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Interim report
January – March 2019

Improved margin despite limited growth

First quarter 2019

- Revenue increased to MEUR 72.3 (71.6)
- Organic growth was -0.6% (2.7)
- The gross margin recovered versus the last quarter and was 41.0% (41.4)
- Adjusted EBITA amounted to MEUR 5.5 (5.1), corresponding to a margin of 7.6% (7.2)
- EBIT amounted to MEUR 3.9 (3.9), corresponding to a margin of 5.4% (5.5)
- Net profit for the period increased to MEUR 3.5 (2.3)
- Adjusted operating cash flow amounted to MEUR 0.6 (0.3)
- Tom Vorpahl took over from Charley Wallace as Executive Vice President North America and as a member of the Group management on 11 February 2019
- Pernilla Lindén joined the Group management team as the Executive Vice President Strategy and Business Excellence as of 1 January 2019
- Mattias Hakeröd joined the Group management team as the Executive Vice President Human Resources as of 7 January 2019

Group in Summary	January - March			LTM	FY
MEUR	2019	2018	Δ%	2018/2019	2018
Revenue	72.3	71.6	1.0 %	291.6	290.9
Gross profit*	29.6	29.6	0.1 %	119.7	119.7
Gross margin,%*	*41.0 %*	*41.4 %*	-	*41.1 %*	*41.2 %*
Adjusted EBITA*	5.5	5.1	6.7 %	22.2	21.8
Adjusted EBITA margin,%*	*7.6 %*	*7.2 %*	-	*7.6 %*	*7.5 %*
Operating profit/loss (EBIT)	3.9	3.9	-0.3 %	13.2	13.2
Operating margin, (EBIT margin),%*	*5.4 %*	*5.5 %*	-	*4.5 %*	*4.6 %*
Adjusted operating profit/loss (adjusted EBIT)*	3.8	3.9	-3.1 %	16.1	16.2
Adjusted operating margin (adjusted EBIT margin),%*	*5.3 %*	*5.5 %*	-	*5.5 %*	*5.6 %*
Net profit/loss	3.5	2.3	55.1 %	12.6	11.4
Earnings per share before and after dilution, EUR	0.06	0.04	55.1 %	0.21	0.19
Adjusted operating Cash Flow*	0.6	0.3	121.5 %	18.7	18.4
Net debt / Adjusted EBITDA (LTM)*, times	3.2	3.3	-4.2 %	3.2	3.1

** Alternative performance measures, refer to pages 17–18 for definitions and calculations. From 1 January 2019, the Group applies IFRS 16 Leases. To facilitate comparison between the periods, the alternative performance measures are presented excluding the effects of IFRS 16. The transition effects are set out in Note 6.*

This document is a translation of the Swedish version. In the event of any discrepancies between this translation and the Swedish original, the Swedish version shall prevail.

CEO's comments

Revenue increased by 1.0% in reported currency, organic growth -0.6%, and the adjusted EBITA margin improved to 7.6% (7.2%). We posted a continued strong development in our stairlifts business, representing 50% of total revenue, with organic growth of 7.6%. Vehicle Accessibility revenue was essentially on par with the corresponding quarter last year, however with a positive trajectory as the supply of vehicles has stabilized. Developments in Patient Handling were mixed. The European business displayed sustained organic growth whereas the North American business struggled (-17.2%).

First quarter development

The organic growth was negative 0.6% (2.7%) in the first quarter, principally explained by the weak performance in Patient Handling North America. Accessibility revenue grew organically 5.7%. Within Accessibility, our Stairlifts business continued to outgrow the market and reported organic growth of 7.6%. Stairlifts North America had a soft start to the quarter, partly related to the ERP issues described in the year-end report, reducing its quarterly growth to 6.1%. However, the trajectory in the second half of the quarter was back to double digit growth. Patient Handling revenue decreased organically by 9.6%. Patient Handling Europe reported organic growth well above market growth. Revenue in Patient Handling North America decreased by 17.2% compared to the first quarter 2018, the strongest quarter in 2018, on the back of soft sales in the US Institutional segment.

Adjusted EBITA amounted to MEUR 5.5 (5.1) in the first quarter. The adjusted EBITA margin improved to 7.6% (7.2%) resulting from decreased operating expenses. Gross margin decreased slightly to 41.0% (41.4%). Gross margin was up 3.9 ppts on the fourth quarter 2018 as most of the items negatively impacting the fourth quarter margin were one-off in nature. Accessibility adjusted EBITA increased to MEUR 6.8 (5.6) driven by improved operating leverage. Gross margin was largely unchanged. Patient Handling adjusted EBITA decreased to MEUR 1.2 (1.8) and was attributable to a decreased gross margin and reduced cost absorption in the North American business. Puls reported adjusted EBITA of MEUR 0.4 (0.4).

Patient Handling North America

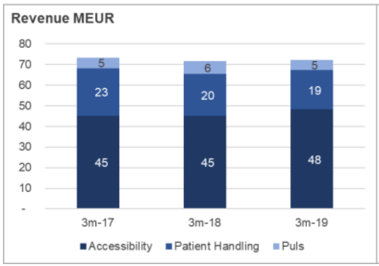
Revenue decreased by 17.2% primarily explained by US Institutional customers. This business is impacted by larger installation projects, which were relatively few in the quarter compared to the corresponding quarter last year. Revenue in the other segments in Patient Handling North America was broadly flat. In the first quarter we made some key changes to the North America organisation. These included (i) new management team, joined mid-February, (ii) separation of the US and Canadian commercial organisations and (iii) integration of North America into our global operations organisation. The new management team has continued to refine our commercial excellence and go-to-market approach as well as the order to cash processes. Key activities in the quarter included:

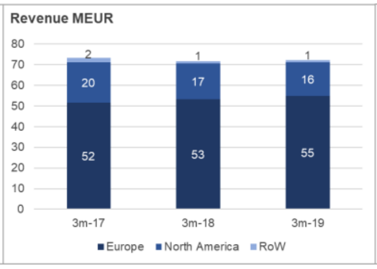
- Improved sales efficiency and monitoring: This includes call rate, number of customer visits, number of quotations and win-rate management.
- Reviewed sales force performance and geographical presence: As a result, three additional institutional sales representatives will be recruited in the second quarter. This investment will be funded from other parts of the organisation.
- Improved order to cash processes: This includes customer service response time, technical service first contact resolutions, delivery time, number of fulfilled shipments and cash collection.
- Improved value proposition: Focus on solution selling targeted at decreasing dependency on larger installation projects and increase recurring sales of high margin soft goods (e.g. slings).
- Strategic contracts: Increased focus on Hospital Integrated Delivery Networks and Veterans Association contracting to maximise sales under existing and new contracts.

