



Condensed consolidated financial information for Q4 and full year 2019

Care Bidco AS and Care Bidco Group

Overview

Bond issuer

Care Bidco AS

Unicare group

Unicare is one of the largest private healthcare and care service providers in the Nordics providing services in Norway and Sweden. The Company was founded in 2008 and is now a leading provider of care services, rehabilitation, primary and specialist health services.

Commitment

NOK 350 million

Bond issued

March 24, 2017

Listing

September, 2017

Final Maturity date

March 24, 2021

Revenue

A substantial portfolio of continuous and long-term contracts with established counterparties, including the public sector (regional health authorities (RHAs), the Norwegian Labour and Welfare Administration (NAV) and municipalities and Swedish authorities (Landstingene).

Geography

19 locations in Norway and 10 in Sweden.

Employees

The Unicare Group has approximately 1,400 employees in Norway and Sweden.

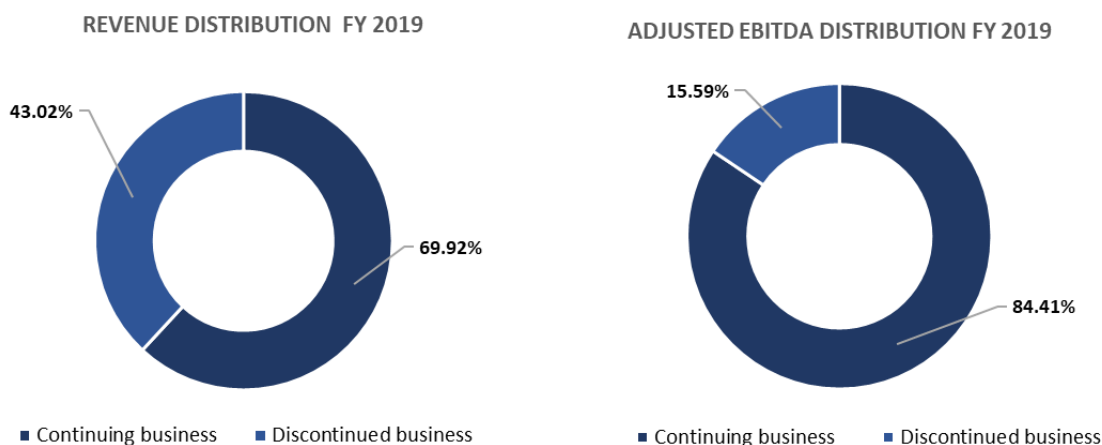
For further updated information please see our website

www.unicare.no

Highlights

- Following the municipal and county elections in Norway in September 2019, it was communicated that the ruling city government in Oslo will not renew nor award new nursing home contracts to private providers. Due to the underlying uncertainty of running nursing homes as a private provider, Unicare sold its five nursing homes in Oslo
- Loss-making Occupational Health Services (OHS) segment was divested to streamline the organization and increase profitability
- Impairment tests were revised and resulted in the additional impairment of goodwill of NOK 255.3 million for 2018 and additional impairment of non-current assets of NOK 88.5 million in 2019, both primarily related to discontinued business
- Q4 2019 revenue for total operations was NOK 405.2 million, an increase of 3.7% compared to Q4 2018. Q4 2019 revenue for continued operations was NOK 290.1 million, an increase of 20.1% compared to the same period last year
- Q4 2019 Adjusted EBITDA for total operations was NOK (6.9) million, an increase of NOK 12.6 compared to Q4 2018. Q4 2019 adjusted EBITDA for continued business was NOK (3.6) million, in-line with the same period last year
- Q4 2019 has been challenging with profitability impacted by restructuring of the Group, accompanied by organisational and management changes
- Cash position at 31 December 2019 was NOK 87.0 million, down from NOK 204.3 million at 31 December 2018, impacted by NOK 137.6 million paid for acquisitions in 2019
- The COVID-19 pandemic is causing significant and immediate uncertainty and operational issues for Unicare. Management are assessing the situation daily and an operational response plan is in place to ensure business continuity. It is anticipated the impact of COVID-19 may have a negative result on business performance in the short-term.

Revenue and adjusted EBITDA distribution for continued and discontinued business*



Note: *EBITDA adjusted for IFRS 16 impact and special items.

