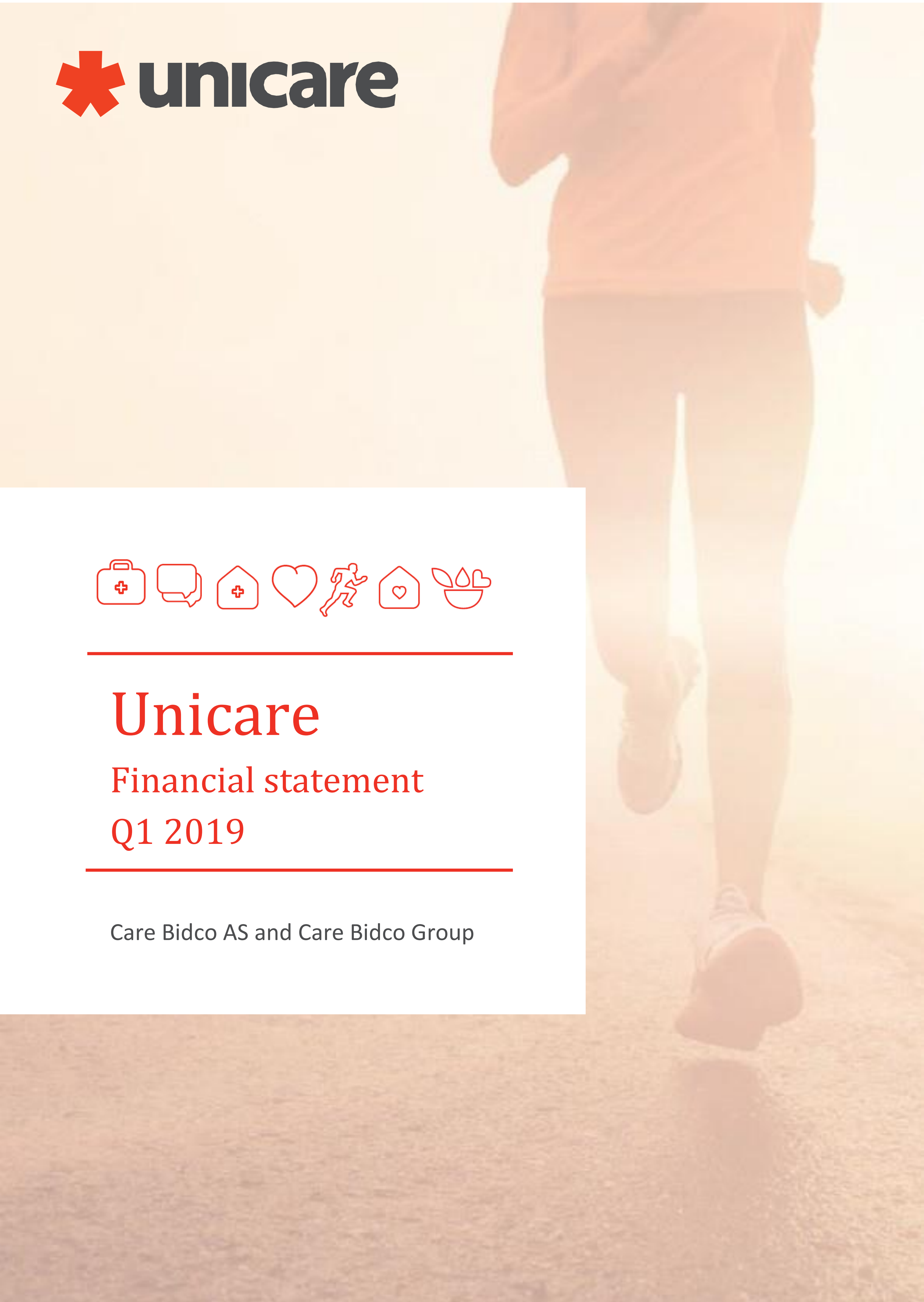


Unicare

Financial statement
Q1 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 Norway. The Company was founded in 2008 and is now a leading provider of care services, health clinics, rehabilitation and in specialist health services.
Commitment	NOK 350 million
Bond issued	March 24, 2017
Listing	September, 2017
Final Maturity date	March 24, 2021
Income	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 large corporates.
Geography	40 locations in Norway and 11 in Sweden
Employees	The Unicare Group has approximately 2,800 employees in Norway and Sweden.

