



Unicare

Financial statement
Q2 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

28 locations in Norway and 10 in Sweden

Employees

The Unicare Group has approximately 2,600 employees in Norway and Sweden.

For further updated information please see our website

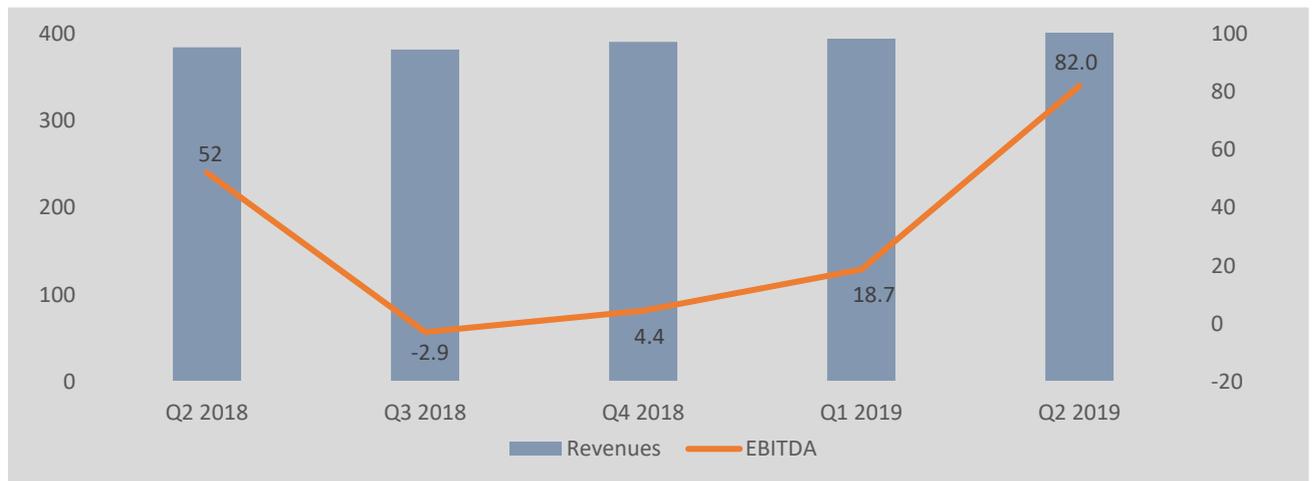
www.unicare.no

Key figures Unicare Group

MNOK	Q2 2019	YTD 2019	Q2 2018	YTD 2018	2018
Total operating revenue	409.4	803.6	384.1	770.6	1 542.7
EBITDA	82.0	100.7	51.0	47.3	28.8
Operation Profit	50.7	41.6	44.2	34.0	-80.9
Adjusted EBITDA*	50.7	41.6	52.0	48.3	45.4
IFRS 16 EBITDA effect	23.7	44.7	NA	NA	NA
NET FINANCIAL ITEMS	-23.3	-42.9	-9.4	-19.0	-39.3
PROFIT BEFORE TAXES	27.4	-1.3	34.8	15.0	-120.2
Tax expense	7.2	0.8	7.7	3.1	-4.6
PROFIT AFTER TAX	20.2	-2.1	27.1	11.9	-115.6

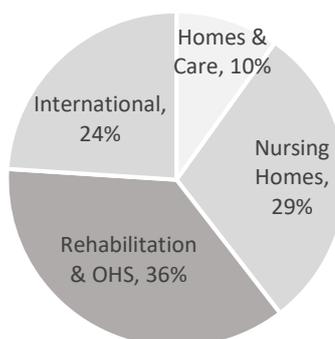
*EBITDA adjusted for IFRS 16 effect and non-recurring items

Revenue and EBITDA development (figures in NOK million)

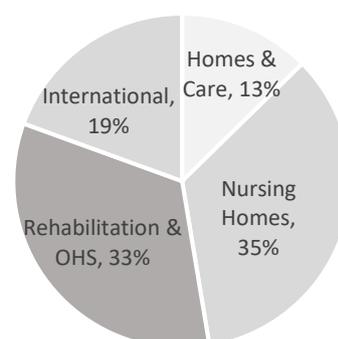


The revenue model and customer contracts for most Unicare units result in a steady turnover flow throughout the year. Steady turnover combined with reduced salary costs in June, contributes each year to a strong Q2 compared to the other quarters. A majority of the profitability is generated in Q2.

