



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

Interim report January–September 2022

Performance improvement for Stendi

Third quarter July–September

- Net sales rose 9 per cent to SEK 3,187 million (2,912). Organic growth was 5 per cent, acquired growth was 2 per cent and the exchange rate effect was 2 per cent.
- Operating profit (EBIT) totalled SEK 333 million (316).
- EBITA rose 4 per cent to SEK 359 million (344), representing a margin of 11.3 per cent (11.8).
- Profit for the period totalled SEK 193 million (190).
- Earnings per share were SEK 2.04 (2.01) before and after dilution.
- Cash conversion was 56.2 per cent (52.1).
- Free cash flow totalled SEK 252 million (186).

- EBITA rose 22 per cent to SEK 783 million (642), representing a margin of 8.3 per cent (7.6).
- Profit for the period totalled SEK 344 million (273).
- Earnings per share were SEK 3.64 (2.90) before and after dilution.
- Cash conversion was 88.5 per cent (81.8).
- Free cash flow totalled SEK 1,049 million (730).

Significant events

- Klara divested its medical staffing service area during the quarter. The transfer date was 8 September. Read more on page 14.

First nine months, January–September

- Net sales rose 11 per cent to SEK 9,410 million (8,490). Organic growth was 6 per cent, acquired growth was 3 per cent and exchange rates had a 2 per cent impact on growth.
- Operating profit (EBIT) totalled SEK 702 million (560).

Events after the balance-sheet date

- Ambea signed a new loan agreement. Read more on page 16.
- Ambea is launching a share buyback programme to repurchase 5 million shares. More information is provided in a separate press release.

Consolidated key figures

SEK million	2022 Jul-Sep	2021 Jul-Sep	Δ%	2022 Jan-Sep	2021 Jan-Sep	Δ%	RTM	2021 Jan-Dec
Net sales	3,187	2,912	9	9,410	8,490	11	12,398	11,478
EBITA*	359	344	4	783	642	22	853	712
Operating margin, EBITA (%)*	11.3	11.8		8.3	7.6		6.9	6.2
Adjusted EBITA*	359	344	4	783	642	22	998	857
Operating margin, adjusted EBITA (%)*	11.3	11.8		8.3	7.6		8.1	7.5
Operating profit, EBIT	333	316	5	702	560	25	740	598
Operating margin, EBIT (%)*	10.4	10.9		7.5	6.6		6.0	5.2
Profit after tax	193	190	2	344	273	26	308	237
Earnings per share before dilution, SEK	2.04	2.01	1	3.64	2.90	26	3.26	2.51
Earnings per share after dilution, SEK	2.04	2.01	1	3.64	2.90	26	3.26	2.51
Cash conversion (%)*	56.2	52.1		88.5	81.8		99.1	95.7
Free cash flow*	252	186	35	1,049	730	44	1,458	1,139

* Alternative performance measures. For reconciliation of financial statements to IFRS, see Note 8, for purpose and definition, see ambea.com/investor-relations/reports-and-presentations/

Performance improvement for Stendi

A return to strong organic growth in the third quarter and promising performance improvement for Stendi.

In the third quarter, the efforts carried out in Stendi showed results. Stendi is now standing on firmer ground and efforts to further improve the performance of the Norwegian operation have continued. At the same time, demand for elderly care was favourable in Sweden and Vardaga delivered strong growth in the third quarter. In line with our updated strategy, Klara divested its medical staffing area to focus on subscription services and specialised solutions instead, such as mobile teams and student health services. Following our strategic efforts with Klara during the year, we now see an opportunity for the division to play a stronger role in Ambea moving forward and to increase its contribution to the Group's performance.

Increased sales

In the third quarter, net sales rose 9 per cent to SEK 3,187 million (2,912). EBITA was SEK 359 million (344), corresponding to a margin of 11.3 per cent (11.8). Due to the company's strong cash flow and financial position, Ambea's Board has decided to implement a share buyback. The conditions surrounding the buyback have been communicated separately.

New growth plans, economies of scale and focus

In all divisions during the third quarter, we completed our efforts with future growth plans linked to our updated strategy. This process was carried out in consultation with the operational managers, who have good knowledge of how growth can be realised locally. The need for care will grow in the coming years and we now have a good plan for delivering in line with the growth target by combining a balanced mix of organic growth with compatible acquisitions.

In our mature units in Vardaga, occupancy is in line with pre-pandemic levels and occupancy rates are rising steadily in our start-up units. During the quarter, Vardaga prepared for the opening of Villa Havsglimt in Laholm, where care receivers from a previous Nytida unit moved in on 1 October. I see it as a strength that we can leverage the Group's size to use available capacity effectively in our properties.

The stable demand for Nytida's services has continued. During the period, Nytida's process to develop a new organisation and tools for matching and occupancy continued, in order to facilitate and professionalise relationships with our clients.

