



Financial information

Q1 2020

Care BidCo Group

Overview

Bond issuer	Care BidCo AS
Care BidCo (Unicare) Group	Unicare is one of the largest private healthcare and care service providers in the Nordics providing services in Norway and Sweden. Unicare 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	24 March 2017
Listing	September 2017
Final maturity date	24 March 2021
Revenue	A substantial portfolio of framework agreements 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	20 locations in Norway and 14 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.

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Highlights

Commercial

- » The COVID-19 pandemic is causing significant and immediate uncertainty and operational challenges which are likely to impact business performance in the short term. Management is assessing the situation daily and has put in place an operational response plan to ensure business continuity.
- » Unicare has completed the sale of its Nursing Homes and Occupational Health Services (OHS) segments in Q1 2020. These divestments have been conducted to streamline business operations and focus on profitable business areas.

Financial

- » Q1 2020 revenue for continuing operations was NOK 311.9 million, an increase of NOK 53.1 million (20.5%) compared to Q1 2019. Acquisitions completed in Q1 2020 contributed NOK 8.9 million to the increase.
- » Q1 2020 EBITDA for continuing operations were NOK 35.9 million, an increase of NOK 16.6 million (86.2%) compared to Q1 2019. Acquisitions completed in Q1 2020 contributed NOK 0.7 million to the increase. EBITDA adjusted for IFRS 16 impact and special items increased by NOK 16.8 million to NOK 15.2 million.
- » The accounting methodology was changed in 2020 to adjust for the seasonal impact of holidays in June. Spreading vacation liability across the year in line with historical seasonality resulted in a reduction of reported employee benefit expenses of NOK 3.0 million in Q1 2020.
- » In Q1 2020, revenue from framework agreements in the Rehabilitation segment have decreased by NOK 9.3 million due to the estimated impact of COVID-19 on services delivery. This was partly compensated by an estimated NOK 2.9 million cost compensation from Government COVID-19 schemes.
- » Cash position including restricted cash at 31 March 2020 was NOK 76.2 million, down from NOK 87.0 million at 31 December 2019. The main reason for the decrease was NOK 20.5 million of net cash outflow from the acquisitions and divestments completed in Q1 2020.

Organisational

- » Q1 2020 performance has been impacted by the restructuring of the Group.
- » Interim Chief Executive Officer Marja Aarnio-Isohanni and Chief Financial Officer Vibecke Skjolde left Unicare in May 2020. The board is in the process of recruiting a new CEO and CFO.

Going concern

- » The bond loan matures in March 2021. The Group will need to obtain new financing to repay the bond loan when it reaches maturity. The Board of Directors is pursuing a range of alternative financing solutions to ensure both the bond refinancing, and further capital for expansion of the Group.

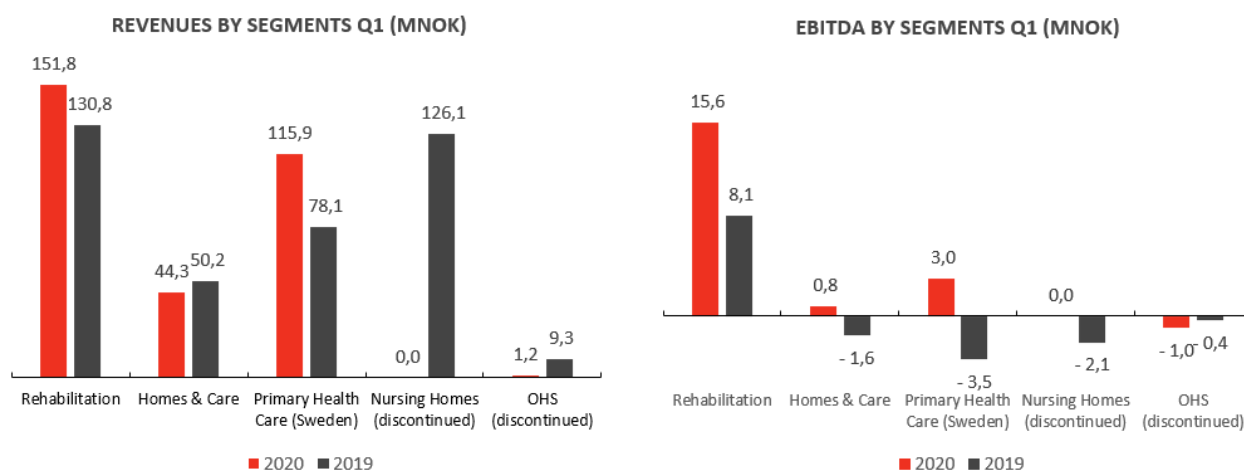
Financial overview

Key figures

Amounts in NOK 1,000,000	Quarters		Full year
	Q1 2020	Q1 2019	2019
Revenue - continuing operations	311.9	258.7	1 113.9
EBITDA - continuing operations	35.9	19.3	107.3
EBITDA margin % - continuing operations	11.5 %	7.4 %	9.6 %
Adjustments:			
IFRS 16 EBITDA impact	-24.7	-20.9	-92.8
Special items	4.1	-	15.4
Adjusted EBITDA - continuing operations	15.2	-1.6	30.0
Operating profit/(loss)	13.1	-1.0	16.1
Net financial items	-10.9	19.8	-77.2
Profit/(loss) after tax continuing operations	2.3	-16.5	-51.9
Profit/(loss) total operations	0.2	-17.0	-130.2
Equity	99.8	188.0	99.1
Cash, including restricted cash	76.2	86.6	87.0
Net debt (excluding lease liabilities)	273.8	266.8	263.1