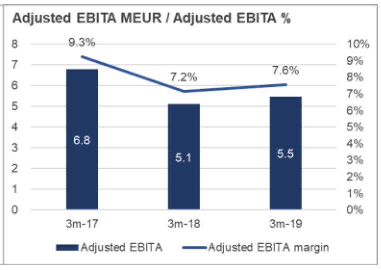
I am confident that the new management team and their action plan will return the North American Patient Handling business to growth in the second half of 2019.

Staffan Ternström
President and CEO

Group performance







Group MEUR	January - March 2019	 2018	 Δ%	LTM 2018/2019	FY 2018
Revenue	72.3	71.6	1.0 %	291.6	290.9
Acquisitions / divestments	-	-	-	-	-
Currency effects*		1.2	-	2.3	3.5
Revenue excl acquisitions/divestm., currency	**72.3**	**72.7**	**-0.6 %**	**293.9**	**294.4**

**adjusted for translation effects, not transaction effects*

Group MEUR	January - March 2019	 2018	 Δ%	LTM 2018/2019	FY 2018
Revenue	72.3	71.6	1.0 %	291.6	290.9
Cost of goods sold	-42.6	-42.0	n/a	-171.8	-171.2
Gross profit*	**29.6**	**29.6**	**0.1 %**	**119.7**	**119.7**
Operating costs	-23.3	-23.4	n/a	-93.9	-94.0
Adjusted EBITDA*	**6.4**	**6.2**	**3.1 %**	**25.9**	**25.7**
Depreciation of tangible fixed assets	-0.9	-1.0	n/a	-3.7	-3.8
Adjusted EBITA*	**5.5**	**5.1**	**6.7 %**	**22.2**	**21.8**
Other specified items	-	-	n/a	-3.0	-3.0
IFRS 16 impact*	0.1	-	n/a	0.1	-
EBITA	**5.6**	**5.1**	**8.9 %**	**19.3**	**18.8**
Key figures, %					
*Gross margin**	*41.0 %*	*41.4 %*		*41.1 %*	*41.2 %*
*Adjusted EBITDA margin**	*8.8 %*	*8.6 %*		*8.9 %*	*8.8 %*
*Adjusted EBITA margin**	*7.6 %*	*7.2 %*		*7.6 %*	*7.5 %*
*EBITA margin**	*7.7 %*	*7.2 %*		*6.6 %*	*6.5 %*

** Alternative performance measures, refer to pages 17–18 for definitions and calculations. From 1 January 2019, the Group applies IFRS 16 Leases. To facilitate comparison between the periods, the alternative performance measures are presented excluding the effects of IFRS 16. The transition effects are set out in Note 6.*

January – March 2019
Revenue and earnings

First-quarter revenue rose 1.0% to MEUR 72.3 (71.6). Revenue decreased organically by -0.6%. No acquisitions were conducted. Accessibility reported organic growth of 5.7%. Patient Handling recorded an organic decline of 9.6% as a result of a weak development in North America, while operations in Europe developed favourably. Puls reported negative organic growth of 16.9% as a result of high project sales in the corresponding quarter last year. The amount of project sales fluctuates between the quarters while other revenue is relatively stable.

Adjusted EBITA totalled MEUR 5.5 (5.1), corresponding to an adjusted EBITA margin of 7.6% (7.2). No Other specified items were reported. The transition to IFRS 16 entailed a positive earnings impact on reported EBITA of MEUR 0.1. The gross margin was 41.0% (41.4). This corresponded to a 3.9 percentage point increase compared with the fourth quarter of 2018, which was impacted by certain one-off items. Operating expenses declined in relation to revenue, mainly driven by lower personnel expenses.

No currency effect (translation effect) on adjusted EBITA.

Net financial items improved to MEUR 0.1 (-1.9). Interest expense amounted to MEUR -1.1 (-0.6), of which MEUR -0.3 pertained to lease liabilities and the transition to IFRS 16 (refer to Note 6). Currency effects had a positive impact on net financial items of MEUR 1.3 (-1.9). Profit before tax was MEUR 4.1 (2.0).

The tax expense for the quarter amounted to MEUR -0.5 (0.2). Profit for the period totalled MEUR 3.5 (2.3), corresponding to earnings per share of EUR 0.06 (0.04) before and after dilution.

Cash flow and financial position

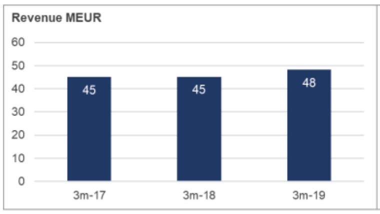
During the quarter, cash flow from operating activities amounted to MEUR 3.8 (-0.2) and excluding the impact from IFRS 16, the cash flow amounted to MEUR 2.4 (refer to Note 6). The year-on-year improvement was mainly due to improved earnings. Disbursements related to Other specified items amounted to MEUR -0.7 (-1.5) and pertained primarily to severance pay for the former management of the operations in North America.

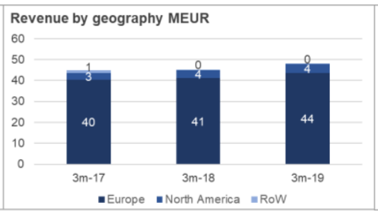
Net investments in the quarter totalled MEUR -1.2 (-2.5). These were distributed over fixed assets (MEUR 0.4), capitalised development costs (MEUR 0.4), earn-out (MEUR 0.2) and IT systems (MEUR 0.1).

