



We make the world  
a better place,  
one person  
at a time.

## Interim report January-March 2023

# Stable organic growth and improved profitability

### First quarter January-March

- Net sales rose 5 per cent to SEK 3,235 million (3,080). Organic growth was 5 per cent.
- Operating profit (EBIT) totalled SEK 191 million (167).
- EBITA rose 11 per cent to SEK 216 million (195), representing a margin of 6.7 per cent (6.3).
- Profit for the period totalled SEK 70 million (66).
- Earnings per share were SEK 0.77 (0.70) before and after dilution.
- Cash conversion was 72.9 per cent (75.8).
- Free cash flow totalled SEK 244 million (193).

### Consolidated key figures

SEK million	2023 Jan-Mar	2022 Jan-Mar	Δ%	RTM	2022 Jan-Dec
Net sales	3,235	3,080	5	12,790	12,635
EBITA*	216	195	11	975	954
Operating margin, EBITA (%)*	6.7	6.3		7.6	7.6
Adjusted EBITA*	216	195	11	975	954
Operating margin, adjusted EBITA (%)*	6.7	6.3		7.6	7.6
Operating profit, EBIT	191	167	14	867	843
Operating margin, EBIT (%)*	5.9	5.4		6.8	6.7
Profit after tax	70	66	6	370	366
Earnings per share before dilution, SEK	0.77	0.70	10	3.97	3.89
Earnings per share after dilution, SEK	0.77	0.70	10	3.97	3.89
Cash conversion (%)*	72.9	75.8		94.3	95.6
Free cash flow*	244	193	26	1,502	1,451

\* Alternative performance measures. For reconciliation of financial statements to IFRS, see Note 6. For purpose and definition, see [ambea.com/investor-relations/reports-and-presentations/](https://ambea.com/investor-relations/reports-and-presentations/)

## Stable organic growth and improved profitability

### Continued positive trend in Norway, organic growth and, as always, full focus on our care receivers

Several divisions showed good profitability in the first quarter of the year. During the period, demand for our elderly care services in Sweden continued to grow and occupancy increased again in Vardaga. Demand was stable in social care and Nytida opened three new units. The positive trend for Stendi also continued, which contributed to earnings. The Norwegian operations are now standing on firmer ground, creating conditions for long-term planning and growth. Altiden delivered a weak performance and the strategic transition will continue.

### Increased sales and organic growth

In the first quarter, net sales rose 5 per cent to SEK 3,235 million. EBITA rose 11 per cent to SEK 216 million.

Vardaga posted a strong quarter with improved profitability, while income rose 10 per cent. Our systematic efforts with start-ups and marketing our newly opened units have generated results in the form of increased occupancy. During the quarter, sick leave was slightly higher than pre-pandemic levels, while no government support for sick leave expenses was received during the quarter.

In Nytida, we opened new LSS group homes in Sollentuna, Nyköping and Flen, with a total of 18 places. In addition to opening new homes, we are continuously evaluating compatible acquisitions for Nytida's operations.

Stendi performed favourably during the quarter with improved profitability due to the capacity adjustments, commercial initiatives and organisational improvements we implemented in the operations. Quarterly earnings totalled SEK 37 million, up SEK 25 million year-on-year. Stendi also signed a new national agreement in child protection services, which guarantees capacity and provides more balanced commercial conditions. We are thereby continuing to take responsibility and support our clients with specialised services for the most vulnerable children and young people in society. Stendi will also continue to focus on social care and is terminating its contracts in elderly care where we only have one large management contract remaining, and that will expire in the first quarter of 2024. On that date, all of our obligations in elderly care in Norway will end, as communicated in the third quarter of 2021.

In Altiden, we are still not satisfied with the results. Despite some operational improvements during the quarter, it will take a few more quarters before the transition has a clear effect on earnings.



*"Stendi performed favourably during the quarter, with improved profitability due to the initiatives and improvements we implemented in the operations."*

### Training and skills supply

During the quarter, Klara phased out doctor staffing services completely and made a greater contribution to consolidated earnings with its new service mix. Demand for Klara's services remained stable during the period and Klara's order book is favourable in the lead up to summer.

As part of our updated strategy, Ambea is now focused even more clearly on competence development and skills supply in the care sector. As of this quarter, will we therefore report both Klara and Lära together under the Klara division in our financial statements. Lära is our training organisation and a unique asset for Ambea. In 2022, about 13,000 people received supervision or participated in one of Lära's training courses, and 7,000 of these people were Ambea's own employees. By equating Lära with our other service deliveries, we want to clarify our role as the competency-based company in the care sector.



### Clearer conditions

Despite the fundamentally favourable demand for our services, food and energy prices continued to have a negative impact on us during the quarter. We review our costs on a regular basis, optimise staffing levels and achieve economies of scale through effective purchasing and improving the energy efficiency of our premises. Salary negotiations and the collective bargaining agreements that affect us should be finalised in the second quarter of the year, which will also increase predictability.

The prices in our revenue contracts are adjusted upwards every year. Due to the large number of services we provide in more than 400 municipalities, the adjustment mechanisms vary. As the situation becomes clearer, our assessment is that we can offset most of the year's cost increases with upward price adjustments, efficiencies and higher occupancy rates.

### Ethical purchasing and a climate focus

Our employees are working every day to create quality of life for 16,500 care receivers and their loved ones. As a major

player, we also want to promote positive social development in several areas. Vardaga and Nytida have entered into a new collaboration with Norrmejerier as part of our efforts to systematically phase out suppliers with ties to Russia, and to reduce our share of GHG emissions associated with purchased dairy products. Climate-smart and ethical purchasing is part of our approach to sustainability, and we are working continuously to develop these processes.

### Commitment and knowledge

Finally, I would like to thank all of our employees for their daily contributions to high-quality and personalised care. We are 31,000 colleagues who are always striving to fulfil our vision – *We make the world a better place, one person at a time.*



**Mark Jensen**  
President and CEO Ambea



Lära is Ambea's training organisation. In 2022, about 13,000 people received supervision or training from Lära. In future, Lära will be reported under the Klara division.

# We are working together to create enough safe and sustainable care for everyone

Ambea is one of the leading care providers in Scandinavia. We work with the elderly, and people with disabilities or a need for psychosocial support. Our mission is to ensure quality of life for every person in Ambea's 950 units. Seeing and hearing them is the heart of our company.

But we also look up and see the world through the eyes of our clients – municipalities. Will they have enough resources in the years ahead? As care needs grow sharply, financial pressures intensify and the care worker shortage deepens, smart solutions, partnerships and innovative solutions will be crucial. Ambea has a key role to play here.

We are a company that dares to test new ideas, strives for continuous improvement and continuously develops our units and our employees. We are big enough to make a difference and want to be a role model that works together with municipalities to create as much safe and secure care as possible from every valuable tax krona.

Always in the best interests of our care receivers. Always guided by our vision: *We make the world a better place, one person at a time.*



**New Nytida home in Flen.** Hagagatan in Flen is one of three new residential facilities that Nytida opened during the quarter. It is a group home for people with acquired brain injury or Huntington's disease. The unit has six apartments and a large communal area where care receivers can receive support and assistance according to their needs.

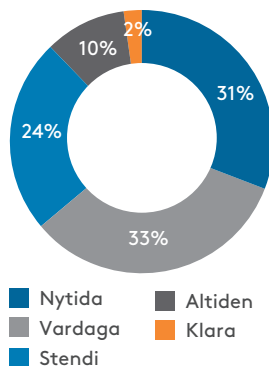
## Our brands

nytida vardaga klara  
stendi altiden lära

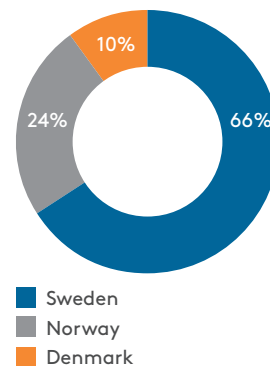
## Our services

- Elderly care
- Disability care
- Psychosocial support
- Training, competence and staffing solutions for social care

## Sales per division January-March 2023



## Sales per country January-March 2023



**31,000**  
employees

**16,500**  
care receivers

**950**  
units

**450**  
municipalities are  
our clients

# Sustainability and quality management in the first quarter

## New collaboration with Norrmejerier



Robert Kroon, meal manager at Ambea is happy with the new collaboration with Norrmejerier.

