



Interim Report
January – March 2020

First quarter 2020

Despite Covid-19, Accessibility and Vehicle Accessibility returned marginal organic sales growth, while progress remained weak in Patient Handling North America. Improvement program launched

First quarter 2020

- Revenue amounted to MEUR 61.0 (67.2)
- Organic growth was -2.0%
- The gross margin was 42.9% (41.7)
- Adjusted EBITA amounted to MEUR 3.8 (5.2), corresponding to a margin of 6.2% (7.7)
- EBIT was MEUR -24.4 (3.6), including goodwill impairment of MEUR 25 relating to the Patient Handling operations in North America
- Net profit (including discontinued operations) amounted to MEUR -21.0 (3.5)
- Earnings per share (including discontinued operations) before and after dilution amounted to EUR -0.36 (0.06)
- Strong adjusted operating cash flow of MEUR 6.4 (1.6) and leverage improved to 2.4x
- EBITA includes other specified items of MEUR -1.5, mainly attributable to costs relating to the strategic review and restructuring costs

Events after the end of the reporting period

- As a result of the strategic review and the increased focus on Accessibility, an agreement was signed to divest Patient Handling Europe in April against a purchase price of approximately MEUR 30 (Enterprise Value). The transaction is expected to close in May
- Staffan Ternström left his position as President and CEO. Johan Ek has been appointed interim President and CEO

Covid-19: effects and financial impacts

- On Group level there was a decline in sales from mid-March, mainly for Accessibility but also for Patient Handling North America, which also had a negative impact on the profits
- Over the second quarter, we anticipate lower sales and profitability compared to the corresponding period in the previous year
- Although Handicare has a strong financial position and liquidity, given the uncertainty relating to the future economic impact, the Board of Directors has decided to withdraw the previously communicated proposal to the Annual General Meeting 2020 of 0.07 EUR dividend per share



Group in Summary MEUR	January - March			LTM	FY
	2020	2019	Δ%	2019/20	2019
Revenue	61.0	67.2	-9.3 %	264.8	271.0
Gross profit*	26.1	28.0	-6.8 %	110.5	112.4
Gross margin*, %	42.9 %	41.7 %	-	41.7 %	41.5 %
Adjusted EBITDA*	5.8	7.4	-21.7 %	28.7	30.3
Adjusted EBITDA margin*, %	9.5 %	11.0 %	-	10.8 %	11.2 %
Adjusted EBITA*	3.8	5.2	-27.8 %	20.1	21.5
Adjusted EBITA margin*, %	6.2 %	7.7 %	-	7.6 %	7.9 %
Operating profit/loss (EBIT)	-24.4	3.6	n/a	-23.3	4.6
Operating margin, (EBIT margin)*, %	-40.0 %	5.3 %	-	-8.8 %	1.7 %
Adjusted operating profit/loss (adjusted EBIT)*	2.1	3.6	-41.3 %	13.7	15.2
Adjusted operating margin (adjusted EBIT margin)*, %	3.4 %	5.3 %	-	5.2 %	5.6 %
Net profit/loss (incl. discontinued operations)	-21.0	3.5	n/a	-22.1	2.3
Earnings per share (incl. discontinued operations) before and after dilution, EUR	-0.36	0.06	n/a	-0.38	0.04
Adjusted Operating Cash Flow*	6.4	1.6	300.5 %	24.3	19.5
Net debt / Adjusted EBITDA (LTM)*, times	2.4	3.4	-30.0 %	2.4	2.6

* Alternative performance measures, see pages 19-21 for definitions and calculations. From this Interim Report onwards, alternative performance measures include the effect of IFRS 16, with the exception of Net debt/Adjusted EBITDA.

Handicare Auto A/S was divested in December and has been included in continued operations. Puls was divested on May 22, 2019 and was reported as discontinued operations in 2019 and 2018, see Note 4. This report refers to Handicare's continued operations unless otherwise indicated.

CEO's Comments

Dear Shareholders,

The Covid-19 pandemic spreading across the globe is affecting us all and the first priority for Handicare during the quarter was to ensure the health of our customers and employees. The second priority was to adapt our operations to the changing economic environment and to take actions to protect our financial position and liquidity. The Covid-19 situation also increases the need for further improvements and an acceleration of mitigation measures.



The pandemic has affected Handicare during the quarter. At group level, there was a decline in demand from mid-March mainly attributable to Accessibility Europe and Patient Handling North America. Group net sales declined organically by 2.0% and amounted to MEUR 61.0 (67.2). Lower sales resulted in a negative impact on the operating profit and EBITA amounting to MEUR 3.8 (5.2) million, down by 28%.

Introducing the Lift Up Program

Even if we historically have seen relatively good growth within the Stairlift business, Handicare in its entirety has not performed according to its potential. Particularly the performance in Patient Handling North America has been unsatisfactory both with regards to growth and profitability. With this in mind, the recent strategic review and the subsequent divestments will have a positive impact on Handicare creating a more focused Accessibility company.

Accessibility accounts for more than 90% of the group's EBITA. Within Accessibility we enjoy strong market positions in key European markets as well as a promising growth platform in the large US market. The historical track record in Accessibility is also solid - with an organic CAGR of approximately 6% for the last eight years. With this as the starting point, we are in a position of strength to enter the next phase of improvements. This, we call the Lift Up Program.

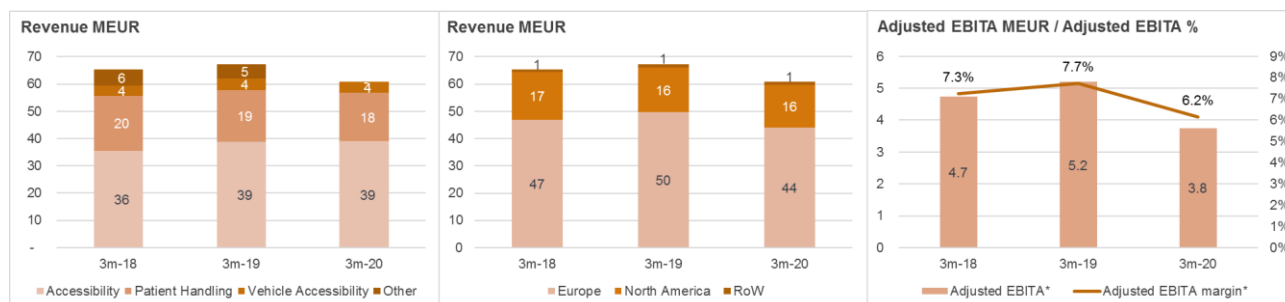
The Lift Up Program seeks to establish a more focused and agile organization. The ambition is to optimize group-wide processes and to avoid duplication of efforts as well as to simplify structures and streamline the group cost base. In parallel, we will take the necessary actions to bring the Patient Handling North America business to profitable growth.

The goal of the Lift Up Program is to make Handicare a stronger, more focused company. We want to continue to grow faster than the market in Accessibility and with higher profitability. We are of course aware of the negative impact from Covid-19. By creating the right preconditions, however, we will be able to take us out of the pandemic as a stronger company.

We will share our progress on the Lift Up Program as we start to show the expected results. The first update will take place on June 12, 2020.