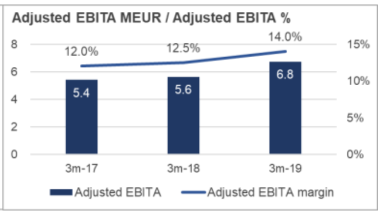
Consolidated cash and cash equivalents at the end of the period amounted to MEUR 23.9 (11.4). Interest-bearing net debt (excluding lease liabilities pursuant to IFRS 16) totalled MEUR 83.0 (94.2) at the end of the period. The year-on-year decrease in net debt was attributable to improved cash flow from operating activities. Lease liabilities pursuant to IFRS 16 amounted to MEUR 26.7 at the end of the period, and pertained primarily to rental contracts for premises.

Accessibility

In Accessibility, Handicare offers curved and straight stairlifts primarily for the home setting with a complementary offering of vehicle conversion products.







Accessibility	January - March			LTM	FY
MEUR	2019	2018	Δ%	2018/2019	2018
Revenue	48.2	45.1	6.8 %	192.5	189.4
Acquisitions / divestments	-	-	-	-	-
Currency effects*		0.5	-	1.6	2.1
Revenue excl acquisitions/divestm., currency	**48.2**	**45.6**	**5.7 %**	**194.1**	**191.5**

**adjusted for translation effects, not transaction effects*

Accessibility	January - March			LTM	FY
MEUR	2019	2018	Δ%	2018/2019	2018
Revenue	48.2	45.1	6.8 %	192.5	189.4
Operating costs	-40.9	-38.8	n/a	-163.8	-161.6
Adjusted EBITDA*	**7.2**	**6.3**	**14.5 %**	**28.7**	**27.8**
Depreciation of tangible fixed assets	-0.5	-0.7	n/a	-2.2	-2.3
Adjusted EBITA*	**6.8**	**5.6**	**19.8 %**	**26.5**	**25.4**
Other specified items	-	-	n/a	-1.1	-1.1
EBITA	**6.8**	**5.6**	**19.8 %**	**25.4**	**24.3**
Key figures, %					
*Adjusted EBITDA margin**	*15.0 %*	*14.0 %*		14.9 %	14.7 %
*Adjusted EBITA margin**	*14.0 %*	*12.5 %*		13.8 %	13.4 %
*EBITA margin**	*14.0 %*	*12.5 %*		13.2 %	12.8 %

** Alternative performance measures, refer to pages 17 and 18 for definitions and calculations. The Group's segments are presented excluding the effects from IFRS 16 because in the internal management reporting the segments report lease agreements according to the former standard IAS 17 Leases.*

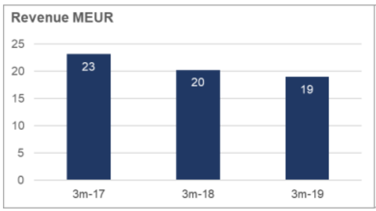
January – March 2019

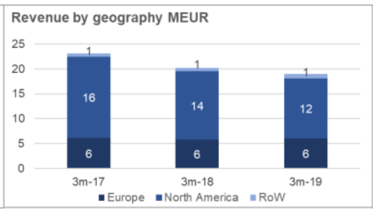
First-quarter revenue rose 6.8% to MEUR 48.2 (45.1). Organic growth was 5.7%. The business unit reported positive growth for stairlifts in Europe and in North America. Organic growth for stairlifts was 7.6% during the quarter. The growth rate was 6.1% in North America with a favourable growth trend since the latter part of the quarter was in line with the last two quarters. Vehicle Accessibility reported unchanged revenue. Deliveries of vehicles from VW have returned to normal and the order intake has trended positively. Therefore, developments over the remainder of the year are expected to be stable.

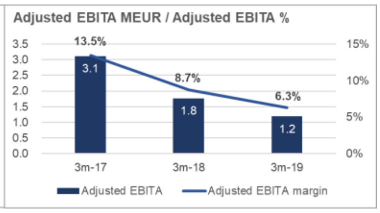
EBITA and adjusted EBITA amounted to MEUR 6.8 (5.6). The adjusted EBITA margin increased to 14.0% (12.5) as a result of lower operating costs (excluding cost of goods sold) in relation to revenue. The gross margin was largely unchanged.

Patient Handling

In Patient Handling, Handicare offers a broad product offering for patient transfer and lifting products, primarily for the hospital setting.







Patient handling	**January - March**			**LTM**	**FY**
MEUR	**2019**	**2018**	**Δ%**	**2018/2019**	**2018**
Revenue	19.0	20.2	-6.1 %	79.0	80.3
Acquisitions / divestments	-	-	-	-	-
Currency effects*		0.8	-	0.9	1.7
Revenue excl acquisitions/divestm., currency	**19.0**	**21.0**	**-9.6 %**	**79.9**	**81.9**

**adjusted for translations effects, not transaction effects*

Patient handling	**January - March**			**LTM**	**FY**
MEUR	**2019**	**2018**	**Δ%**	**2018/2019**	**2018**
Revenue	19.0	20.2	-6.1 %	79.0	80.3
Operating costs	-17.4	-18.1	n/a	-71.1	-71.8
Adjusted EBITDA*	**1.6**	**2.1**	**-25.6 %**	**7.9**	**8.5**
Depreciation of tangible fixed assets	-0.4	-0.3	n/a	-1.4	-1.4
Adjusted EBITA*	**1.2**	**1.8**	**-32.7 %**	**6.5**	**7.1**
Other specified items	-	-	n/a	-1.7	-1.7
EBITA	**1.2**	**1.8**	**-32.7 %**	**4.8**	**5.4**
Key figures %					
*Adjusted EBITDA margin**	*8.3 %*	*10.4 %*		*10.1 %*	*10.6 %*
*Adjusted EBITA margin**	*6.3 %*	*8.7 %*		*8.2 %*	*8.8 %*
*EBITA margin**	*6.3 %*	*8.7 %*		*6.1 %*	*6.8 %*

** Alternative performance measures, refer to pages 17 and 18 for definitions and calculations. The Group's segments are presented excluding the effects from IFRS 16 because in the internal management reporting the segments report lease agreements according to the former standard IAS 17 Leases.*

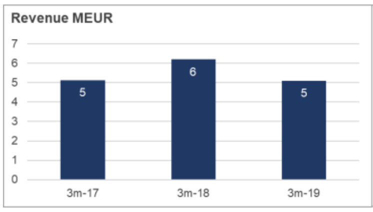
January – March 2019

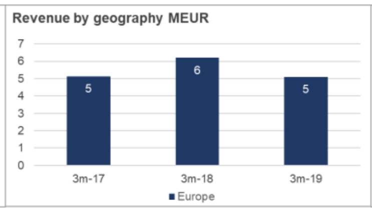
First-quarter revenue declined 6.1% to MEUR 19.0 (20.2). Revenue posted an organic decline of 9.6% as a result of a weak quarter in North America driven by lower sales to institutional customers in the US. This part of operations is affected by major installation projects, which were few in the first quarter compared with the corresponding quarter last year. Other parts of the operations in North America reported unchanged revenue. Europe and the rest of the world continued to post good organic growth, well above market growth.