Revenue distribution operating units Q2 2019



Revenue distribution operating units Q2 2018



Quarterly and half year update

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

Summary of the first quarter and half year:

- High activity within M&A continues. Successful closing of one acquisition in Sweden in Q2. Positive EBITDA effect from the transactions projected from Q1 2020
- Successful integration of two units within Rehabilitation has had a positive impact on the EBITDA in Q2 and the first half year of 2019
- Revenue growth of 4.3 percent first half of 2019 compared to same period previous year, Q2 isolated posted an increase of 6.6 percent
- EBITDA (excluding IFRS 16 impact) up from NOK 47.3 million in first half 2018 to NOK 56 million for the same period in 2019. Q2 isolated showed an increase of NOK 7.2 million
- Cash and cash equivalents of NOK 61 million per June, is down from NOK 204.3 million at year end 2018. Net debt amounting to NOK 289.5 million. The cash position has been reduced after the closing of new acquisitions in 2019

Revenues and EBITDA – Unicare group

Q2 2019 revenue ended at NOK 409.4 million compared to Q2 2018 revenue of NOK 384.1 million. Year to date 2019 revenue came in at NOK 803.6 million, compared to NOK 770.6 million for the comparable period in 2018. Unicare continues its revenue growth mainly driven by organic growth in Unicare BAB AS and from growth in acquired units in Rehabilitation and in Sweden.

The EBITDA in Q2 at NOK 82 million (adjusted for IFRS 16 effect NOK 58.2 million). The EBITDA adjusted for IFRS 16 effect is up NOK 7.2 million compared to Q2 2018. Year to date the EBITDA adjusted for IFRS 16 effect increased with NOK 8.7 compared to same period in 2018. Improvements are driven by increased profitability and by acquired units in the Rehabilitation Division. Driving down the profitability for the first half of

2019 are the divested units Unicare Små Enheter AS and the Swedish operations (two units).

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 adjusted EBITDA excluding IFRS 16 effect to NOK 80.6 million exiting Q2 2019.

More details to follow under the section Segments.

M&A

The high M&A activity from the previous year continues into 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 Trinns-klinikken 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 in Sweden. Both closed in Q1. The FY turnover effect for the acquired companies/assets is forecasted to NOK 150 million.

As mentioned, two loss making Swedish health clinics in Sweden were disposed in Q1. In Q2 we succeeded with acquiring a further clinic in Sweden, located in a growing city amidst our others. In addition, Unicare closed the disposal of the institutional care for minors' company Unicare Små Enheter AS (1st of April). From Q2 2019 the Homes & Care division consists solely 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 and disposal of loss-making units has contributed positively to the growth in EBITDA in the first half of 2019.

Segments

Unicare Rehabilitation & OHS posted revenue in Q2 of NOK 149 million, an increase of NOK 24 million compared to same period previous year. Year to date revenue came in at NOK 289 million, which is NOK 33 million above last year. The rise is mainly due to the acquisition of Unicare's two rehabilitation centers, Unicare Røros and Unicare 12Trinn. EBITDA in Q2 ended at NOK 52 million, up NOK 13 million compared to Q2 last year. Year to date the EBITDA increased with NOK 21 million. Rehabilitation & OHS is the largest and most profitable Division in Q2 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.

All companies in the **Rehabilitation** segment are developing well, the only unit weighing 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 revenues in the division is predictable and based on the agreements with Helse Sør-Øst and Helse Midt.

The restructuring of the company Unicare Helse AS continues and implemented measures on sales and costs are showing rewards. The profitability and revenue are increasing in both Q2 and year to date 2019 compared to the same periods in 2018.

Nursing homes saw the closure of the Ammerudlunden home in April. This reduces the division from six homes to five and decreases the revenue compared to Q2 2018 by 13.3 MNOK, Ammerudlunden isolated in Q2 2018 had revenues of 16.5 MNOK. Year to date revenue is down by 10 million. The City Council of Oslo remains fast in the plan of converting a 25% share of the nursing homes to be run by non-profit organizations, this however is highly dependent on the outcome of the election in Q3 2019. The company continues its 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.

The **Swedish operation posted** a total operating revenue in Q2 of NOK 112 million, 49 percent above the corresponding previous year period. Year to date the rise in revenue compared to 2018 is 27 percent. The increase is a result of acquisitions, organic growth and increased prices in Sweden. EBITDA of NOK 3.1 million is in line with the same period the previous year, whilst year to date EBITDA is down NOK 4.5 million. Lack of own doctors and nurses has resulted in high use of temporary staffing, which in turn has driven the staffing cost. Measurements have been taken to acquire permanent personnel and temporary staffing will be replaced by permanent staffing during the autumn. The recruitment of permanent staffing will contribute to improvement in profitability.

