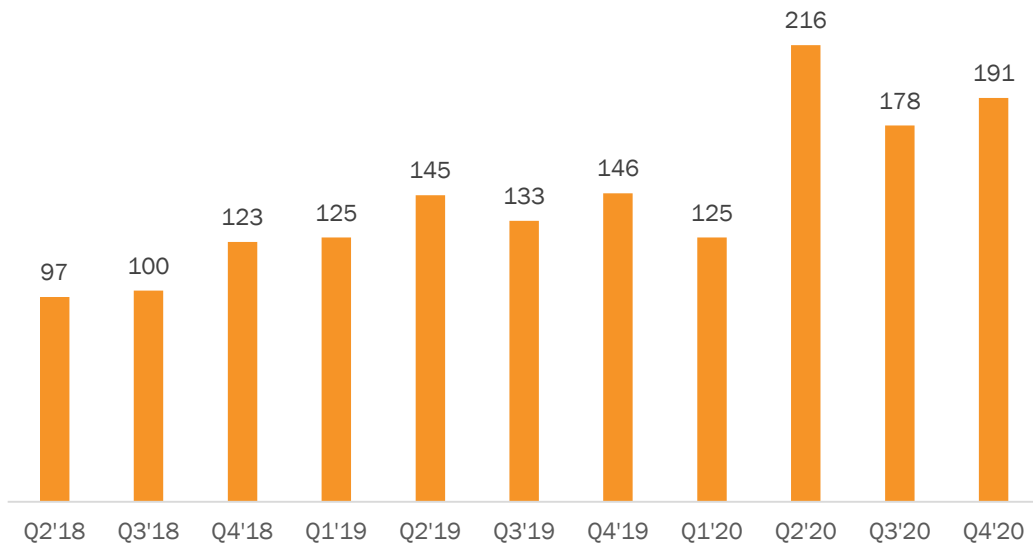
- Cash balance at end of year:
 - 2018: SEK 87,7 million
 - 2019: SEK 66,4 million
 - 2020: SEK 111,3 million
- During 2020 cash, without effects from working capital facilities and deferred tax, has been strengthened with SEK 19.3 million
- At the same time the company has
 - Acquired Aberia, SEK 10 m
 - Bought back bonds, SEK 20 m

Cash balance end of 2018, 2019 and 2020

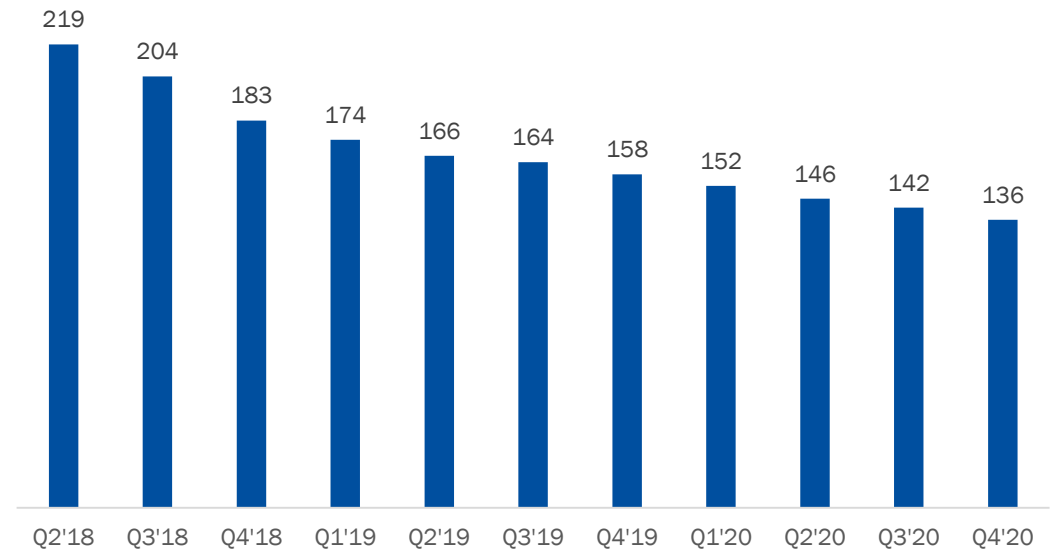


Available cash improving and over-head cost declining

Available cash (SEK million)



OH cost LTM (SEK million)