Key figures for Unicare Group

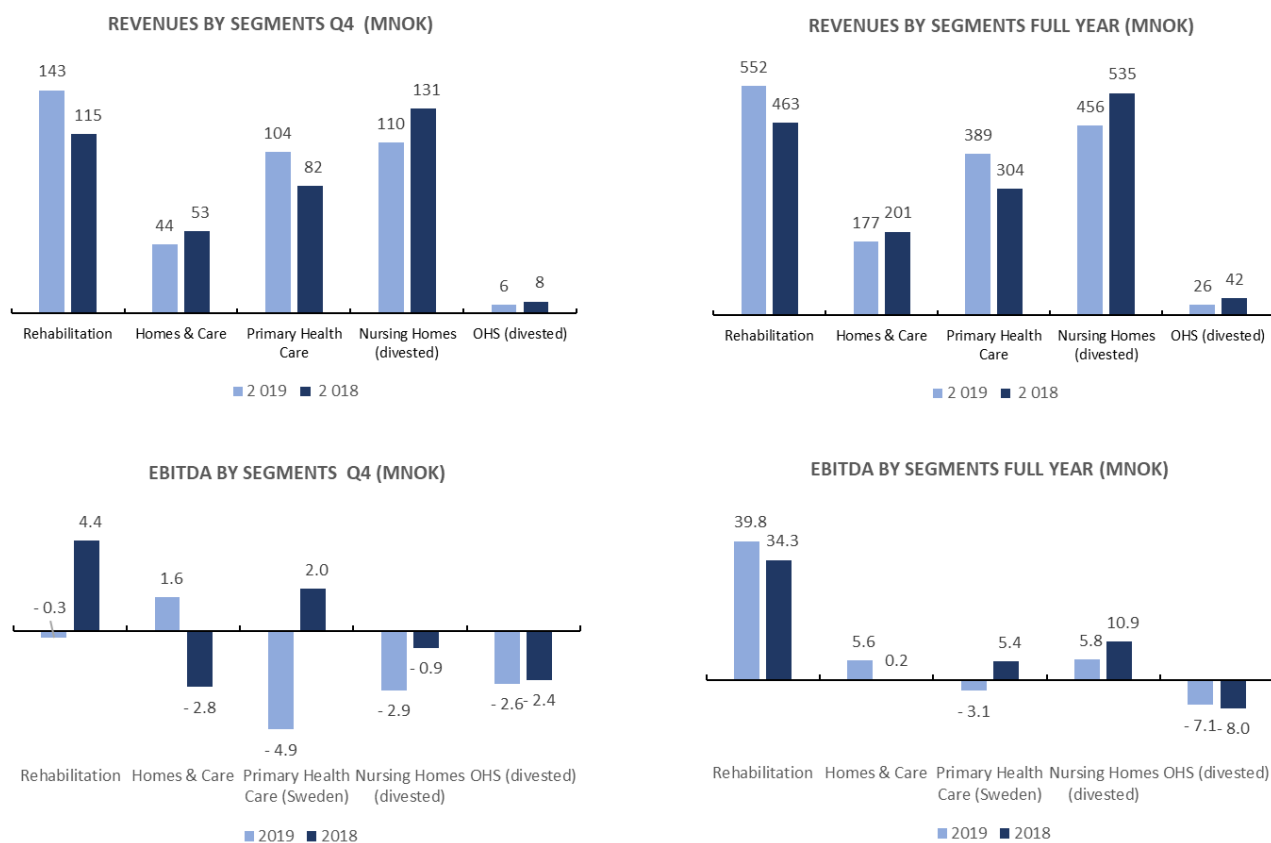
MNOK	RESTATED			
	Q4 2019	2019	Q4 2018	2018
Revenue - total operations	405.19	1 596.70	390.56	1 542.65
Revenue - reclassified to discontinued operations	115.12	480.28	148.95	576.46
Revenue - continued operations	290.07	1 116.42	241.61	966.19
EBITDA - total operations	5.14	115.56	-26.10	12.90
EBITDA - reclassified to discontinued operations	-3.22	5.96	-15.86	0.38
EBITDA - continued operations	8.36	109.60	-10.24	12.52
EBITDA margin % - continued operations	2.88 %	9.82 %	-4.24 %	1.30 %
Adjustments:				
IFRS 16 EBITDA impact*	-23.91	-92.75	n.a.	n.a.
Special items **	11.92	15.43	6.66	14.47
Adjusted EBITDA - total operations	-6.86	38.23	-19.44	27.37
Adjusted EBITDA - continued operations	-3.63	32.27	-3.58	27.00

Notes: In accordance with IFRS, divested segments (Nursing Homes and OHS) are presented as "discontinued operations" in the income statements for 2018 and 2019.

* The adoption of IFRS 16 Leases from 1 January 2019 resulted in significant changes to the group's accounting for leases previously defined as operating leases under IAS 17. All figures from previous periods are reported according to previous standard, IAS 17. The effects for 2019 have not been allocated to the operating segments.

** Special items relate to non-recurring restructuring, acquisitions, divestments costs and also guarantee liabilities.

Revenue and EBITDA (excluding IFRS 16 impact) generation by segment



Quarterly update

Unicare Group

Revenue generated in Q4 2019 totalled NOK 405.2 million compared to NOK 390.6 million in Q4 2018. Continued operations generated revenue of NOK 290.1 million compared to NOK 241.6 million for the same period last year, an increase of NOK 48.5 million.

Revenue generated for the full year 2019 totalled NOK 1,596.7 million compared to NOK 1,542.7 million in 2018. Continued operations generated revenue of NOK 1,116.4 million compared to NOK 966.2 million in 2018, an increase of NOK 150.2 million.

The top-line growth was driven by acquired units in Rehabilitation and Primary Health Care (Sweden), partially offset against declines in Homes & Care and Nursing Homes.

Adjusted EBITDA for Q4 2019 was NOK (6.9) million compared to NOK (19.4) million for Q4 2018. Continued operations generated adjusted EBITDA of NOK (3.6), in-line with the same period last year.

Q4 2019 has been challenging with profitability impacted by restructuring of the Group, accompanied by organisational and management changes.

Adjusted EBITDA for the full year 2019 was NOK 38.2 million compared to NOK 27.4 million in 2018. Adjusted EBITDA for continued operations for the full year 2019 was NOK 32.3 million, NOK 5.3 million above NOK 27.0 million generated last year.

Growth in full year EBITDA was driven predominantly by acquisitions in Rehab and organic developments in Homes & Care, partially offset against disappointing performance in Primary Health Care (Sweden).

Cash and cash equivalents were NOK 87.0 million at 31 December 2019, down from NOK 204.3 million at 31 December 2018, impacted by NOK 137.6 million paid for acquisitions in 2019. Net interest-bearing debt at 31 December 2019 was NOK 263.1 million.

Divestments

Following the municipal and county elections in Norway in September 2019, it was communicated that the local government in Oslo will not renew nor award nursing home contracts to private providers but only to non-profit providers. Due to the underlying uncertainty of running nursing homes as a private

provider, Unicare swiftly entered into an agreement with the foundation Stiftelsen Diakonissehuset Lovisenberg and sold its 5 nursing homes in Oslo.

OHS was divested in February 2020 and Small Units (part of Homes & Care) was divested in April 2019. Two loss-making Swedish health clinics were disposed/closed down in Q1 2019. These divestments streamlined operations enabling focus on profitable business areas.

Acquisitions

Most recently, Unicare acquired an additional Swedish primary health clinic called Läkerhuset Öster i Jönköping AB in January 2020.

Earlier in the year in Q1 2019, the Rehabilitation division acquired 12Trinns-klinikken AS in Bergen and one LHL-rehabilitation clinic in Røros. 12Trinns-klinikken AS (now called Unicare 12Trinn) is an approved clinic in multidisciplinary specialist substance abuse treatment and offers inpatient services for different types of addiction. Unicare Røros is a highly respected clinic focusing on recovery after surgical interventions and other operations related to heart, lung and cancer treatments.

Two further acquisitions completed in Q1 2019 were Swedish primary health clinics in Falun and Töckfors.