For further updated information please see our website
www.unicare.no

Quarterly update

High M&A activity, high sales activity and growth in 12 months rolling EBITDA

Summary of the first quarter

- High activity within M&A from Q4 continues in Q1. Successful closing of the three acquisitions addressed in the Q4 report. A fourth acquisition was closed in December 2019. Positive EBITDA effect from the transactions in Q1 2019
- Strong development in Rehabilitation and Unicare BAB continues with increased turnover and EBITDA
- Followed by restructuring in 2018 and Q1 2019, the underlying EBITDA and the 12-month running EBITDA are increasing. The restructuring continues into Q2 with the closure of another loss-making unit in Sweden and signing of a LOI for another strong VC
- EBITDA for Q1 2019 is NOK 18.7 million. The implementation of IFRS 16 had a positive effect on the EBITDA amounting to NOK 20.9 million. The increase in EBITDA relates to reallocation and reduced booked lease costs. Increased depreciations and increased calculated interest cost related to the lease obligations reduces profit before tax by NOK 11.3 million (net effect of IFRS 16)
- The EBITDA for Q1 19 adjusted for the IFRS16 effect is NOK -2.2 million, an increase in profitability by NOK 1.5 million compared to Q1 2018. We see a strong growth in underlying EBITDA in Q1 2019 compared to the same period in 2018
- Driven by growth in the Rehabilitation division and Unicare BAB (Division Homes & Care), the turnover in Q1 2019 increased by NOK 7.6 million compared to Q1 2018. Q1 2019 revenue is NOK 394.1 million.
- Q1 2019 cash and cash equivalents of NOK 86.6 million, is down from NOK 204.3 million at year end 2018. Net debt amounting to NOK 266.8 million. The cash position has been reduced after closing of new acquisitions in Q1 2019

Turnover and EBITDA – Unicare group

Q1 2019 revenue NOK 394.1 million compared to Q1 2018 revenue NOK 386.5 million. Unicare continues its revenue growth in Q1 2019 compared to Q1 2018 mainly driven by organic growth in Unicare BAB AS and from growth in acquired units in the Rehabilitation and in Sweden.
On the downside, the downsizing and sale of Unicare Små Enheter AS and the closing down of the Psychology business reduces the turnover in Q1 2019 compared with Q1 2018 by NOK 9.5 million. As of January 2019, the Occupancy Health Care (OHS) is part of the Rehabilitation division.

The EBITDA in Q1 at NOK 18.7 million (adjusted for IFRS 16 effect NOK -2.2 million). The adjusted EBITDA is up NOK 1.5 million compared to Q1 2018. EBITDA improvements are driven by profitability improvements in Unicare BAB AS (Homes & Care) and by acquired units in the Division Rehabilitation. Driving down the profitability are the sold units Unicare Små Enheter AS and the Swedish operations (two units).
The market for child care has been demanding in 2018 and it has been decided to exit the market and dispose of the unit. Hence the company was sold with effect from the 1st of April 2019.

By narrowing our activity and exiting unprofitable areas we see a solid growth in EBITDA for 2019.
The combination of closing down and selling unprofitable units, and the acquisitions of rehabilitation units and health clinics in Sweden is driving the 12 months running proforma EBITDA excluding IFRS 16 effect to NOK 75.6 million exiting Q1 2019.

During Q1 there were also two recruitments for senior managerial positions. The role of CEO will be relinquished by Tom Tidemann in order for him to focus fully on M&A and marketing, the role will be filled by Christoffer Sundby. Christoffer comes to Unicare with extensive leadership experience and from his previous role as a Senior Vice President at Circle K. The current CFO has chosen to exit Unicare in July and the successor for the role of CFO has also been filled. Both positions will be starting in August.

More details to follow under the section Segments.

M&A

The high M&A activity from Q4 2018 continues into Q1 and Q2 2019. The four announced acquisitions in the Q4 report are all closed. The Unicare Rehabilitation Division acquired 12Trinns-klinikken in Bergen and one of LHL-rehabilitation clinics in Røros. Unicare Røros is a highly respected clinic focusing on recovery after operations and interventions related to heart, lung and cancer treatments. 12 Trinnsklinikken AS (now Unicare 12Trinn) is an approved clinic in multidisciplinary specialist substance abuse treatment and offers inpatient treatment for different types of addictions. The two remaining acquisitions are health clinics in Falun and Töckfors, both Sweden. Both closed in Q1. The FY turnover effect for the acquired companies/assets is forecasted to NOK 150 million.

In Q1 two loss making Swedish health clinics were disposed. In Sweden we have also signed an LOI to acquire another strong unit centrally located amidst our others, with expected closure in Q3/Q4. In addition, Unicare closed the disposal of the child care company Unicare Små Enheter AS (1st of April). From Q2 2019 the Homes & Care division will consist of Unicare BAB AS.

The acquisitions are expected to strengthen our portfolio considerably, giving us access to new segments and strengthen established areas geographically. The acquisitions have contributed positively to the growth in EBITDA in Q1. The effect from the disposals will be visible in the Q2 figures and onwards. The positive total EBITDA -effect can be seen in the 12-month rolling pro-forma EBITDA.