Johan Ek
President and CEO

Group performance



Group MEUR	January - March			LTM	FY
	2020	2019	Δ%	2019/20	2019
Revenue	61.0	67.2	-9.3 %	264.8	271.0
Vehicle Accessibility Denmark	-	-5.1	-	-12.9	-18.0
Currency effects*		0.1	-	-4.1	-4.0
Revenue, organic growth	61.0	62.2	-2.0 %	247.9	249.1

*adjusted for translation effects, not transaction effects

Group MEUR	January - March			LTM	FY
	2020	2019	Δ%	2019/20	2019
Revenue	61.0	67.2	-9.3 %	264.8	271.0
Cost of goods sold	-34.8	-39.1	n/a	-154.3	-158.7
Gross profit*	26.1	28.0	-6.8 %	110.5	112.4
Operating costs	-20.4	-20.7	n/a	-81.8	-82.1
Adjusted EBITDA*	5.8	7.4	-21.7 %	28.7	30.3
Depreciation of tangible fixed assets	-2.0	-2.2	n/a	-8.6	-8.8
Adjusted EBITA*	3.8	5.2	-27.8 %	20.1	21.5
Other specified items	-1.5	-	n/a	-12.0	-10.5
EBITA	2.3	5.2	-56.1 %	8.1	11.0
Adjusted EBITA (excl Veh. Acc. DK)*	3.8	5.0	-25.6 %	20.1	21.3

Key figures, %

Gross margin*	42.9 %	41.7 %	41.7 %	41.5 %
Adjusted EBITDA margin*	9.5 %	11.0 %	10.8 %	11.2 %
Adjusted EBITA margin*	6.2 %	7.7 %	7.6 %	7.9 %
EBITA margin*	3.7 %	7.7 %	3.1 %	4.1 %
Adjusted EBITA margin (excl Vehicle Acc. DK)*	6.2 %	8.1 %	8.0 %	8.4 %

* Alternative performance measures, refer to pages 19-21 for definitions and calculations. From this report onwards, alternative performance measures include the effect of IFRS 16. The comparative year 2019 has been restated to reflect this.

Handicare Auto A/S was divested in December 2019 and is included in the continuing operations up until the date of divestment (revenue is excluded in the organic growth calculation). Puls is reported as discontinued operations in this report.

January – March 2020

Revenue and earnings

Revenue decreased by -9.3% in the first quarter, primarily due to the divestment of Vehicle Accessibility Denmark. Organic revenue decreased by -2.0%, primarily due to the negative impact of Covid-19. The pandemic has different impact on Handicare's various business units. On Group level there was a decline in sales from mid-March, mainly for Accessibility Europe that was adversely affected by a decline in demand, but also for Patient Handling North America, in the form of a delay of certain projects. Accessibility reported a small organic growth of 0.1%. Vehicle Accessibility increased by 2.8%, while Patient Handling reported an organic decrease of -7.2% as a result of the continued weak progress in North America.

The adjusted EBITDA margin decreased from 6.2% (7.7) as a result of the sudden drop in revenue caused by Covid-19, which increased operating costs in relation to revenue in year-on-year terms. Gross margin increased by just over

1 percentage point to 42.9% (41.7), mainly driven by a change in the product mix resulting from the divestment of Vehicle Accessibility Denmark in December 2019. Operating costs were down in absolute terms year-on-year, also because Vehicle Accessibility Denmark was not included in costs for 2020. Excluding Vehicle Accessibility Denmark, operating costs increased slightly, driven by higher personnel costs. Other specified items are mainly due to costs associated with the strategic review and restructuring costs in North America.

Exchange rate effects (translation effect) on adjusted EBITA were MEUR -0.1.

In the quarter, Handicare recognized goodwill impairment of MEUR 25 relating to the Patient Handling operations in North America, as a result of updated impairment testing that includes a delayed return to positive growth in Patient Handling North America. The impairment did not affect cash flow. After impairment, goodwill relating to Patient Handling North America was MEUR 15.

Net financial items increased to MEUR 4.8 (0.1). Interest expenses amounted to MEUR -0.9 (-1.1), of which MEUR -0.2 related to the leasing liability. Exchange rate effects had a positive impact of MEUR 5.8 (-1.3) on net financial items. Profit before tax for continued operations was MEUR -19.5 (3.7).

Tax expense for the quarter amounted to MEUR -1.4 (-0.5). Profit for the period for continuing operations totaled MEUR -21.0 (3.1), corresponding to earnings per share of EUR -0.36 (0.05) before and after dilution.

Profit for the period amounted to MEUR -21.0 (3.5), corresponding to earnings per share of EUR -0.36 (0.06) before and after dilution.

Cash flow and financial position

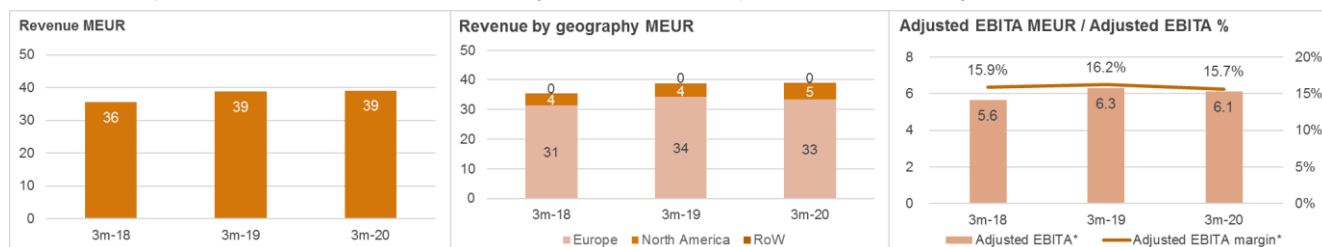
During the quarter, cash flow from operating activities amounted to MEUR 8.9 (3.8). The increase year-on-year was primarily due to a decrease in capital tied up in working capital. Disbursements under Other specified items amounted to MEUR -0.5 (-0.7).

Net investments in tangible/intangible assets amounted to MEUR -0.9 (-1.2) in the quarter. These were distributed over fixed assets MEUR -0.3, capitalized development costs MEUR -0.5 and IT MEUR -0.2.

Consolidated cash and cash equivalents amounted to MEUR 38.8 (23.9) at the end of the period. Interest-bearing net debt (excluding lease liabilities pursuant to IFRS 16) totaled MEUR 53.9 (83.0) at the end of the period. The decrease in net debt by MEUR 8.6 from Year-end was primarily attributable to cash flow from operating activities. Lease liabilities pursuant to IFRS 16 amounted to MEUR 20.6 at the end of the period and primarily comprised rental contracts for premises.

Accessibility

In Accessibility, Handicare offers curved and straight stairlifts primarily for the home setting.



Accessibility MEUR	January - March			LTM	FY
	2020	2019	Δ%	2019/20	2019
Revenue	39.0	38.7	0.8 %	157.6	157.3
Acquisitions/divestments	-	-	-	-	-
Currency effects *	-	0.3	-	-1.2	-1.0
Revenue, organic growth	39.0	39.0	0.1 %	156.3	156.3

*adjusted for translation effects, not transaction effects

Accessibility MEUR	January - March			LTM	FY
	2020	2019	Δ%	2019/20	2019
Revenue	39.0	38.7	0.8 %	157.6	157.3
Operating costs	-32.0	-31.4	n/a	-129.0	-128.5
Adjusted EBITDA*	7.1	7.3	-3.3 %	28.6	28.8
Depreciation of tangible fixed assets	-0.9	-1.0	n/a	-3.9	-4.0
Adjusted EBITA*	6.1	6.3	-2.9 %	24.6	24.8
Other specified items	-	-	n/a	-	-
EBITA	6.1	6.3	-2.9 %	24.6	24.8

Key figures, %					
Adjusted EBITDA margin*	18.1 %	18.8 %		18.1 %	18.3 %
Adjusted EBITA margin*	15.7 %	16.2 %		15.6 %	15.8 %
EBITA margin*	15.7 %	16.2 %		15.6 %	15.8 %

* Alternative performance measures, see pages 19-21 for definitions and calculations. From this report onwards, alternative performance measures include the effect of IFRS 16. The comparative year 2019 has been restated to reflect this.