Segments

Note: figures presented for segments are excluding IFRS 16 impact

Rehabilitation

Figures MNOK	Q4 19	Q4 18	FY 19	FY 18
Revenue	143.3	115.3	552.2	462.6
EBITDA	-0.3	4.4	39.8	34.3
EBITDA margin %	-0.2%	3.8%	7.2%	7.4%

- Q4 2019 revenue was NOK 143.3 million, an increase of NOK 28.0 million from Q4 2018.
- Full year 2019 revenue was NOK 552.2 million, an increase of NOK 89.6 million from 2018.
- Q4 EBITDA was NOK (0.3) million, a decrease of NOK 4.7 million from Q4 2018.
- Profitability was impacted by one clinic that did not meet the utilization criteria of 95% in the contract with the Regional Health Authorities, resulting in a cash repayment of NOK 3.6 million.
- Full year 2019 EBITDA was NOK 39.8 million, an increase of NOK 5.5 million compared to 2018, primarily a result of the acquisitions
- Revenue and EBITDA growth was primarily due to acquisitions of two rehabilitation centers: Unicare Røros and Unicare 12Trinn

Homes & Care

Note: Homes & Care segment includes Unicare Small Units which was sold in Q2 2019. Divestment of part of a segment does not allow it to be classified as discontinued business under IFRS 5. For comparison purposes, figures and comments below are provided separately for (i) Homes & Care without Small Units (ii) and for the divested Small Units segment.

Figures for Homes & Care (excluding Small Units)

Figures MNOK	Q4 19	Q4 18	FY 19	FY 18
Revenue	44.3	38.6	165.1	140.9
EBITDA	1.6	0.5	6.3	4.1
EBITDA margin %	3.7%	1.4%	3.8%	2.9%

- Q4 2019 revenue was NOK 44.3 million, an increase of NOK 5.8 million compared to Q4 2018.
- Full year 2019 revenue was NOK 165.1 million, an increase of NOK 24.2 million from 2018.
- Revenue growth in 2019 was due to operational turnaround and increased activity within several units.
- Q4 2019 EBITDA was NOK 1.6 million, NOK 1.1 million above last year.
- Full year 2019 EBITDA was NOK 6.3 million, up by NOK 2.2 million compared to 2018.
- Profitability was driven by increased utilization

and continuous initiatives to ensure effective use of resources and cost control.

Figures for Unicare Small Units (USE, divested):

Figures MNOK	Q4 19	Q4 18	FY 19	FY 18
Revenue	-	14.4	11.9	60.4
EBITDA	-	-3.3	-0.7	-3.9
EBITDA margin %	-	-23.0%	-6.0%	-6.4%

- As part of streamlining the business in Unicare, Small Units (Unicare Små Enheter AS) was divested in April 2019.

Primary Health Care (Swedish operation)

Figures MNOK	Q4 19	Q4 18	FY 19	FY 18
Revenue	103.7	81.8	388.9	304.3
EBITDA	-4.9	2.0	-3.1	5.4
EBITDA margin %	-4.7%	2.5%	-0.8%	1.8%

- Q4 2019 revenue of NOK 103.7 million, an increase of NOK 22.0 million compared to Q4 2018.
- Full year 2019 revenue of NOK 388.9 million, an increase of NOK 84.6 million compared to 2018.
- Revenue growth was primarily due to acquisitions of clinics in Falun and Töckfors.
- A disappointing Q4 2019 EBITDA of NOK (4.9) million was reported, NOK 6.9 million lower than Q4 2018.
- Full year 2019 EBITDA was also down by NOK 8.5 million compared to 2018.
- Lack of full-time doctors and nurses has resulted in increased use of temporary staffing, which in turn has driven the staffing costs up. Recruitment initiatives have been actioned but high demand for clinicians has delayed profitability improvements.

Nursing Homes (discontinued)

Note: Figures and comments below exclude Home Care segment sold in Q4 2018

Figures MNOK	Q4 19	Q4 18	FY 19	FY 18
Revenue	109.8	122.5	456.1	490.3
EBITDA	-2.9	-0.4	5.8	13.0
EBITDA margin %	-2.7%	-0.3%	1.3%	2.6%

- Q4 2019 revenue of NOK 109.8 million, a decrease of NOK 12.7 million compared to Q4 2018.
- Full year 2019 revenue of NOK 456.1 million, NOK 34.2 million below 2018.
- The reduction in income is driven by the closure of a nursing home in April 2019.
- Q4 2019 EBITDA was NOK (2.9) million, NOK 2.5 million below Q4 2018.

- Full year 2019 EBITDA was NOK 5.8 million, NOK 7.1 million below 2018.
- The decline in profitability was driven by increased personnel costs due to a change in regulatory staffing requirements.
- Unicare divested all Nursing Home services to the foundation Stiftelsen Diakonissehuset Lovisenberg in January 2020.

OHS (discontinued)

Figures MNOK	Q4 19	Q4 18	FY 19	FY 18
Revenue	5.6	7.8	25.8	41.6
EBITDA	-2.6	-2.4	-7.1	-8.0
EBITDA margin %	-46.6%	-31.0%	-27.6%	-19.3%

- Q4 2019 revenue was NOK 5.6 million, a decline of NOK 2.2 million compared to Q4 2018.
- Full year 2019 revenue was NOK 25.8 million, NOK 15.8 million below 2018.
- EBITDA was negative in Q4 2019 and for the full year 2019.
- Revenue and EBITDA was impacted by the loss of customer contracts.
- Success in this market requires specific skills and a delivery model different from Unicare's core business. Against this background, Unicare sold the OHS business in Norway to its Management with closing in February 2020.

Special items

Figures MNOK	Q4 19	Q4 18	FY 19	FY 18
Restructuring	6.7	5.9	10.2	10.1
Guarantee liability	4.1	0.5	4.1	0.5
M&A -DD cost	1.1	0.3	1.1	3.9
Total	11.9	6.7	15.4	14.5

Correction of 2018 figures

During the preparation of the 2019 financial statements, impairment tests for 2018 were revised, which led to increased impairment of goodwill of NOK 255.3 million for 2018, of which NOK 152.3 million was related to the Nursing Homes segment and NOK 103.0 million - to the OHS segment.

An additional liability of NOK 4.6 million was also recognised for other operating expenses for Q4 2018.

Additional impairment of non-current assets in Q4 2019

During the annual impairment test of goodwill in Q4 2019, further impairment of goodwill and other intangible assets of NOK 88.5 million was recognised. NOK 83.3 million of this relates to discontinued business (Nursing Homes and OHS segments) and NOK 5.1 million to the Swedish operation due to the disposal of two units.

Adjustment of implementation of IFRS 16

In Q4 2019, a thorough review of the calculation of the implementation effects of IFRS 16 for leases was undertaken. The effects of the implementation and adjustments for the year 2019 are presented in the notes to this report.