Segments

Unicare Rehabilitation & OHS EBITDA in Q1 was NOK 7.7 million. The second largest unit in 2018 is performing well, and Rehabilitation & OHS is the largest and most profitable Division in Q1 2019. The segment will be the leading segment in the group in 2019 when it comes to both turnover and EBITDA. The turnover in 2019 is expected to exceed NOK 550 million.

After a step-up period for Unicare Helsefort in 2018, the unit established January 2018 is now performing according to plan. All companies in the **Rehabilitation** segment are developing well, the only unit weighting the EBITDA down is the unit Occupancy Health Care (OHS) this was integrated to the segment in Q4 2018. High sales activity and measurements are in progress to increase profitability in this unit.

A substantial part of the turnover in the division is predictable and based on the agreements with Helse Sør-Øst and Helse Midt.

The former segment **Occupational health service (OHS)** is reporting and managerially wise included in the segment Rehabilitation & OHS as from Q1. The operational change was made in Q4 2018.

The restructuring of the company Unicare Helse AS continues and implemented measures on sales and costs are showing rewards. The profitability and turnover are increasing in Q1 2019 compared to the same period in 2018. The staffing levels have been reduced during 2018, sales focus is increasing, and a new General Manager is in place.

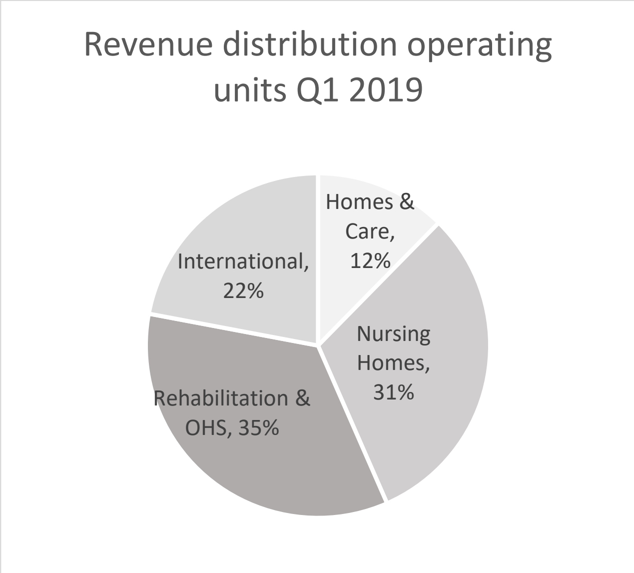
The turnover in the second largest unit **Nursing homes** is decreasing by NOK 8.5 million in the quarter compared to Q1 2018. The reduction is caused by the disposal of Unicare Hjemmetjenester AS in Q4 2018. Q1 2019 EBITDA in Q1 2019 is NOK -2.1 million compared to NOK -0.8 million in Q1 2019. The reduction in EBITDA is related to closing costs, higher salary costs and temporary staffing cost related to the Home Ammerudlunden. The City Council of Oslo has decided to end the contract with Unicare and other private providers. This is part of a plan aimed at converting a 25% share of the nursing homes to be run by non-profit organizations. The company is well into the planning of developing alternative possibilities to compensate for the possible loss of the Nursing homes, should the left-wing coalition win another term of power in Oslo from September 2019. If the conservatives return to power, we expect this sector to return to the previous profitable highs of 2012 -2016.

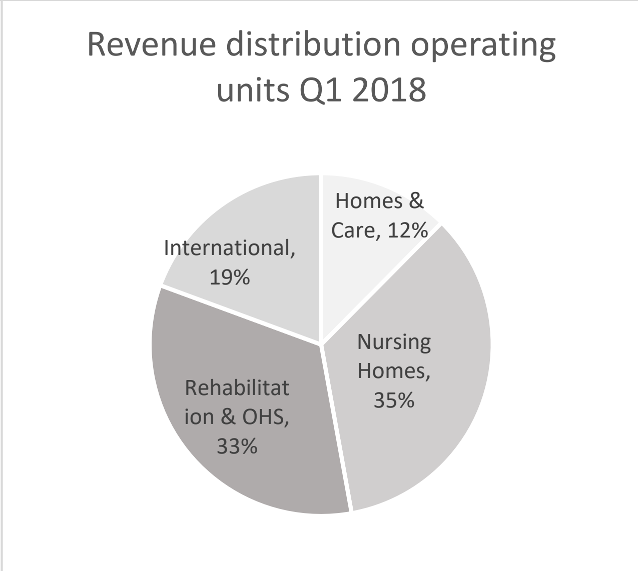
The **Swedish operation** had a negative EBITDA in Q1 of NOK 3.5 million, a reduction from NOK -1.6 million in Q1 2018. The main reason for low profitability in Sweden is reduced turnover and profitability at two out of the eleven operating units. Measurements have been taken to increase

profitability and increase number of patients in Visby/Gotland, and a new Manager is in place from December 2018. Two units have been disposed in Q1 2019 and two units have been acquired, with a third LOI signed in Q2, thus contributing to improvement in the rolling 12-month proforma EBITDA.
Measurements related to declining number of patients are showing effect in Q1 2019. The number of patients is increasing month by month. Both in Q1 2019 and in 2018, the division is hit by lack of own doctors and nurses. High use of temporary staffing is driving staffing costs in some of the units.