During the quarter, Klara divested its medical staffing in order to focus more on areas with greater development



"The capacity adjustment and the operational and organisational improvements we have implemented in Stendi to strengthen quality and improve margins are yielding results."

potential and better margins. Klara plays an important role and will contribute with resource-efficient solutions and skills supply in both the long and short term. In this way, Ambea is helping to lessen the impact of a skill and resource shortage in the job market.

Platform for growth

The capacity adjustment and the operational and organisational improvements we have implemented in Stendi to strengthen quality and improve margins are yielding results. Earnings totalled SEK 13 million during the quarter, a 20-per cent improvement year-on-year.

In Altiden, sales growth was driven by increased occupancy,

COMMENTS FROM MARK JENSEN, PRESIDENT AND CEO

acquisitions and new residential start-ups. At the same time, earnings were adversely impacted by integration costs and higher staffing costs due to the start-ups. The operation in Denmark is undergoing change, where a stronger Altiden is now under development with a fully integrated operation, new management and new CEO. We will see another few quarters of work with integration, where the focus will primarily lie on the existing operation and plans for organic growth. We feel confident about this process and are optimistic about future opportunities in Denmark, where we are focused on units under own management.

Community support due to the war in Ukraine

Since the Russian invasion of Ukraine in February, we have provided community support in all of our countries. Ambea has a history of providing support for new groups coming to Sweden and when Ukrainians started arriving, the organisation once again rose to the occasion. As part of these efforts, some thirty people from Ukraine have now been employed in Vardaga and Nytida. Most have experience in social care and are now studying Swedish. Ambea's primary goal in this respect is not to obtain skilled workers, but to provide humanitarian assistance. Our unit managers have shown a high level of commitment and we will continuously evaluate this effort and look into ways that we can further contribute and create value.

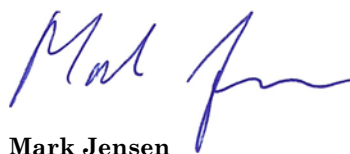
Quality is a prerequisite for growth

The delivery of even and high-quality care is a prerequisite for our future growth and a key element of our updated strategy. In this year's Unit Survey by the Swedish National Board of Health and Welfare, Vardaga and Nytida received

high scores and I would like to thank all employees who are working every day to achieve our vision – we make the world a better place, one person at a time.

Future-proof care

Even in a turbulent business environment with a deteriorating economic outlook, there is a high and growing demand for care services. Ambea is contributing to the development of welfare across Scandinavia, and helping our clients ensure high-quality care for all. We do this by contributing knowledge, innovation, quality and cost efficiency. These areas are clearly addressed in our updated strategy and realised on a daily basis by our employees. We are optimistic about the future and ready to make an even greater contribution.



Mark Jensen
President and CEO Ambea



Klara is one of the leading providers of specialised solutions for social care in Sweden, with a focus on staffing solutions, mobile teams and student health services.

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

Ambea is the leading care provider 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 the need for care grows sharply, financial pressures intensify and the shortage of care workers increases, 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.*



The joy of movement. Nytida is the proud sponsor of Glada Midnattsloppet, a run for intellectually disabled people and, this year, Stendi was one of the official sponsors of Kongsbergslekene, a sports event for intellectually disabled young people and adults. Both events helped participants feel a sense of pride and celebrate the joy of movement.

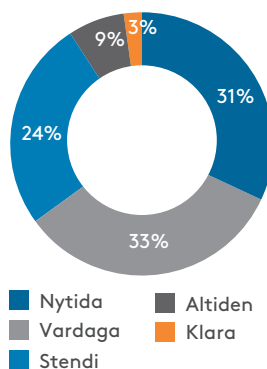
Our divisions

nytida vardaga klara
vi kan kompetens
stendi altiden

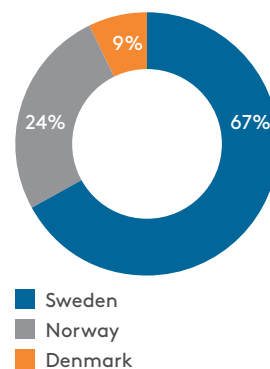
Our services

- Elderly care
- Disability care
- Psychosocial support
- Qualified temporary care staff

Sales per division



Sales per country



31,000
employees

16,500
care receivers

950
units

450
municipalities are
our clients

Sustainability and quality management in the second quarter

Ambea receives award for its leadership development



Leadership and leadership development are top priorities for the Ambea Group. Since 2016, all managers and leaders in Sweden have taken part in our leadership programme with the aim of creating a common language and leadership approach. Via our training organisation Lära, we have a plan for every leader that provides opportunities for leadership development.

In Norway, we provide our leadership programmes in collaboration with VID university, and in Denmark, a new leadership programme is under start-up. Ambea’s target is to recruit at least seven of ten managers internally.