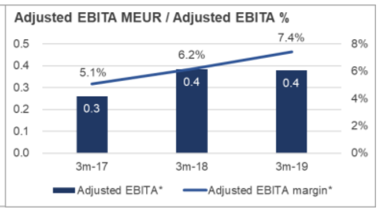
EBITA and Adjusted EBITA decreased to MEUR 1.2 (1.8). The adjusted EBITA margin declined to 6.3% (8.7), mainly driven by a lower gross margin. The decline in the gross margin was attributable to the product mix and reduced cost absorption in North America. Operating expenses (excluding the costs of goods sold) declined in nominal terms but increased slightly in relation to revenue. The profitability of operations in Europe remained good.

Puls

In Puls, Handicare distributes medical devices and consumables in Norway and Denmark.







Puls	January - March			LTM	FY
MEUR	2019	2018	Δ%	2018/2019	2018
Revenue	5.1	6.2	-17.9 %	20.0	21.1
Acquisitions / divestments	-	-	-	-	-
Currency effects*		-0.1	-	-0.2	-0.3
Revenue excl acquisitions/divestm., currency	**5.1**	**6.1**	**-16.9 %**	**19.8**	**20.8**

**adjusted for translations effects, not transaction effects*

Puls	January - March			LTM	FY
MEUR	2019	2018	Δ%	2018/2019	2018
Revenue	5.1	6.2	-17.9 %	20.0	21.1
Operating costs	-4.7	-5.8	n/a	-18.7	-19.8
Adjusted EBITDA*	**0.4**	**0.4**	**-0.1 %**	**1.3**	**1.3**
Depreciation of tangible fixed assets	-0.0	-0.0	n/a	-0.1	-0.1
Adjusted EBITA*	**0.4**	**0.4**	**-1.2 %**	**1.2**	**1.2**
Other specified items	-	-	-	-	-
EBITA	**0.4**	**0.4**	**-1.2 %**	**1.2**	**1.2**
Key figures %					
*Adjusted EBITDA margin**	*7.8 %*	*6.4 %*		*6.3%*	*6.0 %*
*Adjusted EBITA margin**	*7.4 %*	*6.2 %*		*6.0%*	*5.7 %*
*EBITA margin**	*7.4 %*	*6.2 %*		*6.0%*	*5.7 %*

** Alternative performance measures, refer to pages 17 and 18 for definitions and calculations. The Group's segments are presented excluding the effects from IFRS 16 because in the internal management reporting the segments report lease agreements according to the former standard IAS 17 Leases.*

January – March 2019

First-quarter revenue declined 17.9% to MEUR 5.1 (6.2). Organic growth was -16.9%. The negative growth was mainly attributable to fluctuations in project sales, which were strong in the first quarter of 2018. Other sales areas remained stable.

Despite lower sales, EBITA and adjusted EBITA were essentially unchanged year-on-year and totalled MEUR 0.4 (0.4). The EBITA margin increased to 7.4% (6.2) as a result of an improved gross margin. The increase in gross margin was driven by a favourable product mix.

Group-wide expenses
Group-wide expenses amounted to MEUR -2.9 (-2.7) for the quarter. No amortisation or depreciation was included in Group-wide expenses.

Employees
At the end of the period, the number of FTEs was 1,156 (1,177). The average number of FTEs was 1,158 (1,165) for the quarter.

Parent Company
First quarter revenue amounted to MEUR 2.8 (2.1). Profit before tax was MEUR 1.3 (1.7) and profit for the period was MEUR 1.3 (1.7).

Seasonal variations
The Group's revenue is subject to limited impact from seasonal variations. Normally, revenue generation is relatively evenly distributed between the first and second half of the year.

Risks and uncertainties
Handicare is a global Group represented in some 20 countries and, as such, is exposed to a number of business and financial risks. Risk management is therefore an important process for Handicare in order to achieve its set goals. Effective risk management is a natural part of the ongoing monitoring and forward-looking assessment of the Group's operations. Handicare's long-term risk exposure is not expected to deviate from the natural exposure associated with Handicare's ongoing business activities. For a more in-depth risk analysis, refer to Handicare's 2018 Annual Report.

Disputes
Handicare Stairlifts B.V. is currently involved in a legal process with one of the Group's suppliers, Eriks B.V., with regard to a product recall concerning the accumulator supplied by Eriks B.V. to Handicare. The negotiations with the counterparty could not be concluded in the first quarter and will continue in the second quarter of 2019. Handicare estimates that the remaining costs attributable to the product recall will not exceed the provision as of 31 March 2019.

Annual General Meeting
The 2018 Annual General Meeting will be held in Stockholm on 8 May 2019. The announcement of the 2018 Annual General Meeting is available at www.handicaregroup.com. The Board proposes the distribution to shareholders of a dividend of 5 cent (5 cent) for the 2018 financial year, corresponding to a total dividend payment of approximately MEUR 2.9 based on the number of outstanding shares at the end of 2018. The proposed record date is May 10, 2019.

Shares
The number of shares at the end of the period amounted to 58 939 000. No change versus last year.

Significant events during the reporting period

Changes to the Group Management team
Pernilla Lindén was appointed Executive Vice President Strategy and Business Excellence effective January 1, 2019.

Mattias Hakeröd was appointed Executive Vice President Human Resources effective January 7, 2019.

Tom Vorpahl was appointed Executive Vice President North America effective February 11, 2019.
Tom Vorpahl replaces Charley Wallace who has left Handicare.