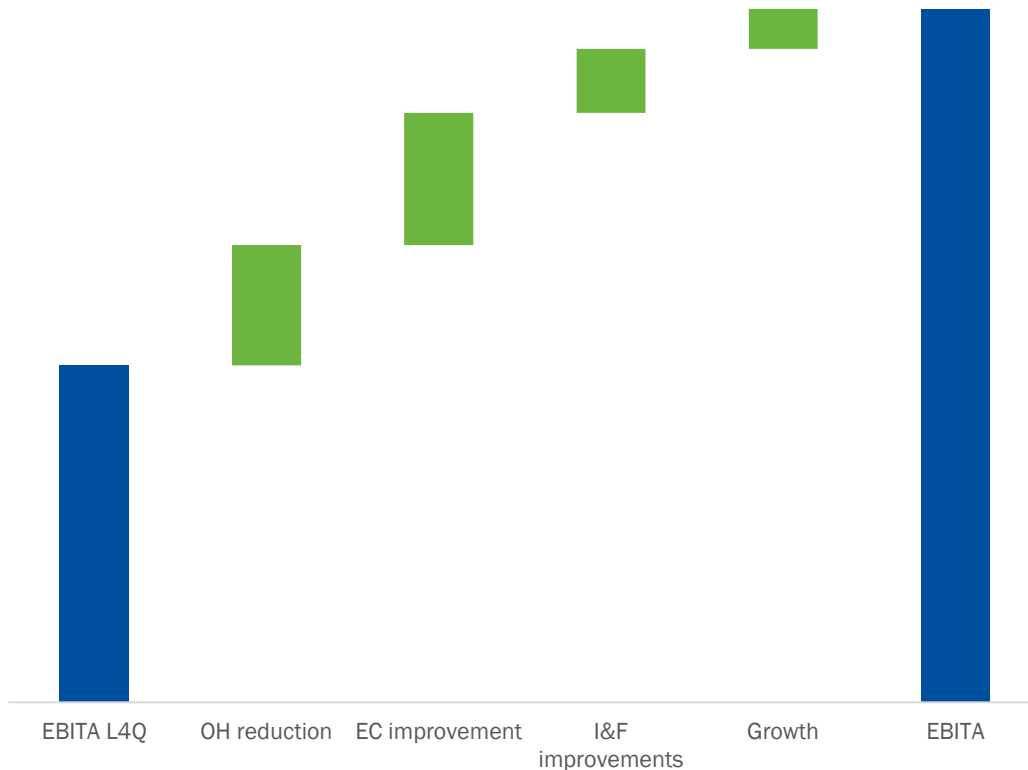


- The cash balance has improved since Q2'18
- In 2020 the RCF has been used 17 days (SEK 10 million)
- In 2020 SEK 30 million was used to buy back bonds and acquisition of Aberia
- In May, the company used the opportunity to defer SEK 55 million in tax as part of the state's corona support, to be repaid in Q2'21

- Over-head cost has decreased continuously since 2018
- Potential for further reductions
- Target range SEK 110-120 million

Further improvement in cash flow and deleveraging

Focus on refinancing in 2023



- There is room for further reductions on overhead cost. Measures have been taken which will give effect over the coming quarters.
- Once passed the Covid-situation, Elderly Care is expected to show improved occupancy and positive EBITA-contribution. The chart is assuming a break even result.
- Individual and Family had incurred costs for closing down the HVB operations and is now growing within current services. The segment is approaching break even and may have a positive contribution in 2021. The chart is assuming a break even result.
- The company is expected to deliver solid cash flow and deleveraging going forward



Company snapshot



Segment information



Financials



Outlook

Outlook

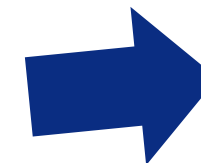
Segment

Outlook and initiative

Trend

Personal Assistance

- The segment has stabilized the operations and is now in a position to grow. However, growth will take place at a slow pace.
- To enable growth, a small investment is made in digitization and marketing
- The segment has historically proven to be good at balancing costs based on current volume and will be able to grow profitably



Disability

- Next year, there will be a shift in the portfolio. Some relatively profitable contracts expire and are replaced by new operations with lower expectations of profitability
- The volume will in principle be maintained with good margins, however not as strong as in 2020



Elderly Care

- Elderly Care has attractive units that have historically proved to be the first choice of customers
- The current low occupancy is due to the ongoing pandemic in combination with the segment having two new units. When the pandemic has subsided there are good conditions to refill the units and turn to positive results