Re-presentation of discontinued operations

Agreements to sell the Nursing Homes and OHS segments have been entered at the end of 2019 and at the beginning of 2020, respectively. Both segments are presented as "held for sale" in the balance sheet as at 31 December 2019, and as "discontinued operations" in the income statements for 2018 and 2019.

Reclassifications

Other line items in the financial statements have also been reclassified to improve reporting and comply with IFRS. For specification, see note 1.

Use of alternative performance measures (APM)

The Unicare Group uses financial measures "EBITDA", "Adjusted EBITDA" and "Proforma EBITDA" in its reports, which are not financial measures as defined by IFRS. See section "Financial definitions" for explanation of the APMs. EBITDA is shown as a separate sub-total in the income statement of the Group. The APMs are used consistently over time and accompanied by comparatives for the corresponding previous periods, except for IFRS 16 which is implemented from January 1, 2019 and comparable figures for historical periods are not developed.

Subsequent events - Coronavirus

Management are assessing the situation daily and are taking the steps required to ensure the safety of employees and patients/users. Where possible, Unicare are continuing to deliver care, however, there is unavoidable and significant disturbance to operations and some services must close temporarily. It is expected that financial soundness of the business will be impacted by a drop in the service utilization, partially compensated by the contract-based nature of the business and cost reduction.

Subsequent events – Change of CEO

Marja Aarnio-Isohanni has been appointed interim Group CEO by the board in Q1 2020. She is substituting Christoffer Sundby who has agreed a termination of his employment with the board due to different views regarding the development of the Group. Mr. Sundby will for a period be available for Unicare to assist with questions and relevant transition tasks.

Equity and liquidity

The impairment of goodwill and other intangible assets related to the discontinued operations of Nursing Homes and OHS resulted in reduced equity in the business as well as lower equity as a percentage of total assets. The sale of Nursing Homes will also have a negative effect on EBITDA, cash flows and leverage compared to the historical periods.

The primary reason for the net cash outflows for the Group during recent years was acquisitions. For the most recent Jönköping acquisition, Unicare paid NOK 15 million on 1 March 2020 and an additional NOK 12 million will be paid on 1 April 2020. The Group will not commit to new acquisitions without having secured new financing.

The financial information is prepared on the assumptions of going concern.

Outlook

In the short term, Coronavirus crisis is creating significant economic, health and social uncertainty and is likely to result in a temporary decline in Unicare performance.

However, in the medium to long term the Nordics and rest of Europe are facing many of the same healthcare challenges, including a growing elderly population combined with a lack of healthcare provision. Private

providers form an increasingly integral part of the total healthcare service offering, which is essential to cater to ever-increasing demand of high-quality healthcare. The political decision in the Oslo City Council to convert all nursing homes to be run by the municipalities or by non-profit organizations provides Unicare and other private providers with a setback, but the general healthcare trends and developments in the other business segments are expected to continue to drive growth.

Unicare's immediate focus is on navigating the Coronavirus crisis. In the medium term, a few organizational improvements are underway with focus on the implementation of organizational changes, cost control, improved governance and quality of reporting.

Oslo, 26th of March 2020
The Board of Directors of Care BidCo AS

Laurent Gerard Ganem
Chairman of the Board

Tom Erik Tidemann-Andersen
Board Member

Renaud Vincent Dessertenne
Board Member

Richard Oliver Hoenich
Board Member

Marja Aarnio-Isohanni
Board Member/Interim CEO

Interim condensed consolidated income statement information

IFRS 16 was implemented on the 1st of January 2019. The table below shows reported figures for 2018 excluding IFRS 16 impact. Note that figures for 2019 are unaudited.

NOK 1000			RESTATED	RESTATED	REPORTED
	Q4 2019	FY 2019	Q4 2018	FY 2018	FY2018
Revenue	285.384	1108.158	240.915	963.670	1539.944
Other operating income	4.685	8.265	0.695	2.518	2.707
Total operating revenue	290.070	1116.423	241.611	966.189	1542.651
Raw materials and consumables used	48.893	180.457	35.241	137.338	179.503
Employee benefits expense	189.470	697.925	167.117	609.714	1086.694
Depreciation and amortizations	22.511	86.011	3.668	16.757	25.802
Impairment losses	5.131	5.131	66.142	66.142	83.893
Other operating expenses	43.346	128.441	49.490	206.612	247.658
Total operating expenses	309.351	1097.965	321.658	1036.564	1623.550
OPERATING PROFIT OR LOSS	-19.281	18.458	-80.048	-70.375	-80.899
EBITDA	8.361	109.600	-10.237	12.524	28.796
Other interest income	968	1.005	57	108	132
Other financial income	2.768	2.768	-2.276	1.481	1.482
Total financial income	3.736	3.773	-2.276	1.590	1.614
Loss from sale of subsidiary	2.083	4.690	0	0	11.273
Other interest expenses	7.365	25.841	5.926	24.050	24.050
Other financial expenses	11.234	52.624	4.668	5.378	5.580
Total financial expenses	20.682	83.155	679	29.428	40.903
NET FINANCIAL ITEMS	-16.946	-79.382	-2.898	-27.838	39.289
PROFIT BEFORE TAXES	-36.227	-60.924	-82.946	-98.213	-120.188
Tax expense	3.728	8.313	.704	4.319	4.559
PROFIT AFTER TAX CONTINUED OPERATIONS	-32.004	-52.117	-82.242	-93.894	-115.629
DISCONTINUED OPERATIONS	-80.248	-78.132	-288.666	-280.618	
PROFIT AFTER TAX	-112.253	-130.249	-370.907	-374.511	

Condensed consolidated statement of other comprehensive income information

NOK 1000			RESTATED	REPORTED
	Q4 2019	FY 2019	Q4 2018	FY 2018 2018
Items that will not be reclassified to profit or loss				
Remeasurement of net defined benefit pension obligation		31.036	28.977	28.977
Taxes on other comprehensive income	-	-6.828	6.665	-6.665
Other/translation difference	25	-898	67	-302
Other comprehensive income net of tax	25	23.310	22.379	22.010