Significant events after the reporting period
No significant events have occurred after the reporting period.

Condensed consolidated income statement

Group* MEUR	January - March 2019	January - March 2018	FY 2018
Revenue	72.3	71.6	290.9
Cost of material	-33.9	-33.7	-137.9
Employee benefits expenses	-18.6	-18.8	-73.6
Other operating costs	-12.0	-12.9	-53.7
Depreciation and amortization	-3.8	-2.2	-9.5
Other specified items**	-	-	-3.0
Operating profit/loss (EBIT)	**3.9**	**3.9**	**13.2**
Financial items, net	0.1	-1.9	-1.2
Profit/loss before tax	**4.1**	**2.0**	**12.1**
Tax	-0.5	0.2	-0.7
Net profit/loss for the period	**3.5**	**2.3**	**11.4**
Earnings per share (EUR) before and after dilution	0.06	0.04	0.19
Average number of shares before and after dilution (000's)	58 939	58 939	58 939

* From 1 January 2019, the Group applies IFRS 16 Leases. Therefore, the income statement for 2019 is not fully comparable with 2018. Refer to Note 6 for a specification of the impact on the income statement.
** See Note 4

Condensed consolidated statement of comprehensive income

Group MEUR	January - March 2019	January - March 2018	FY 2018
Net profit/loss	3.5	2.3	11.4
Gains/losses pertaining to defined benefit pension plans (can not be reversed)	0.0	0.0	0.1
Translation differences (can be reversed)	4.0	-3.1	-2.1
Net investment hedges (can be reversed)	-2.8	1.7	0.1
Income tax attributable to components in other comprehensive income (can be reversed)	0.7	-0.4	-0.0
Total comprehensive income/loss for the period	**5.4**	**0.4**	**9.5**
Comprehensive income/loss attributable to Parent Company´s shareholders	5.4	0.4	9.5
Comprehensive income/loss attributable to non-controlling interests	-	-	-

Condensed consolidated balance sheet

Group* MEUR	31 Mar 2019	31 Mar 2018	31 Dec 2018
Intangible assets	48.8	51.0	49.1
Goodwill	166.1	162.9	162.8
Property, plant and equipment	9.3	10.5	9.7
Right-of-use assets	26.9	-	-
Deferred tax assets	7.7	6.0	8.0
Other non-current assets	0.2	0.2	0.2
Total non-current assets	**259.1**	**230.6**	**229.7**
Inventory	38.5	36.0	35.6
Accounts receivable	44.0	43.7	43.7
Tax receivables	0.2	1.5	0.1
Other current assets	4.0	4.5	3.3
Cash and cash equivalents	23.9	11.4	23.6
Total current assets	**110.6**	**97.2**	**106.3**
Total assets	**369.7**	**327.8**	**336.0**
Total equity	**176.7**	**165.0**	**171.3**
Provisions for pensions	0.2	0.4	0.2
Deferred tax liabilities	7.7	8.7	8.3
Advance payments	2.4	2.4	2.4
Other liabilities	0.3	1.0	0.4
Lease liabilities	21.8	-	-
Interest-bearing loans	105.9	104.0	103.0
Total long-term liabilities	**138.4**	**116.5**	**114.3**
Interest-bearing loans	0.0	0.1	0.0
Lease liabilities	4.8	-	-
Accounts payable	31.9	25.2	30.5
Other liabilities	1.2	2.2	1.1
Accrued expenses and deferred income	16.6	18.9	18.7
Total current liabilities	**54.6**	**46.3**	**50.4**
Total shareholders' equity and liabilities	**369.7**	**327.8**	**336.0**

* From 1 January 2019, the Group applies IFRS 16 Leases. Therefore, the balance sheet for 2019 is not fully comparable with 2018. Refer to Note 6 for a specification of the impact on the balance sheet.

Condensed consolidated cash-flow statement

Group* MEUR	January - March 2019	January - March 2018	FY 2018
Profit/loss before tax	4.1	2.0	12.1
Depreciation, amortization and impairment	3.8	2.2	9.5
Reversal of interest expense/ income	1.1	0.7	3.0
Other non-cash items	-0.2	0.1	1.0
Taxes paid	-0.1	-0.8	-1.6
Cash flow before changes in working capital	**8.7**	**4.2**	**23.9**
Inventory	-2.1	-0.6	0.5
Accounts receivable	0.4	-2.5	-1.8
Accounts payable	0.5	0.2	5.7
Other current receivables/liabilities	-3.6	-1.6	-5.7
Cash flow from operating activities	**3.8**	**-0.2**	**22.6**
Acquired / divested operations	-0.2	-1.1	-1.1
Acquired / divested fixed assets/intangible assets	-1.0	-1.4	-5.9
Cash flow from investing activities	**-1.2**	**-2.5**	**-7.0**
Changes in interest-bearing loans	-	1.3	1.2
Changes in lease liabilites	-1.4	-	-
Interest, net	-0.8	-0.6	-2.8
Dividend paid	-	-	-2.9
Cash flow from financing activities	**-2.3**	**0.7**	**-4.4**
Cash flow for the period	**0.4**	**-2.0**	**11.2**
Cash and cash equivalents at the beginning of the period	23.6	12.9	12.9
Cash flow for the period	0.4	-2.0	11.2
Translation differences	-0.0	0.6	-0.5
Cash and cash equivalents at end of the period	**23.9**	**11.4**	**23.6**

* From 1 January 2019, the Group applies IFRS 16 Leases. Therefore, the cash flow for 2019 is not fully comparable with 2018. Refer to Note 6 for a specification of the impact on cash flow.