Homes & Care (Unicare BAB) posted revenue in Q2 of NOK 34 million, an increase of NOK 6 million. Year to date the revenue is up NOK 12.2 million compared to previous year. The increase for both Q1 and Q2 is due to increased activity in eight of the eleven units within the operation. EBITDA for the quarter came in at NOK 9.5 million, slightly above last year. Year to date EBITDA increased from NOK 9.9 million in 2018 to NOK 11.2 million in 2019. Profitability for the remainder of 2019 is dependent on increase in utilization of our capacity. Measures are taken to attract new users, using the existing workforce.

Risk factors

The following risk factors are deemed the most important for Unicare's business activities in the upcoming accounting period.

Regulatory Risk

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. Changes in laws, rules, or regulations may affect the demand for and profitability of Unicare's services. In Norway, this risk is clearly most evident, affecting our

activity within Nursing Homes. The outcome of the local election on September 9th will impact the future for Nursing Homes in Oslo.

Salary increases, recruitment difficulties, and loss of key personnel

Unicare's operations are manpower intensive. Access to competent workforces can affect the group's business activities. Loss of leading executives or other key personnel may adversely affect business performance and profitability.

Competition and future contract awards

A significant proportion of Unicare's operating revenues are derived from contracts awarded under competitive bidding. The Group's competitiveness with regard to price is therefore important to its future earnings.

For a general description of Unicare's most important financial risk factors, please see the Group's 2018 annual report.

Subsequent Events

There are no events after the balance sheet date with significant impact on the accounts.

Outlook

The Nordics as well as the rest of Europe face many of the same challenges, i.e. a growing elderly population. Private providers form an increasingly integral part of the total healthcare service offering - a trend set to continue in the years ahead. Due to asymmetric demographic growth, significantly skewed towards a larger elderly population, and increased life expectancy on the back of medical and technological development, there is an increasing demand for Unicare's services, including Nursing homes, Rehabilitation, Health clinics, and Occupational health. In order to meet demand in a growing market, the company is actively searching for new investment opportunities in health care services both within and outside of Norway.

In order to meet the future requirements of the ever growing Unicare, we have already commenced the restructuring through the divestment of underperforming units. We have further strengthened the operations with new management, the CEO and CFO. Using their expertise Unicare intends to improve governance,

quality of reporting and organisational structure.

Use of alternative performance measures (APM)

Alternative Performance Measures (APM) is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The Unicare Group uses financial measures as "EBITDA", and "Adjusted EBITDA" in its reports, which are not financial measures as defined in IFRS. See section financial definition for explanation of the APMs. The reported numbers are included in the financial statements and can be directly reconciled with official IFRS line items. The APMs are used consistently over time and accompanied by comparatives for the corresponding previous periods. On January the 1st 2019 the Unicare Group adopted IFRS 16 which had a material impact on the financial statements. Consolidated figures for the Group are presented according to the new leasing standard.

Declaration by the Board of Directors

We hereby declare to the best of our knowledge that the six-month interim financial statements for the period January 1st to June 30th 2019 have been prepared in accordance with IAS 34, Interim Reporting, and the accounting information provides a true and fair view of the Group's assets, liabilities, financial position and performance as a whole, and that the six-month interim report provides a true and fair view of important events in the accounting period and their influence on the six-month interim financial statements, associated material transactions and the key risk and uncertainty factors facing the business in the next accounting period.