Condensed consolidated statement of financial position

NOK 1000	2019	Restated 2018
Other intangible assets	10.876	41.939
Deferred tax assets	17.893	11.812
Goodwill	440.970	452.942
Total intangible assets	469.739	506.694
Buildings	55.104	3.705
Furniture, fixtures and equipment	63.546	50.187
Right of use assets	625.973	-
Total tangible assets	731.192	53.892
Other non-current financial assets	-	-
Other non-current receivables	8.055	9.681
Other long-term receivables	-	-
Total financial non-current assets	8.055	9.681
TOTAL FIXED ASSETS	1.208.986	570.267
Inventories	2.287	2.059
Account receivables	43.192	62.567
Other receivables	29.876	32.346
Total receivables	75.355	96.973
Cash and cash equivalents	86.991	204.272
Assets held for sale	49.112	-
TOTAL CURRENT ASSETS	210.600	301.245
TOTAL ASSETS	1.419.586	871.512

NOK 1000	2019	Restated 2018
Share capital	566	566
Share premium	565.376	565.376
Total paid-in equity	565.942	565.942
Other equity	-467.443	-352.501
TOTAL EQUITY	98.499	205.438
Pension liabilities	36.387	79.786
Deferred tax liabilities	2.610	-
Total provisions	38.997	79.786
Bond	349.614	346.354
Lease liabilities	594.190	-
Sum other long-term liabilities	943.804	346.354
Sum long-term liabilities	982.801	426.140
Accounts payable	55.364	44.839
Taxes payable	5.705	9
Indirect taxes payable	37.060	51.923
Lease liabilities	47.928	-
Liabilities held for sale	87.692	-
Other short-term liabilities	104.537	143.164
Sum short term liabilities	338.286	239.934
TOTAL LIABILITIES	1.321.086	662.468
TOTAL EQUITY AND LIABILITIES	1.419.586	871.512

Condensed consolidated changes in equity (restated)

NOK 1000	Share Capital	Share Premium	Other equity	Total equity
Balance at 1 January 2019 (restated)	566	565.376	-360.504	205.438
Loss for the period (restated)			-130.249	-130.249
Total comprehensive income for the period (restated)			23.310	23.310
Total comprehensive income for the period (restated)			-106.939	-106.939
Balance at 31 December 2019	566	565.376	-467.443	98.499

NOK 1000	Share Capital	Share Premium	Other equity	Total equity
Balance at 1 January 2018	566	565.376	-8.003	557.939
Loss for the period (restated)			-374.511	-374.511
Total comprehensive income for the period (restated)			22.010	22.010
Total comprehensive income for the period (restated)			-352.501	-352.501
Balance at 31 December 2018	566	565.376	-360.504	205.438

Condensed consolidated statement of cashflows

NOK 1000	FY 2019	Reported FY 2018
Cash flow from operating activities		
Profit before tax expense	-142.852	-120.188
Taxes payable	-1.302	-1.548
Profit or loss through sale of assets	2.607	-
Depreciation and impairment losses	173.743	128.435
Difference between expensed pension and accounted pension	-7.021	-14.416
Change in inventory	971	165
Change in receivables	17.694	-20.667
Change in supplier debts	19.887	1.434
Changes in accruals and prepayments	9.767	21.337
Net cash flow from operating activities	73.493	-5.447
Cashflow from investing activities		
Proceeds from the sale of tangible fixed assets	-	118
Payments for the purchase of tangible fixed assets	-5.150	-18.713
Payments on other loan receivables	-697	-142
Sale of subsidiaries less cash on acquisition	13	3.943
Purchase of subsidiaries less cash on acquisition	-137.566	-
Net cash flow from investing activities	-204.144	-14.793
Payments on debt (lease liability)	-47.274	-25
Payments when recording other debts (lease liability)	-	-
Group contribution payments	-	-326
Equity payments	-	-
Equity repayments	-	-
Dividend payments	-	-
Net cashflows from financing activities	-47.274	-351
Net cashflow for the period	-117.281	-20.591
Effect of currency fluctuations on cash and cash equivalents		501
Cash and cash equivalents at the beginning of the period	204.272	224.362
Cash and cash equivalents at the end of the period	86.991	204.272

Notes

Note 1 – Basis for preparation and presentation

The Unicare Group consists of Care BidCo AS and its subsidiaries. Condensed consolidated financial statements information for the 12 months ended 31 December 2019 have not been prepared and presented in accordance with IAS 34. The interim figures are not audited. The accounting policies used largely comply with the accounting policies as described in the annual consolidated financial statements for 2018, except for the implementation of IFRS 16 leases as described below.

Correction of errors and reclassifications

See sections “Correction of 2018 figures”, “Representation of discontinued operations” and “Reclassifications” on page 7 in this report for description.

Income statement data - 2018

In NOK 1000	Reported	Reclassifi- cations	Correction of errors	Re- presentation discontinued operations	Restated
Total operating revenue	1 542 651	-	-	-576 462	966 189
Operating expenses excl. Impairment losses	1 539 657	11 273	4 623	-585 132	970 421
Impairment losses	83 893	-	255 276	-273 027	66 142
Total operating expenses	1 623 550	11 273	259 899	-858 159	1 036 564
OPERATING PROFIT OR LOSS	-80 899	-11 273	-259 899	281 697	-70 375
NET FINANCIAL ITEMS	-39 289	11 273	-	178	-27 838
PROFIT/LOSS BEFORE TAXES	-120 188	-	-259 899	281 875	-98 213
Income tax	-4 559	-	-1 017	1 257	-4 319
PROFIT/(LOSS) CONTINUED OPERATIONS	-115 629	-	-258 882	280 618	-93 894
Discontinued operations	-	-	-	-280 618	-280 618
PROFIT/(LOSS) OPERATIONS	-115 629	-	-258 882	-	-374 511

Comprehensive income data - 2018

In NOK 1000	Reported	Reclassifi- cations	Correction of errors	Re- presentation discontinued operations	Restated
Profit/(loss) after tax	-115 629	-	-258 882	-	-374 511
Items that will not be reclassified to profit or loss:					
Remeasurement of post-employment benefit obligations after tax	22 312				22 312
Items that may be reclassified to profit or loss:					
Currency translation differences		-302			-302
Total other comprehensive income	22 312	-302	-	-	22 010
Total comprehensive income	-93 317	-302	-258 882	-	-352 501