During the spring, Ambea and Norrmejerier launched a new collaboration that will stimulate the appetite of just over 8,000 care receivers in Sweden, and contribute to lower GHG emissions and an ethical supply chain.

Since Russia's invasion of Ukraine in February 2022, Ambea has been working actively to phase out suppliers who have chosen to maintain ties with Russia.

"We see this as a way to clarify our position in support of the Ukrainian people and to follow our ethical purchasing guidelines, which are an established element of our approach to sustainability," says Mark Jensen, CEO of Ambea.

The war in Ukraine is not the only reason why Ambea is replacing its supplier. Dairy products have been in focus during a period of rising prices. So prices are a second reason, and GHG emissions a third.

"The choice of Norrmejerier is based on a carefully considered sustainability concept (the Norrlogic concept), but also attractive commercial conditions," says Joakim Fagerudd, Head of Procurement at Ambea.

Norrmejerier is one of Ambea's thirteen supplier replacements due to the phase-out of suppliers with ties to Russia.

### Vardaga involved in the World's Greenest Care Home

As a member of the Nordic Center for Sustainable Healthcare (NCSH) network, Vardaga was involved in the launch of the launch of Grønnrökulta, the World's Greenest Care Home project, in February. NCSH is a network and digital platform that organises a wide range of players who are all working with sustainable healthcare solutions.

## Reports and quality inspections during the quarter

### SWEDEN

**IVO inspections:** The IVO performed ten inspections in the first quarter. All inspections took place in Nytida and decisions have been issued for two of these inspections, one with remarks. During the quarter, the IVO issued decisions on 19 of its inspections in 2022, all in Nytida. Four were closed without any remarks, and 15 with remarks. The IVO mainly issues remarks related to the use of restrictive interventions, and to compliance with the reporting obligation under Lex Sarah.

**Lex Sarah cases:** Nine Lex Sarah cases were lodged – seven by Nytida and two by Vardaga. Decisions have been issued for seven of the cases and closed without any need for further action, while decisions are pending for two of the cases. During the quarter, the IVO also issued decisions on four cases reported in 2022. All were closed without any need for further action.

**Lex Maria cases:** Two Lex Maria cases were lodged, one by Vardaga and one by Nytida, and decisions are pending for both cases. During the quarter, the IVO did not issue any decisions on cases reported in 2022.

**Individual complaints:** In the first quarter, the IVO investigated three individual complaints related to Vardaga. Decisions are pending.

### NORWAY

**Regulatory inspections based on quality management:** 46 inspections of Stendi's units were carried out, 42 of children's units and four of care services. Four of the inspections resulted in demands for remedial action, all in children's units.

### DENMARK

**Regulatory inspections based on quality management:** There were six regulatory inspections of Altiden. Two of elderly care units and four of care services. The inspections of elderly care units were closed with satisfactory results. The inspections of care services resulted in demands for remedial action for two units, while all others were closed without any demands for remedial action.

### IMY/SWEDISH AUTHORITY FOR PRIVACY PROTECTION

**Sweden:** Two data breaches were reported to the IMY. Decisions have been issued and the IMY closed both cases without any demands for action.

**Norway:** No data breaches were reported by the Data Protection Officer.

**Denmark:** No data breaches were reported by the Data Protection Officer.

## Ambea's key figures for social sustainability

	TARGET	OUTCOME Q1 2023	COMMENTS
<b>Ambea's Quality Index<sup>1</sup></b> An aggregated index of six quality and HR metrics for the entire group. Scale of 1–10	>7.50	7.51	Decrease from Q4 (7.65). Quality Index scores decreased for Stendi and Altiden, but increased for both Vardaga and Nytida compared with the preceding quarter. The results are measured on a monthly basis.

### PARTIAL REPORT OF AMBEA'S QUALITY INDEX

<b>1) Perceived care<sup>1</sup></b> The care receiver's view of our care and service. Scale of 1–100	>85%	89%	Only Vardaga measured results during the period with an internal survey, and the outcome for the question about overall satisfaction rose 1%. The results remained unchanged for all other divisions. The measurement shows the results from the customer survey. Surveys of the divisions, as well as nationally in Sweden, are carried out continuously.
<b>2) Employee satisfaction</b> Employee satisfaction surveys are carried out on a regular basis during the year to measure satisfaction and engagement. Scale of 0–100	>75	73	All divisions identify structured objectives and focus areas at both central and local levels, alongside of active and continuous improvements in each individual unit.
<b>3) Leadership Index</b> The employee's view of leadership in Ambea. Scale of 0–100	>80	78	The biannual survey takes the form of an in-depth questionnaire where employees evaluate their line manager based on Ambea's prioritised leadership qualities. The result is the average of all individual answers to all leadership questions. 1 point down from Q4 2022.
<b>4) Recommendation of Ambea</b> Whether the employee would recommend Ambea as an employer. eNPS scale -100 – +100	>+20	+21*	There was no survey in Q1. The survey is carried out twice annually. The next survey will take place in Q2.
<b>5) Internal control<sup>1</sup></b> Control and follow-up of a unit's compliance with the quality management system. Scale of 0–2	>1.85	1.88*	There was no survey in Q1. The survey is carried out twice annually and the next survey will take place in Q2.
<b>6) Improvement Index<sup>1</sup></b> Improvements implemented and documented in the units. Scale of 0–10	>7.50	7.65	Improvement index scores rose slightly for all divisions except Stendi, which decreased slightly during the quarter. The results are measured on a monthly basis.

\*Outcome is unchanged compared with the preceding quarter, since no new survey was carried out during the quarter.

<sup>1</sup> The result is weighted on the basis of each division's sales in 2022, which affects comparisons with previous quarterly reports even when no new survey has been carried out. Other key figures are already weighted.

## We prioritise five of the UN Sustainable Development Goals



### Good health and well-being

Ambea offers high-quality social care for our care receivers and security for their loved ones.



### Quality Education

Our training organisation Lära, provides continuous training for employees of today and tomorrow.



### Affordable and Clean Energy

By ensuring that Ambea's Own Management operations always use renewable energy, we are helping to increase overall market demand for fossil-free energy.



### Decent work and economic growth

Ambea's operations begin with caring for our employees. When they are happy and healthy, they can do more for our care receivers.



### Responsible Consumption and Production

Ambea creates modern residential facilities with lower environmental impacts. By keeping our stocks down, we only consume as much as we need.

**READ MORE** about our contributions to the SDGs in the Annual Report.



## Group

### First quarter

#### Net sales

Net sales rose 5 per cent to SEK 3,235 million (3,080). Organic growth was 5 per cent.

Net sales in Own Management amounted to SEK 2,511 million (2,337). The year-on-year sales growth was attributable to increased occupancy and start-up units.

Net sales in Contract Management amounted to SEK 653 million (666). The year-on-year sales decline was due to previously handed-back elderly care contracts in Stendi and Vardaga. The decline was offset by contracts won in Nytida, and higher occupancy in Altiden.

Net sales in competence and staffing solutions declined 8 per cent to SEK 71 million (77). The decline was due to divestment of the doctor staffing services.

#### Earnings

EBIT rose 14 per cent to SEK 191 million (167), representing a margin of 5.9 per cent (5.4).

EBITA rose 11 per cent to SEK 216 million (195). The EBITA margin was 6.7 per cent (6.3). The year-on-year increase was the result of increased occupancy and higher prices in Nytida, Vardaga and Stendi.

#### Net financial items

Net financial expense was SEK -102 million (-84) for the quarter. Of this amount, SEK -74 million (-65) pertained to interest on a lease liability, SEK -29 million (-16) to interest and financial expenses/income, and SEK 1 million (-3) to exchange rate fluctuations.