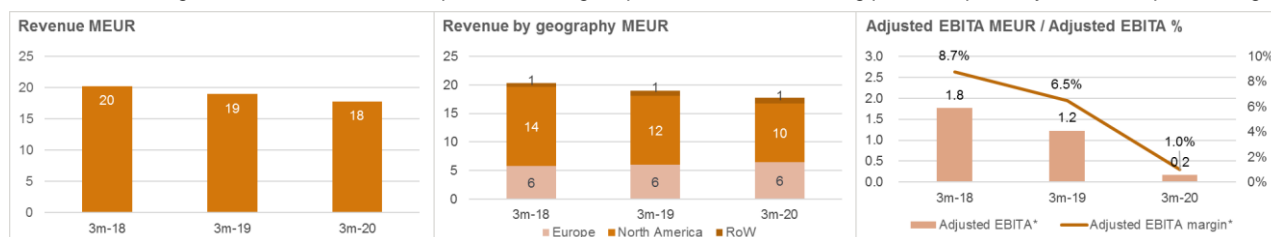
January – March 2020

In the first quarter, revenue increased by 0.8% year-on-year. Organic growth was 0.1%, of which organic growth in Europe was a negative -2.6%, while North America returned continued strong growth of 21.6%. The Netherlands and France returned strong growth, while the UK, Spain and Italy decreased, mainly due to Covid-19.

The adjusted EBITA margin decreased slightly (-0.5 percentage points) in the quarter, due to increased operating costs (excluding costs of goods sold) year-on-year, driven by slightly higher personnel costs coupled with the sudden fall in revenue resulting from Covid-19. Gross margin increased slightly on the previous year as a result of positive changes in the product mix.

Patient Handling

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



Patient Handling MEUR	January - March			LTM	FY
	2020	2019	Δ%	2019/20	2019
Revenue	17.8	19.0	-6.4 %	74.6	75.8
Acquisitions/divestments	-	-	-	-	-
Currency effects*	-	0.2	-	-0.9	-0.7
Revenue, organic growth	17.8	19.1	-7.2 %	73.7	75.1

*adjusted for translation effects, not transaction effects

Patient Handling MEUR	January - March			LTM	FY
	2020	2019	Δ%	2019/20	2019
Revenue	17.8	19.0	-6.4 %	74.6	75.8
Operating costs	-16.8	-17.1	n/a	-66.9	-67.1
Adjusted EBITDA*	0.9	1.9	-50.3 %	7.7	8.7
Depreciation of tangible fixed assets	-0.8	-0.7	n/a	-2.9	-2.8
Adjusted EBITA*	0.2	1.2	-85.7 %	4.9	5.9
Other specified items	-0.2	-	n/a	-0.3	-0.1
EBITDA	-0.0	1.2	n/a	4.5	5.8
Adjusted EBITA* (excl PH EU)	-1.3	-0.1	n/a	0.0	1.2

Key figures %

Adjusted EBITDA margin*	5.3 %	10.0 %	10.4 %	11.5 %
Adjusted EBITA margin*	1.0 %	6.5 %	6.5 %	7.8 %
EBITDA margin*	-0.3 %	6.5 %	6.1 %	7.6 %
Adjusted EBITA margin* (excl PH EU)	-12.6 %	-0.9 %	0.1 %	2.5 %

* Alternative performance measures, see pages 19-21 for definitions and calculations. From this report onwards, alternative performance measures include the effect of IFRS 16. The comparative year 2019 has been restated to reflect this.

January – March 2020

Against the background of the strategic review and the increased focus on Accessibility, Handicare signed an agreement in April to divest Patient Handling Europe, including all Patient Handling operations outside North America. The transaction is expected to close in May. In the current quarter, Patient Handling Europe was included in continued operations. In coming quarters, Patient Handling Europe will be recognized as discontinued operations.

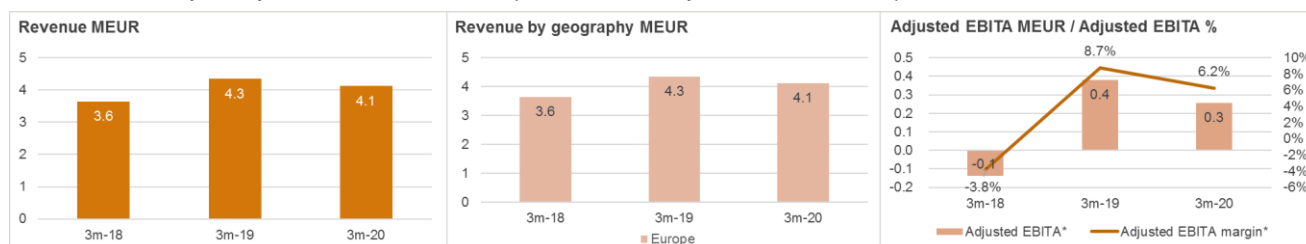
Revenue decreased by -6.4% in the first quarter. Revenue decreased organically by -7.2% due to lower sales in North America. North America reported negative organic growth of -16.7%, while Patient Handling Europe returned positive organic growth of 9.9%. Covid-19 had a negative effect on revenue in North America as a result of restricted access to care institutions and postponed installations of ceiling lifts, while there was a positive effect in Patient Handling Europe.

Other specified items were attributable to personnel costs from a reorganization in the North American operations. The adjusted EBITA margin decreased to 1.0% (6.5) driven by North America, which was affected by reduced operational leverage in relation to cost of goods sold and other operating costs due to weaker sales. Profitability in the European operations improved year-on-year.

In the quarter, Handicare recognized goodwill impairment of MEUR 25 relating to the Patient Handling operations in North America, as a result of updated impairment testing that includes a delayed return to positive growth in Patient Handling in North America. The impairment did not affect cash flow. After impairment, goodwill relating to Patient Handling in North America amounts to MEUR 15.

Vehicle Accessibility

Vehicle Accessibility mainly offers vehicle conversion products in Norway for individuals with special needs.



Vehicle Accessibility MEUR	January - March			LTM	FY
	2020	2019	Δ%	2019/20	2019
Revenue	4.1	4.3	-5.2 %	19.7	19.9
Acquisitions/divestments	-	-	-	-	-
Currency effects*		-0.3	-	-1.9	-2.3
Revenue, organic growth	4.1	4.0	2.8 %	17.7	17.6

*adjusted for translations effects, not transaction effects

Vehicle Accessibility MEUR	January - March			LTM	FY
	2020	2019	Δ%	2019/20	2019
Revenue	4.1	4.3	-5.2 %	19.7	19.9
Operating costs	-3.6	-3.7	n/a	-17.2	-17.3
Adjusted EBITDA*	0.5	0.6	-17.4 %	2.5	2.6
Depreciation of tangible fixed assets	-0.3	-0.2	n/a	-1.1	-1.1
Adjusted EBITA*	0.3	0.4	-32.4 %	1.4	1.6
Other specified items	-	-	-	-	-
EBITA	0.3	0.4	-32.4 %	1.4	1.6

Key figures %

Adjusted EBITDA margin*	12.6 %	14.5 %	12.7%	13.1%
Adjusted EBITA margin*	6.2 %	8.7 %	7.3%	7.8%
EBITA margin*	6.2 %	8.7 %	7.3%	7.8%

* Alternative performance measures, see pages 19-21 for definitions and calculations. From this report onwards, alternative performance measures include the effect of IFRS 16. The comparative year 2019 has been restated to reflect this.