Balance sheet data - 2018

NOK 1000	Reported	Reclassifications	Correction of error	Restated
Deferred tax assets	11 812	-	-	11 812
Intangible assets	206 061	-164 122	-	41 939
Concessions, patents, licences and trademark	3 706	-3 706	-	-
Goodwill	540 391	167 827	-255 276	452 942
Total tangible assets	53 892	-	-	53 892
Buildings				
Other non-current financial assets	6	-6	-	-
Other non-current receivables	9 500	182	-	9 681
Other long-term receivables	176	-176	-	-
Total financial non-current assets	9.681	-	-	9.681
Total non-current assets	825 543	-	-255 276	570 267
Inventories	2 059	-	-	2 059
Receivables				
Account receivables	62 567	-	-	62 567
Other receivables	32 346	-	-	32 346
Total receivables	94 913	-	-	94 913
Cash and cash equivalents	204 272	-	-	204 272
Assets held for sale				
Total current assets	301 245	-	-	301 245
Total assets	1 126 788	-	-255 276	871 512
Total equity	464 320	-	-258 882	205 438
Total long-term liabilities	426 140	-	-	426 140
Total short-term liabilities	236 327	-	3 606	239 934
Total equity and liabilities	1 126 788	-	-255 276	871 512

Correction of errors has also affected comprehensive income and total equity in the statement of changes in equity. Loss before taxes and impairment charges in the statement of cash flows were impacted, with no change in net cash flows.

Changes in accounting policies – implementation of IFRS 16 Leases

The adoption of IFRS 16 Leases from 1 January 2019 resulted in significant changes to the group's accounting for leases previously defined as operating leases under IAS 17.

In accordance with IFRS 16, leases are recognized as a right-of-use (RoU) asset and a lease liability at the date at which the leased asset is available for the use by the group. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the lease term on a straight-line basis.

The Group implemented IFRS 16 as of 1 January 2019, using a modified retrospective implementation method. Comparative figures have not been restated. There was no net impact to be recognised to equity at 1 January 2019. Other practical expedients chosen:

- Not reassessed whether a contract is, or contains, a lease at 1 January 2019
- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- RoU assets are set equal to liabilities, adjusted by prepaid lease payments in the statement of financial position at 31 December 2018 in Sweden
- Relied on the assessments of whether leases are onerous applying IAS 37 at 31 December 2018 instead of performing an impairment review at 1 January 2019. No onerous contracts were recognised at 31 December 2018

- Excluded initial direct costs from the measurement of the right-of-use asset at 1 January 2019
- Used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease

Non-lease components, such as common costs, are accounted for separately from lease components. The lease payments for properties are adjusted with a property index with effect from the 1st of January each year. In the calculation of the lease liability at 1 January and 31 December 2019, the index with effect from 1 January 2019 has been used. The change in index with effect from 1 January 2020 will be recognised as of 1 January 2020.

See note 4 for further information.

Note 2 – impairments in 2019

In the annual impairment test of goodwill in the fourth quarter of 2019, further impairments of goodwill and other intangible assets were recognised with a total of NOK 88.5 million, of which NOK 83.3 million is included in discontinued business.

Unicare sold its five nursing homes in Oslo to the foundation Stiftelsen Diakonissehuset Lovisenberg at the beginning of 2020. The agreement entails that Unicare Holding AS will be paid NOK 30 million for the shares in the subsidiary Unicare Omsorg AS.

Due to continued losses in the OHS segment, the Group has evaluated different possibilities for restructuring of disposal of the segment. The Group has estimated the recoverable amount for the OHS segment at 31 December 2019 to be zero.

Two loss-making Swedish health clinics included in the International segment were disposed of in 2019, contributing NOK 5.1 million to an impairment of goodwill.

The impairment tests did not provide for an increase in impairment of other assets.

Except for Nursing Homes and OHS, the impairment tests at 31 December 2019 were based on the budgets approved by the Board of Directors for 2020. A forecast period of additional 4 years and a terminal value based on Gordon's growth formula has been calculated. For these CGUs, a stable annual growth in revenue of 2% has been applied for the forecast and terminal periods. For Homes and Care as well as some other individual entities, a higher revenue growth than 2% has been assumed in the short term due to opportunities for extended capacity within the existing business and increased utilisation of current capacity.

The Group has established a detailed roadmap to increasing the profitability in the existing operations. Based on this, without taking into consideration future restructuring not committed to, the EBITDA-margin for the 2020 budget is generally expected to increase during the nearest two to three years. This has been reflected in the impairment tests.

Lease payments have been included as an operating expense in line with the impairment tests prior to implementation of IFRS 16, and right of use assets have not been included in the carrying values.

The post-tax discount rate is an estimated Weighted Cost of Capital (WACC). As of 31 December 2019, it has been estimated to be 7.9% for all the Norwegian entities, and 7.7% for Sweden.

For the segments Homes and Care and Rehabilitation, a negative change of 2% for WACC, EBITDA-margin (excluding IFRS 16) or revenue growth would still leave a comfortable headroom. For the International segment, a negative change of less than 2% for the EBITDA-margin would give a rise to impairment.

Note 3 – Revenue and segment reporting

Overview

Principal activities

Unicare is a provider of care services, health clinics and specialist health services. The Group is now structured in three segments: *Rehabilitation*, *Homes and Care* and *Primary Health Care (International- Sweden)*. Nursing Homes and OHS segments were discontinued in late 2019 / early 2020. The markets in which the Group operates are explained below.

Rehabilitation

Unicare is a supplier of rehabilitation services, offering specialized rehabilitation, surveys and assessment services in hospitals and clinics in Norway. Target patients include people suffering from strokes, traumatic brain injuries, CFS/ME, obesity, amputations, addiction and neurological and neuromuscular diseases. Unicare focuses on rehabilitation treatments that enable patients to return to work faster, irrespective of the diagnosis. Through the Company's subsidiaries within the *Rehabilitation* division, Unicare has continuing agreements with South-East RHA (Helse Sør-Øst) and Helse Midt-Norge for each clinic and each rehabilitation treatment. Most current agreements include a pre-determined number of hours for each treatment, with utilization below 95% triggering reimbursement to the RHA for unused capacity. In addition, the division operates 12 Trinnsklinikken AS (now called Unicare 12Trinn) which is a clinic in multidisciplinary specialist substance abuse treatment and offers inpatient treatment for different types of addictions.

Homes & Care

Unicare offers around-the-clock co-located homes, auxiliary housing and various other day and weekend assistance. The *Homes and Care* division offers two main services: institutional care for individuals with disabilities and user-controlled personal assistance. User-controlled personal assistance is financed by the respective municipalities and individual tenders per user, and frame agreements are in place for auxiliary housing and respite care, where contract duration varies between 6 – 12 years.