Note: Q1 2019 figures have been adjusted compared to the Q1 2019 report to reflect the impact of IFRS 16 and discontinued operations.

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



Note: The illustration above excludes other (administration) and elimination, and IFRS 16 accounting policies are not applied to the segment figures.

Board of directors' report

Business review

Divestments

The Nursing Homes and OHS segments were divested in January 2020 and February 2020 respectively. In April 2019, Små Enheter AS (part of Homes & Care) was divested and two loss-making Swedish health clinics were disposed of. These divestments have been conducted to streamline business operations and focus on profitable business areas.

Acquisitions

Unicare acquired 4 entities in Sweden with effect 1 March 2020. The entities are: FHV Services AB, Foretakshelsan i Jönköping AB, Lakarhuset Øster i Jönköping AB and Ögonlakarhuset City i Jönköping AB and are accounted for as part of the Primary Health Care segment. The 4 entities predominantly consist of primary health clinics.

In Q1 2019, the Rehabilitation segment acquired 12Trinns-klinikken AS (now called Unicare 12Trinn) in January 2019 and one LHL-rehabilitation clinic in Røros (now Unicare Røros) in April 2019.

In addition, two primary health clinics were acquired in Q1 2019 in Sweden, in Falun and Töckfors.

COVID-19

The world is currently facing an unpredictable challenge with the spread of the COVID-19. The measures imposed by the Governmental and local authorities in the countries where Unicare operate are still uncertain. The impact of the COVID-19 on Unicare's operation and financials over the coming months will depend on the magnitude and length of the extraordinary measures.

Unicare fully complies with the requirements and recommendations by the Swedish and Norwegian government and health authorities, and measures

are taken to be able continue to deliver health services while limiting the spread of the virus. The operations in Sweden are not affected by the pandemic. However, the Rehabilitation segment in Norway has been impacted: in Q1 2020, recognised revenue from framework agreements have decreased by NOK 9.3 million due to the estimated impact of the pandemic on service delivery. This has been offset by an estimated NOK 2.9 million reduction in expenses due to public COVID-19 compensation schemes. The Norwegian government compensates up to 80% of unavoidable fixed costs.

There have also been minor disruptions in other segments in Norway due to employees or user contamination but operations are running normally.

Unicare closely follows the development of the pandemic and sees the following potential risks:

- » Ability to deliver health services may be impacted if employees and/or users get infected by COVID-19
- » Closure of rehabilitations clinics by the health authorities
- » Unicare has various agreements where payment is contingent on services delivered. The pandemic has resulted in a decrease of referral of patients from the regional health authorities, which may impact the Group's ability to reach its contracted delivery of services.

Several risk mitigants exist including:

- » Infection control measures are taken to protect both employees and users
- » Selective and temporary employee lay-off to reduce operational cost; Unicare is in constant dialogue with the authorities to find adequate solutions whilst continuing to deliver high quality health services;
- » The Norwegian Government has set up a scheme for compensation for loss of revenue

due to COVID-19. The scheme will be in effect for March, April and May. Unicare is qualified to apply for compensation of unavoidable fixed costs under this scheme.

Financial review

Profit and loss

Unicare recorded revenue of NOK 311.9 million from continuing operations in Q1 2020 compared to NOK 258.7 million in Q1 2019.

Adjusted EBITDA for continuing operations in Q1 2020 was NOK 15.2 million compared to NOK -1.6 million for Q1 2019.

Segments

Rehabilitation

Amounts in MNOK	Quarters		Full year
	Q1 2020	Q1 2019	2019
Revenue	151.8	130.8	552.2
EBITDA	15.6	8.1	39.8
EBITDA margin %	10.3%	6.2%	7.2%

- » Q1 2020 revenue was NOK 151.8 million, an increase of NOK 21.0 million from Q1 2019.
- » Q1 2020 EBITDA was NOK 15.6 million, an increase of NOK 7.6 million from Q1 2019.
- » Revenue and EBITDA growth was in part due to the acquisition of the rehabilitation centre Unicare Røros, with an EBITDA contribution of NOK 1.6 million in Q1 2020.
- » Q1 2020 profitability was impacted by COVID-19. NOK 6.4 million have been provisionally held in reserve as Unicare followed a strict interpretation of the RHF agreement (refer to the consolidated financial statements for 2019 note 1 "Revenue from contracts from customers" for additional details).