Unicare BAB, part of **Homes & Care** closed Q1 with an EBITDA of NOK -1,6 million an improvement of NOK 1.2 million from Q1 2018. The result is ahead of budget. The company has experienced strong positive effects related to salary costs and improved utilization of houses in 2018. Additionally, the Unit BPA (personal assistance) has experienced a 300% increase in revenues during 2018, and the growth continues in 2019. Unicare BAB is developing positively and are gaining market shares through increased number of clients.
Unicare BAB has been actively marketing their services in Q1 and attained another substantial contract for respite care this May.

In the same division, Unicare Små Enheter AS has seen a challenging situation in 2018. The unit was decided sold and the SPA was signed in Q1. The closing of the sale took place in Q2 with effect from the 1st of April 2019.


Revenue distribution operating units Q1 2019
Homes & Care, 12%
Nursing Homes, 31%
Rehabilitation & OHS, 35%
International, 22%

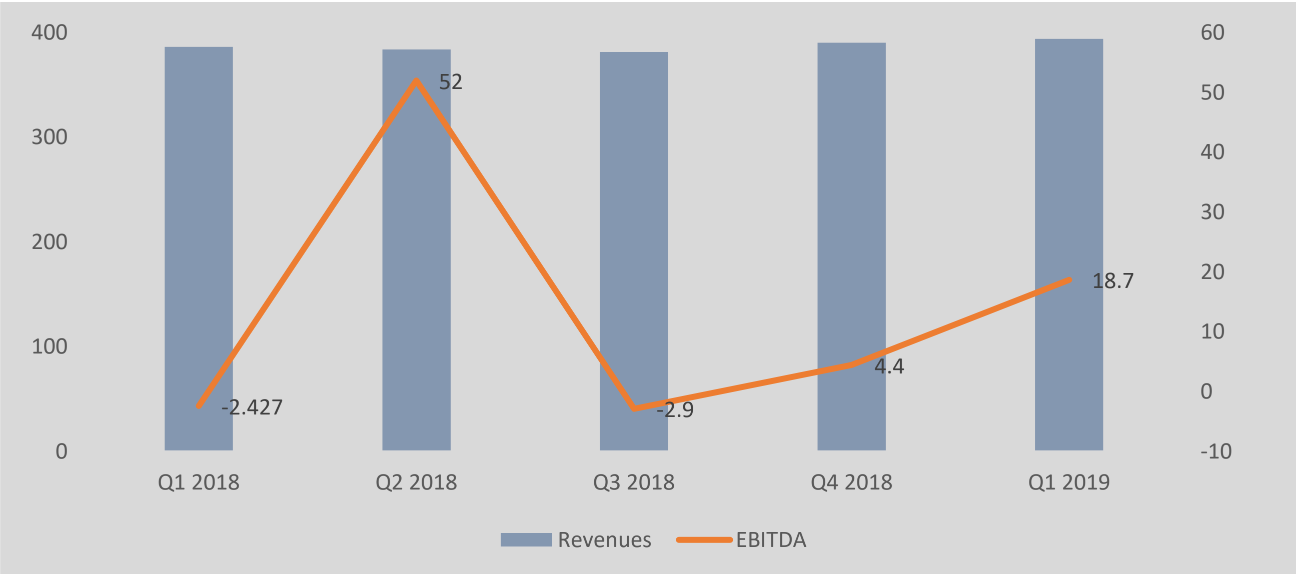

Revenue distribution operating units Q1 2018
Homes & Care, 12%
Nursing Homes, 35%
Rehabilitation & OHS, 33%
International, 19%

Financials Q1 2019

		Unicare Group	
MNOK	Q1 2019	Q1 2018	2018*
Total operating revenue	394,1	386,5	1 542,7
Depreciation	27,8	6,5	25,8
EBITA	-9,1	-10,3	-80,9
EBITDA	18,7	-3,7	28,8
Normalized EBITDA	**18,7**	**-2,4**	**46,7**
IFRS 16 EBITDA effect	**20,9**	**NA**	**NA**
NET FINANCIAL ITEMS	-19,6	-9,5	-39,3
PROFIT BEFORE TAXES	-28,7	-19,8	-120,2
Tax expense	-6,4	-4,6	-4,6
PROFIT AFTER TAX	-22,3	-15,2	-115,6

*2018 - The reduction in profit compared to the Q4 2018 report relates to a one-off write-down of goodwill and intangible assets related to sold or down sized companies Unicare Hjemmetjeneste AS, Unicare Små Enheter AS and Unicare Psykolog AS. For further information please refer to the Unicare Financial statement 2018 for Care Bidco AS and Care Bidco group.