Primary Health Care (International - Sweden)

Unicare Sweden is a private provider of health services and operates ten health clinics in the Southern and Central parts of Sweden. Since the introduction of “free choice of healthcare” in 2009/2010, Unicare Sweden has approximately 88.000 listed patients. All ten health clinics have contracts with the Swedish government as part of the primary healthcare service. The terms of the contracts with the government vary between counties.

Occupational Health Care (*discontinued*)

Unicare assists all parts of the systematic HSE work, offering services to a wide range of businesses, both public and private. Occupational health services are primarily offered in the Oslo region but include nationwide coverage with representatives in Stavanger, Ålesund, Trondheim, Halden and Gjøvik. A process of cross-company collaboration has been initiated by establishing HSE hubs at our rehabilitation clinics. The segment was sold in the beginning of 2020.

Nursing homes (*discontinued*)

Unicare operates nursing homes in Norway, running five of the fifteen commercially operated nursing homes in the city of Oslo through the *Nursing Homes* division. Unicare has won several third-party awards for quality and innovative services with strong focus on internal values: respect, co-operation and simplicity. Unicare holds contracts with Oslo municipality that will expire on the following dates: St.Hanshaugen January 31st, 2020; Manglerud June 3rd, 2020; Hovseter September 30th, 2020; Smestad July 31st, 2020; and Fagerborg March 31st, 2021. The segment was sold in the beginning of 2020.

Revenue

MNOK	Restated			
	Q4 2019	2019	Q4 2018	2018
Homes & Care (Homes, BPA, Respite Care)	44 349	165 138	38 582	140 917
Homes & Care (Small Units)	-	11 852	14 378	60 390
Rehabilitation*	143 334	552 232	115 322	462 648
Primary Health Care (Sweden)	103 750	388 937	81 814	304 267
OHS	5 642	25 844	7 840	41 598
Nursing Homes**	109 777	456 131	122 522	490 327
Home Care Services**	-	-	8 791	44 537
Other/Elimination	-1 663	-3 437	1 315	-2 033
Total revenue	405 189	1 596 698	390 564	1 542 651
Reclassified to discontinued	115 119	480 275	148 954	576 462
Total revenue ongoing business	290 070	1 116 423	241 611	966 189

Notes:

* Includes Unicare 12Trinn from January 2019 and Unicare Røros from April 2019.

** Nursing Homes and Home Care Services are within the same segment.

EBITDA

Note: EBITDA figures presented for segments are excluding IFRS 16 impact, a reconciliation to adjusted EBITDA figures on group level is included in the table.

MNOK	Restated			
	Q4 2019	2019	Q4 2018	2018
Homes & Care (Homes, BPA, Respite Care)	1 627	6 320	530	4 070
Homes & Care (Small Units)	-	-714	-3 313	-3 888
Rehabilitation	-335	39 782	4 437	34 323
Primary Health Care (Sweden)	-4 874	-3 118	2 046	5 360
OHS	-2 628	-7 129	-2 431	-8 040
Nursing Homes*	-2 942	5 841	-376	12 987
Home Care Services*	-	-	-483	-2 084
Other**	-14 712	-22 994	-24 318	-27 019
Eliminations	5 089	4 820	-2 193	-2 809
EBITDA total operation (ex. IFRS 16 impact)	-18 775	22 807	-26 100	12 899
Special items***	11 920	15 427	6 658	14 472
Adjusted EBITDA total operations	-6 855	38 234	-19 443	27 374
Adjusted EBITDA reclassified to discontinued	-3 223	5 961	-15 864	375
Adjusted EBITDA continuing business	-3 632	32 273	-3 579	26 999

Notes:

* Nursing Homes and Home Care Services are within the same segment.

** Includes group administration, special items and loss on sale of Unicare Small Units in Q4 2018 of NOK 11.3 million.

*** Special items relate to non-recurring restructuring, acquisitions, divestments costs, and also guarantee liabilities.

Note 4 – IFRS 16 - Leases

The new IFRS 16 Leasing standard is implemented from the 1st of January 2019. This note summarizes the impact on the financial reporting for Unicare.

The lease contracts

The group has several leases related to property and car rentals. A lease liability and right-of-use asset will be presented for these contracts which previously were reported as operating leases.

The Group has had a policy of buying equipment, and leases are primarily related to properties and some cars. All leases of properties and cars are included, and consequently, there are insignificant short term or low value leases that are not included.

Unicare is of the opinion that it is generally not possible to readily determine the discount rates implicit in the leases. Unicare has estimated incremental borrowing rates as discounting rates. The base rate is based on a zero-coupon rate implied by observable interest swap rates for the relevant currency with same duration as the lease term. The risk margin at issuance (5.5%) of Care Bidco's outstanding bond is applied as a starting point for the risk margin. The risk margin is adjusted for differences in the duration of the lease agreements and security compared to the bond at issuance. The estimated discount rates at the 1st of January 2019 span from 4.1% to 8.4%, with a weighted average of 7.7%.

Unicare has renewal options for a number of its property leases. Generally, options for five or more years in the future shall be special to be utilised, its therefore defined as not reasonably certain that the options will be utilised and the option period is not included in the calculation of lease liability. In this evaluation, management has also considered the strategy and the ability to be flexible and adjust the operations. For central locations (cities), it will require relatively low costs to move and for more rural areas, further evaluations have been made. Significant leasehold improvements and favourable lease terms have been considered. The outcome of these evaluations is that extension options for five years for two contracts within Rehabilitation in Norway and a number of contracts in Sweden are reasonably certain to be executed.

The effect on right of use assets and lease liabilities for the 1st of January 2019, as well as changes during the year, is presented in the table below:

Right of use assets				
NOK 1000	Properties	Cars	Total	Lease liabilities
Balance 1 January 2019	626 911	2 681	629 592	627 764
Additions	60 253	391	60 644	60 221
Depreciation	-62 380	-1 883	-64 263	
Interest expense				46 887
Lease payments (interest and instalments)*				-92 754
Balance 31 December 2019	624 784	1 189	625 973	642 118

Lease liabilities	
NOK 1000	31 December 2019
Maturity analysis - contractual undiscounted cash flows	
Less than one year	92 612
One to five years	312 199
More than five years	655 104
Total undiscounted lease liabilities at 31 December	1 060 430
Lease liabilities included in the statement of financial position at 31 December	
Current	47 928
Non-current	594 190

Note: * In addition, the Group has leases that have not yet commenced amounting to a discounted amount of NOK 23 480 thousand.