Appendix

Pro forma balance sheet statement

Comments

- Total assets ended at SEK 2 380.6 million per 31 December 2020
- The increase is mainly due to new leases
- Goodwill increased due to acquisition of Aberia
- Total cash and equivalents per end of Q4'20 amounted to SEK 111.3 million

Pro forma balance sheet (unaudited)

| All figures in SEK million | 2020-12-31 | 2019-12-31 |
|---|----------------|----------------|
| NON-CURRENT ASSETS | | |
| Goodwill | 1,101.3 | 1,074.6 |
| Other intangible assets | 9.4 | 9.8 |
| Other property, plant & equipment | 865.1 | 740.1 |
| Financial assets | 4.1 | 3.8 |
| Total non-current assets | 1,979.9 | 1,828.4 |
| CURRENT ASSETS | | |
| Property, plant & equipment held for sale | 1.2 | 19.6 |
| Accounts receivables | 232.8 | 218.5 |
| Income tax receivables | 16.6 | 19.8 |
| Receivables from related parties | 0.2 | 0.2 |
| Other short-term receivables | 38.5 | 38.7 |
| Cash and cash equivalents | 111.3 | 66.4 |
| Total current assets | 400.7 | 363.2 |
| Total assets | 2,380.6 | 2,191.6 |

Pro forma balance sheet statement

Comments

- Total liabilities ended at SEK 1 927.1 million
- Total equity per end of Q3'20 is SEK 453.5 million

Pro forma balance sheet (unaudited)

| All figures in SEK million | 2020-12-31 | 2019-12-31 |
|--|----------------|----------------|
| EQUITY | | |
| Share capital | 0.5 | 0.5 |
| Retained earnings including comprehensive income | 453.0 | 442.8 |
| Equity attributable to owners of the parent | 453.5 | 443.3 |
| Total equity | 453.5 | 443.3 |
| NON-CURRENT LIABILITIES | | |
| Deferred tax liability | 4.6 | 3.1 |
| Bond loans | 718.2 | 741.6 |
| Other non-current liabilities | 751.6 | 621.4 |
| Total non-current liabilities | 1,474.4 | 1,366.1 |
| CURRENT LIABILITIES | | |
| Accounts payable | 24.5 | 35.1 |
| Other current liabilities | 428.2 | 347.1 |
| Total current liabilities | 452.6 | 382.2 |
| Total liabilities | 1,927.1 | 1,748.3 |
| Total equity & liabilities | 2,380.6 | 2,191.6 |

Pro forma cash flow statement

Comments

- Total cash and equivalents per end of Q4'20 amounted to SEK 111.3 million
- Total available cash including the RCF was SEK 191.3 million and undrawn amount on the RCF at the end of Q4'20 was SEK 80 million
- During 2020 The Group used the RCF only 15 days

Cash flow statement (unaudited)

| All figures in SEK million | Q4-20 | Q3 20 | YTD 20 |
|--|--------------|--------------|---------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Operating result | 12.9 | 36.8 | 89.1 |
| Adjustments for items not included in cash flow | 31.9 | 33.1 | 124.6 |
| | 44.8 | 69.9 | 213.6 |
| Financial items, paid net | -12.9 | -13.0 | -44.0 |
| Net interest lease debt | -6.2 | -6.1 | -22.8 |
| Taxes paid | 13.8 | -31.4 | -9.8 |
| Cash flow from operating activities before changes in working capital | 39.5 | 19.4 | 137.0 |
| Change in net working capital | 8.1 | -19.6 | 48.1 |
| Net cash flow from operating activities | 47.6 | -0.1 | 185.1 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Gain/loss from sale of assets | 1.6 | 9.8 | 11.9 |
| Net investment in shares in subsidiaries | -10.9 | -10.0 | -20.9 |
| Net investment in property, plant and equipment | -0.1 | -10.8 | -5.1 |
| Net cash flow from investing activities | -9.4 | -11.1 | -14.1 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Amortization of lease debt | -27.4 | -26.6 | -102.7 |
| Repayment of interest-bearing debt | 2.6 | -0.0 | -23.4 |
| Net cash flow from financing activities | -24.8 | -26.7 | -126.1 |
| CHANGES IN CASH AND CASH EQUIVALENTS | | | |
| Net change in cash and cash equivalents | 13.5 | -37.9 | 44.9 |
| Effects of changes in exchange rates on cash | | | |
| Cash and cash equivalents at the beginning of period | 97.8 | 135.6 | 66.4 |
| Cash and cash equivalents at end of period | 111.3 | 97.8 | 111.3 |