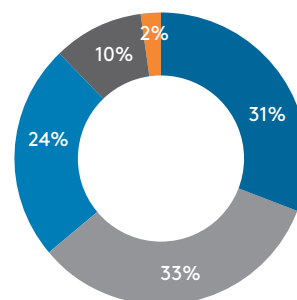
#### Income tax

Tax expense for the period was SEK -19 million (-17), corresponding to an effective tax rate of 21 per cent (21).

#### Profit for the period

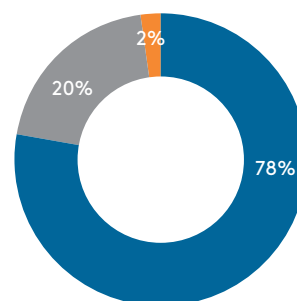
Profit for the period totalled SEK 70 million (66), corresponding to earnings per share of SEK 0.77 (0.70) before dilution and SEK 0.77 (0.70) after dilution.

### Net sales by segment January-March 2023



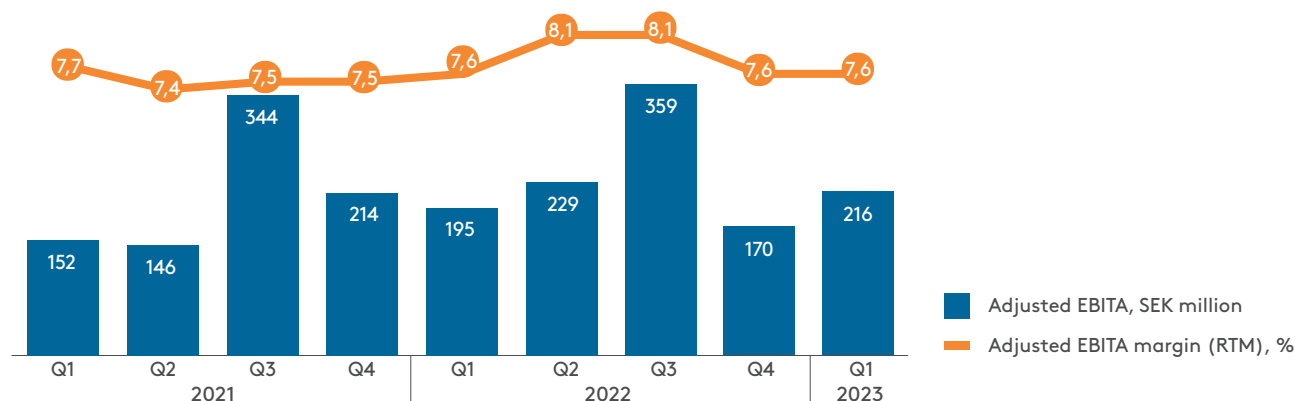
■ Nytida  
■ Vardaga  
■ Stendi  
■ Altiden  
■ Klara

### Net sales per contract model January-March 2023



■ Own management  
■ Contract management  
■ Staffing

### Earnings and margin trend



## Cash flow

SEK million	2023 Jan-Mar	2022 Jan-Mar	RTM	2022 Jan-Dec
EBITDA	510	451	2,103	2,044
Adjustment for non-cash items	-9	-8	-127	-126
Change in working capital	-107	-86	-26	-4
Cash flow from investments in fixed assets*	-22	-27	16	11
<b>Operating cash flow, including investments to increase capacity</b>	<b>372</b>	<b>330</b>	<b>1,966</b>	<b>1,925</b>
Net interest paid	-96	-85	-362	-351
Tax paid	-32	-53	-102	-123
<b>Free cash flow</b>	<b>244</b>	<b>193</b>	<b>1,502</b>	<b>1,451</b>
Acquisition/disposal of shares and participations	-	-89	-136	-225
Cash flow from financing activities	-477	-138	-1,376	-1,037
<b>Cash flow for the period</b>	<b>-233</b>	<b>-34</b>	<b>-10</b>	<b>189</b>
 * of which sales of fixed assets	 1	 0	 117	 116
 Operating cash flow, excl. IFRS 16 effects	 45	 49	 740	 744
Free cash flow, excl. IFRS 16 effects	-9	-24	551	536

Free cash flow for the quarter was SEK 244 million (193). The year-on-year increase in free cash flow was mainly due to improved earnings in the units.

At the balance-sheet date, the number of shares held by the company was 5,055,298 (84,715). The share buyback reduced cash and cash equivalents by SEK -47 million in the quarter.

## Financial position

SEK million	Incl. IFRS 16			Excl. IFRS 16		
	2023 31 Mar	2022 31 Mar	2022 31 Dec	2023 31 Mar	2022 31 Mar	2022 31 Dec
Net interest-bearing debt*	11,440	10,648	10,718	2,653	2,706	2,620
Rolling 12 months adjusted EBITDA*	2,103	1,889	2,044	887	815	869
Net debt/Rolling 12 months adjusted EBITDA	5.4	5.6	5.2	3.0	3.3	3.0

At 31 March 2023, net interest-bearing debt amounted to SEK 11,440 million (10,648). Excluding IFRS 16 effects, indebtedness amounted to SEK 2,653 million (2,706), or 3.0 times (3.3) 12-months adjusted EBITDA.

\*Alternative performance measures. For reconciliation of financial statements to IFRS, purpose and definition, see [ambea.com/investor-relations/reports-and-presentations/](https://ambea.com/investor-relations/reports-and-presentations/)





Nytida provides support and care for children, young people and adults with lifelong disabilities and psychosocial problems. We offer residential care, day services, support for individuals and families, and schools in approximately 450 units across Sweden. Using proven models and in-depth knowledge, our 9,000 employees help to strengthen the ability of individuals to live an independent life.



### The quarter

Net sales rose 3 per cent year-on-year to SEK 991 million (963).

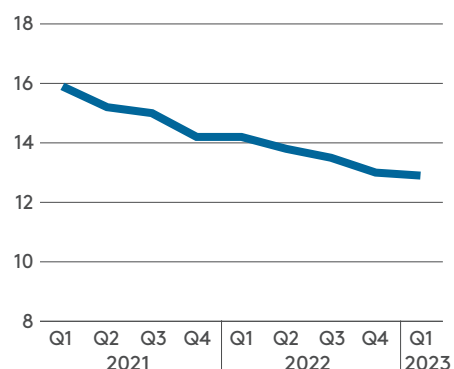
Net sales in Own Management amounted to SEK 798 million (785). Sales were positively impacted by start-up units and higher prices, but offset by lower occupancy.

Net sales in Contract Management amounted to SEK 193 million (178). The 8-per cent increase was due to the net effect between start-ups and the termination of previous contracts.

At SEK 119 million (119), adjusted EBITA was in line with the preceding year.

The adjusted EBITA margin was 12.0 per cent (12.4).

### Adjusted EBITA margin RTM %



SEK million	2023 Jan-Mar	2022 Jan-Mar	Δ%	RTM	2022 Full-year
Net sales	991	963	3	3,943	3,915
Adjusted EBITA*	119	119	0	509	509
Operating margin, adjusted EBITA (%)*	12.0	12.4		12.9	13.0

\*Alternative performance measures.

At Vardaga's just over 100 residential facilities across Sweden, we offer elderly care where every day is as meaningful as the next. Every one of our nursing homes, short-term residential facilities, home care and day services offers a high level of expertise and a safe environment. Our 12,000 employees ensure quality of life and safety for every care receiver.



## The quarter

Vardaga's net sales rose 10 per cent year-on-year to SEK 1,092 million (992).