Homes & Care

Note: Homes & Care segment included Unicare Small Units which was sold in Q1 2019. Divestment of part of a segment does not allow it to be classified as discontinued business under IFRS 5.

Amounts in MNOK	Quarters		Full year
	Q1 2020	Q1 2019	2019
Revenue	44.3	50.2	177.0
EBITDA	0.8	-1.6	5.6
EBITDA margin %	1.7%	-3.2%	3.2%

- » Q1 2019 and full year 2019 includes revenue of NOK 11.8 million from the entity Små Enheter AS that was sold in 2019 (Small Units).
- » Q1 2020 revenue was NOK 44.3 million, a decrease of NOK 5.9 million compared to Q1 2019. Excluding Small Units, the segment has however grown by NOK 6 million compared to Q1 2019.
- » Revenue growth in 2020, adjusted for the NOK 11.8 million related to Small Units, was due to operational turnaround and increased activity within several units.
- » Q1 2020 EBITDA was NOK 0.8 million, an increase of NOK 2.7 million from Q1 2019.
- » Profitability was driven by increased utilization and continuous initiatives of new management to ensure effective use of resources and cost control. Small Units had EBITDA of NOK -0.7 million in Q1 2019.

Primary Health Care (Sweden)

Amounts in MNOK	Quarters		Full year
	Q1 2020	Q1 2019	2019
Revenue	115.9	78.1	388.9
EBITDA	3.0	-3.5	-0.7
EBITDA margin %	2.6%	-4.5%	-0.2%

- » Q1 2020 revenue was NOK 115.9 million, an increase of NOK 37.9 million compared to Q1 2019.
- » Revenue growth was primarily driven by the acquisition of four entities in Jönköping (refer to note 5 for further details), increasing revenue by NOK 8.9 million and adding a NOK 0.7 million to the quarter's EBITDA.
- » Q1 2020 EBITDA was NOK 3.0 million, an increase of NOK 6.5 million compared to Q1 2019.
- » EBITDA growth was driven by the 4 entities acquired which contributed by NOK 1 million to Q1 2020, and was also positively impacted by several operational improvements, as well as

the Swedish government's decision to reduce employer contributions in light of COVID-19.

Financial position

Total assets value on 31 March 2020 was marginally reduced compared to 31 December 2019, due to the net effect of the acquisitions and divestments carried out in the quarter. The increase in other short-term liabilities relates primarily to liabilities to the divested Nursing Homes, accrual of holiday pay in the quarter and new consolidated entities.

Liquidity

Cashflow

Cash equivalents and restricted cash amounted to NOK 76.2 million at 31 March 2020, down from NOK 87.0 million at 31 December 2019. The main reason for the decrease was NOK 20.5 million of net cash outflow from the acquisitions and divestments carried out in the quarter. The Group will not commit to new acquisitions without having secured new financing.

Net interest-bearing debt (excluding lease liabilities) at 31 March 2020 was NOK 273.8 million. Net cash flow from operating activities improved compared to Q1 2019, primarily due to improved business performance.

Bond

The long-term debt financing (excluding lease liabilities) for the Unicare Group is made up of a listed bond loan.

There are no covenant requirements in the bond loan agreement, except that the Group is required to maintain minimum bank deposits of NOK 35 million. There is an option to raise another NOK 350 million, subject to incurrence test at Group level: leverage ratio (net debt / pro forma EBITDA) below 4.0x on a rolling 12-month basis and interest coverage (pro forma EBITDA / net interest) above 3.0x. Pro forma EBITDA is adjusted for special items, and entities, assets or operations acquired or disposed of by the Group. Currently the Group does not comply with

these ratios and is consequently unable to increase the bond loan.

SPECIAL ITEMS

Amounts in MNOK	Quarters		Full year
	Q1 2020	Q1 2019	2019
Restructuring	4.1	0	10.2
Guarantee liability	0	0	4.1
M&A-DD cost	0	0	1.1
Total	4.1	0	15.4

The restructuring costs of NOK 4.1 million relate to the changes in management and associated costs.

As defined by the bond loan agreement, net interest-bearing debt (excluding lease liabilities) and leverage ratio is as follows:

Amounts in MNOK	Q1	Q4	Q3	Q2
	2020	2019	2019	2019
Cash, cash equivalents and restricted cash	76.2	87.0	53.1	61.1
Interest bearing debt	350.0	350.0	350.0	350.6
Net debt	273.8	263.1	296.9	289.5
Leverage ratio	5.9x	6.9x	5.7x	4.2x

The bond loan matures on 24 March 2021. The Board of Directors is pursuing a range of alternative financing solutions to ensure both the bond refinancing, and further capital for expansion of the Group.

Going concern

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

Unicare is taking a conservative approach to revenue recognition and have provisionally held back revenue in line with a strict interpretation of the framework agreements, especially in the Rehabilitation segment.