Oslo, 29th of August 2019

The Board of Directors of Care BidCo AS

Laurent Gerard Ganem
Chair of the board

Tom Erik Tidemann-Andersen
Board Member

Renaud Vincent Dessertenne
Board Member

Richard Oliver Hoenich
Board Member

Christoffer Sundby
CEO

Interim condensed consolidated income statement

Actual reported figures					
MNOK	Q2 2019	YTD 2019	Q2 2018	YTD 2018	2018
Revenue	407.9	801.5	383.5	769.1	1539.9
Other operating income	1.5	2.1	0.6	1.5	2.7
Total operating revenue	409.4	803.6	384.1	770.6	1542.7
Raw materials and consumables used	58.4	106.6	44.0	87.6	43,6
Employee benefits expense	230.5	517.6	225.3	505.5	1086.7
Other operating expenses	38.5	78.7	63.7	130.3	247.7
Total operating expenses	358.8	762.0	339.9	736.7	1623.6
EBITDA	82.0	100.7	51.0	47.3	28.8
Depreciation and amortizations	31.3	59.1	6,8	13,3	25.8
Impairment losses	-	-	-	-	83.9
OPERATING PROFIT OR LOSS	50.7	41.6	44,2	34,0	-80.9
Other interest income	-	0.4	-	-	-
Other financial income	-	-	1.0	1.7	1.5
Total financial income	-	0.4	1.1	1.7	1.6
Loss from sale of subsidiary	2.6	2.6	-	-	11.3
Other interest expenses	17.3	34.6	6.9	12.4	24
Other financial expenses	3.4	6.0	3.7	8.3	5.6
Total financial expenses	23.3	43.2	10.5	20.7	40.9
NET FINANCIAL ITEMS	-23.3	-42.9	-9.4	-19.0	-39.3
PROFIT BEFORE TAXES	27.4	-1.3	34.8	15.0	-120.2
Tax expense	7.2	0.8	7.7	3.1	-4.6
PROFIT AFTER TAX	20.2	-2.1	27.1	11.9	-115.6

Unaudited for the period ending 30th of June

Consolidated statement of comprehensive income

NOK 1000			
	Q2 2019	YTD 2019	2018
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit pension obligation	-	-	28.977
Translation difference	-81	-443	
Other comprehensive income			
Taxes on other comprehensive income	-	-	6.665
Other comprehensive income net of tax	-81	-443	22.312

Consolidated statement of financial position

NOK 1000	2019	2018
Other intangible assets	200 472	206 061
Concessions, patents, licences and trademarks	3 423	3 706
Deferred tax assets	-	11 812
Goodwill	603 793	540 391
Total intangible assets	807 688	761 970
Buildings	81 584	2 842
Furniture, fixtures and equipment	54 914	51 050
Right of use assets	872 101	-
Total tangible assets	1 008 599	53 892
Other non-current financial assets	127	6
Other non-current receivables	10 269	9 500
Other long-term receivables	381	176
Total financial fixed assets	10 777	9 681
TOTAL FIXED ASSETS	1 827 064	825 543
Inventories	3 304	2 059
Account receivables	49 540	62 567
Other receivables	56 249	32 346
Total receivables	105 789	94 913
Cash and cash equivalents	61 140	204 272
TOTAL CURRENT ASSETS	170 234	301 245
TOTAL ASSETS	1 997 298	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	-104 135	-101 622
Total retained earnings	-104 135	-101 622
TOTAL EQUITY	461 807	464 320
Pension liabilities	87 045	79 786
Deferred tax liabilities	1 337	-
Total provisions	88 382	79 786
Bonds	347 813	346 354
Liabilities to credit institutions	599	-
Lease liabilities	845 577	-
Sum other long-term liabilities	1 193 989	346 354
Sum long-term liabilities	1 282 370	426 140
Accounts payable	50 171	44 839
Taxes payable	1 870	9
Indirect taxes payable	54 193	51 923
Lease liabilities	48 885	-
Other short-term liabilities	98 003	139 557
Sum short term liabilities	253 121	236 327
TOTAL LIABILITIES	1 535 491	662 468
TOTAL EQUITY AND LIABILITIES	1 997 298	1 126 788

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	-	-	-2.070	-2.070
Other comprehensive income	-	-	-	-
Translation difference	-	-	-443	-443
Total comprehensive income for the period	-	-	-2.513	-2.513
Transactions with the owners of the company				
Contributions and distributions				
Dividends	-	-	-	-
Total transactions with the owners of the company	-	-	-	-
Balance at 30 June 2019	566	565.376	-104.135	461.807

NOK 1000	Share Capital	Share Premium Fund	Uncovered loss	Total equity
Balance at 1 January 2018	566	565.376	-8.003	557.939
Total comprehensive income for the period:				
Profit for the period	-	-	11.905	11.905
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	11.905	11.905
Transactions with the owners of the company				
Contributions and distributions				
Dividends	-	-	-	-
Other	-	-	225	225
Total transactions with the owners of the company	-	-	225	225
Balance at 30 June 2018	566	565.376	3.677	569.619