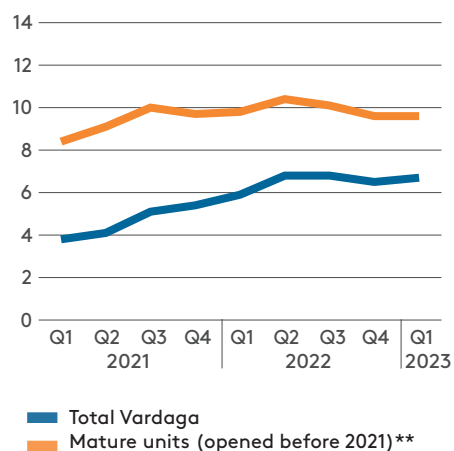
Net sales in Own Management amounted to SEK 775 million (664), up 17 per cent due to a higher rate of occupancy and newly opened units.

Net sales in Contract Management amounted to SEK 317 million (328). The 3 per cent decline was due to previous hand-backs of management contracts to municipalities. During the period, the net difference between gains and losses on the allotment of new contracts was SEK 118 million.

Adjusted EBITA rose 35 per cent to SEK 66 million (49). A higher rate of occupancy had a positive impact on earnings.

The adjusted EBITA margin was 6.0 per cent (4.9).

## Adjusted EBITA margin RTM %



SEK million	2023 Jan-Mar	2022 Jan-Mar	Δ%	RTM	2022 Full-year
Net sales	1,092	992	10	4,272	4,172
Adjusted EBITA*	66	49	35	288	271
Operating margin, adjusted EBITA (%)*	6.0	4.9		6.7	6.5
Operating margin, adjusted EBITA mature units (%)*	8.3	8.0		9.6	9.6

\* Alternative performance measures.

\*\* As of Q1 2022, all units except for residential facilities under own management that opened after 2020 are defined as mature. Previously, residential facilities under own management and management contracts that opened between 2019–2021 were excluded.

Stendi is the largest care provider in Norway and runs nationwide operations in support and residential care for adults, children and young people. We also offer personal assistance, elderly care and home care. We have about 6,500 employees and more than 300 units across Norway.



## The quarter

At SEK 763 million (765), net sales were in line with the preceding year. Sales rose 3 per cent in local currency.

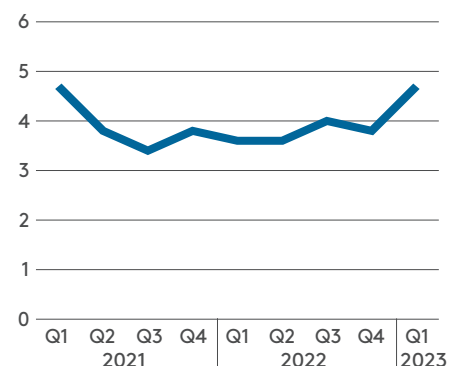
Net sales in Own Management amounted to SEK 730 million (702). Sales rose 7 per cent in local currency. The increase was due to increased occupancy and higher prices.

Net sales in Contract Management amounted to SEK 33 million (63). Sales declined 41 per cent in local currency. The decrease was due to the hand-back of an elderly care contract.

Adjusted EBITA was SEK 37 million (12). Earnings were impacted by increased occupancy and higher staffing efficiency. The higher staffing efficiency was due to earlier capacity adjustments.

The adjusted EBITA margin was 4.8 per cent (1.6).

## Adjusted EBITA margin RTM %



SEK million	2023 Jan-Mar	2022 Jan-Mar	Δ%	RTM	2022 Full-year
Net sales	763	765	0	3,045	3,047
Adjusted EBITA*	37	12	208	142	117
Operating margin, adjusted EBITA (%)*	4.8	1.6		4.7	3.8

\*Alternative performance measures.

Altiden is the largest private care provider in Denmark, with operations comprising elderly care, rehabilitation, disability care and social care. All over Denmark, we provide skilled care services based on respect. Approximately 2,000 employees ensure quality of life and a secure environment with a focus on development.



## The quarter

Net sales rose 12 per cent to SEK 318 million (283). Sales rose 5 per cent in local currency.

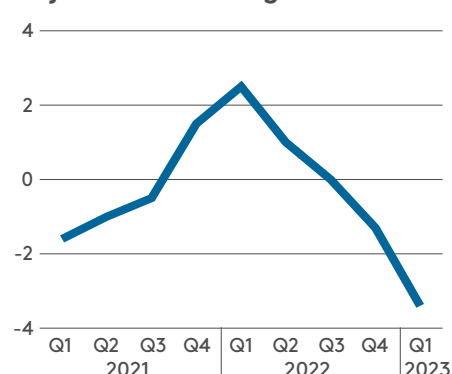
Net sales in Own Management amounted to SEK 208 million (186). Sales rose 5 per cent in local currency. The sales growth was attributable to increased occupancy and acquisitions.

Net sales in Contract Management amounted to SEK 110 million (97). Sales rose 7 per cent in local currency. The increase was attributable to higher occupancy in elderly care contracts, but offset by contracts terminated in home care.

Adjusted EBITA amounted to SEK -11 million (14). The lower earnings were impacted by higher staffing costs, conversion costs for residential units and structural costs for building a more stable platform for the future. The comparative period included an earn-out revaluation of SEK 7 million.

The adjusted EBITA margin was -3.5 per cent (4.9).

## Adjusted EBITA margin RTM %



SEK million	2023 Jan-Mar	2022 Jan-Mar	Δ%	RTM	2022 Full-year
Net sales	318	283	12	1,198	1,163
Adjusted EBITA*	-11	14	-	-41	-16
Operating margin, adjusted EBITA (%)*	-3.5	4.9		-3.4	-1.4

\* Alternative performance measures.



Klara is one of the leading providers of staffing solutions for social care in Sweden. We are an authorised and ISO-certified staffing company. We help public and private clients with value-adding sustainable solutions.

Lära is one of the leading companies in Sweden in training and competence-enhancement programmes for social work, care, schools and treatment.



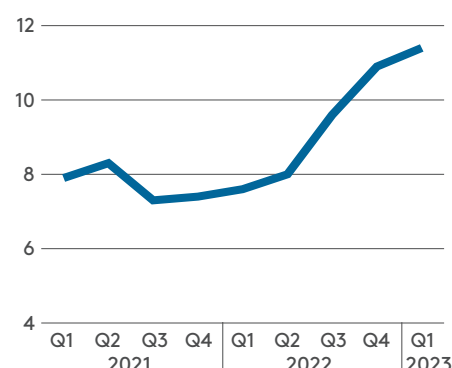
As of 1 January 2023, Ambea's training organisation, Lära, has been reported together with Klara. Lära was previously reported centrally in Ambea. In the first quarter of 2022, Lära's sales amounted to SEK 9 million and just over half was income from external customers. Lära is not included in the comparative figures below.

## The quarter

Net sales rose 9 per cent to SEK 116 million (106). The increase was due entirely to Lära's inclusion in Klara from the first quarter. Sales in Klara were in line with the preceding year, growth was positively impacted by the acquisition of SkolPool in May 2022 and additional nurse staffing initiatives, but offset by the divestment of doctor staffing services.

Adjusted EBITA was SEK 13 million (8), representing a margin of 11.2 per cent (7.5). The positive year-on-year performance refers to Klara. The streamlining of the operations through divestment of the doctor staffing services and a stronger focus on student health services had a positive impact on margins.

## Adjusted EBITA margin RTM %



SEK million	2023 Jan-Mar	2022 Jan-Mar	Δ%	RTM	2022 Full-year
Net sales	116	106	9	487	477
Adjusted EBITA*	13	8	63	57	52
Operating margin, adjusted EBITA (%)*	11.2	7.5		11.7	10.9

\*Alternative performance measures.