The Board of Directors has made a thorough evaluation of the business status, prospects, possibility of obtaining new financing and complying with the minimum NOK 35 million liquidity requirement. Based on these evaluations, the Board of Directors is of the opinion that the Group has enough liquidity and working capital to continue its operations until the final maturity date of the bond

loan on 24 March 2021. A liquidity forecast undertaken for 2020 based on the latest trading view and impact of COVID-19 further supports this.

Changes to Unicare leadership

Resignation of Interim CEO

Interim Chief Executive Officer Marja Aarnio-Isohanni resigned on 8 May 2020. She will be available to assist with questions and relevant tasks. The board is in the process of hiring a new CEO.

Resignation of CFO

Chief Financial Officer Vibecke Skjolde stepped down as CFO on 19 May 2020. The board is in the process of hiring a new CFO. In parallel, several additional hires have been made in the Finance team to strengthen it.

Outlook

In the short term, the 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. In general, a relatively large portion of healthcare expenditures are funded through governmental financing and responsibility for allocation therein lies with the local authorities or governments. The Nordic countries rank in the world top ten in terms of healthcare spending per capita. A wide and far reaching involvement of the Government both organizationally and financially are prevalent in all the Nordic countries. Hence, the

political environment and agenda often dictate the private investment activity, which in turn can be both positive and negative for private providers. The healthcare system is primarily funded by public sources, comprising financing from central and local governments and from the National Insurance Scheme.

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 and delivering high quality services. Securing new long-term financing is also high on the agenda. In the medium term, organizational improvements are underway with a focus on the implementation of organizational changes, cost control, improved governance and quality of reporting.

Oslo, Norway, 29 May 2020
The Board of Directors of Care BidCo AS

Laurent Gerard Ganem
Chairman

Renaud Vincent Dessertenne
Board member

Richard Oliver Hoenich
Board member

Interim condensed financial information

Condensed consolidated statement of profit and loss

Amounts in NOK 1,000	Quarters		Full year
	Q1 2020	Q1 2019	2019
Continuing operations			
Revenue	310 235	258 180	1 108 158
Other operating income	1 644	559	5 765
Total operating revenue	311 879	258 739	1 113 923
Operating expenses			0
Raw materials and consumables used	49 338	38 280	180 457
Employee benefits expense	196 494	172 202	697 925
Other operating expenses	30 168	28 985	128 249
Total operating expenses	276 000	239 467	1 006 631
EBITDA	35 879	19 272	107 292
Depreciation and amortization	22 736	20 262	86 049
Impairment losses	0	0	5 131
OPERATING PROFIT OR LOSS	13 143	-990	16 112
Interest income	503	369	1 005
Other financial income	8 214	0	152
Total financial income	8 717	369	1 157
Financial expenses			0
Interest expenses	19 299	17 505	75 548
Other financial expenses	299	2 619	2 820
Total financial expenses	19 599	20 123	78 368
NET FINANCIAL ITEMS	-10 882	-19 754	-77 211
PROFIT/(LOSS) BEFORE TAXES	2 261	-20 743	-61 099
Tax expense	-65	-4 240	-9 212
PROFIT/(LOSS) AFTER TAX CONTINUED OPERATIONS	2 327	-16 503	-51 887
PROFIT/(LOSS) AFTER TAX DISCONTINUED OPERATIONS	-2 112	-526	-78 272
PROFIT/(LOSS) AFTER TAX TOTAL OPERATIONS	214	-17 029	-130 159

Condensed consolidated statement of comprehensive income

Amounts in NOK 1,000	Quarters		Full year
	Q1 2020	Q1 2019	2019
Profit/(loss) after tax total operations	214	-17 029	-130 159
<i>Items that will not be reclassified to profit or loss:</i>			0
Remeasurement of post-employment benefit obligations	0	0	31 036
Income tax on items not reclassified	0	0	-6 828
Total items that will not be reclassified to profit or loss	0	0	24 208
<i>Items that will not be reclassified to profit or loss:</i>			0
Translation differences	540	-362	-392
Total items that will not be reclassified to profit or loss	540	-362	-392
Total other comprehensive income	540	-362	23 815
Total comprehensive income	754	-17 391	-106 344

Condensed consolidated statement of financial position

Amounts in NOK 1,000	Note	At 31 March 2020	At 31 December 2019
ASSETS			
NON-CURRENT ASSETS			
Deferred tax assets		12 666	12 357
Intangible assets		9 752	10 876
Goodwill		478 600	440 970
Total intangibles, goodwill and deferred tax assets		501 018	464 202
Tangible assets			
Buildings		54 504	54 368
Furniture, fixtures and equipment		48 260	50 850
Right of use assets		626 426	625 973
Total tangible assets		729 189	731 192
Financial assets, non-current			
Other non-current financial assets		8 041	8 055
Restricted bank accounts		35 000	35 000
Total financial assets, non-current		43 041	43 055
Total non-current assets		1 273 248	1 238 450
CURRENT ASSETS			
Inventories		2 347	2 287
Account receivables and contract assets		43 673	43 192
Other receivables and prepayments		42 798	29 876
Cash and cash equivalents		41 210	51 991
Total current assets		130 028	127 346
Assets held for sale		0	48 690
TOTAL ASSETS		1 403 276	1 414 486