This year, we are proud to announce that Ambea and Lära won a coveted Brandon Hall Group gold award for excellence in the *Best Advance in Leadership Development* category. We received the distinction together with Mindset, the provider and co-developer of our leadership programme for managers and leaders in Sweden. Brandon Hall Group is a research and analyst firm specialised in empowering excellence in training and organisations. The firm has provided relevant industry data and leading practices in organizations around the world for more than 20 years.

High scores for Nytida and Vardaga in the National Board of Health and Welfare’s Unit Survey

Both Vardaga and Nytida received high scores in the National Board of Health and Welfare’s Unit Survey. In the survey, the operations were asked questions about their activities. The aim of the survey is to stimulate knowledge and business development, where clear procedures and processes are the cornerstones of systematic quality management. This year, Nytida received an average score of 88 per cent, compared with 79 per cent for private providers and 58 per cent for public providers. Vardaga also received a high average score in the survey, 88 per cent, compared with 77 per cent for other private providers and 54 per cent for public providers. The areas measured include the individual’s involvement and ability to influence, employees’ skills and skills development, and the unit’s procedures.

nytida		vardaga	
88%		88%	
PRIVATE SECTOR	PUBLIC SECTOR	PRIVATE SECTOR	PUBLIC SECTOR
79%	58%	77%	54%

Reports and quality inspections during the quarter

SWEDEN

IVO inspections:The IVO performed 19 inspections in the third quarter. Two inspections took place in Vardaga, and the remaining in Nytida. During the quarter, the IVO issued decisions on 13 of their inspections. Eight were closed with no remarks, and five with some remarks.

Lex Sarah cases: Four Lex Sarah cases were lodged, three by Nytida and one by Vardaga. Decisions have been issued for three of the cases, which were closed without any need for further action. During the quarter, the IVO also issued decisions on five cases lodged earlier in 2022, and all cases were closed without any need for further action.

Lex Maria cases: One Lex Maria case was lodged by Vardaga. A decision has been issued and the case was closed without any remarks.

Individual complaints: Two individual complaints were lodged and investigated by the IVO during the quarter – one from Vardaga and one from Nytida. Decisions are pending for all cases.

NORWAY

Regulatory inspections based on quality management: Regulatory inspections based on quality management: 30 inspections of Stendi’s units were carried out – 27 of children’s units, and three of care services. Eight of the inspections resulted in demands for remedial action, which was undertaken during the quarter.

DENMARK

Regulatory inspections based on quality management: Regulatory inspections based on quality management: Three regulatory inspections were carried out in Altiden during the quarter. One of the inspections resulted in demands for remedial action, which is now under way. The other two were follow-up inspections of previous demands for remedial action and both inspection cases have now been closed.

Ambea's key figures for social sustainability

	TARGET	OUTCOME Q3 2022	COMMENTS
Ambea's Quality Index An aggregated index of six quality and HR metrics for the entire group. Scale of 1–10	>7.50	7.58	Decrease in the QHR index (-0.10) during the quarter, mainly due to lower activity in the documentation of quality management during July. The results are measured on a monthly basis.

PARTIAL REPORT OF AMBEA'S QUALITY INDEX

1) Perceived care The care receiver's view of our care and service. Scale of 1–100	>85%	87%	The survey shows the mean value for how our care receivers rate their overall satisfaction. Surveys of the divisions, as well as nationally in Sweden, are carried out continuously. New national results in Q3 for Nyttida and Vardaga, where Vardaga earned a lower score than in previous surveys but in line with the national score and Nyttida rose slightly compared with the previous measurement.
2) Employee satisfaction Employee satisfaction surveys are carried out on a regular basis during the year to measure satisfaction and engagement. Scale of 0–100	>75	72	All divisions identify structured objective and focus areas at both central and local levels, alongside of active and continuous improvements in each individual unit.
3) Leadership Index The employee's view of leadership in Ambea. Scale of 0–100	>80	72*	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 next measurement will take place in Q4.
4) Recommendation of Ambea Whether the employee would recommend Ambea as an employer. eNPS scale -100 – +100	>+20	17*	The survey is carried out twice annually. The next measurement will take place in Q4.
5) Internal control Control and follow-up of a unit's compliance with the quality management system. Scale of 0–2	>1.85	1.87*	The survey is carried out twice annually. The next measurement will take place in Q4.
6) Improvement Index Improvements implemented and documented in the units. Scale of 0–10	>7.50	7.87	The results are measured on a monthly basis.

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 Sustainable Development Goals in the Annual Report.

Group

Third quarter

Net sales

Net sales rose 9 per cent to SEK 3,187 million (2,912). Organic growth was 5 per cent, acquired growth was 2 per cent and the exchange rate effect was 2 per cent.

Net sales in Own Management amounted to SEK 2,452 million (2,207). The year-on-year sales growth was attributable to completed acquisitions, higher prices and increased occupancy in Vardaga, as well as start-up units.