Revenue and normalized EBITDA development (NOK million)



The revenue model and customer contracts for most Unicare units result in a steady turnover flow throughout the year. Steady turnover combined with reduced salary costs in June, contributes each year to a strong Q2 compared to the other quarters. A majority of the profitability is generated in Q2. NB, the IFRS 16 EBITDA effect in Q1 2019 is 20.9 MNOK

Consolidated income statement

Actual reported figures Q1 2019			
MNOK	Q1 2019	Q1 2018	2018
Revenue	393,6	385,7	1 539,9
Other operating income	0,6	0,9	2,7
Total operating revenue	394,1	386,5	1 542,7
Raw materials and consumables used	48,2	43,6	179,5
Employee benefits expense	287,1	283,6	1 086,7
Depreciation and amortizations	27,8	6,5	25,8
Impairment losses	-	-	83,9
Other operating expenses	40,2	63,1	247,7
Total operating expenses	403,2	396,8	1 623,6
OPERATING PROFIT OR LOSS	**-9,1**	**-10,3**	**-80,9**
EBITDA	**18,7**	**-3,7**	**28,8**
Income from subsidiaries	-	-	-
Other interest income	0,4	-	0,1
Other financial income	-	0,6	1,5
Total financial income	0,4	0,7	1,6
Loss from sale of subsidiary	-	-	11,3
Other interest expenses	17,3	5,6	24,0
Other financial expenses	2,6	4,6	5,6
Total financial expenses	19,9	10,2	40,9
NET FINANCIAL ITEMS	-19,6	-9,5	-39,3
PROFIT BEFORE TAXES	-28,7	-19,8	-120,2
Tax expense	-6,4	-4,6	-4,6
PROFIT AFTER TAX	-22,3	-15,2	-115,6

Proforma figures Q1 2019

Proforma figures Q1 2019		
MNOK	Q1 2019	Q1 2018
Total operating revenue	402.3	386.5
EBITDA	22.9	-3.7

The interim statements are prepared according to IFRS and are unaudited. NB, the IFRS 16 EBITDA effect in Q1 2019 is 20.9 MNOK

Net debt

NOK million	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Cash and cash equivalents	86,6	204,3	169,6	176,6	181,2	224,4
Interest bearing debt	353,4	352,2	350,2	350,3	350,3	350,3
Net Debt	266,8	147,9	180,6	173,8	169,1	125,9
Leverage ratio	3,5	2,9	4,0	3,4	4,0	2,6

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Consolidated statement of financial position

NOK 1000	2019	2018
Other intangible assets	203 266	206 061
Concessions, patents, licences and trade marks	3 564	3 706
Deferred tax assets	5 024	11 812
Goodwill	572 517	540 391
Total intangible assets	**784 372**	**761 970**
Buildings	80 442	2 842
Furniture, fixtures and equipment	51 576	51 050
Right of use assets	895 847	-
Total tangible assets	**1 027 865**	**53 892**
Investments in subsidiaries	-	-
Loans to group companies	-	-
Other non-current financial assets	6	6
Other non-current receivables	9 812	9 500
Other long-term receiveables	269	176
Total financial fixed assets	**10 087**	**9 681**
TOTAL FIXED ASSETS	**1 822 323**	**825 543**
Inventories	2 893	2 059
Account receivables	59 593	62 567
Other receivables	60 512	32 346
Total receivables	**120 105**	**94 913**
Cash and cash equivalents	86 599	204 272
TOTAL CURRENT ASSETS	**209 597**	**301 245**
TOTAL ASSETS	**2 031 920**	**1 126 788**

NOK 1000	2019	2018
Share capital	566	566
Share premium	565 376	565 376
Total paid-in equity	**565 942**	**565 942**
Other equity	-	-
Uncovered loss	-124 296	-101 622
Total retained earnings	**-124 296**	**-101 622**
TOTAL EQUITY	**441 646**	**464 320**
Pension liabilities	81 357	79 786
Deferred tax liabilities	-	-
Total provisions	**81 357**	**79 786**
Bonds	347 083	346 354
Liabilities to credit institutions	934	-
Lease liabilities	835 544	-
Sum other long-term liabilities	**1 183 561**	**346 354**
Sum long-term liabilities	**1 264 917**	**426 140**
Accounts payable	51 007	44 839
Taxes payable	693	9
Indirect taxes payable	34 520	51 923
Lease liabilities	71 632	-
Other short-term liabilities	167 505	139 557
Sum short term liabilities	**325 357**	**236 327**
TOTAL LIABILITIES	**1 590 274**	**662 468**
TOTAL EQUITY AND LIABILITIES	**2 031 920**	**1 126 788**