January – March 2020

Revenue decreased by -5.2% in the first quarter. Organic growth increased revenue by 2.8% due to slightly higher ambulance conversions compared to the previous year.

The adjusted EBITA margin decreased to 6.2% (8.7), largely due to a lower gross margin caused by negative exchange rate effects (weaker NOK against EUR).

Business Unit Other – Group-wide expenses and Handicare A/S

Other MEUR	January - March		LTM	FY
	2020	2019	2019/20	2019
Personnel costs	-1.5	-1.4	-5.3	-5.2
IT costs	-0.9	-1.0	-3.7	-3.8
Other operating costs	-0.4	-0.4	-1.7	-1.8
Depreciation of tangible fixed assets	-0.1	-0.1	-0.2	-0.2
Group-wide expenses	-2.8	-2.9	-10.9	-11.0
Vehicle Acc. DK	-	0.2	0.0	0.2
Justerad EBITA*	-2.8	-2.7	-10.9	-10.8

As part of the strategic review and to increase transparency between segments, Handicare A/S (divested in December 2019) has been included in the operating results in the Other business unit, which also includes Group-wide expenses. Revenue for Handicare A/S was MEUR 5.1 with EBITA of MEUR 0.2 in the first quarter 2019. Group-wide expenses excluding Handicare A/S and Other specified items amounted to MEUR -2.8 (-2.9). The lower costs in the quarter compared with last year is primarily due to lower IT costs. Of the total cost base, the largest cost items are (i) personnel costs, including costs for a majority of the Group management team, the Board and other Group functions, and (ii) IT costs, including 85% of the Group's total IT expenses due to the centralized IT function.

Other specified items amounted to MEUR -1.2 (0.0) in the first quarter, mainly attributable to the strategic review initiated in connection with the report for the third quarter 2019.

Employees

At the end of the period, the number of full-time equivalents was 1,034 (1,156). The average number of full-time equivalents was 1,049 (1,158) for the quarter. In connection with the divestment of Puls in May 2019 and Handicare Auto A/S in December 2019, the number of full-time equivalents decreased by 37 and 54, respectively.

Parent Company

Full year revenue amounted to MEUR 2.4 (2.8). Profit before tax was MEUR -0.3 (1.3) and profit for the period was MEUR -0.3 (1.3).

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 40 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 2019 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 quarter and will continue in 2020.

Shares

The number of shares at the end of the period amounted to 58 939 000. No change versus last year. In accordance with the decision of the May 2019 Annual General Meeting, an incentive program was introduced in which a maximum of 1,211,804 warrants can be issued. In the event of maximum utilization of the program, the dilution effect will correspond to approximately 2% of the share capital and the number of votes. In accordance with the decision of the October 2017 Annual General Meeting, an incentive program was introduced in which a maximum of 556,416 warrants can be issued. In the event of maximum utilization of the program, the dilution effect will correspond to approximately 1% of the share capital and the number of votes.

Annual General Meeting and Dividend

Annual General Meeting 2020

The 2020 Annual General Meeting will be held in Stockholm on May 6, 2020. The announcement of the 2020 Annual General Meeting is available at www.handicargroup.com.

Dividend

Given the current situation in the surrounding world and uncertainty regarding the future economic effects of Covid-19, the Board of Directors has decided to withdraw the previously communicated proposal to the Annual General Meeting 2020 of 0.07 EUR dividend per share. The Board intends to convene an Extraordinary General Meeting in the second half of 2020 to make a decision regarding dividend. The final decision regarding dividend will be made when it is possible to obtain a better overview of the effects of the current Covid-19 pandemic.

Significant events during the reporting period

Covid-19: effects and financial impacts

As a result of the Covid-19 pandemic, Handicare is implementing measures aimed at adapting operations in line with its current assessment of the probable consequences. This includes necessary capacity adjustments and substantial cost reductions. The pandemic is affecting demand across Handicare's various business units. At Group level, a decrease in net sales has been noticeable from mid-March, where Accessibility and Patient Handling in North America have mainly been affected.

In the short term, sales in some business units will be negatively affected by Covid-19 and Handicare has already implemented a number of cost reductions. In addition, we have also decided to effect selective redundancies to adjust staffing to the current market situation in the relevant business units.

It is difficult to predict the long-term economic impact of Covid-19. The sudden and sharp economic slowdown needs to be weighted against vast stimulus packages from the world's central banks and governments. However, we expect demographically-driven demand for Handicare's products to remain strong and that the current crisis will generate a degree of latent demand in the longer term.

Handicare monitors the financial impact of the measures currently being decided closely, although the company has a strong financial position and liquidity. In the second quarter, we anticipate lower sales and profitability compared to the corresponding period in the previous year.

Changes to Group Management

Mattias Hakeröd will be leaving his position as Executive Vice President Human Resources at Handicare, effective from June 12.

Significant events after the end of the period

Divestments

On April 9, 2020 Handicare announced that the company had signed an agreement to divest Patient Handling Europe, including all Patient Handling operations outside North America, to Direct Healthcare Group. The divestment is a result of the strategic review announced in connection with the report for the third quarter 2019 (see below).

The purchase consideration amounts to approximately MEUR 30 on a cash and debt-free basis (Enterprise Value), corresponding to an EV/Adjusted EBITDA multiple of approximately 8x for the full year 2019. The transaction is expected to close in May. The transaction results in a capital loss, before transaction costs, of approximately MEUR 12 which will be reported in Handicare's financial statements for the second quarter.

Strategic review finalized

In order to reveal Handicare's underlying values, the Board initiated a strategic review in connection with the interim report for the third quarter 2019. The aim was to reveal Handicare's underlying value and indicate a clear direction going forward.

The strategic review resulted in the divestment of Handicare Auto A/S during the fourth quarter and the divestment of Patient Handling Europe in April (see above). In addition, Puls was divested in May 2019.

The review also concluded that Handicare will focus on progress in the Accessibility business area (Stairlifts), and complete the ongoing restructuring of Patient Handling North America with the aim of ensuring profitable growth.

Following the strategic review, management also decided to change the internal reporting structure. As from 1 January 2020 the Accessibility segment has been divided into two separate business areas: Accessibility (which includes the Stairlifts business) and Vehicle Accessibility. Patient Handling has not been affected. This will increase transparency and better reflect the current business structure.

The divestment of Patient Handling Europe concludes the strategic review.

Changes to Group Management

On April 20 it was announced that the Board of Directors of Handicare Group AB and Staffan Ternström have agreed that Staffan Ternström the same day would leave his position as President and CEO. The Board has decided to appoint the Board member Johan Ek as acting President and CEO during an interim period. Recruitment of a new CEO will be initiated during the second quarter.