Net sales in Contract Management amounted to SEK 651 million (642). The year-on-year sales growth was attributable to start-ups of previously won contracts in Nytida and Vardaga. The increase was offset by a large elderly care contract in Stendi that was handed back.

Net sales in Staffing rose 31 per cent to SEK 84 million (64).

Earnings

EBIT rose 5 per cent to SEK 333 million (316), representing a margin of 10.4 per cent (10.9).

EBITA rose 4 per cent to SEK 359 million (344). The EBITA margin was 11.3 per cent (11.8). The year-on-year increase was mainly attributable to increased occupancy in Vardaga and a positive trend in Klara. Rising food, fuel and energy prices had a negative impact of about SEK 30 million on the quarter.

Net financial items

Net financial expense was SEK -84 million (-76) for the quarter. Of this amount, SEK -67 million (-59) pertained to interest on a lease liability, SEK -15 million (-16) to interest and financial expenses/income, and SEK -2 million (-1) to exchange rate fluctuations.

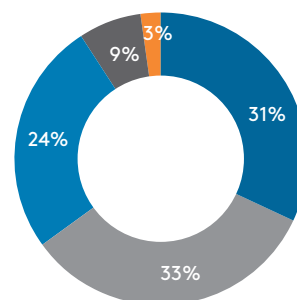
Income tax

Tax expense for the period was SEK 56 million (50), corresponding to an effective tax rate of 22 per cent (21).

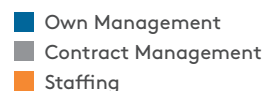
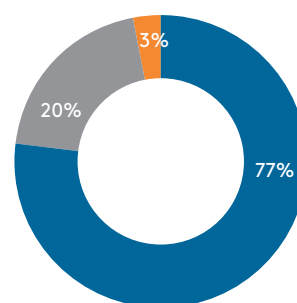
Profit for the period

Profit for the period totalled SEK 193 million (190), corresponding to earnings per share of SEK 2.04 (2.01) before dilution and SEK 2.04 (2.01) after dilution.

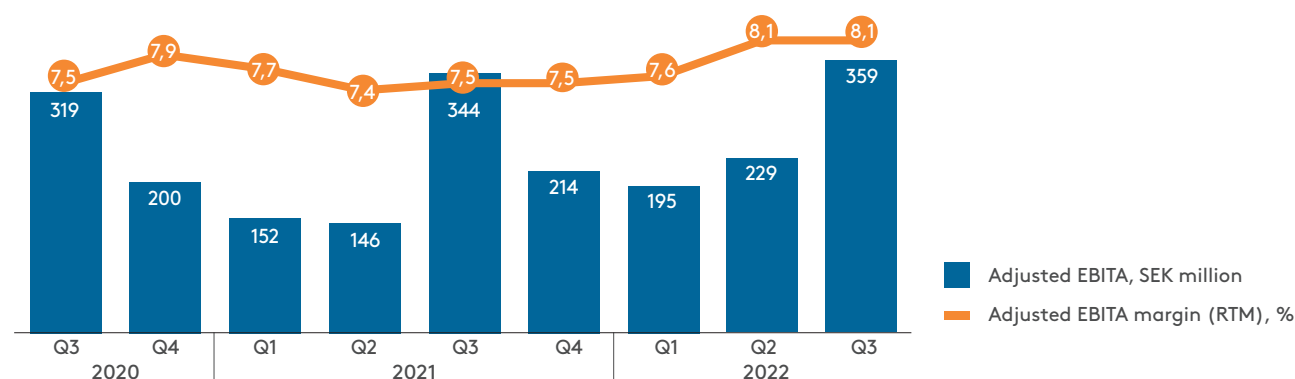
Net sales by segment July-September 2022



Net sales by contract model July-September 2022



Earnings and margin trend



Group

January-September

Net sales

Net sales rose 11 per cent to SEK 9,410 million (8,490). Organic growth was 6 per cent, acquired growth was 3 per cent and the exchange rate effect was 2 per cent year-on-year.

Net sales in Own Management amounted to SEK 7,199 million (6,421), up 12 per cent compared with the year-earlier period, due to acquisitions, increased occupancy and start-up units.

Net sales in Contract Management amounted to SEK 1,964 million (1,872). The year-on-year sales growth was attributable to start-ups of previously won contracts in Nytida, Vardaga and Altiden. The increase was offset by a large elderly care contract in Stendi that was handed back.

Net sales in Staffing rose 25 per cent to SEK 247 million (197).

Earnings

EBIT rose 25 per cent to SEK 702 million (560), representing a margin of 7.5 per cent (6.6).

EBITA rose 22 per cent to SEK 783 million (642). The EBITA margin was 8.3 per cent (7.6). EBITA for the period was positively impacted by the strong trend in Vardaga, final settlement of the earn-out in Altiden and property disposal gains. Rising food, fuel and energy prices had a negative impact of about SEK 70 million on the period.