Consolidated statement of comprehensive income

NOK 1000	Q1 2019	2018
Items that will not be reclassified to profit or loss		
Actuarial loss on defined benefit pension plan (IFRS conversion)	-	28,977
Other comprehensive income		
Taxes on other comprehensive income	-	6,665
Other comprehensive income net of tax	-	22,312

Changes in pension schemes and updated actuary calculations contributes to high positive pension effects (OCI/extended result). These figures will be analyzed further before the deliverance of the group year-end report.

Changes in equity

NOK 1000	Share Capital	Share Premium Fund	Uncovered loss	Total equity
Balance at 1 January 2019	**566**	**565,376**	**-101,622**	**464,320**
Total comprehensive income for the period:				
Profit for the period	-	-	-22,313	-22,313
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	-22,313	-22,313
Transactions with the owners of the company				
Contributions and distributions				
Dividends	-	-	-	-
Translation difference	-	-	-362	-362
Other	-	-	-	-
Total transactions with the owners of the company		-	-362	-362
Balance at 31 March 2019	**566**	**565,376**	**-124,296**	**441,646**

Consolidated statement of cashflows

NOK 1000	Q1 2019	2018
Operating cash flow items		
Profit before tax expense	-28,687	-120,188
Taxes payable	758	-1,548
Profit or loss through sale of assets	-	-
Depreciation	27,788	128,435
Difference between expensed pension and accounted pension	1,571	-14,416
Change in inventory	12	165
Change in receiveables	10,197	-20,667
Change in supplier debts	5,064	1,434
Changes in accruals and prepayments	-18,785	21,337
Effect of exchange rate changes	-	-
Net cash flow from operating activities	**-2,082**	**-5,447**
Cashflow from investing activities		
Proceeds from the sale of tangible fixed assets	-	118
Payments for the purchase of tangible fixed assets	-11,244	-18,713
Payments for the purchase of intangible assets	-100	-
Payments on other loan receivables	-229	-142
Sale of subsidiaries less cash on acquisition	-	3,943
Purchase of subsidiaries less cash on acquisition	-104,499	-
Net cash flow from investing activities	**-116,072**	**-14,793**
Net deposit overdraft facility	-	-
Net payment overdraft facility	-49.879	-25
Payments when recording other debts	-	-
Payments on repayment of other debts	-	-
Group contribution payments	-	-
Equity payments	-	-326
Equity repayments	-	-
Dividend payments	-	-
Net cashflows from financing activities	-	-
Net cashflow for the period	**-49.879**	**-351**
Effect of currency fluctuations on cash and cash equivalents	**-118,129**	**-20,591**
Cash and cash equivalents at the beginning of the period	204,272	224,362
Cash and cash equivalents at the end of the period	**86,068**	**204,272**

Notes

Note 1 – Basis for preparation
The interim financial statements for the Group are prepared in accordance with International Financial Reporting Standards (IFRS).
The interim report does not include all the information required for full annual consolidated statements and should be read in conjunction with the financial statements of the Group for 2017. The condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited.

The accounting policies implemented are consistent with those of the annual financial statements for the group for the year end 31 December 2018, with the exception of IFRS 16 Leases as described below.

Changes in accounting policies – implementation of IFRS 16 Leases
IFRS 16 Leases replaces IAS 17 Leases that relate to the recognition, of leases and related disclosures. The adoption of IFRS 16 Leases from 01 January 2019 resulted in significant changes to the group's accounting for leases previously defined as operating leases under IAS 17.

In accordance with the implementation of IFRS 16, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for the use by the group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments;
-fixed payments (including in-substance fixed payments)
-variable lease payment that are based on an index or a rate,
And
-the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

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.

Right-of-use assets are measured at cost comprising the following;
-the amount of the initial measurement of the lease liability
Any lease payments made at or before the commencement date less any lease incentives received
-any initial direct costs, and
-restoration costs

Payments associated with short-term leases and leases of low value are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Note 2 – Judgements, estimates and assumptions
In applying the accounting policies, management makes judgements, estimates and assumptions that effect the reported amount of assets, liabilities, income and expenses. The estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Note 3 – Revenue and segment reporting

Overview

Principal activities

Unicare is a provider of care services, health clinics and in specialist health services. Unicare's principal activities include nursing homes, homes & care, rehabilitation, health clinics in Sweden and occupational health, providing related revenue run rates in excess of NOK 1,700 million.
The Group is structured in four divisions: *Rehabilitation & Occupational Health*, *Nursing homes, Homes and Care* and *International*. The markets in which the Group operates are explained below.