Consolidated statement of cashflows

NOK 1000	Q2 2019	YTD 2019	Q2 2018	YTD 2018	2018
Cash flow from operating activities					
Profit before tax expense	27.397	-1.289	34.795	15.022	-120.188
Taxes payable	91	849	-1.205	-11.911	-1.548
Profit or loss through sale of assets	2.607	2.607	-	-	-
Depreciation	31.321	59.108	6.772	13.278	128.435
Difference between expensed pension and accounted pension	590	2.161	-1.481	-792	-14.416
Change in inventory	-95	-82	-	-5	165
Change in receivables	683	10.880	-43.519	-56.979	-20.667
Change in supplier debts	1.027	6.090	-863	-4.284	1.434
Changes in accruals and prepayments	-17.228	-36.012	7.369	11.014	21.337
Effect of exchange rate changes	-	-	-	-	-
Net cash flow from operating activities	46.394	44.312	1.868	-34.658	-5.447
Cashflow from investing activities					
Proceeds from the sale of tangible fixed assets	-	-	53	53	118
Payments for the purchase of tangible fixed assets	6.732	-4.512	-4.575	-8.772	-18.713
Payments for the purchase of intangible assets	-	-100	-	-	-
Payments on other loan receivables	-572	-801	-1.001	-1.226	-142
Sale of subsidiaries less cash on acquisition	13	13	-	-	3.943
Purchase of subsidiaries less cash on acquisition	-32.502	-137.002	-1,041	-1.041	-
Net cash flow from investing activities	-26.329	-142.402	-6.564	-10.985	-14.793
Net deposit overdraft facility	-	-	-6	-	-
Net payment overdraft facility	-	-	-25	-25	-
Payments on debt	4.837	-45.042	-	-	-25
Payments when recording other debts	-	-	-	-	-
Payments on repayment of other debts	-	-	-	-	-
Group contribution payments	-	-	-326	-326	-
Equity payments	-	-	-	-	-326
Equity repayments	-	-	416	-	-
Dividend payments	-	-	-	-	-
Net cashflows from financing activities	4.837	-45.042	60	-351	-351
Net cashflow for the period	-25.003	-143.132	-4.636	-45.994	-20.591
Effect of currency fluctuations on cash and cash equivalents	-	-	-	1.810	501
Cash and cash equivalents at the beginning of the period	204.272	204.272	181.194	224.363	224.362
Cash and cash equivalents at the end of the period	61.140	61.140	176.559	176.559	204.272

Notes

Note 1 – Framework and key accounting principles

The Unicare Group consists of Care BidCo AS and its subsidiaries. The condensed consolidated financial statements for the year ending 31 December 2018, and the interim consolidated financial statements for the six months ending 31 June 2019, have been prepared and presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The interim figures are unaudited.

The Unicare Group prepares and presents its interim consolidated financial statements according to IAS 34, Interim Financial Reporting. The information provided by interim financial statements is not as comprehensive as that provided in the annual consolidated financial statements; thus, the interim financial statements should be viewed in conjunction with the annual consolidated financial statements for 2018. The accounting principles applied in the interim financial statements are the same as those described in Note 2 to the annual consolidated financial statements for 2018 of the Unicare Group, 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 – 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 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 five 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.

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.

International

Unicare Sweden is a private provider of health services and operates ten 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 88.000 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.

Proforma figures Unicare group Q2 2019

Proforma figures		
MNOK	Q1 2019	Q1 2018
Total operating revenue	409.4	402.2
EBITDA	82.0	76.9

The interim statements are prepared according to IFRS and are unaudited

Revenues

Revenues NOK 1000	Unicare Group			
	Q2 2019	YTD 2019	Q2 2018	YTD 2018
Homes & Care	39.821	78.159	33.711	65.968
Nursing Homes	109.310	235.396	122.569	245.324
Rehabilitation & OHS	148.909	289.065	124.794	256,515
Sweden	111.970	190.047	75.030	150.044

Includes Unicare 12Trinn from the January 2019 and Unicare Røros from the 1st of April 2019. Små Enheter, Hjemmetjeneste and Psychology have been removed

EBITDA

EBITDA NOK 1000	Unicare Group			
	Q2 2019	YTD 2019	Q2 2018	YTD 2018
Homes & Care	9.495	11.150	9.146	9.872
Nursing Homes	17.804	15.708	20.611	22.003
Rehabilitation & OHS	52.155	76.309	38.931	55.210
Sweden	3.085	270	3.147	4.863

Note 3 – 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 of Unicare from implementing the new standard.