Material transactions with an impact on consolidated earnings

During the period, consolidated earnings were impacted by transactions of a material nature, see below. Since these items were not related to the underlying business of the operating segments, they are reported at Group level only.

- Property disposal gain of SEK 44 million.
- Final settlement of the +SEK 39 million earn-out for EKKOfonden in Altiden.
- Loss of SEK -13 million on the disposal of elderly care units in Stendi.

Net financial items

Net financial expense for the period was SEK -254 million (-215). Of this amount, SEK -198 million (-168) pertained to interest on a lease liability, SEK -51 million (-50) to interest and financial expenses/income, and SEK -5 million (3) to exchange rate fluctuations.

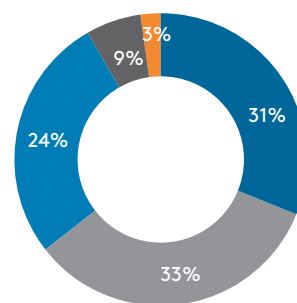
Income tax

Tax expense for the period was SEK -104 million (-72), corresponding to an effective tax rate of 23 per cent (21).

Profit for the period

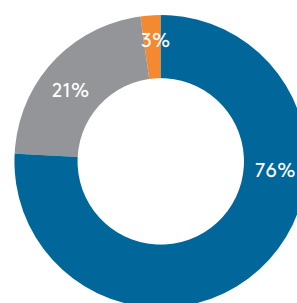
Profit for the period totalled SEK 344 million (273), corresponding to earnings per share of SEK 3.64 (2.90) before dilution and SEK 3.64 (2.90) after dilution.

Net sales by segment
January-September 2022



■ Nytida
■ Vardaga
■ Stendi
■ Altiden
■ Klara

Net sales by contract model
January-September 2022



■ Own Management
■ Contract Management
■ Staffing

Cash flow

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	RTM	2021 Jan-Dec
EBITDA	634	578	1,597	1,302	1,945	1,650
Adjustment for non-cash items	1	17	-61	3	67	131
Change in working capital	-262	-272	-183	-207	-128	-152
Cash flow from investments in fixed assets*	-21	-24	39	-47	16	-70
Operating cash flow, including investments to increase capacity	352	299	1,392	1,052	1,900	1,559
Net interest paid	-84	-75	-254	-211	-339	-296
Tax paid	-16	-38	-89	-111	-103	-125
Free cash flow	252	186	1,049	730	1,458	1,139
Acquisition/disposal of shares and participations	-10	11	-226	-189	-226	-189
Cash flow from financing activities	-223	-187	-811	-482	-1,211	-882
Other	-	-	-	-	-	-
Cash flow for the period	19	10	12	58	22	68
 * of which sales of fixed assets	 0	 0	 116	 31	 116	 31
Operating cash flow, excl. IFRS 16	52	52	518	327	735	544
Free cash flow, excl. IFRS 16	18	-1	373	173	560	359

Free cash flow for the quarter was SEK 252 million (186). The year-on-year increase in free cash flow was mainly due to improved earnings in the units.

Free cash flow for the period amounted to SEK 1,049 million (730). The year-on-year increase in free cash flow was mainly due to improved earnings in the units and property divestments.

Financial position

SEK million	2022 30 Sep	2021 30 Sep	2022 30 Sep excl. IFRS 16	2021 30 Sep excl. IFRS 16	2021 31 Dec	2021 31 Dec, excl. IFRS 16
Net interest-bearing debt*	10,633	9,717	2,586	2,707	9,821	2,547
Rolling 12 months adjusted EBITDA*	2,090	1,704	919	766	1,794	773
Net debt/Rolling 12 months adjusted EBITDA	5.1	5.7	2.8	3.5	5.5	3.3

At 30 September 2022, net interest-bearing debt amounted to SEK 10,633 million (9,717). Excluding the effect of IFRS 16, indebtedness amounted to SEK 2,586 million (2,707), or 2.8 times (3.5) 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/

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

Nytida's net sales rose 6 per cent year-on-year to SEK 980 million (924).

Net sales in Own Management amounted to SEK 797 million (763). Sales were positively impacted by acquired units.

Net sales in Contract Management amounted to SEK 183 million (161). The 14-per cent increase was due to the net effect between start-ups and the termination of previous contracts.

Adjusted EBITA declined 2 per cent to SEK 170 million (174). Earnings were negatively impacted by lower occupancy and rising costs and energy prices. The comparative period was positively impacted by compensation for sick pay costs.

The adjusted EBITA margin was 17.3 per cent (18.8).

January-September period

Net sales rose 5 per cent to SEK 2,923 million (2,774).