Rehabilitation

Unicare is also a supplier of rehabilitation, offering specialized rehabilitation, surveys and assessment services in hospitals and clinics in the South-East of Norway. Target groups include patients suffering from strokes, traumatic brain injuries, CFS/ME, obesity, amputations and neurological and neuromuscular diseases. Unicare focuses on rehabilitation treatments that enable patients to return to work faster, irrespective of diagnosis. Through the Company's subsidiaries within the *Rehabilitation* division, Unicare offers continuing agreements with South-East RHA (Helse Sør-Øst) and Helse Midt-Norge for each clinic and each rehabilitation treatment. Current agreements include a pre-determined number of hours for each treatment, and utilization below 95% will trigger reimbursement to the RHA for unused capacity.

Occupational Health Care

Within the occupational health segment Unicare assists in all parts of the systematic HSE work, offering services to a wide range of businesses, both public and private, with over 350 clients, including some of the largest and most reputable corporations in Norway. 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 centers.

Nursing homes

Unicare operates nursing homes in Norway, running six of the fifteen commercially operated nursing homes in the city of Oslo through the *Nursing homes & Home care services* division. Through subsidiaries of the Company, Unicare holds contracts with Oslo municipality based on six-year agreements with a two-year extension option and have won several third-party awards for quality and innovative services with strong focus on internal values; respect, co-operation and simplicity. The contract expires on The Ammerudlunden home per the 2nd of April 2019, this is the only contract to expire in 2019.

Homes & Care

Through the Company's subsidiaries, 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 for different segments: 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. Unicare has qualified competence in institutional care for minors with special needs and in need of complex treatment. The services carried out through the *Homes and Care* division are largely regulated by The Norwegian Directorate for Children, Youth and Family Affairs (BUFdir). Unicare offers institutional care on a case by case basis for children in need of psychiatric treatment and has a framework agreement with Oslo Municipality for individuals with disabilities. The second quarter of 2019 will see the sale of Unicare Små Enheter AS, the part of the Homes & Care division responsible for the care of minors. The sales take place on the 1st of April.

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International

Unicare entered the Swedish market in 2016 through the acquisition of Avonova Primärvård (now named Unicare Sweden). Unicare Sweden is a private provider of health services and operates eleven health clinics in the Southern and central part of Sweden. Since the introduction of "free choice of healthcare" in 2009/2010, Unicare Sweden has approximately 90,700 listed patients. All eleven 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.

Revenues

Revenues NOK 1000	Unicare Group		
	Q1 2019	Q1 2018	YTD 2018
Homes & Care	50,191	48,037	201,098
Nursing Homes	126,086	134,538	534,863
Rehabilitation & OHS	140,156	129,692	504,306
Sweden	78,078	74,609	305,011

* Includes the acquired Rehabilitation companies Jeløy and Steffensrud from the 1st of April 2017. Unicare Sweden is included from the 1st of September 2016 and the Rehabilitation unit Unicare Hokksund from the 1st of July 2016. Unicare 12Trinn from the January 2019 and Unicare Røros from the 1St of April 2019

EBITDA

EBITDA NOK 1000	Unicare Group		
	Q1 2019	Q1 2018	YTD 2018
Homes & Care	-1,606	-2,828	-5,618
Nursing Homes	-2,136	-837	10,740
Rehabilitation & OHS	7,716	1,867	26,349
Sweden	-3,489	-1,641	5,584

Note 4 – Goodwill

Impairment testing of goodwill. Goodwill is tested annually to determine if there is any need to recognize impairment. Such impairment testing is conducted for calculations that are based on management's assumptions about the rate of growth, profit margin, investment need and the discount rate. Other estimations may result in another outcome and another financial position. The impairment test confirms the booked value of goodwill in the group balance sheet.

Note 5 – Retirement benefits

Unicare has a variety of pension plans depending on company and segment. The plans are in accordance with the laws and regulations concerning obligatory pension plans. The costs in connection with the plan are recognized in accordance with premiums paid and actuary estimates for future pension obligations.

Note 6 – Conversion from NGAAP to IFRS

As stated the Q4 2017 was the first Unicare report according to IFRS principles. The major changes to the accounts are described above in note 5.

Note 7 – IFRS 16 - Leases

The new IFRS 16 Leasing standard is effective from the 1st of January 2019. The standard will significantly change how the company accounts for its lease contracts currently accounted for as operating leases. Virtually all leases will be brought into the balance sheet increasing the groups assets and liabilities, in addition to affecting income statement figures. This note summarizes the expected impact on the financial reporting of Unicare from implementing the new standard.