The lease contracts

The group 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

NOK 1000

Lease liability at 1 January 2019	916,758
Right of use assets at 1 January 2019	916,758
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
Leasing obligations for cars and other	868,183
Total discounted obligation	916,758
Undiscounted lease liability	1,245,241
Effect of discounting lease commitment to net present	328,483
Lease liability as at 1 January 2019	916,758

IFRS 16 effect income statement

Operating expenses	44,657
Operating profit before depreciation, amortisation and impairment (EBITDA)	44,657
Depreciation and amortisation	-44,657
EBIT	-
Interest expense	-22,361
Profit/-loss for the period	-22,361

Note 4 – Long term loan

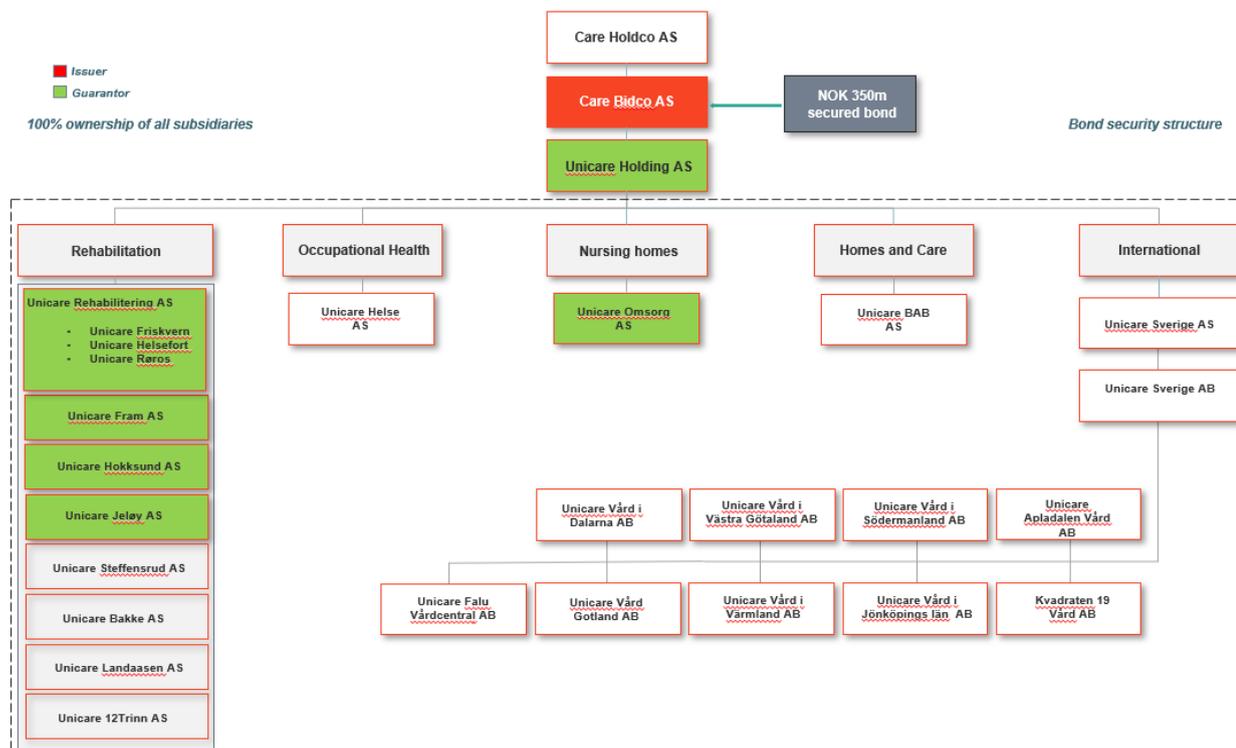
The long-term debt financing for the Unicare Group is made up of a listed bond loan. As defined by the bond loan agreement, net debt and leverage ratio is as follows;

NOK million	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Cash and cash equivalents	61.6	86.6	204.3	169.6	176.6	181.2	224.4
Interest bearing debt	350.6	353.4	352.2	350.2	350.3	350.3	350.3
Net Debt	289.5	266.8	147.9	180.6	173.8	169.1	125.9
Leverage ratio	3.6	3.5	2.9	4.0	3.4	4.0	2.6

Note 4 – Shareholding

Shareholding per 30th of June 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.

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Financial definitions

EBITDA

Operating profit before depreciation, amortisation and impairment.

Adjusted 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.