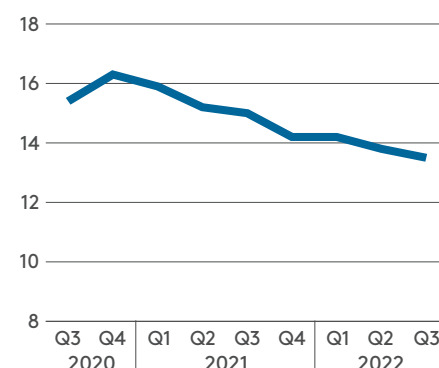
Net sales in Own Management amounted to SEK 2,384 million (2,301), up 4 per cent, due to acquisitions.

Net sales in Contract Management amounted to SEK 539 million (473), up 14 per cent, due to start-ups of previously won contracts.

EBITA declined 2 per cent to SEK 393 million (401). Earnings were negatively impacted by rising costs and energy prices. The comparative period was positively impacted by compensation for sick pay costs.

The EBITA margin was 13.4 per cent (14.5).

Adjusted EBITA margin RTM %



SEK million	2022 Jul-Sep	2021 Jul-Sep	Δ%	2022 Jan-Sep	2021 Jan-Sep	Δ%	RTM	2021 Full-year
Net sales	980	924	6	2,923	2,774	5	3,873	3,723
Adjusted EBITA*	170	174	-2	393	401	-2	521	529
Operating margin, adjusted EBITA (%)*	17.3	18.8		13.4	14.5		13.5	14.2

* Alternative performance measures.

At Vardaga's just over 100 residential care 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 13 per cent year-on-year to SEK 1,063 million (940).

Net sales in Own Management amounted to SEK 728 million (612), up 19 per cent, due to increased occupancy and newly opened units.

Net sales in Contract Management amounted to SEK 335 million (329). The 2-per cent increase was due to start-ups of previously won contracts.

Adjusted EBITA rose 11 per cent to SEK 99 million (89). The earnings growth was the result of increased occupancy, but offset by rising food and energy prices.

The adjusted EBITA margin was 9.3 per cent (9.5).

January-September period

Vardaga's net sales rose 15 per cent year-on-year to SEK 3,089 million (2,694).

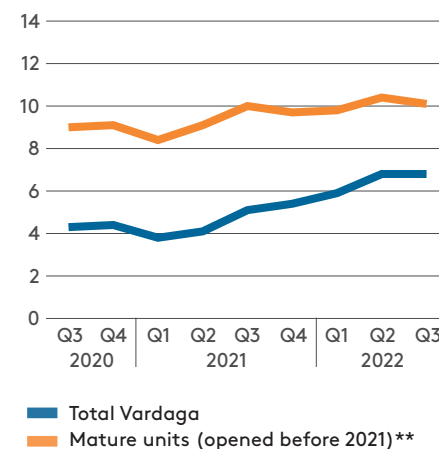
Net sales in Own Management amounted to SEK 2,096 million (1,739), up 21 per cent, due to newly opened units.

Net sales in Contract Management amounted to SEK 993 million (955). The 4-per cent increase was due to start-ups of previously won contracts.

Adjusted EBITA rose 56 per cent to SEK 218 million (140). The higher profitability was due to higher occupancy and a retroactive pension repayment of SEK 23 million.

The adjusted EBITA margin was 7.1 per cent (5.2).

Adjusted EBITA margin RTM %



SEK million	2022 Jul-Sep	2021 Jul-Sep	Δ%	2022 Jan-Sep	2021 Jan-Sep	Δ%	RTM	2021 Full-year
Net sales	1,063	940	13	3,089	2,694	15	4,060	3,664
Adjusted EBITA*	99	89	11	218	140	56	276	198
Operating margin, adjusted EBITA (%)*	9.3	9.5		7.1	5.2		6.8	5.4
Operating margin, adjusted EBITA mature units (%)*	12.4	14.6		10.3	9.8		10.1	9.7

* 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 also 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

Net sales rose 6 per cent to SEK 767 million (723). Sales declined 1 per cent in local currency.

Net sales in Own Management amounted to SEK 730 million (667). Sales rose 2 per cent in local currency. The increase in local currency was due to a higher share of care receivers with a greater need for care. At the end of the quarter, 40 per cent of the elderly care units had been divested or handed back to the municipality.

Net sales in Contract Management amounted to SEK 37 million (57). Sales declined 39 per cent in local currency. The decrease was due to the hand-back of an elderly care contract.

Adjusted EBITA was SEK 77 million (64), up 20 per cent. Measures taken in the preceding year have now begun to yield results in the form of lower costs.

The adjusted EBITA margin was 10.0 per cent (8.9).

Adjusted EBITA margin RTM %



January-September period

Net sales rose 4 per cent to SEK 2,288 million (2,202). Sales declined 2 per cent in local currency. Previously completed capacity adjustments had a negative impact on sales.

Net sales in Own Management amounted to SEK 2,143 million (2,031), up 6 per cent. Sales declined 1 per cent in local currency.