Condensed consolidated statement of financial position

Amounts in NOK 1,000	At 31 March 2020	At 31 December 2019
EQUITY AND LIABILITIES		
EQUITY		
Paid-in equity		
Share capital	566	566
Share premium	565 376	565 376
Total paid-in equity	565 942	565 942
Other equity	-466 094	-466 848
TOTAL EQUITY	99 848	99 094
LIABILITIES		
LONG-TERM LIABILITIES		
Pension liabilities	37 052	36 387
Deferred tax liabilities	2 341	2 610
Bonds	350 000	349 271
Lease liability	593 744	594 190
Total long-term liabilities	983 137	982 457
SHORT TERM LIABILITIES		
Accounts payable	46 575	55 364
Income taxes payable	0	10
Indirect taxes and employee tax deductions payable	30 260	37 060
Other short-term liabilities	190 972	104 880
Lease liability	52 484	47 928
Total short-term liabilities	320 292	245 243
Liabilities held for sale	0	87 692
TOTAL LIABILITIES	1 303 428	1 315 392
TOTAL EQUITY AND LIABILITIES	1 403 276	1 414 486

Condensed consolidated statement of changes in equity

Amounts in NOK 1,000	Note	Share capital	Share premium	Translation difference	Other equity	Total equity
Balance at 1 January 2020		566	565 376	-804	-466 044	99 094
Profit for the period					214	214
Total OCI for the period		0	0	540	0	540
Total CI for the period		0	0	540	214	754
Balance at 31 March 2020		566	565 376	-264	-465 829	99 848
Balance at 1 January 2019		566	565 376	-412	-360 092	205 438
Loss for the period					-17 029	-17 029
Total OCI for the period				-362		-362
Total CI for the period				-362	-17 029	-17 391
Balance at 31 March 2019 (restated)		566	565 376	-773	-377 121	188 047
Balance at 1 January 2019		566	565 376	-412	-360 093	205 438
Loss for the period					-130 159	-130 159
Total OCI for the period				-392	24 208	23 815
Total CI for the period					-105 951	-106 344
Balance at 31 December 2019		566	565 376	-804	-466 044	99 094

Condensed consolidated statement of cash flows

Amounts in NOK 1,000	Quarters		Full year
	Q1 2020	Q1 2019	2019
Cash flow from operating activities			
Profit / (loss) before income tax continued operations	2 261	-20 743	-61 099
Profit / (loss) before income tax discontinued operations	-2 333	-1 169	-82 068
Profit / (loss) before income tax total operations	-71	-21 913	-143 167
Income tax paid	654	758	-561
Profit or loss through sale of assets	0	0	2 607
Depreciation and impairment loss	22 769	20 799	179 051
Difference between paid and expensed pension	666	1 571	-7 021
Changes in inventory	-7	12	971
Changes in receivables	336	10 197	17 694
Changes in supplier debts	-13 542	5 064	19 887
Changes in accruals and prepayments	12 647	-18 304	9 344
Net cash flow from operating activities	23 452	-1 816	78 805
Cash flow from investing activities			
Purchases of property, plant and equipment	-823	-1 662	-10 885
Purchases of intangible fixed assets	0	-100	-100
Repayments on other loan receivables	185	-229	-697
Net cash inflow from sale of business	-2 948	0	13
Net cash paid in business combinations	-17 559	-104 499	-137 566
Net cash flow from investing activities	-21 145	-106 490	-149 235
Cash flow from financing activities			
Payments of lease liability	-13 087	-9 367	-45 867
Payments on debt	0	0	-983
Net cash flow from financing activities	-13 087	-9 367	-46 850
Net change in cash and cash equivalents during the year	-10 781	-117 673	-117 281
Cash and cash equivalents at the beginning of the period	51 991	169 272	169 272
Cash and cash equivalents at the end of the period	41 210	51 599	51 991