## Operational key figures

SEK million	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
<b>Ambea</b>					
Number of beds and places in operation under own management on the closing date	9,777	9,753	9,653	9,747	9,746
Number of beds and places opened under own management (RTM)	179	409	331	361	565
Number of beds and places under own management under construction	1,483	1,434	1,540	1,495	1,287
Net management contracts won/lost, SEK million*	140	-110	-	135	-20
<b>Nytida</b>					
Number of beds and places in operation under own management	5,241	5,223	5,264	5,279	5,285
Number of beds and places opened under own management (RTM)	24	24	24	54	66
Number of beds and places under own management under construction	104	116	122	86	86
Net management contracts won/lost, SEK million*	31	-29	-	25	-5
<b>Vardaga</b>					
Number of beds in operation under own management	3,441	3,431	3,311	3,311	3,311
Number of beds opened under own management (RTM)	120	367	307	307	427
Number of beds under own management under construction	1,246	1,196	1,316	1,316	1,108
Net management contracts won/lost, SEK million*	118	-81	-	110	-15
<b>Stendi</b>					
Number of beds in operation under own management	670	668	665	744	746
Number of beds opened under own management (RTM)	17	-	-	-	-
Number of beds under own management under construction	32	21	-	-	-
Net management contracts won/lost, SEK million*	-	-	-	-	-
<b>Altiden</b>					
Number of beds and places in operation under own management	425	431	413	413	404
Number of beds opened under own management (RTM)	18	18	-	-	72
Number of beds and places under own management under construction	101	101	102	93	93
Net management contracts won/lost, SEK million*	-9	-	-	-	-

\*Includes management contracts to be retaken.

## Other events

### Legal proceeding about costs for temporary staff in Norway

Through the acquisition of Aleris Omsorg in 2019, Ambea has been party to an ongoing legal proceeding in Norway regarding costs for temporary staff. Historically, Aleris had engaged a considerable number of consultants to staff some of its units. Since the acquisition, Aleris has been working actively to increase the proportion of permanent employees in the operations. In 2021, a judgement was handed down in favour of the temporary consultants, granting them the right to additional compensation for overtime, holidays and pension for the time they were engaged as consultants. A subsequent proceeding has now begun regarding the limitation periods for some of the compensation. In the fourth quarter of 2021, Ambea made a provision of SEK 145 million to cover estimated additional claims and legal costs. At 31 March 2023, the remaining provision for known and unknown claims amounted to SEK 94 million.

### Dispute with the Swedish Tax Agency

In 2018, Ambea received a reassessment notice from the Swedish Tax Agency regarding VAT of SEK 12 million, including tax surcharges, for prior years in Ambea AB (publ). No provision was made for these costs during the period. The reassessment was mainly related to input VAT on costs arising from the IPO in 2017. The company appealed the Tax Agency's decision and received a judgment from the Administrative Court after the end of the quarter, which supports the Tax Agency's decision. Ambea appealed the ruling to a higher court in the third quarter of 2021.

## Related-party transactions

During the quarter, no transactions took place between Ambea and its related parties that had any material impact on the company's position and earnings. The nature and volume of transactions remained unchanged during the period compared with the preceding year.

## Events after the end of the quarter

No events after the end of the quarter.

## Seasonal variations

Ambea's operating profit is affected by seasonal variations, weekends and public holidays.

Weekends and public holidays reduce Ambea's profitability due to higher personnel costs for inconvenient working hours. Most of the public holidays in countries where the company operates normally fall in the second quarter. In some years, Easter may fall in the first quarter and then affect its profitability. Christmas and New Year affect the first and fourth quarters.

The company's personnel costs are affected in a similar manner when employees take out their holidays. For example, the company is most profitable in the third quarter, as employees usually take their holidays during July and August and therefore receive holiday pay that is continuously accrued throughout the year. Costs also tend to be lower in the summer months due to a reduced schedule for central activities, such as mandatory training programmes and central initiatives, during this period.

## Employees

During the quarter, the average number of full-time employees (FTEs) was 14,035 (13,955), and the increase was mainly due to acquisitions.

## Risks and uncertainties

Ambea is exposed to a variety of risks and attaches great importance to continuously analysing, minimising and managing these risks. The risk assessment is also a key element of the annual strategy process, where risks in relation to the company's ability to achieve its financial targets and strategic ambitions are specifically evaluated. Ambea has identified the following risks: brand risks, industry and market risks, compliance and legal risks, operational risks and financial risks. For a description of these risks and how they are managed, refer to pages 55–56 of the 2022 Annual Report.

## Other information

This report has not been audited.

## The Board of Director's assurance

The Board of Directors and CEO hereby provide their assurance that this interim report provides a true and fair view of the operations, position and earnings of the Parent Company and the Group, and describes the material risks and uncertainties facing the Parent Company and the companies in the Group.

Stockholm, 3 May 2023

**Yrjö Närhinen**  
*Chair of the Board*

**Daniel Björklund**  
*Board member*

**Hilde Britt Mellbye**  
*Board member*

**Dan Olsson**  
*Board member*

**Gunilla Rudebjer**  
*Board member*

**Samuel Skott**  
*Board member*

**Patricia Briceño**  
*Employee representative*

**Charalampos Kalpakas**  
*Employee representative*

**Magnus Sällström**  
*Employee representative*

**Mark Jensen**  
*President and CEO*

## Presentation of the first quarter of 2023

Ambea will hold a presentation for the financial market, with the possibility to participate by teleconference, at 10:00 a.m. CEST on Thursday, 4 May 2023. The presentation will be held in English, and available as a webcast at [ambea.se](https://edge.media-server.com/mmc/p/8d2twtna), or via Direct Link:

<https://edge.media-server.com/mmc/p/8d2twtna>

### Join conference by phone

To join the conference call, register before the call using the number link below. When you register, you will receive a dial-in number and a unique dial-in PIN.

To make sure your connection to the conference call works, please call 10 minutes before the conference is due to start.

### Conference call registration

<https://register.vevent.com/register/BI42292f6618bd446689b997a64981b36c>

## Contact

Susanne Vogt, Head of IR, Reporting & Group Business Control  
Telephone: +46 (0)73 534 63 86

## Forthcoming report occasions

Annual General Meeting	11 May 2023
Q2 interim report for 2023	17 August 2023
Q3 interim report for 2023	2 November 2023



## Consolidated earnings in summary

SEK million	2023 Jan-Mar	2022 Jan-Mar	RTM	2022 Jan-Dec
<b>Operating income</b>				
Net sales	3,235	3,080	12,790	12,635
Other operating income	45	43	323	321
<b>Operating income</b>	<b>3,280</b>	<b>3,123</b>	<b>13,113</b>	<b>12,956</b>
<b>Operating expenses</b>				
Consumables	-109	-101	-451	-443
Other external costs	-354	-351	-1,477	-1,474
Personnel costs	-2,308	-2,219	-9,087	-8,998
Depreciation, amortisation and impairment of fixed assets	-319	-284	-1,236	-1,201
Other operating expenses	1	-1	5	3
<b>Operating expenses</b>	<b>-3,089</b>	<b>-2,956</b>	<b>-12,246</b>	<b>-12,113</b>
<b>Operating profit</b>	<b>191</b>	<b>167</b>	<b>867</b>	<b>843</b>
Financial income	0	0	0	-
Financial expenses	-102	-84	-379	-361
<b>Net financial items</b>	<b>-102</b>	<b>-84</b>	<b>-379</b>	<b>-361</b>
<b>Profit before tax</b>	<b>89</b>	<b>83</b>	<b>488</b>	<b>482</b>
Tax on profit for the period	-19	-17	-118	-116
<b>Profit for the period</b>	<b>70</b>	<b>66</b>	<b>370</b>	<b>366</b>
Profit for the period attributable to shareholders of the Parent Company	70	66	370	366
Earnings per share before dilution, SEK	0.77	0.70	3.97	3.89
Earnings per share after dilution, SEK	0.77	0.70	3.97	3.89