Condensed consolidated income statement

Group MEUR	January - March		FY
	2020	2019	2019
Revenue	61.0	67.2	271.0
Cost of material	-26.1	-30.5	-124.1
Employee benefits expenses	-18.1	-17.7	-71.6
Other operating costs	-11.0	-11.5	-45.1
Depreciation and amortization	-28.7	-3.8	-15.1
Other specified items*	-1.5	-	-10.5
Operating profit/loss (EBIT)	-24.4	3.6	4.6
Financial items, net	4.8	0.1	-2.0
Profit/loss before tax	-19.5	3.7	2.7
Tax	-1.4	-0.5	-4.9
Profit/loss after tax from continuing operations	-21.0	3.1	-2.2
Profit after tax from discontinued operations**	-	0.4	4.6
Net profit/loss for the period	-21.0	3.5	2.3
Earnings per share (EUR) before and after dilution (continuing operations)	-0.36	0.05	-0.04
Earnings per share (EUR) before and after dilution (including discontinued operations)	-0.36	0.06	0.04
Average number of shares before and after dilution (000's)	58 939	58 939	58 939

* See Note 5

** Puls is reported as discontinued operations during 2019. See Note 4.

Condensed consolidated statement of comprehensive income

Group MEUR	January - March		FY
	2020	2019	2019
Net profit for the period, continuing operations	-21.0	3.1	-2.2
Net profit for the period, discontinued operations	-	0.4	4.6
Net profit for the period	-21.0	3.5	2.3
Other comprehensive income for the period			
Gains/losses pertaining to defined benefit pension plans (can not be reversed)	-	-	-0.4
Translation differences (can be reversed)	-14.2	3.8	4.3
Net investment hedges (can be reversed)	7.7	-2.8	-2.0
Income tax attributable to components in other comprehensive income (can be reversed)	-1.8	0.7	0.6
Sum continuing operations	-8.3	1.7	2.5
Sum discontinued operations	-	0.2	0.1
Other comprehensive income for the period, net of tax	-8.3	1.9	2.6
Total comprehensive income for the period, continuing operations	-29.3	4.8	0.2
Total comprehensive income for the period, discontinued operations	-	0.6	4.7
Total comprehensive income for the period	-29.3	5.4	4.9
Comprehensive income attributable to Parent company's shareholders	-29.3	5.4	4.9
Comprehensive income attributable to non-controlling interests	-	-	-

Condensed consolidated balance sheet

Group*	31 Mar	31 Mar	31 Dec
MEUR	2020	2019	2019
Goodwill	130.8	166.1	159.3
Other intangible assets	43.5	48.8	46.3
Property, plant and equipment	7.4	9.3	7.9
Right-of-use assets	20.3	26.9	22.5
Deferred tax assets	3.1	7.7	3.2
Other non-current assets	0.1	0.2	0.1
Total non-current assets	205.3	259.1	239.2
Inventory	30.4	38.5	27.7
Accounts receivable	35.0	44.0	40.4
Tax receivables	0.2	0.2	0.3
Other current assets	3.6	4.0	2.8
Cash and cash equivalents	38.8	23.9	33.8
Total current assets	108.1	110.6	105.0
Total assets	313.4	369.7	344.2
Total equity	144.2	176.7	173.4
Provisions for pensions	0.5	0.2	0.6
Deferred tax liabilities	7.6	7.7	6.0
Advance payments	2.4	2.4	2.4
Other liabilities	0.9	0.3	0.8
Lease liabilities	16.4	21.8	18.2
Interest-bearing loans	91.7	105.9	95.1
Total long-term liabilities	119.6	138.4	123.1
Interest-bearing loans	-	0.0	-
Lease liabilities	4.2	4.8	4.4
Accounts payable	25.4	31.9	23.1
Other current liabilities and provisions	20.1	17.8	20.2
Total current liabilities	49.6	54.6	47.7
Total shareholders' equity and liabilities	313.4	369.7	344.2

* Note that the Balance sheet for 31 March 2019 is not adjusted for the divestment of Puls.

Condensed consolidated cash flow statement

Group MEUR	January - March		FY
	2020	2019	2019
Profit/loss before tax from continuing operations	-19.5	3.7	2.7
Profit/loss before tax discontinued operations	-	0.4	4.6
Depreciation, amortization and impairment	28.7	3.8	15.2
Capital gain/loss	-	-	5.0
Reversal of interest expense/ income	0.9	1.1	4.2
Other non-cash items	-2.6	-0.2	-0.4
Taxes paid	-0.1	-0.1	-0.3
Cash flow before changes in working capital	7.3	8.7	30.9
Inventory	-3.3	-2.1	0.5
Accounts receivable	4.5	0.4	-0.2
Accounts payable	2.3	0.5	-4.4
Other current receivables/liabilities	-2.0	-3.6	-1.7
Cash flow from operating activities	8.9	3.8	25.1
Acquired / divested operations	-	-0.2	11.9
Acquired / divested tangible/intangible assets	-0.9	-1.0	-5.0
Cash flow from investing activities	-0.9	-1.2	6.9
Changes in interest-bearing loans	2.7	-	-10.0
Changes in lease liabilities	-1.4	-1.5	-5.9
Interest, net	-0.6	-0.8	-3.0
Dividend paid/capital contribution	-	-	-2.7
Cash flow from financing activities	0.7	-2.3	-21.7
Cash flow for the period	8.7	0.4	10.3
Cash and cash equivalents at the beginning of the period	33.8	23.6	23.6
Cash flow for the period	8.7	0.4	10.3
Translation differences	-3.6	-0.0	-0.1
Cash and cash equivalents at end of the period	38.8	23.9	33.8

Condensed consolidated statement of changes in shareholders' equity

Group MEUR	Attributable to		Total equity
	equity holders of the Parent company	Non-controlling interest	
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
Opening balance January 1, 2020	173.4	-	173.4
Profit for the year	-21.0	-	-21.0
Other comprehensive income	-8.3	-	-8.3
Closing balance March 31, 2020	144.2	-	144.2

Condensed Parent Company income statement

Parent Company MEUR	January - March		FY
	2020	2019	2019
Revenue	2.4	2.8	10.6
Employee benefits expenses	-1.4	-1.3	-4.9
Other operating costs	-1.2	-0.5	-7.4
Depreciation and amortization	-0.0	-0.0	-0.1
Operating profit/loss (EBIT)	-0.3	1.0	-1.8
Financial items, net	-0.1	0.4	30.4
Profit/loss before tax	-0.3	1.3	28.5
Appropriations	-	-	-
Tax	-	-	-
Net profit/loss for the period	-0.3	1.3	28.5

Condensed Parent Company balance sheet

Parent Company MEUR	31 Mar	31 Mar	31 Dec
	2020	2019	2019
Intangible assets	0.3	0.4	0.3
Shares in Group companies	272.1	272.1	272.1
Tangible fixed assets	0.1	0.1	0.1
Long-term receivables	0.6	0.6	0.8
Total non-current assets	273.0	273.1	273.2
Receivables from Group companies	1.7	2.4	0.1
Other receivables	0.8	0.7	0.3
Cash and cash equivalents	3.1	-	19.0
Total current assets	5.6	3.1	19.4
Total assets	278.6	276.2	292.7
Shareholders' equity	276.1	252.0	276.4
Liabilities from Group companies	0.3	22.9	15.0
Accounts payable	1.0	0.1	0.1
Other liabilities	0.2	0.2	0.2
Accrued expenses and deferred income	1.0	1.0	0.9
Total current liabilities	2.5	24.2	16.3
Total shareholders' equity and liabilities	278.6	276.2	292.7

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 2019 Annual Report and are to be reviewed alongside said policies. No new interpretations, standards or revised standards have come into effect that could be assessed to have a material impact on the Group. 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 19-21.

Since 1 January 2019, the Group applies the standard IFRS 16 Leases. In 2019, segment reporting of leases was presented in accordance with the earlier standard IAS 17 Leases. From 1 January 2020, segments report leases according to IFRS 16, as segments have transitioned to reporting leases in accordance with the new standard in their internal reporting to management. The comparative year 2019 has been restated to reflect this. As a result of the revised accounting principle applied to segment reporting, alternative performance measures have been adjusted to include IFRS 16 (with the exception of Net debt/Adjusted EBITDA which excludes IFRS 16).