Condensed consolidated statement of changes in shareholders' equity

Group MEUR	Attributable to equity holders of the Parent	Non-controlling intrerest	Total equity
Opening balance January 1, 2018	**164.7**	**-**	**164.7**
Profit for the year	2.3	-	2.3
Other comprehensive income	-1.9	-	-1.9
Closing balance March 31, 2018	**165.0**	**-**	**165.0**
Opening balance January 1, 2019	**171.3**	**-**	**171.3**
Profit for the year	3.5	-	3.5
Other comprehensive income	1.9	-	1.9
Closing balance March 31, 2019	**176.7**	**-**	**176.7**

Condensed Parent Company income statement

Parent Company MEUR	January - March 2019	 2018	FY 2018
Revenue	2.8	2.1	11.8
Employee benefits expenses	-1.3	-1.0	-4.6
Other operating costs	-0.5	-0.2	-8.4
Depreciation and amortization	-0.0	-0.0	-0.0
Operating profit/loss (EBIT)	**1.0**	**0.9**	**-1.2**
Financial items, net	0.4	0.8	0.9
Profit/loss before tax	**1.3**	**1.7**	**-0.3**
Appropriations	-	-	-
Tax	-	-	-
Net profit/loss for the period	**1.3**	**1.7**	**-0.3**

Condensed Parent Company balance sheet

Parent Company MEUR	31 Mar 2019	31 Mar 2018	31 Dec 2018
Intangible assets	0.4	-	0.4
Shares in Group companies	272.1	272.1	272.1
Tangible fixed assets	0.1	0.0	0.1
Long-term receivables	0.6	0.6	0.6
Total non-current assets	**273.1**	**272.7**	**273.1**
Receivables from Group companies	2.4	2.5	0.3
Other receivables	0.7	1.0	0.3
Cash and cash equivalents	0.0	0.1	-
Total current assets	**3.1**	**3.6**	**0.5**
Total assets	**276.2**	**276.4**	**273.7**
Shareholders´ equity	**252.0**	**255.5**	**250.6**
Liabilities from Group companies	22.9	19.4	21.6
Accounts payable	0.1	0.3	0.5
Other liabilities	0.2	0.2	0.1
Accrued expenses and deferred income	1.0	1.0	0.9
Total current liabilities	**24.2**	**20.9**	**23.0**
Total shareholders´ equity and liabilities	**276.2**	**276.4**	**273.7**

Notes

Note 1 – Accounting policies

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2. The application of the accounting policies is consistent with those contained in the 2018 Annual Report and are to be read together with said policies. Moreover, IFRS 16 Leases apply from 1 January 2019 (see below and Note 6). In addition to the financial measures prepared in accordance with IFRS, Handicare presents non-IFRS financial measures, such as Gross profit, EBITA, EBITA before other specified items and Net debt. These alternative performance measures are considered key earnings and performance indicators for investors and other users of the interim report. The alternative performance measures are a complement to, but not a replacement for, the financial information prepared in accordance with IFRS. Definitions and reconciliations of the alternative performance measures are presented on pages 17-18.

In 2019, the Group applies IFRS 16 Leases for the first time. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases. The implementation of the standard entails the recognition of almost all leases in the lessee's balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, the lessee recognises a right-of-use asset (the right to use a leased asset) and a lease liability for the obligation to make lease payments. The effect from implementing IFRS 16 is presented in Note 6. The parent company does not apply IFRS 16. The Group's segments are presented excluding the effects from IFRS 16 because in the internal management reporting the segments report lease agreements according to the former standard IAS 17 Leases. The effect from the transition to IFRS 16 is not included in some of the Group's alternative performance measures (see pages 17-18).

Currently, no other interpretations or standards that have yet to enter force are expected to entail any material impact on the consolidated financial statements.

Note 2 – Segment overview

Group	January - March		LTM	FY
MEUR	2019	2018	2018/2019	2018
Accessibility	48.2	45.1	192.5	189.4
Patient Handling	19.0	20.2	79.0	80.3
Puls	5.1	6.2	20.0	21.1
Group-wide functions	0.0	0.0	0.1	0.1
Revenue - Group	**72.3**	**71.6**	**291.6**	**290.9**

Group	January - March		LTM	FY
MEUR	2019	2018	2018/2019	2018
Accessibility	6.8	5.6	26.5	25.4
Patient Handling	1.2	1.8	6.5	7.1
Puls	0.4	0.4	1.2	1.2
Group-wide functions	-2.9	-2.7	-12.0	-11.8
Adj EBITA - Group	**5.5**	**5.1**	**22.2**	**21.8**

Group	January - March		LTM	FY
MEUR	2019	2018	2018/2019	2018
Adj EBITA - Group	5.5	5.1	22.2	21.8
Other specified items	-	-	-3.0	-3.0
IFRS 16 adjustment - EBITA	0.1	-	0.1	-
Amortization	-1.6	-1.2	-6.1	-5.6
Financial items, net	0.1	-1.9	0.8	-1.2
EBT - Group	**4.1**	**2.0**	**14.1**	**12.1**

The operations do not allocate assets and liabilities to different segments and the company's management does not monitor operations from this perspective, which is why a segment overview is not included.

Note 3 – Acquisitions

Handicare has not carried out any acquisitions in 2019. In January 2018, Handicare acquired the assets of a distributor in North America. A larger share of the purchase price was conditional and based on the distributor's future sales. The size of the earn-out is based on sales growth over a 48-month period. The fair value of the purchase price is estimated at MEUR 2.3 and is based on a discount rate of 3% and probability-adjusted, assumed future sales. In the first quarter of 2019, MEUR 0.2 of the earn-out has been disbursed. The acquisition analysis for the acquisition is shown below.

Business combination	MEUR
Tangible fixed assets	0.1
Customer contracts and customer relations	2.2
Inventory	0.4
Other liabilities	-
Total identifiable net assets	**2.6**
Goodwill	0.8
Total net assets	**3.4**
Less:	
Acquired cash, net	-
Contingent consideration	-2.3
Net cash flow - investments	**1.1**

Goodwill pertains to expected synergy effects from the merger of the Group's and the distributor's US operations.

Note 4 – Other specified items

Handicare had no Other specified items in the first quarter 2019 or in the first quarter 2018. During the full year 2018, in conjunction with reorganisations, Handicare charged costs of MEUR 3.0 (mainly severance costs) to earnings. These costs were reported under Other specified items.

Note 5 – Financial net debt.