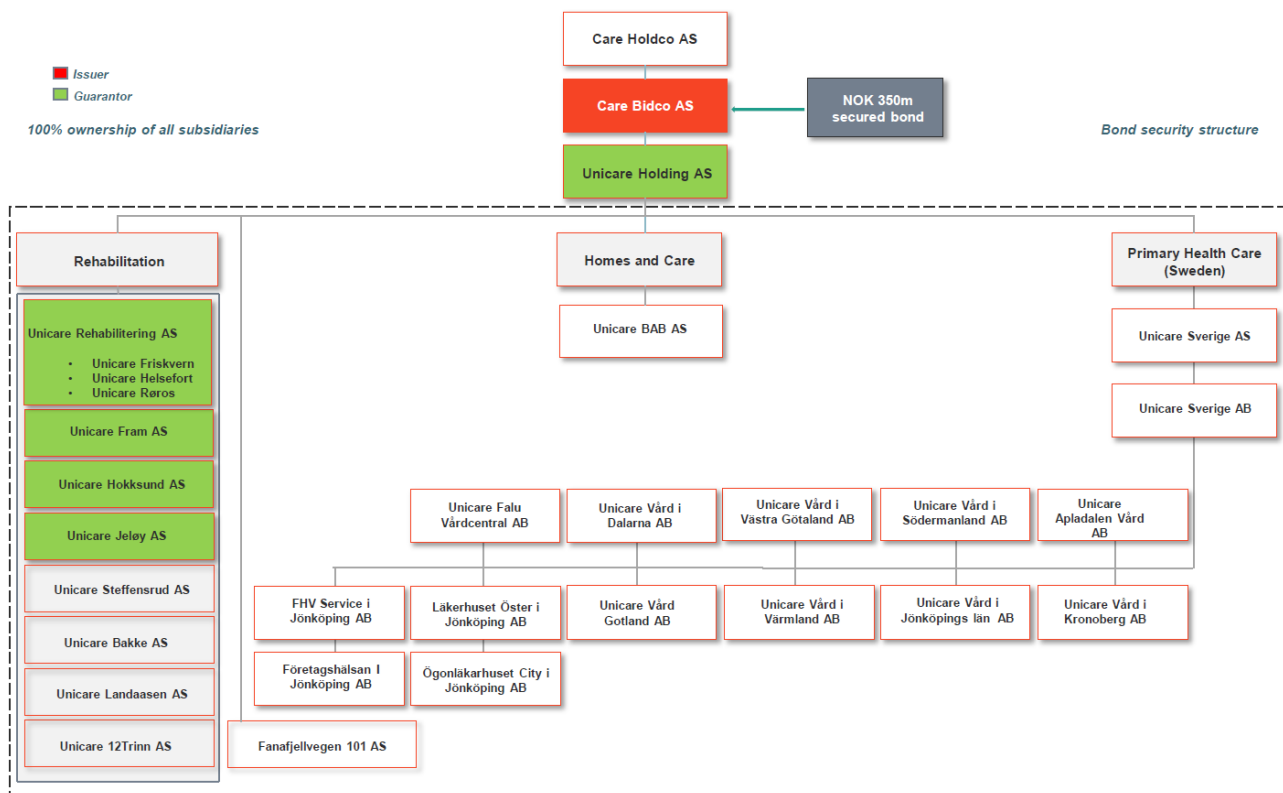
Notes to interim financial statements

1 General information

Unicare is one of the largest private healthcare and care service providers in the Nordics providing services in Norway and Sweden. Unicare was founded in 2008 and is now a leading provider of care services, rehabilitation, primary and specialist health services. The Company is a limited liability company incorporated and domiciled in Norway. The address of the head office is Pilestredet 56, NO-0167 Oslo, Norway.

Group structure at 31 March 2020

The Unicare group consists of Care BidCo AS and its subsidiaries.



Unicare Holding AS is the immediate subsidiary of Care BidCo and a holding company managing the various segments 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.

2 Basis of preparation, accounting policies and estimates for the interim periods

These interim financial statements for Q1 2020 have not been prepared and presented in accordance with IAS 34. The accounting policies used in these interim financial statements comply with the accounting policies as described in the annual consolidated financial statements for 2019. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations set out by the International Accounting Standards Board, as approved by the European Union. The consolidated financial statements are presented in Norwegian kroner (NOK). Amounts are rounded to the nearest thousand, unless stated otherwise. As a result of such rounding, amounts and percentages presented may not add up to the total. The going concern assumption has been applied when preparing this interim financial report. This interim financial report has not been audited. The report was approved by the Board of Directors on 29 May 2019.

Changes in estimates for the interim period 2020

The preparation of the financial statements in accordance with IFRS requires management to make judgments and use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Assumptions and estimations for the calculation of holiday pay liabilities and recognised revenue for the interim periods have been adjusted compared to the interim periods in 2019. For Q1 2020, liabilities for holiday pay have been estimated in more detail than compared to Q1 2019, which lead to a reduction in employee benefit expenses of NOK 3.0 million. For some of the services offered, most notably in the Rehabilitation segment, revenue in Q1 19 was recognised based on the assumption that specific targets would be achieved by year end to obtain the agreed total revenue per year (e.g. service utilization between 95% and 100%). As the pandemic disrupted the delivery of services, revenue recognition is now based on an estimate of actual utilization over the period. This led to a negative adjustment to Q1 2020 revenue of NOK 9.3 million.

Changes in Q1 2019 figures

In Q4 2019, a thorough review of the calculation of the implementation effects of IFRS 16 for leases was undertaken. On this basis, Q1 2019 figures have been adjusted compared to the Q1 2019 report.