Net sales in Contract Management amounted to SEK 145 million (171). The decline in sales was attributable to handed-back contracts in elderly care.

Adjusted EBITA was SEK 93 million (84), up 11 per cent. Measures taken earlier in the year have begun to yield results in the form of lower costs. The improvements were partly offset by rising costs for food and energy.

The adjusted EBITA margin was 4.1 per cent (3.8).

SEK million	2022 Jul-Sep	2021 Jul-Sep	Δ%	2022 Jan-Sep	2021 Jan-Sep	Δ%	RTM	2021 Full-year
Net sales	767	723	6	2,288	2,202	4	3,024	2,939
Adjusted EBITA*	77	64	20	93	84	11	122	112
Operating margin, adjusted EBITA (%)*	10.0	8.9		4.1	3.8		4.0	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 293 million (261). Sales rose 7 per cent in local currency.

Net sales in Own Management amounted to SEK 197 million (166). The sales growth was attributable to increased occupancy and acquisitions.

Net sales in Contract Management amounted to SEK 96 million (95), with the increase due to currency.

Adjusted EBITA amounted to SEK 4 million (15). Earnings were adversely impacted by integration costs and higher staffing costs in the Contract Management units.

The adjusted EBITA margin was 1.4 per cent (5.7).

January-September period

Net sales rose 39 per cent to SEK 863 million (623). Sales rose 34 per cent in local currency.

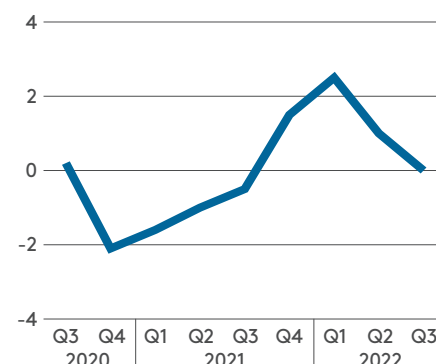
Net sales in Own Management amounted to SEK 576 million (351). The increase was attributable to the acquisition of EKKOfondens omsorgsverksamhet as well as new residential start-ups.

Net sales in Contract Management amounted to SEK 287 million (272). The increase was attributable to new contracts in elderly care.

Adjusted EBITA was SEK -1 million (12). The decrease was attributable to higher integration costs, phase-out costs for the home-care operation and higher staffing costs due to the start-ups.

The adjusted EBITA margin was -0.1 per cent (1.9).

Adjusted EBITA margin RTM %



SEK million	2022 Jul-Sep	2021 Jul-Sep	Δ%	2022 Jan-Sep	2021 Jan-Sep	Δ%	RTM	2021 Full-year
Net sales	293	261	12	863	623	39	1,121	882
Adjusted EBITA*	4	15	-73	-1	12	-108	0	13
Operating margin, adjusted EBITA (%)*	1.4	5.7		-0.1	1.9		-0	1.5

* Alternative performance measures.

Klara is one of the leading providers of staffing solutions for social care in Sweden. We are an authorised staffing company and ISO certified. With personal service and long experience in the industry, we provide staffing and sustainable solutions that create value for both public and private clients. We offer ambulatory care teams, student health services with care provider responsibility and other care staff in Sweden.



The quarter

Net sales rose 36 per cent to SEK 121 million (89). The increase was due to the acquisition of SkolPool and a positive trend in all existing divisions in Klara. The sales growth was driven by more initiatives than in the preceding year.

Adjusted EBITA was SEK 18 million (8), representing a margin of 14.9 per cent (9.0). All of Klara's business segments showed a positive trend. Stronger demand led to better staff efficiency and improved margins.

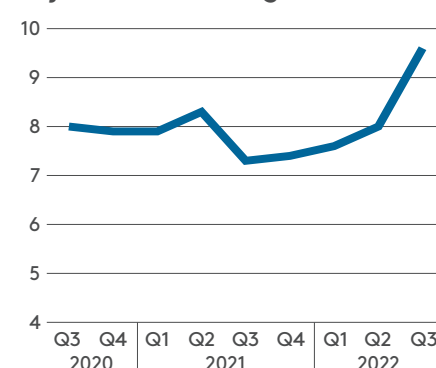
In line with Ambea's updated strategy, Klara divested its medical staffing services during the quarter in order to focus on services and specialised solutions, such as ambulatory care teams, student health and rehabilitation. Medical staffing led to few synergies in combination with Ambea's other operations. The transfer date was 8 September.

January-September period

Net sales rose 29 per cent to SEK 347 million (268). The increase was attributable to acquisitions and a positive trend in Klara's business units.

Adjusted EBITA was SEK 35 million (20), representing a margin of 10.1 per cent (7.5). All business segments showed a positive trend. Stronger demand enabled better staff efficiency with improved margins.