As from 1 January 2020 the Accessibility segment has been divided into two separate business areas: Accessibility (which includes the Stairlifts business) and Vehicle Accessibility. Patient Handling was not affected. This was a result of the strategic review, where management reviewed the internal reporting structure. The aim was to increase the transparency between different parts of operations and more accurately reflect the current business structure. The comparative years have been restated to reflect this. In order to facilitate comparability between years, Vehicle Accessibility Denmark, which was divested in 2019, has been reported with Group-wide functions in the Other business unit.

Accessibility is a provider of curved and straight Stairlifts. Vehicle Accessibility offers a range of vehicle conversion products in Norway for individuals with special needs. Patient Handling offers a broad product offering for patient transfer and lifting products, primarily for the hospital setting. The segment also manufactures equipment for bathroom safety.

At present, there are no other interpretations or standards that have not yet come into effect expected to have a material impact on the Group's financial reporting.

Note 2 – Segment overview

Group MEUR	January - March		LTM	FY
	2020	2019	2019/20	2019
Accessibility	39.0	38.7	157.6	157.3
Patient Handling	17.8	19.0	74.6	75.8
Vehicle Accessibility	4.1	4.3	19.7	19.9
Other	0.0	5.1	13.0	18.0
Revenue - Group	61.0	67.2	264.8	271.0

Group MEUR	January - March		LTM	FY
	2020	2019	2019/20	2019
Accessibility	6.1	6.3	24.6	24.8
Patient Handling	0.2	1.2	4.9	5.9
Vehicle Accessibility	0.3	0.4	1.4	1.6
Other	-2.8	-2.7	-10.9	-10.8
Adj EBITA - Group	3.8	5.2	20.1	21.5

Group MEUR	January - March		LTM	FY
	2020	2019	2019/20	2019
Adj EBITA - Group	3.8	5.2	20.1	21.5
Other specified items	-1.5	-	-12.0	-10.5
Amortization and write-down of intangible assets	-26.7	-1.6	-31.4	-6.4
Financial items, net	4.8	0.1	2.8	-2.0
EBT - Group	-19.5	3.7	-20.6	2.7

Assets and liabilities are not allocated to the various segments and management does not monitor operations on this basis, and have not been included.

The former segment Puls was reported as discontinued operations in 2019, and has not been included in segment reporting, for more information see Note 4.

Note 3 - Acquisitions and divestments

Acquisitions

Handicare did not complete any acquisitions in 2019 or 2020.

Divestments

On December 16, 2019 the shares in Handicare Auto A/S were divested to Auto Solutions ApS. In 2019, revenue from Handicare Auto A/S totaled MEUR 18.0 and EBITA was MEUR 0.1. Handicare Auto A/S was included in continued operations in the period prior to divestment. The purchase consideration for Vehicle Accessibility was MDKK 25 (MEUR 3.3) on a debt-free basis, and resulted in a realized loss of MEUR 9.3. The effect of the divestment has been reported under other specified items (for more information see Note 5).

Note 4 – Discontinued operations

As of 22 May 2019, Puls AS was sold to Mediq International BV. Puls AS and its subsidiaries represented the Puls strategic business unit in Handicare's segment reporting. As a result of the sale, Puls is reported as a discontinued operation. A discontinued operation is a component of an entity that represents either a separate major line of business or a geographical area of operations. Profit after tax from discontinued operations is reported on a separate row in the income statement in the period and the comparative period. The presentation of the statement of financial position for the current and preceding year is not changed in a corresponding manner.

The total consideration for Puls amounted to MEUR 10.9 (MNOK 106). The pre-tax capital gain amounted to MEUR 4.3 and is included in the financial items below.

Discontinued operations Puls MEUR	January - March		LTM	FY
	2020	2019	2019/20	2019
Revenue	-	5.1	1.1	6.2
Cost of material	-	-3.5	-0.8	-4.3
Employee benefits expenses	-	-0.9	-0.3	-1.1
Other operating cost	-	-0.3	-0.1	-0.5
Depreciation and amortization	-	0.0	0.0	0.0
Operating profit/loss (EBIT)	-	0.4	-0.1	0.3
Result from sale of discontinued operations	-	-	4.3	4.3
Profit/loss before tax	-	0.4	4.2	4.6
Tax	-	-	-	-
Profit after tax from discontinued operations	-	0.4	4.2	4.6
Cashflow from operating activities	-	-0.7	0.6	-0.1
Cashflow from investing activities	-	-0.1	8.2	8.1
Cash and cash equivalents generated from discontinued operations	-	-0.8	8.9	8.0

Note 5 – Other specified items

Other specified items in the first quarter 2020 totaled MEUR 1.5 (0.0) on EBITA level. These are attributable to costs for advisory services relating to the strategic review, and restructuring costs. For the full year 2019, other specified items mainly related to realized losses in connection with the divestment of Vehicle Accessibility Denmark.

In addition, a goodwill impairment of MEUR 25 was recognized in the quarter relating to the Patient Handling operations in North America. This was a result of updated impairment testing that includes a delayed return to positive growth in Patient Handling in North America.

Group MEUR	January - March		FY
	2020	2019	2019
Restructuring costs	-0.6	-	-0.1
Strategic review	-0.9	-	-1.1
Capital loss	-	-	-9.3
Other specified items - EBITA	-1.5	-	-10.5
Impairment goodwill PH NA	-25.0	-	-
Other specified items - EBIT	-26.5	-	-10.5

Note 6 – Net debt

Group MEUR	31 Mar	31 Mar	31 Dec
	2020	2019	2019
Interest-bearing long-term loans	91.2	103.2	92.9
Lease liabilities IFRS 16	20.6	26.7	22.6
Other interest-bearing debt	1.6	3.7	3.4
Deduct: cash and cash equivalents	-38.8	-23.9	-33.8
Deduct: IFRS 16 impact	-20.6	-26.7	-22.6
Interest-bearing net debt	53.9	83.0	62.5

Stockholm, April 23, 2020
Handicare Group AB (publ)

Johan Ek
President and CEO

Auditors' review report

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

Telephone conference

A telephone conference, hosted by Johan Ek, President and CEO, and Pernilla Lindén, CFO, kl. 10.00 CET on 23 April 2020. To participate, please register in advance using the following link: <http://emea.directeventreg.com/registration/6893968>

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

Dates for financial reports and Annual General Meeting:

Annual general meeting	6 May 2020
Interim report April - June 2020	17 July 2020
Interim report July - September 2020	5 November 2020
Year-end report 2020	17 February 2021

For more information, contact:

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This information is information that Handicare Group AB (publ) is required to disclose 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 23 April 2020.

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 and vehicle adaptations. Handicare is a global company with sales in more than 40 countries and is one of the market leaders 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 2020, revenue amounted to MEUR 265 and the adjusted EBITA margin was 7.6%. Employees amounted to 1,034 and the share is listed on Nasdaq Stockholm. For more information, www.handicaregroup.com.