## Consolidated statement of comprehensive income in summary

SEK million	2023 Jan-Mar	2022 Jan-Mar	RTM	2022 Jan-Dec
Profit for the period after tax	70	66	370	366
<b>Other comprehensive income, items not transferable to profit or loss</b>				
Remeasurement of defined-benefit pension plans	–	–	1	1
Tax related to remeasurement of defined-benefit pension plans	–	–	0	0
<b>Total items not transferable to profit or loss</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>1</b>
<b>Other comprehensive income, items transferable to profit or loss</b>				
Translation differences	-56	47	-62	41
Hedging of net investments in foreign operations	28	-22	36	-14
Cash flow hedges	-2	6	4	12
Cash flow hedge reserve	-3	19	19	41
Incentive programmes	–	–	–	–
Remeasurement of tenant-owned apartments	0	–	-2	-2
Tax	-5	-1	-12	-8
<b>Total items transferable to profit or loss</b>	<b>-38</b>	<b>49</b>	<b>-17</b>	<b>70</b>
<b>Total other comprehensive income</b>	<b>-38</b>	<b>49</b>	<b>-16</b>	<b>71</b>
<b>Total comprehensive income for the period</b>	<b>32</b>	<b>115</b>	<b>354</b>	<b>437</b>
<b>Comprehensive income for the period attributable to shareholders of the Parent Company</b>	<b>32</b>	<b>115</b>	<b>354</b>	<b>437</b>

## Earnings per share

	2023 Jan-Mar	2022 Jan-Mar	RTM	2022 Jan-Dec
Profit for the period attributable to shareholders of the Parent Company, SEK million	70	66	370	366
<b>Earnings per share before dilution</b>				
Average number of shares, thousands	90,384	94,533	93,104	94,127
Earnings per share before dilution, SEK	0.77	0.70	3.97	3.89
<b>Earnings per share after dilution</b>				
Average number of shares, thousands	90,384	94,563	93,104	94,127
Earnings per share after dilution, SEK	0.77	0.70	3.97	3.89

## Consolidated balance sheet in summary

SEK million	2023 31 Mar	2022 31 Mar	2022 31 Dec
<b>Assets</b>			
<b>Fixed assets</b>			
Goodwill	7,025	6,934	7,095
Customer contracts and customer relationships	359	428	384
Other intangible assets	25	27	26
Right-of-use assets	8,499	7,712	7,827
Tangible assets	338	323	341
Derivative instruments	51	29	56
Deferred tax assets	109	121	105
Non-current receivables	119	115	121
<b>Total fixed assets</b>	<b>16,525</b>	<b>15,689</b>	<b>15,955</b>
<b>Current assets</b>			
Accounts receivable	1,150	1,087	1,180
Other receivables	115	157	118
Prepaid expenses and accrued income	379	367	361
Cash and cash equivalents	28	43	259
<b>Total current assets excluding assets held for sale</b>	<b>1,672</b>	<b>1,654</b>	<b>1,918</b>
Assets held for sale	1	107	2
<b>Total current assets</b>	<b>1,673</b>	<b>1,761</b>	<b>1,920</b>
<b>Total assets</b>	<b>18,198</b>	<b>17,450</b>	<b>17,875</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	2	2	2
Other capital contributions	6,172	6,170	6,172
Reserves	0	15	38
Retained earnings, including profit for the year	-1,508	-1,543	-1,531
<b>Total equity</b>	<b>4,666</b>	<b>4,644</b>	<b>4,681</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	1,928	1,520	2,421
Lease liabilities	7,757	7,067	7,155
Other non-interest-bearing liabilities	14	–	14
Pension provisions	31	22	29
Other provisions	47	116	83
Deferred tax liabilities	221	191	220
<b>Total non-current liabilities</b>	<b>9,998</b>	<b>8,916</b>	<b>9,922</b>
<b>Current liabilities</b>			
Commercial papers	753	1,229	458
Lease liabilities	1,030	875	943
Accounts payable	249	252	320
Other provisions	50	76	37
Tax liabilities	35	38	38
Other non-interest-bearing liabilities	172	169	231
Accrued expenses and deferred income	1,245	1,251	1,245
<b>Total current liabilities</b>	<b>3,534</b>	<b>3,890</b>	<b>3,272</b>
<b>Total equity and liabilities</b>	<b>18,198</b>	<b>17,450</b>	<b>17,875</b>

## Consolidated statement of changes in equity in summary

SEK million	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Opening balance	4,681	4,530	4,530
Comprehensive income	32	115	437
Warrants issued	–	–	2
Share buybacks	-47	–	-179
Dividends	–	–	-109
Closing balance	4,666	4,644	4,681

## Consolidated cash flow statement in summary

SEK million	2023 Jan-Mar	2022 Jan-Mar	RTM	2022 Jan-Dec
<b>Operating activities</b>				
Profit before financial items	191	167	867	843
Depreciation, amortisation and impairment losses	319	284	1,236	1,201
Capital gains/losses	0	0	-49	-49
Changes in provisions	-9	-8	-78	-77
<b>Total non-cash items</b>	<b>310</b>	<b>276</b>	<b>1,109</b>	<b>1,075</b>
Net interest paid	-96	-85	-362	-351
Tax paid	-32	-53	-102	-123
<b>Cash flow from operating activities before changes in working capital</b>	<b>373</b>	<b>305</b>	<b>1,512</b>	<b>1,444</b>
<b>Cash flow from changes in working capital</b>				
Decrease/increase in receivables	-7	52	-44	15
Decrease/increase in current liabilities	-100	-137	18	-19
<b>Cash flow from operating activities</b>	<b>266</b>	<b>220</b>	<b>1,486</b>	<b>1,440</b>
<b>Investing activities</b>				
Acquisition of tangible assets	-21	-25	-93	-97
Acquisition of intangible assets	-2	-2	-8	-8
Sale of fixed assets	1	0	117	116
Acquisition of subsidiaries	–	-89	-136	-225
Acquisition of financial assets	0	–	0	–
<b>Cash flow from investing activities</b>	<b>-22</b>	<b>-116</b>	<b>-120</b>	<b>-214</b>
<b>Cash flow after investments</b>	<b>244</b>	<b>104</b>	<b>1,366</b>	<b>1,225</b>
<b>Financing activities</b>				
Loans raised	1,026	1,228	3,019	3,221
Repayment of debt	-578	-1,639	-3,343	-4,404
Repayment of lease liability	-254	-217	-952	-915
Net change in checking account	-624	490	250	1,364
Cost of loans raised	–	–	-17	-17
Premiums for warrants	–	–	2	2
Share buybacks	-47	–	-226	-179
Dividends paid	–	–	-109	-109
<b>Cash flow from financing activities</b>	<b>-477</b>	<b>-138</b>	<b>-1,376</b>	<b>-1,037</b>
Cash flow for the period	-233	-34	-10	189
Cash and cash equivalents on the opening date	259	86	43	86
Exchange rate differences in cash and cash equivalents	2	-9	-5	-16
<b>Cash and cash equivalents on the closing date</b>	<b>28</b>	<b>43</b>	<b>28</b>	<b>259</b>



## Parent Company income statement in summary

SEK million	2023 Jan-Mar	2022 Jan-Mar	RTM	2022 Jan-Dec
<b>Income</b>				
Net sales	0	2	6	8
<b>Operating income</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>8</b>
<b>Operating expenses</b>				
Other external costs	-4	-4	-16	-15
Personnel costs	-5	-4	-17	-16
Amortisation of intangible assets	0	0	0	0
<b>Operating expenses</b>	<b>-9</b>	<b>-8</b>	<b>-33</b>	<b>-31</b>
<b>Operating loss</b>	<b>-9</b>	<b>-6</b>	<b>-27</b>	<b>-23</b>
Financial items	-23	-4	-59	-40
<b>Loss after financial items</b>	<b>-32</b>	<b>-10</b>	<b>-86</b>	<b>-63</b>
Appropriations	-	-	108	108
<b>Profit/loss before tax</b>	<b>-32</b>	<b>-10</b>	<b>22</b>	<b>45</b>
Tax on profit for the period	-	-	-10	-10
<b>Profit/loss for the period</b>	<b>-32</b>	<b>-10</b>	<b>12</b>	<b>35</b>