Sensitivity analysis

NOK 1000		31 December 2019
Extension options not included discounted liability effect		121 298
Effect on lease liabilities if the discount rate increases by 1 %		-31 679
Effect on lease liabilities if the discount rate decreases by 1 %		34 852

IFRS 16 income statement effects for 2019

NOK 1000		FY 2019
Reduced operating expenses		92 754
EBITDA		92 754
Depreciation		-64 263
EBIT		28 491
Interest expenses		-46 887
Profit/-loss for the period		-18 396

Note 5 – Long term loan

The long-term debt financing for the Unicare Group is made up of a listed bond loan. As defined by the bond loan agreement, net interest-bearing debt (excluding lease liabilities) and leverage ratio is as follows:

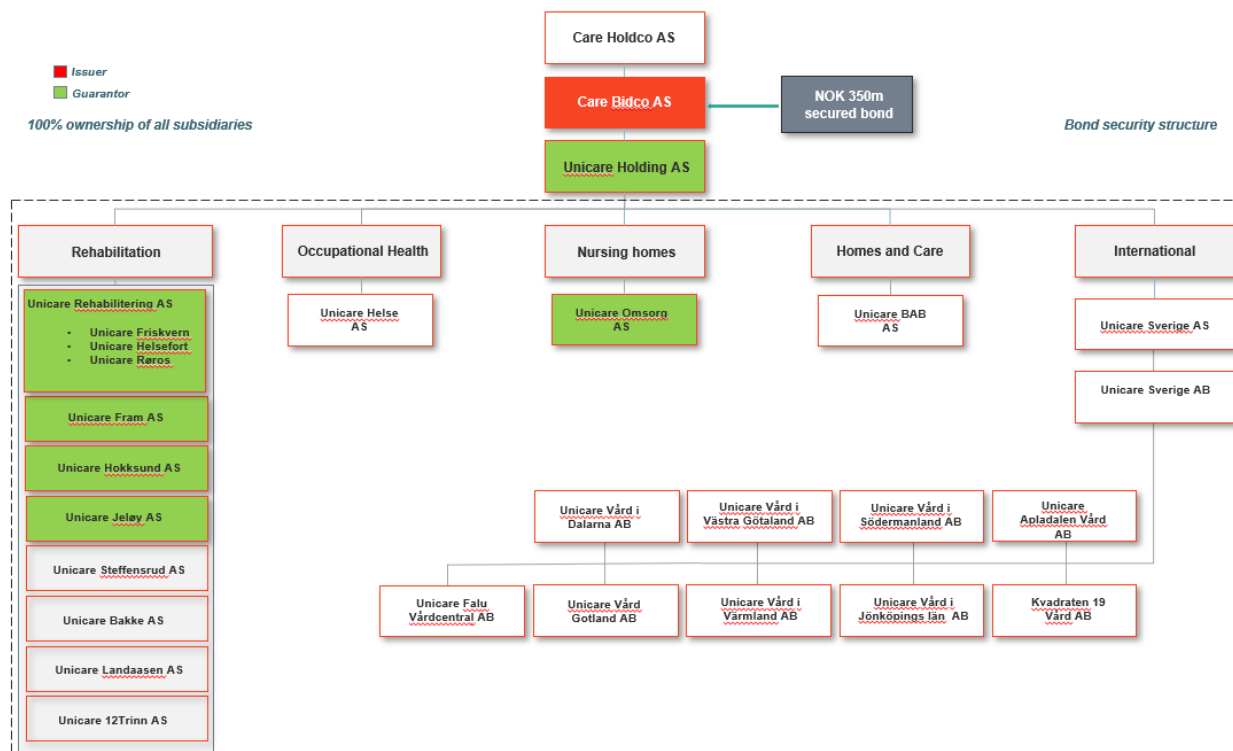
NOK million	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Cash and cash equivalents	87.0	53.1	61.1	86.6
Interest bearing debt	350.0	350.0	350.6	353.4
Net Debt	263.1	296.9	289.5	266.8
Leverage ratio	6.9	5.7	4.2	3.8

Note: Leverage ratio is defined by net debt/12 months running Proforma EBITDA. As a result of restatement of Proforma EBITDA, leverage ratios for the last four quarters have been updated.

Note 6 – Shareholding

Shareholding at 31 of December 2019:

Company	Name of shareholder	Number of shares	Percentage of shares
Care Bidco AS	Care Holdco AS	566.000	100%



Unicare Holding AS is the immediate subsidiary of Care Bidco and a holding company managing the various divisions in which the Group operates. Care Bidco holds 100% of the shares in Unicare Holding AS which in turn holds 100% of the shares in each direct subsidiary, as illustrated by the Group chart above.

Unicare Holding AS was incorporated on 8 September 2010 and registered in the Norwegian Register of Business Enterprises on 27 September 2010, with registration number 995 986 973 and registered address at Pilestredet 56, 0167 Oslo. The company is incorporated in Norway and organised as a private limited liability company in accordance with the Norwegian Private Limited Companies Act. Unicare Holding AS is a holding company with direct ownership of all the Group's Norwegian subsidiaries and indirect ownership of the Swedish entities through Unicare Sverige AS.

Contact person:

Vibecke Skjolde (CFO), vibecke.skjolde@unicare.no

Financial definitions

EBITDA Operating profit before depreciation and amortisation.	Interest-bearing net debt Net debt is used as a simple way to illustrate and assess the Group's ability to meet financial commitments.
Adjusted EBITDA Operating profit before depreciation, amortisation and impairment, adjusted for special items and IFRS 16 impact.	Leverage ratio A leverage ratio is a financial measurement that looks at how much capital comes in the form of debt (loans) or assesses the ability of a company to meet its financial obligations.
Proforma EBITDA Actual EBITDA adjusted for special items, results from discontinued business and estimated EBITDA for acquired companies.	Other items Unusual charge, expense, or loss which is not a normal course of a business.
Organic growth Growth for comparable companies in each segment that Unicare owned during the previous comparative period.	Operating profit Profit from business operations (gross profit minus operating expenses) before deduction of interest and taxes
Operating cash flow Calculated as operating profit including changes in depreciation/amortisation/impairment, working capital and investments in other assets (net).	