Group MEUR	31 Mar 2019	31 Mar 2018	31 Dec 2018
Interest-bearing long-term loans	103.2	101.6	100.3
Leasing adjustments IFRS 16	26.7	-	-
Other interest-bearing debt	3.7	4.0	3.8
Deduct: cash and cash equivalents	-23.9	-11.4	-23.6
Deduct: IFRS 16 impact	-26.7	-	-
Interest-bearing net debt	**83.0**	**94.2**	**80.5**

Note 6 – Presentation of the transition to IFRS 16 Leases

Handicare applies IFRS 16 Leases as from 1 January 2019. During 2018, Handicare reviewed the Group's leases to evaluate the effects on the Group's financial reporting. The Group's leases have been grouped into the following asset classes: properties, vehicles and inventory. Handicare have chosen the modified retrospective approach, which means that the comparative figures have not been restated. The accumulated effect of the initial application of the standard have been recognised on the date of initial application, in other words, 1 January 2019. Handicare have measured the right-of-use assets in the Group's leases at amounts corresponding to the lease liability after adjustment for any prepayments or accrued lease fees pertaining to leases. Handicare has chosen to use the exemptions contained in the standard regarding short-term leases and leases of low-value assets. These will be recognised as straight-line expenses over the lease period. The Group has leases for office equipment (computers, printers and photocopiers) that are classified as low-value right-of-use assets.

For leases that were previously classified as financial leases under IAS 17, the carrying amounts for the right-of-use and the lease liability on the transition at 1 January 2019 will be the same as the carrying amounts for the asset and the lease liability at 31 December 2018 in accordance with IAS 17.

Several of the Group's lease agreements, especially for property, offer opportunities to extend the leases. When calculating the lease liability, the Group has included options for extension when it is reasonably certain that these options will be used. Discount rate has been set per country and average interest rate used for the valuation of the lease liability is 3.5%. The impact from applying IFRS 16 on the Group's financial statements is presented below.

Group Income statement	Q1 2019		
MEUR	incl IFRS 16	IFRS 16 effect	excl IFRS 16
Revenue	72.3	-	72.3
Cost of material	-33.9	-	-33.9
Employee benefits expenses	-18.6	-	-18.6
Other operating costs	-12.0	-1.4	-13.4
Depreciation and amortization	-3.8	1.3	-2.5
Operating profit/loss (EBIT)	**3.9**	**-0.1**	**3.8**
Financial items, net	0.1	0.3	0.4
Profit before tax	**4.1**	**0.1**	**4.2**
Tax	-0.5	-0.0	-0.6
Profit after tax	**3.5**	**0.1**	**3.6**

Key ratios	Q1 2019		
MEUR	incl IFRS 16	IFRS 16 effect	excl IFRS 16
EBITDA	7.8	-1.4	6.4
EBITA	5.6	-0.1	5.5
EBIT	3.9	-0.1	3.8

Group	31 March 2019			31 Dec	IFRS 16	1 Jan
MEUR	incl IFRS 16	IFRS 16 effect	excl IFRS 16	2018	effect	2019
Total non-current assets	259.1	-26.9	232.1	229.7	27.5	257.2
Total current assets	110.6	0.4	111.0	106.3	-0.3	105.9
Total assets	**369.7**	**-26.6**	**343.1**	**336.0**	**27.1**	**363.1**
Total equity	**176.7**	**0.1**	**176.8**	**171.3**	**-**	**171.3**
Lease liabilities	21.8	-21.8	-	-	21.7	21.7
Interest-bearing loans	105.9	-	105.9	103.0	-	103.0
Other long-term liabilities	10.7	-	10.7	11.3	-	11.3
Total long-term liabilities	**138.4**	**-21.8**	**116.6**	**114.3**	**21.7**	**136.1**
Lease liabilities	4.8	-4.8	-	-	5.4	5.4
Other current liabilites	49.7	-	49.7	50.3	-	50.3
Total current liabilities	**54.6**	**-4.8**	**49.8**	**50.4**	**5.4**	**55.8**
Total shareholders' equity and liabilities	**369.7**	**-26.6**	**343.1**	**336.0**	**27.1**	**363.1**

The Group cash flow from operating activities has, in comparison with last year, improved by MEUR 1.4 with a corresponding decline in cash flow from investing activities.

Stockholm, April 25, 2019
Handicare Group AB (publ)

Staffan Ternström
President and CEO

Auditors' review report

This report has not been reviewed by the company's auditors.

Telephone conference

A telephone conference, hosted by Staffan Ternström, President and CEO, and Stephan Révay, CFO, will be held at 10:00 a.m. CET on 25 April 2019. To participate, please register in advance using the following link http://emea.directeventreg.com/registration/8396346

A presentation will be available at www.handicaregroup.com/investors.

Dates for financial reports

Annual General Meeting	8 May 2019
Interim report April – June 2019	14 August 2019
Interim report July – September 2019	24 October 2019
Year-end report 2019	12 February 2020

For more information, contact:

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Stephan Révay, CFO & IR, Tel: +46 729 666 532

This information is information that Handicare Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 a.m. CET on 25 April 2019.

Forward-looking statements

To the extent this report contains forward-looking statements, these statements are based on the current expectations of Handicare's Group management. Although management considers the expectations expressed in such forward-looking statements to be reasonable, there is no guarantee that these expectations will prove correct. Accordingly, actual future outcomes may differ significantly from those expressed in the forward-looking statements due to such factors as changed economic, market and competitive conditions, changes in regulatory requirements and other policy measures, and fluctuations in exchange rates.

About Handicare

Handicare offers solutions to increase the independence of disabled or elderly people, and to facilitate for their care providers and family. The offering encompasses a comprehensive range of curved and straight stairlifts, transfer, lifting and repositioning aids, vehicle adaptations and medical equipment. Handicare is a global company with sales in more than 20 countries and is a market leader in this field. The head office is in Stockholm, Sweden and manufacturing and assembly is located at five sites distributed across North America, Asia and Europe. In the twelve-month period to March 2019, revenue amounted to MEUR 292 and the adjusted EBITA margin was 7.6%. Employees numbered around 1,200 and the share is listed on Nasdaq Stockholm. For more information, www.handicaregroup.com.