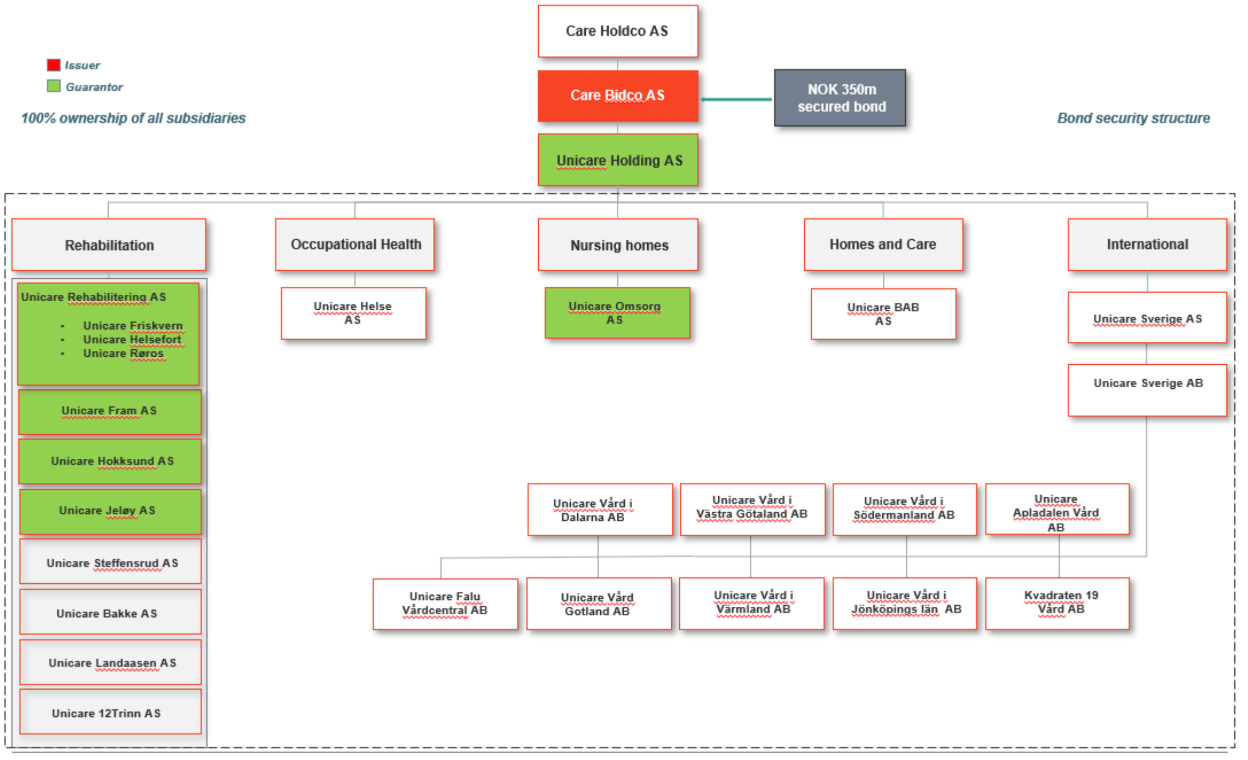
The lease contracts

The company has a number of leases related to property rental and cars. A lease liability and right-of-use asset will be presented for these contracts which previously were reported as operating leases.

The effect on balance sheet as at 1 January is presented below	
Lease liability at 1 January 2019	916,757,839
Right of use assets at 1 January 2019	916,757,839
Difference between lease liability and right of use assets at 1 January 2019	-
Reconciliation of lease commitment and lease liability	
Leasing obligations for properties	48,574,348
Leasing obligations for cars and other	868,183,491
Total discounted obligation	916,757,839
Undiscounted lease liability	1,245,241,074
Effect of discounting lease commitment to net present	328,483,235
Lease liability as at 1 January 2019	916,757,839
IFRS 16 effect income statement	
Operating expenses	20,910,720
Operating profit before depreciation, amortisation and impairment (EBITDA)	**20,910,720**
Depreciation and amortisation	-20,910,720
EBIT	-
Interest expense	-11,328,781
Profit/-loss for the period	-11,328,781

Note 8 – Shareholding
Shareholding as of today:

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.

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Financial definitions

EBITDA
Operating profit before depreciation, amortisation and impairment.

Normalized EBITDA
Operating profit before depreciation, amortisation and impairment, adjusted for items affecting comparability.

Organic growth
Growth for comparable companies in each segment that Unicare owned during the previous comparative period.

Operating cash flow
Calculated as operating profit including changes in depreciation/amortisation/impairment, working capital and investments in other assets (net).

Interest-bearing net debt
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.