Q1 2019 figures have been adjusted for discontinued operations compared to the Q1 2019 report.

3 Revenue and segments

Revenue

Amounts in NOK 1,000	Quarters		Full year
	Q1 2020	Q1 2019	2019
Rehabilitation *	151 819	130 841	552 232
Homes & Care **	44 278	50 191	176 990
Primary Health Care (Sweden) ***	115 946	78 078	388 937
Nursing Homes (discontinued)	0	126 086	456 131
OHS (discontinued)	1 229	9 315	25 844
Elimination and other	-164	-371	-4 237
Total revenue	313 108	394 140	1 595 898
Reclassified to discontinued operations	1 229	135 401	481 975
Total revenue from continuing operations	311 879	258 739	1 113 923

Notes:

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

** Includes Små Enheter AS in Q1 2019.

*** Includes FHV Services AB, Foretakshelsan i Jönköping AB, Lakarhuset Øster i Jönköping AB and Ögonlakarhuset City i Jönköping AB from 1 March 2020.

EBITDA and reconciliation to operating profit/(loss)

Amounts in NOK 1,000	Quarters		Full year
	Q1 2020	Q1 2019	2019
Rehabilitation	15 640	8 089	39 782
Homes & Care	754	-1 606	5 606
Primary Health Care (Sweden)	3 045	-3 489	-735
Nursing Homes (discontinued)	0	-2 136	5 841
OHS (discontinued)	-964	-373	-7 129
Other (administration)	-8 297	-2 683	-22 865
Total EBITDA segment reporting	10 178	-2 198	20 499
IFRS 16 impact	24 736	20 879	92 754
Total EBITDA incl. IFRS 16 impact	34 915	18 680	113 253
Reclassified to discontinued	-964	-592	5 961
EBITDA continuing operations	35 879	19 272	107 292
Depreciations and amortisation	-22 736	-20 262	-86 049
Impairment	0	0	-5 131
Operating profit/(loss) from continuing operations	13 143	-990	16 112

The Group is now structured in three segments: *Rehabilitation*, *Homes and Care* and *Primary Health Care (Sweden)*. Nursing Homes and OHS segments were sold in Q1 2020. Refer to the consolidated annual financial statements for 2019 for further information on the segments.

4 Leases

Refer to the consolidated annual financial statements for 2019 for description of IFRS 16, Unicare's lease contracts and significant judgements. Unicare has recognised significant amounts of right of use assets and lease liabilities.

Right of use (RoU) assets and lease liabilities

Amounts in NOK 1,000	Properties	Cars	Total RoU assets	Lease liabilities
Balance 31 December 2019	624 784	1 189	625 973	642 118
Adjustments	9 650	0	9 650	9 650
Additions	7 985	0	7 985	7 547
Depreciation	-16 915	-268	-17 183	
Interest expense				11 649
Lease payments (interest and instalments)				-24 736
Balance 31 March 2020	625 505	921	626 426	646 228

Lease liabilities

Amounts in NOK 1,000	At 31 March 2020
Maturity analysis - contractual undiscounted cash flow	
Less than one year	97 327
One to five years	312 611
More than five years	649 598
Total undiscounted lease liabilities at 31 March 2020	1 059 536
Lease liabilities included in the statement of financial position at 31 March 2020	646 228
Current	52 484
Non-current	593 744

IFRS 16 profit and loss effects

Amounts in NOK 1,000	Quarters		Full year
	Q1 2020	Q1 2019	2019
Reduced operating expenses	24 736	20 879	92 754
EBITDA	24 736	20 879	92 754
Depreciation	-17 183	-13 922	-64 263
EBIT	7 554	6 957	28 491
Interest expenses	-11 649	-11 512	-46 887
Profit/(loss) before tax for the period	-4 096	-4 555	-18 396

Leases in the statements of cash flows

In the statements of cash flows the cash payments for the principal are classified within cash flow from financing activities. The interest portion of the lease liability is classified as net financial items within cash flow from operating activities.

5 Business combinations

Unicare acquired the following “Jönköping entities” in Q1 2020: FHV Services AB, Foretakshelsan i Jönköping AB, Lakarhuset Øster i Jönköping AB and Ögonlakarhuset City i Jönköping AB. The acquisitions were paid from available cash and cash equivalents. The companies are consolidated into the Group with effect from 1 March 2020.

A preliminary purchase price allocation has been made, with all excess values allocated to goodwill:

Values at the acquisition date in NOK 1,000	
Acquisition date	1 March 2020
Current receivables and accrued revenue	5 965
Property, plant and equipment	480
Cash and cash equivalents	12 619
Total identifiable assets	19 065
Other current liabilities	19 420
Total identifiable liabilities	19 420
Net identifiable assets	-355
Goodwill	30 533
Total consideration for the shares	30 178
Settled with cash	30 178
Cash and cash equivalents	12 619
Net cash paid	17 559

For the first two months of 2020, these companies had estimated aggregate revenue and profit after tax of NOK 14.6 million and NOK 0.1 million, respectively. The Jönköping entities had aggregate revenue and profit after tax of NOK 8.9 million and NOK 0.5 million, respectively for the month of March for which they are consolidated into the Group. Refer to note 21 Business combinations to the consolidated annual financial statements for 2019 for further information.