Quarterly data

Group	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
MEUR	2018	2018	2018	2018	2019	2019	2019	2019	2020
Revenue	65.3	70.0	65.2	69.2	67.2	69.4	65.6	68.8	61.0
Cost of goods sold	-37.5	-39.2	-36.5	-43.3	-39.1	-40.1	-38.6	-40.9	-34.8
Gross profit*	27.8	30.8	28.7	26.0	28.0	29.3	27.1	27.9	26.1
Operating costs**	-22.0	-22.8	-21.9	-22.2	-20.7	-20.6	-20.0	-20.8	-20.4
Adjusted EBITDA*	5.8	8.1	6.8	3.8	7.4	8.8	7.0	7.1	5.8
Depreciation of tangible fixed assets**	-1.0	-0.9	-0.9	-0.9	-2.2	-2.2	-2.2	-2.2	-2.0
Adjusted EBITA*	4.7	7.2	5.9	2.8	5.2	6.6	4.8	4.9	3.8
Other specified items	-	-2.0	-	-1.0	-	-	-	-10.5	-1.5
EBITA	4.7	5.2	5.9	1.8	5.2	6.6	4.8	-5.6	2.3
Adjusted EBITDA (excl IFRS 16)	5.8	8.1	6.8	3.8	6.0	7.3	5.6	5.6	4.4
Key figures, %									
Gross margin*	42.6 %	44.0 %	44.0 %	37.5 %	41.7 %	42.3 %	41.2 %	40.6 %	42.9 %
Adjusted EBITDA margin*	8.8 %	11.5 %	10.5 %	5.5 %	11.0 %	12.6 %	10.7 %	10.3 %	9.5 %
Adjusted EBITA margin*	7.3 %	10.2 %	9.1 %	4.1 %	7.7 %	9.5 %	7.4 %	7.2 %	6.2 %
EBITA margin*	7.3 %	7.4 %	9.1 %	2.7 %	7.7 %	9.5 %	7.4 %	-8.1 %	3.7 %

Group excl. Vehicle Acc Denmark

Revenue (excl Vehicle Acc. Denmark)	59.4	63.6	60.7	64.0	62.1	64.4	61.2	65.4	61.0
Adjusted EBITA (excl Vehicle Acc. Denmark)*	4.8	6.9	5.7	3.0	5.0	6.5	4.9	4.9	3.8
Adjusted EBITA margin (excl Veh Acc DK)*	8.1%	10.9%	9.4%	4.7%	8.1%	10.1%	8.0%	7.4%	6.2%

* Alternative performance measures, refer to pages 19 to 21 for definitions and calculations. From this report onwards, alternative performance measures include the effect of IFRS 16. The comparative year 2019 has been restated to reflect this. ** Note that 2018 has not been adjusted for IFRS 16 as it was effective from 1 January 2019. Discontinued operations are not included in the table above (Puls was sold during 2019)

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 2019 Annual report, pages 95-97.

Adjusted EBIT

EBIT excluding Other specified items.

Adjusted EBIT margin / Adjusted EBITA margin / Adjusted EBITDA margin

Measures as a percentage of revenue.

Adjusted EBITA

EBITA excluding Other specified items.

Adjusted EBITDA

EBITDA excluding Other specified items.

Adjusted operating cash flow

Cash flow from operating activities (including changes in working capital) excluding Other specified items.

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 / EBITA margin / EBITDA margin

Measures as a percentage of revenue.

EBITA

Earnings before interest, tax and amortisation.

EBITDA

Earnings before interest, tax, depreciation and amortisation.

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, excluding lease liabilities, less cash and cash equivalents.

Net debt/Adjusted EBITDA

Interest-bearing net debt in relation to adjusted EBITDA, excluding IFRS16.

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 2019 Annual Report.

Other specified items

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

Revenue/ Adjusted EBITA excl Vehicle Acc Denmark

Measures excluding Vehicle Accessibility Denmark, divested December 2019.

Revenue/ Adjusted EBITA excl PH EU

Measures excluding Patient Handling Europe, for which a divestment agreement was signed in April 2020.

Reconciliation of significant alternative performance measures

Group MEUR	January - March		FY
	2020	2019	2019
Revenue	61.0	67.2	271.0
Direct material	-25.2	-29.5	-120.6
Direct Labor	-7.0	-6.9	-27.7
Freight (inbound / outbound)	-2.7	-2.8	-10.4
Gross profit	26.1	28.0	112.4
<i>Gross margin (%)</i>	<i>42.9%</i>	<i>41.7%</i>	<i>41.5%</i>

Group MEUR	January - March		FY
	2020	2019	2019
Operating profit/loss (EBIT)	-24.4	3.6	4.6
Other specified items	1.5	-	10.5
Impairment goodwill PH NA	25.0	-	-
Adjusted operating profit/loss (adjusted EBIT)	2.1	3.6	15.1
<i>EBIT margin</i>	<i>-40.0%</i>	<i>5.3%</i>	<i>1.7%</i>
<i>Adjusted operating margin (adjusted EBIT margin)</i>	<i>3.4%</i>	<i>5.3%</i>	<i>5.6%</i>

Operating profit/loss (EBIT)	-24.4	3.6	4.6
Amortisation / impairment of intangible assets	26.7	1.6	6.4
EBITA	2.3	5.2	11.0
Other specified items	1.5	-	10.5
Adjusted EBITA	3.8	5.2	21.5
<i>EBITA margin</i>	<i>3.7%</i>	<i>7.7%</i>	<i>4.1%</i>
<i>Adjusted EBITA margin</i>	<i>6.2%</i>	<i>7.7%</i>	<i>7.9%</i>

Operating profit/loss (EBIT)	-24.4	3.6	4.6
Amortisation / impairment of intangible assets	26.7	1.6	6.4
Depreciation of tangible fixed assets	2.0	2.2	8.8
EBITDA	4.3	7.4	19.7
Other specified items	1.5	-	10.5
Adjusted EBITDA	5.8	7.4	30.3
IFRS 16 impact (rent)	-1.4	-1.4	-5.9
Adjusted EBITDA (excl IFRS16)	4.4	6.0	24.4
EBITDA margin	7.1%	11.0%	7.3%
Adjusted EBITDA margin	9.5%	11.0%	11.2%
Adjusted EBITDA margin (excl IFRS16)	7.2%	8.9%	9.0%

Group MEUR	January - March		FY
	2020	2019	2019
Cash flow before changes in working capital	7.3	8.7	30.9
Taxes paid	0.1	0.1	0.3
Cash Interest and Cost	-0.9	-1.1	-4.2
Net financial items per the profit and loss statement	-4.8	-0.1	2.0
Other non cash-items	2.6	0.2	0.4
Other specified items (excl capital loss Veh Acc DK)	1.5	-	1.2
Discontinued operations	-	-0.4	-0.3
Adjusted EBITDA	5.8	7.4	30.3
Change in net working capital	1.5	-4.8	-5.8
Acquired / divested tangible/intangible assets	-0.9	-1.0	-5.0
Adjusted operating cash flow	6.4	1.6	19.5

Group MEUR	31 Mar 2020	31 Mar 2019	31 Dec 2019
Interest-bearing long-term loans	91.2	103.2	92.9
Lease liabilities IFRS 16	20.6	26.7	22.6
Other interest-bearing debt	1.6	3.7	3.4
Deduct: cash and cash equivalents	-38.8	-23.9	-33.8
Deduct: IFRS 16 impact	-20.6	-26.7	-22.6
Interest-bearing net debt	53.9	83.0	62.5

Group excl Vehicle Accessibility Denmark MEUR	January - March 2020	January - March 2019	FY 2019
Revenue	61.0	67.2	271.0
Vehicle Accessibility Denmark	-	-5.1	-18.0
Revenue excl Vehicle Acc Denmark	61.0	62.1	253.1
Adjusted EBITA	3.8	5.2	21.5
Vehicle Accessibility Denmark	-	-0.2	-0.2
Adjusted EBITA excl Vehicle Acc Denmark	3.8	5.0	21.3
<i>Adjusted EBITA-margin excl Vehicle Acc Denmark</i>	<i>6.2%</i>	<i>8.1%</i>	<i>8.4%</i>

Change in segment reporting 2020

From January 1, 2020, segment reporting of the Group's external financial reporting comprises three business areas: Accessibility (which includes the stairlifts business), Vehicle Accessibility and Patient Handling. The figures for 2019 have been converted to the new segments in the following illustration. In order to increase transparency and increase comparability between years, Vehicle Accessibility Denmark will be reported alongside group-wide expenses in Other.