## Parent Company balance sheet in summary

SEK million	2023 31 Mar	2022 31 Mar	2022 31 Dec
<b>Assets</b>			
<i>Intangible assets</i>			
Software	0	1	0
<i>Financial assets</i>			
Participations in Group companies	7,212	7,212	7,212
Receivables from Group companies	608	0	481
Derivative instruments	1	2	1
<b>Total fixed assets</b>	<b>7,821</b>	<b>7,214</b>	<b>7,694</b>
<i>Current assets</i>			
Receivables from Group companies	3,560	3,492	3,721
Other receivables	23	13	15
Prepaid expenses and accrued income	26	10	12
<b>Total current assets</b>	<b>3,609</b>	<b>3,515</b>	<b>3,748</b>
<b>Total assets</b>	<b>11,430</b>	<b>10,729</b>	<b>11,442</b>
<b>Equity and liabilities</b>			
Share capital	2	2	2
Statutory reserve	0	0	0
<b>Total restricted equity</b>	<b>2</b>	<b>2</b>	<b>2</b>
Share premium reserve	1,407	1,406	1,407
Retained earnings	1,525	1,825	1,537
Profit/loss for the period	-32	-9	35
<b>Total non-restricted equity</b>	<b>2,900</b>	<b>3,222</b>	<b>2,979</b>
<b>Total equity</b>	<b>2,902</b>	<b>3,224</b>	<b>2,981</b>
<b>Untaxed reserves</b>	<b>77</b>	<b>61</b>	<b>77</b>
<i>Non-current liabilities</i>			
Liabilities to credit institutions	1,936	1,499	2,405
<b>Total non-current liabilities</b>	<b>1,936</b>	<b>1,499</b>	<b>2,405</b>
<i>Current liabilities</i>			
Commercial papers	753	1,229	458
Accounts payable	2	1	3
Tax liabilities	8	7	15
Liabilities to Group companies	5,733	4,696	5,490
Other liabilities	2	1	0
Accrued expenses and deferred income	17	11	13
<b>Total current liabilities</b>	<b>6,515</b>	<b>5,945</b>	<b>5,979</b>
<b>Total equity and liabilities</b>	<b>11,430</b>	<b>10,729</b>	<b>11,442</b>

## Notes

### NOTE 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, as well as the Swedish Financial Reporting Board's RFR 1, Supplementary Accounting Rules for Groups, and RFR 2 Accounting for Legal Entities. The accounting policies applied are consistent with those applied in the preparation of the most recent annual report. Since all amounts are rounded, rounding differences can occur.

#### New or revised IFRSs as of 2023

None of the new or revised standards or interpretations effective from 1 January 2023 had any material impact on the financial statements of the Group or the Parent Company. No new or revised standards have been adopted in advance.

#### Reclassification of the Lära training organisation

As of 1 January 2023, Ambea's training organisation, Lära, has been reclassified. Lära has been reclassified from central costs to the Klara segment. In the comparative figures, Lära is reported centrally in Ambea.

### NOTE 2 Segment information

Ambea's operations consist of the following segments:

Nytida	Comprises social care services and schools for children and young people with neuropsychiatric disorders in Sweden.
Vardaga	Comprises nursing homes and home care in Sweden.
Stendi	Comprises social care for adults, children and young people. We also offer personal assistance and elderly care in Norway.
Altiden	Comprises social care and elderly care in Denmark.
Klara	Comprises competence and staffing solutions for social care and training, and competence-enhancement programmes in social work, care, schools and treatment.

### Quarterly overview

SEK million	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
<b>Net sales</b>									
Nytida	991	991	980	980	963	949	924	932	919
Vardaga	1,092	1,083	1,063	1,034	992	970	940	895	859
Stendi	763	760	767	756	765	737	723	748	731
Altiden	318	301	293	286	283	259	261	211	151
Klara	116	130	121	120	106	100	89	90	89
Group adjustments	-45	-40	-37	-33	-29	-28	-25	-23	-23
<b>Ambea</b>	<b>3,235</b>	<b>3,225</b>	<b>3,187</b>	<b>3,143</b>	<b>3,080</b>	<b>2,988</b>	<b>2,912</b>	<b>2,851</b>	<b>2,727</b>
<b>Adjusted EBITA</b>									
Nytida	119	116	170	104	119	128	174	113	114
Vardaga	66	53	99	69	49	59	89	25	25
Stendi	37	24	77	4	12	28	64	4	15
Altiden	-11	-16	4	-18	14	1	15	-4	1
Klara	13	18	18	9	8	8	8	6	6
Unallocated items	-8	-25	-8	60	-7	-9	-6	2	-10
<b>Ambea</b>	<b>216</b>	<b>170</b>	<b>359</b>	<b>229</b>	<b>195</b>	<b>214</b>	<b>344</b>	<b>146</b>	<b>152</b>

## NOTE 2 Segment information

### January-March 2023

SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
<b>Operating income</b>								
Net sales	991	1,092	763	318	116	–	-45	3,235
Other operating income	6	27	2	8	–	2	–	45
<b>Total income</b>	<b>997</b>	<b>1,119</b>	<b>765</b>	<b>326</b>	<b>116</b>	<b>2</b>	<b>-45</b>	<b>3,280</b>
EBITA	119	66	37	-11	13	-8	–	216
EBITA margin, %	12.0	6.0	4.8	-3.5	11.2	–	–	6.7
Adjusted EBITA	119	66	37	-11	13	-8	–	216
Adjusted EBITA margin, %	12.0	6.0	4.8	-3.5	11.2	–	–	6.7
Amortisation of intangible assets								-25
<b>Operating profit (EBIT)</b>								<b>191</b>
Net financial items								-102
<b>Profit before tax</b>								<b>89</b>
Tax on profit for the period								-19
<b>Profit for the period</b>								<b>70</b>
Assets	6,404	7,938	2,027	1,354	293	182	–	18,198

### January-March 2022

SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
<b>Operating income</b>								
Net sales	963	992	765	283	106	–	-29	3,080
Other operating income	6	12	2	18	–	6	0	43
<b>Total income</b>	<b>969</b>	<b>1,004</b>	<b>766</b>	<b>301</b>	<b>106</b>	<b>6</b>	<b>-29</b>	<b>3,123</b>
EBITA	119	49	12	14	8	-7	–	195
EBITA margin, %	12.4	4.9	1.6	4.9	7.5	–	–	6.3
Adjusted EBITA	119	49	12	14	8	-7	–	195
Adjusted EBITA margin, %	12.4	4.9	1.6	4.9	7.5	–	–	6.3
Amortisation of intangible assets								-27
<b>Operating profit (EBIT)</b>								<b>167</b>
Net financial items								-84
<b>Profit before tax</b>								<b>83</b>
Tax on profit for the period								-17
<b>Profit for the period</b>								<b>66</b>
Assets	6,246	7,531	2,178	1,114	181	199	–	17,450

\*The 'Unallocated items' column consists of centrally approved costs for general central administration, reorganisations and acquisitions.



## NOTE 3 Revenue from contracts with customers

### Type of service delivery (January-March)

SEK million	Nytida		Vardaga		Stendi		Altiden		Klara		Group eliminations		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Own Management	798	785	775	664	730	702	208	186	-	-	-	-	2,511	2,337
Contract Management	193	178	317	328	33	63	110	97	-	-	-	-	653	666
Competence and staffing solutions	-	-	-	-	-	-	-	-	116	106	-45	-29	71	77
<b>Total</b>	<b>991</b>	<b>963</b>	<b>1,092</b>	<b>992</b>	<b>763</b>	<b>765</b>	<b>318</b>	<b>283</b>	<b>116</b>	<b>106</b>	<b>-45</b>	<b>-29</b>	<b>3,235</b>	<b>3,080</b>

## NOTE 4 Fair value of financial instruments in the fair value hierarchy

SEK million	Classification in the fair value hierarchy							
			1		2		3	
	2023 31 Mar	2022 31 Mar	2023 31 Mar	2022 31 Mar	2023 31 Mar	2022 31 Mar	2023 31 Mar	2022 31 Mar
<b>Assets</b>								
Interest-rate derivatives	51	29	-	-	51	29	-	-
Investments in housing cooperative associations	95	97	-	-	-	-	95	97
<b>Total</b>	<b>146</b>	<b>126</b>	<b>-</b>	<b>-</b>	<b>51</b>	<b>29</b>	<b>95</b>	<b>97</b>
<b>Liabilities</b>								
Earn-out	34	48	-	-	-	-	34	48
<b>Total</b>	<b>34</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>48</b>

### Fair value of financial instruments in the fair value hierarchy

Ambea applies the following hierarchy for the fair value measurement of financial instruments:

**Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes Eligible treasury bills, Bonds and Other interest-bearing securities. Remeasurement is recognised in Net financial items.