Quarterly data

Group MEUR	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Revenue	73.3	71.4	69.2	70.4	71.6	75.3	70.1	73.9	72.3
Cost of goods sold	-42.0	-40.6	-39.9	-40.8	-42.0	-42.8	-40.0	-46.5	-42.6
Gross profit*	**31.3**	**30.8**	**29.4**	**29.6**	**29.6**	**32.6**	**30.1**	**27.4**	**29.6**
Operating costs	-23.6	-23.1	-22.2	-22.6	-23.4	-24.0	-23.1	-23.4	-23.3
Adjusted EBITDA*	**7.7**	**7.8**	**7.2**	**7.1**	**6.2**	**8.6**	**7.0**	**4.0**	**6.4**
Depreciation of tangible fixed assets	-0.9	-0.9	-0.8	-0.9	-1.0	-0.9	-0.9	-1.0	-0.9
Adjusted EBITA*	**6.8**	**6.9**	**6.3**	**6.2**	**5.1**	**7.6**	**6.1**	**3.0**	**5.5**
Other specified items	-0.8	-1.2	-4.9	-0.3	-	-2.0	-	-1.0	-
IFRS 16 impact	-	-	-	-	-	-	-	-	0.1
EBITA	**6.0**	**5.7**	**1.5**	**5.9**	**5.1**	**5.6**	**6.1**	**2.0**	**5.6**
Key figures, %									
*Gross margin**	*42.7 %*	*43.2 %*	*42.4 %*	*42.1 %*	*41.4 %*	*43.2 %*	*43.0 %*	*37.1 %*	*41.0 %*
*Adjusted EBITDA margin**	*10.5 %*	*10.9 %*	*10.3 %*	*10.0 %*	*8.6 %*	*11.4 %*	*10.0 %*	*5.4 %*	*8.8 %*
*Adjusted EBITA margin**	*9.3 %*	*9.7 %*	*9.1 %*	*8.8 %*	*7.2 %*	*10.1 %*	*8.6 %*	*4.1 %*	*7.6 %*
EBITA margin	*8.2 %*	*8.0 %*	*2.1 %*	*8.3 %*	*7.2 %*	*7.5 %*	*8.6 %*	*2.7 %*	*7.7 %*

** Alternative performance measures, refer to pages 17 and 18 for definitions and calculations.*
BD operations were sold during 2017 and are therefore not included in the 2017 numbers in the table above.

Alternative performance measures

Handicare uses certain alternative performance measures (APMs) not defined in the rules for financial reporting adopted by Handicare. These APMs are considered important result and performance indicators for investors and other readers of the interim report. The purpose of these APMs is to provide a better understanding of how the business develops. These APMs shall be seen as a complement to, and not substitute to, the financial information prepared in accordance with IFRS. These APMs, as defined, cannot be fully compared with other companies' APMs. For a complete description, refer to the 2018 Annual report, pages 93-94.

Adjusted EBIT
EBIT excluding Other specified items and the impact from the IFRS 16 transition.

Adjusted EBIT margin
Adjusted EBIT as a percentage of revenue.

Adjusted EBITA
EBITA excluding Other specified items and the impact from the IFRS 16 transition.

Adjusted EBITA margin
Adjusted EBITA as a percentage of revenue.

Adjusted EBITDA
EBITDA excluding Other specified items and the impact from the IFRS 16 transition.

Adjusted EBITDA margin
Adjusted EBITDA as a percentage of revenue.

Adjusted operating cash flow
Cash flow from operating activities (including changes in working capital) excluding other specified items and the impact from the IFRS 16 transition.

Adjusted operating cash flow/Adjusted EBITDA
Adjusted operating cash flow from operating activities as a percentage of Adjusted EBITDA.

Capital expenditure (CAPEX)
Investments in both tangible and intangible assets, excluding financial assets.

Constant currency
Translation of the preceding period at the average exchange rates for the current period.

EBIT margin
Operating profit (EBIT) as a percentage of revenue.

EBITA
Earnings before interest, tax and amortisation.

EBITA margin
EBITA as a percentage of revenue.

EBITDA
Earnings before interest, tax, depreciation and amortisation.

EBITDA margin
EBITDA as a percentage of revenue.

Gross margin
Gross profit as a percentage of revenue.

Gross profit
Revenue less direct costs (direct material, direct labour and freight costs) for the manufacture and sale of products.

Net debt
Interest-bearing liabilities less cash and cash equivalents.

Net debt/Adjusted EBITDA
Interest-bearing net debt in relation to adjusted EBITDA.

Other specified items
Other specified items cover transaction costs, integration costs, restructuring costs, IPO costs, recall costs and other efficiency projects.

Organic growth
Organic growth refers to revenue growth excluding (i) growth related to acquisitions and divestments and (ii) growth related to fluctuations in currency exchange rates. For more details, see the section Definitions in the company's 2018 Annual Report.

Reconciliation of significant alternative performance measures

Group	January - March		FY
MEUR	2019	2018	2018
Revenue	**72.3**	**71.6**	**290.9**
Direct material	-32.8	-32.6	-133.3
Direct Labor	-6.9	-6.5	-26.2
Freight (inbound / outbound)	-3.0	-2.9	-11.7
Gross profit	**29.6**	**29.6**	**119.7**

Group	January - March		FY
MEUR	2019	2018	2018
Operating profit/loss (EBIT)	**3.9**	**3.9**	**13.2**
Amortisation / impairment of intangible assets	1.6	1.2	5.6
Other specified items	-	-	3.0
IFRS 16 impact	-0.1	-	-
Adjusted EBITA	**5.5**	**5.1**	**21.8**
Depreciation of tangible fixed assets	0.9	1.0	3.8
Adjusted EBITDA	**6.4**	**6.2**	**25.7**

Group	January - March		FY
MEUR	2019	2018	2018
Cash flow before changes in working capital	**8.7**	**4.2**	**23.9**
Taxes paid	0.1	0.8	1.6
Cash Interest and Cost	-1.1	-0.7	-3.0
Net financial items per the profit and loss statement	-0.1	1.9	1.2
Other non cash-items	0.2	-0.1	-1.0
Other specified items	-	-	3.0
IFRS 16 impact	-1.4	-	-
Adjusted EBITDA	**6.4**	**6.2**	**25.7**
Change in net working capital	-4.8	-4.5	-1.3
Acquired / divested fixed assets/intangible assets	-1.0	-1.4	-5.9
Adjusted operating cash flow	**0.6**	**0.3**	**18.4**