In 2019, Group segments reported lease contracts according to the earlier standard IAS 17 Leases. From January 1, 2020, segments report lease contracts according to IFRS 16 internally and restated figures for 2019 are shown below.

Accessibility MEUR	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Revenue	38.7	39.6	38.7	40.2	157.3
Operating costs	-31.4	-32.0	-31.6	-33.4	-128.5
Adjusted EBITDA*	7.3	7.6	7.1	6.8	28.8
Depreciation of tangible fixed assets	-1.0	-1.0	-1.0	-1.0	-4.0
Adjusted EBITA*	6.3	6.6	6.1	5.8	24.8
IFRS 16 impact	0.0	0.0	0.0	0.0	-0.1
Adjusted EBITA (excl IFRS 16)	6.3	6.6	6.1	5.7	24.7
Adjusted EBITDA (excl IFRS 16)	6.7	7.0	6.5	6.1	26.3
Key figures, %					
<i>Adjusted EBITDA margin*</i>	<i>18.8 %</i>	<i>19.2 %</i>	<i>18.4 %</i>	<i>16.9 %</i>	<i>18.3 %</i>
<i>Adjusted EBITA margin*</i>	<i>16.2 %</i>	<i>16.7 %</i>	<i>15.9 %</i>	<i>14.4 %</i>	<i>15.8 %</i>
<i>Adjusted EBITA margin (excl IFRS 16)</i>	<i>16.2 %</i>	<i>16.6 %</i>	<i>15.8 %</i>	<i>14.3 %</i>	<i>15.7 %</i>
<i>Adjusted EBITDA margin (excl IFRS 16)</i>	<i>17.3 %</i>	<i>17.6 %</i>	<i>16.8 %</i>	<i>15.2 %</i>	<i>16.7 %</i>

Patient Handling MEUR	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Revenue	19.0	19.3	17.6	20.0	75.8
Operating costs	-17.1	-16.3	-15.8	-17.9	-67.1
Adjusted EBITDA*	1.9	2.9	1.8	2.1	8.7
Depreciation of tangible fixed assets	-0.7	-0.7	-0.7	-0.7	-2.8
Adjusted EBITA*	1.2	2.2	1.1	1.4	5.9
IFRS 16 impact	0.0	0.0	0.0	-0.1	-0.2
Adjusted EBITA (excl IFRS 16)	1.2	2.2	1.1	1.3	5.8
Adjusted EBITDA (excl IFRS 16)	1.6	2.6	1.4	1.7	7.3
Key figures, %					
<i>Adjusted EBITDA margin*</i>	10.0 %	15.1 %	10.1 %	10.5 %	11.5 %
<i>Adjusted EBITA margin*</i>	6.5 %	11.7 %	6.2 %	6.8 %	7.8 %
<i>Adjusted EBITA margin (excl IFRS 16)</i>	6.3 %	11.5 %	6.0 %	6.5 %	7.6 %
<i>Adjusted EBITDA margin (excl IFRS 16)</i>	8.3 %	13.4 %	8.1 %	8.5 %	9.6 %
Vehicle Accessibility MEUR	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Revenue	4.3	5.5	4.8	5.2	19.9
Operating costs	-3.7	-4.7	-4.4	-4.5	-17.3
Adjusted EBITDA*	0.6	0.8	0.5	0.7	2.6
Depreciation of tangible fixed assets	-0.2	-0.3	-0.3	-0.3	-1.1
Adjusted EBITA*	0.4	0.6	0.2	0.4	1.6
IFRS 16 impact	0.0	0.0	0.0	0.0	-0.1
Adjusted EBITA (excl IFRS 16)	0.4	0.5	0.1	0.4	1.4
Adjusted EBITDA (excl IFRS 16)	0.4	0.5	0.2	0.5	1.6
Key figures, %					
<i>Adjusted EBITDA margin*</i>	14.5 %	14.6 %	9.6 %	13.7 %	13.1 %
<i>Adjusted EBITA margin*</i>	8.7 %	10.0 %	3.7 %	8.5 %	7.8 %
<i>Adjusted EBITA margin (excl IFRS 16)</i>	8.1 %	9.5 %	3.1 %	7.9 %	7.2 %
<i>Adjusted EBITDA margin (excl IFRS 16)</i>	8.4 %	9.8 %	4.2 %	8.7 %	7.9 %
Other MEUR	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Revenue	5.1	5.0	4.5	3.5	18.0
Operating costs	-7.5	-7.6	-6.8	-5.9	-27.9
Adjusted EBITDA*	-2.4	-2.6	-2.3	-2.5	-9.8
Depreciation of tangible fixed assets	-0.3	-0.3	-0.3	-0.2	-1.0
Adjusted EBITA*	-2.7	-2.8	-2.6	-2.7	-10.8
IFRS 16 impact	0.0	0.0	0.0	0.0	-0.1
Adjusted EBITA (excl IFRS 16)	-2.7	-2.8	-2.6	-2.7	-10.8
Adjusted EBITDA (excl IFRS 16)	-2.7	-2.8	-2.6	-2.6	-10.7

Group	Q1	Q2	Q3	Q4	FY
MEUR	2019	2019	2019	2019	2019
Revenue	67.2	69.4	65.6	68.8	271.0
Operating costs	-59.8	-60.7	-58.6	-61.7	-240.8
Adjusted EBITDA*	7.4	8.8	7.0	7.1	30.3
Depreciation of tangible fixed assets	-2.2	-2.2	-2.2	-2.2	-8.8
Adjusted EBITA*	5.2	6.6	4.8	4.9	21.5
IFRS 16 impact	-0.1	-0.1	-0.1	-0.1	-0.5
Adjusted EBITA (excl IFRS 16)	5.1	6.5	4.7	4.8	21.0
Adjusted EBITDA (excl IFRS 16)	6.0	7.3	5.6	5.6	24.4
Key figures, %					
<i>Adjusted EBITDA margin*</i>	11.0 %	12.6 %	10.7 %	10.3 %	11.2 %
<i>Adjusted EBITA margin*</i>	7.7 %	9.5 %	7.4 %	7.2 %	7.9 %
<i>Adjusted EBITA margin (excl IFRS 16)</i>	7.6 %	9.3 %	7.2 %	7.0 %	7.8 %
<i>Adjusted EBITDA margin (excl IFRS 16)</i>	8.9 %	10.5 %	8.5 %	8.2 %	9.0 %

* Alternative performance measures, refer to pages 19 to 21 for definitions and calculations.

Making everyday life easier



About Handicare

At Handicare, we are committed to making everyday life easier for physically challenged and elderly people. And to empowering them to live an active life. At the same time, we want to support those who assist them. Handicare offers solutions and support to increase the independence of physically challenged or elderly people, and to enable them to live an active life on their terms as well as to facilitate work for their care providers and family.

What

Our offering encompasses a comprehensive range of curved and straight stairlifts, transfer, lifting and repositioning aids, vehicle accessibility products.

Where

We are a global company with sales in more than 40 countries. Our head office is located in Stockholm, Sweden, and sales are conducted through our own sales offices in Europe and North America as well as through distributors and dealers around the globe. Manufacturing and assembly are located at our five facilities distributed across North America, Asia and Europe.

To Who

75% For care in the home, "Homecare"

25% For hospitals and institutions, "Institutional"