**Level 2** – Observable data for assets or liabilities other than quoted prices included in Level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations). This level includes derivative instruments that are recognised under Other current assets or Other current liabilities.

**Level 3** – Data for assets or liabilities not based on observable market data. Participations in tenant-owner associations are measured using the price trend for tenant-owned apartments in the area, with adjustments for the specific conditions that apply to Ambea's apartments. Earn-out liabilities measured at fair value based on management's best estimate of possible outcome.

Ambea has borrowings/loans in Swedish, Norwegian and Danish kronor and is thereby exposed to interest-rate risk. According to the company's financial policy, at least 50 per cent of the interest-rate risk should be hedged. To hedge the company's interest-rate risk, the company has purchased interest-rate derivatives, and the remaining terms of these hedges range from 9–39 months. In total, 65 per cent of the company's average interest-bearing liabilities have been hedged with interest-rate derivatives.

Derivatives are classified as Level 2 assets in the fair value hierarchy. The change in fair value of the interest-rate cap and interest-rate swap was recognised in other comprehensive income. Ambea uses standard bank pricing models for the valuation of purchased interest-rate caps and interest-rate swaps. The valuation is based on the bank's standard pricing model and methodology. The valuation is based on the bank's average price.

## Note 5 Pledged assets and contingent liabilities

SEK million	2023 31 Mar	2022 31 Mar	2022 31 Dec
Leased assets	129	129	128
Real estate mortgages	–	3	–
<b>Total pledged assets</b>	<b>129</b>	<b>132</b>	<b>128</b>
Tax audit	12	–	12
<b>Total contingent liabilities</b>	<b>12</b>	<b>–</b>	<b>12</b>

## NOTE 6 Reconciliation of financial statements

SEK million	2023 Jan-Mar	2022 Jan-Mar	RTM	2022 Jan-Dec
<b>Growth/Acquired growth</b>				
Net sales growth (%)	5	13	8	10
Of which organic growth (%)	5	6	5	5
Of which acquired/divested growth (%)	0	5	2	3
Of which currency effect (%)	0	2	1	2
<b>Operating margin (EBIT)</b>				
Net sales	3,235	3,080	12,790	12,635
Operating profit (EBIT)	191	167	867	843
Operating margin, EBIT (%)	5.9	5.4	6.8	6.7
<b>EBITA and adjusted EBITA</b>				
Operating profit (EBIT)	191	167	867	843
Amortisation and impairment of intangible assets	25	27	109	111
<b>EBITA and adjusted EBITA</b>	<b>216</b>	<b>195</b>	<b>975</b>	<b>954</b>
Net sales	3,235	3,080	12,790	12,635
EBITA margin (%)	6.7	6.3	7.6	7.6
Adjusted EBITA margin (%)	6.7	6.3	7.6	7.6
<b>EBITDA and adjusted EBITDA</b>				
Operating profit (EBIT)	191	167	867	843
Depreciation, amortisation and impairment of assets	319	284	1,236	1,201
<b>EBITDA and adjusted EBITDA</b>	<b>510</b>	<b>451</b>	<b>2,103</b>	<b>2,044</b>
<b>EBITDA and adjusted EBITDA, excluding IFRS 16 effects</b>				
Operating profit (EBIT)	191	167	867	843
Depreciation, amortisation and impairment of assets	319	284	1,236	1,201
Less: Rental payments Properties	-310	-272	-1,169	-1,131
Less: Rental payments Vehicles	-11	-9	-41	-39
Less Capital loss from terminated agreements	-1	–	-6	-5
<b>Net IFRS 16 effects on EBITDA</b>	<b>-322</b>	<b>-281</b>	<b>-1,216</b>	<b>-1,175</b>
<b>EBITDA and adjusted EBITDA, excluding IFRS 16 effects</b>	<b>188</b>	<b>170</b>	<b>887</b>	<b>869</b>
<b>EBITA and adjusted EBITA, excluding IFRS 16 effects</b>				
Operating profit (EBIT)	191	167	867	843
Amortisation and impairment of intangible assets	25	27	109	111
<b>EBITA</b>	<b>216</b>	<b>195</b>	<b>975</b>	<b>954</b>
Plus IFRS 16 depreciation	271	233	1,021	983
Less: Rental payments Properties	-310	-272	-1,169	-1,131
Less: Rental payments Vehicles	-11	-9	-41	-39
Less Capital loss from terminated agreements	-1	–	-6	-5
<b>Net effects of IFRS 16 on EBITA</b>	<b>-51</b>	<b>-48</b>	<b>-195</b>	<b>-192</b>
<b>EBITA and adjusted EBITA, excluding IFRS 16 effects</b>	<b>165</b>	<b>147</b>	<b>780</b>	<b>762</b>
EBITA margin, excluding IFRS 16 effects	5.1	4.8	6.1	6.0
Adjusted EBITA margin, excluding IFRS 16 effects	5.1	4.8	6.1	6.0

## NOTE 6 Reconciliation of financial statements – continued

SEK million	2023 Jan-Mar	2022 Jan-Mar	RTM	2022 Jan-Dec
<b>Operating cash flow</b>				
EBITDA	510	451	2,103	2,044
Adjustment for non-cash items	-9	-8	-127	-126
Cash flow from investing activities excl. acquisition and divestment of subsidiaries	-22	-27	16	11
Adjustment for cash flow from investing activities related to increased capacity/growth	0	12	18	30
Change in working capital	-107	-86	-26	-4
<b>Operating cash flow</b>	<b>372</b>	<b>342</b>	<b>1,984</b>	<b>1,955</b>
<b>Cash conversion (%)</b>				
Operating cash flow	372	342	1,984	1,955
EBITDA	510	451	2,103	2,044
<b>Cash conversion (%)</b>	<b>72.9</b>	<b>75.8</b>	<b>94.3</b>	<b>95.6</b>

SEK million	2023 31 Mar	2022 31 Mar	2022 31 Dec
<b>Net debt, Net debt/Adjusted EBITDA, RTM</b>			
Non-current interest-bearing liabilities	9,685	8,587	9,576
Current interest-bearing liabilities	1,783	2,104	1,401
Less: cash and cash equivalents	-28	-43	-259
<b>Net debt</b>	<b>11,440</b>	<b>10,648</b>	<b>10,718</b>
Adjusted EBITDA RTM	2,103	1,889	2,044
<b>Net debt/Adjusted EBITDA, RTM (times)</b>	<b>5.4</b>	<b>5.6</b>	<b>5.2</b>
<b>Net debt, Net debt/Adjusted EBITDA, RTM excl. IFRS 16 effects</b>			
Non-current interest-bearing liabilities	9,685	8,587	9,576
Less: non-current lease liabilities pertaining to properties recognised on the lease liability line	-7,654	-6,943	-7,044
Less: non-current lease liabilities pertaining to vehicles, recognised on the lease liability line	-103	-124	-111
Current interest-bearing liabilities	1,783	2,104	1,401
Less: current lease liabilities pertaining to properties recognised on the lease liability line	-967	-838	-876
Less: current lease liabilities pertaining to vehicles, recognised on the lease liability line	-63	-37	-67
Less: cash and cash equivalents	-28	-43	-259
<b>Net debt, excluding IFRS 16 effects</b>	<b>2,653</b>	<b>2,706</b>	<b>2,620</b>
Adjusted EBITDA RTM	887	815	869
<b>Net debt/Adjusted EBITDA, RTM (times)</b>	<b>3.0</b>	<b>3.3</b>	<b>3.0</b>