6 Discontinued operations

At the end of 2019, Unicare entered into an agreement with the Foundation Diakonissehuset Lovisenberg and sold its five nursing homes in Oslo. The closing date for the transaction was 15 January 2020. For practical purposes, the Nursing Homes segment was deconsolidated with effect from 1 January 2020. At 31 December 2019, the segment Occupational Health Services (OHS) in Norway was accounted as “held for sale” and reported as “discontinued operations” in the consolidated statements of profit and loss for 2019 and 2020. The sale of OHS was closed on 3 February 2020.

See note 22 to the consolidated annual financial statements for 2019 for further information. The table below shows the Group external profit and loss items that have been presented as discontinued operations.

Amounts in NOK 1,000	Quarters		Full year
	Q1 2020	Q1 2019	2019
Total operating revenue	1 229	135 401	480 269
Operating expenses excl. depr., amort, and impairment	2 194	135 993	474 308
Depreciation and amortization	34	537	1 879
Impairment losses	0	0	85 992
Total operating expenses	2 228	136 530	562 180
OPERATING PROFIT OR LOSS	-998	-1 129	-81 911
NET FINANCIAL ITEMS	-2	-40	-157
PROFIT/(LOSS) BEFORE TAXES	-1 000	-1 169	-82 068
Tax expense	-220	-644	-3 796
PROFIT/(LOSS)	-780	-526	-78 272
Gain/(loss) on sale	-1 332	0	0
Tax on gain/(loss)	0	0	0
PROFIT/(LOSS) AFTER TAX DISCONTINUED OPERATIONS	-2 112	-526	-78 272

7 Subsequent events

COVID-19

The Rehabilitation segment in Norway has been impacted by COVID-19. In April 2020, revenue from framework agreements has provisionally been decreased by NOK 28.2 million due to the estimated impact of the pandemic on service delivery. It is uncertain if Unicare will be compensated for this, but negotiations are ongoing with the regional health authorities. This has been offset by an estimated NOK 6.1 million reduction in expenses due to public COVID-19 compensation schemes.

Factoring

Unicare entered into a factoring agreement with Aros Kapital in Q2 2020. In May 2020, Unicare received NOK 16.6 million for a portion of the Rehabilitation services delivered to the regional health authority Helse Sør-Øst in June 2020.

Resignation of Interim CEO

Interim Chief Executive Officer Marja Aarnio-Isohanni resigned on 8 May 2020. She will be available to assist with questions and relevant tasks. The board is in the process of hiring a new CEO.

Resignation of CFO

Chief Financial Officer Vibecke Skjolde stepped down as CFO on 19 May 2020. The board is in the process of hiring a new CFO.

Change in board of directors

The extraordinary general meeting 21 May 2020 of Care Bidco AS removed Tom Tidemann-Andersen as member of the Board of Directors of the Company. The Board of Directors is now composed of Laurent Ganem, Renaud Dessertenne, and Oliver Hoenich.

Definitions

Alternative performance measures (APMs)

The Unicare group uses the following financial measures which are not financial measures as defined by IFRS. The APMs are used consistently over time and accompanied by comparatives for the corresponding previous periods.

EBITDA

Operating profit before depreciation, amortisation and impairment.

EBITDA margin

EBITDA divided by revenue

Operating profit

Profit from business operations (revenue minus operating expenses) before net interest and income taxes.

Bond loan agreement

ESMA' guidelines for APMs are not applicable to information to explain the compliance with the terms of an agreement, such as lending covenants. The Group is required to report certain calculated and adjusted figures under the bond loan agreement, and the Group consequently do not regard these as APMs according to the guidance.

The bond loan agreement requires the Group to maintain minimum bank deposits of NOK 35 million. There is an option to raise another NOK 350 million,

subject to incurrence test on Group level: leverage ratio (net debt / pro forma EBITDA) below 4 on a rolling 12-month basis and interest coverage (pro forma EBITDA / net interest) above 3.

Special items

Any items (positive or negative) of a one off, non-recurring, non-operational, extraordinary, unusual or exceptional nature (including, without limitation, restructuring expenditures).

Adjusted EBITDA

Operating profit before depreciation, amortisation and impairment, adjusted for special items and IFRS 16 impact.

Proforma EBITDA

Proforma EBITDA is EBITDA adjusted for special items and entities, assets or operations acquired or disposed of by the Group.

Interest-bearing net debt

Bond loan debt minus cash and restricted cash. Net debt is used as a simple way to illustrate and assess the Group's ability to meet financial commitments.

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.