Adjusted EBITA margin RTM %



SEK million	2022 Jul-Sep	2021 Jul-Sep	Δ%	2022 Jan-Sep	2021 Jan-Sep	Δ%	RTM	2021 Full-year
Net sales	121	89	36	347	268	29	447	368
Adjusted EBITA*	18	8	125	35	20	75	43	27
Operating margin, adjusted EBITA (%)*	14.9	9.0		10.1	7.5		9.6	7.3

* Alternative performance measures.

Operational key figures

SEK million	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3
Ambea					
Number of beds and placements in operation under own management on the closing date	9,795	9,889	9,888	9,523	9,489
Number of beds and placements opened under own management (RTM)	331	361	565	310	416
Number of beds and placements under own management under construction	1,540	1,495	1,287	1,522	1,736
Net won/lost management contracts, SEK million*	–	135	-20	-57	-91
Nytida					
Number of beds and placements in operation under own management	5,406	5,421	5,427	5,290	5,284
Number of beds and placements opened under own management (RTM)	24	54	66	53	101
Number of beds and placements under own management under construction	122	86	86	92	92
Net won/lost management contracts, SEK million*	–	25	-5	2	–
Vardaga					
Number of beds in operation under own management	3,311	3,311	3,311	3,064	3,004
Number of beds opened under own management (RTM)	307	307	427	180	238
Number of beds under own management under construction	1,316	1,316	1,108	1,355	1,569
Net won/lost management contracts, SEK million*	–	110	-15	-59	–
Stendi					
Number of beds in operation under own management	665	744	746	765	802
Number of beds opened under own management (RTM)	–	–	–	–	–
Number of placements under own management under construction	–	–	–	–	–
Net won/lost management contracts, SEK million*	–	–	–	–	-91
Altiden					
Number of beds and placements in operation under own management	413	413	404	404	399
Number of beds opened under own management (RTM)	–	–	72	77	77
Number of beds and placements under own management under construction	102	93	93	75	75
Net won/lost management contracts, SEK million**	–	–	–	–	–
Announced home care contracts to be retaken	–	–	–	-39	–

* Includes announced management contracts to be retaken.

** Excluding announced home care contracts to be retaken.

Other events

Legal proceeding about costs for temporary staff in Norway

Since the first quarter of 2019, through the acquisition of the Aleris Omsorg operations, Ambea has been party to an ongoing legal proceeding in Norway regarding costs for temporary staff. Ambea has been working actively to increase the proportion of permanent employees in the Norwegian operations.

The case was heard in the court of first instance in the third quarter of 2019. Both parties appealed the ruling. The court of second instance, Borgarting Lagmannsrett, handed down a decision in the second quarter of 2021. In contrast to the court of first instance, the opposing party was considered entitled to social security benefits for previously delivered services in all cases. Ambea appealed the decision to the Supreme Court. In the fourth quarter of 2021, the Supreme Court announced its decision that the Lagmannsrett's ruling would not be reviewed. This means that the judgement is final and also establishes a precedent for other similar legal cases related to Ambea's Norwegian operations. Ambea subsequently elected to reserve an additional amount of NOK 145 million in the fourth quarter of 2021 to cover estimated additional claims and legal costs.

At 30 September 2022, the total provision amounted to NOK 158 million.

Legal dispute in Norway

In the fourth quarter of 2019, lawsuits were filed against Ambea citing the previously communicated irregularities in Norway, which are described in the Q1 report for 2019. The dispute concerns circumstances that existed prior to the acquisition of Aleris Omsorg's operations in Norway, and estimated costs associated with the case have already been reserved in the combined companies' balance sheet.

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

After the end of the period, Ambea signed a new loan agreement with a consortium of three banks. The agreement has a three-year term with an option to extend for one year. The credit limit is SEK 5.0 billion, of which 4.0 billion is a confirmed letter of credit. The agreement replaces the existing loan agreement, which has a credit limit of SEK 4.5 billion.

Ambea's Board has decided to implement a share buyback in accordance with the AGM's guidelines. The buyback comprises the repurchase of 5 million shares before the next scheduled AGM.

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 15,042 (14,132), 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 50–51 of the 2021 Annual Report.

Key judgements and estimates

For information about key judgements and estimates in this interim report, refer to Note K32 in the company's 2021 Annual Report.

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, 2 November 2022

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 third quarter of 2022

Ambea will hold a presentation for the financial market, with the possibility to participate by teleconference, at 10:00 a.m. CET on Thursday, 3 November 2022. The presentation will be held in English, and available as a webcast at [ambea.se](https://edge.media-server.com/mmc/p/qac2zkik), or via Direct Link: <https://edge.media-server.com/mmc/p/qac2zkik>

Join conference by phone (new feature)

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/BI08e5b4bc2beb4dd1aa820dbdb1d9d42d>

Contact

Benno Eliasson, CFO & Investor Relations
Telephone: +46 (0)73 343 45 00

Forthcoming report occasions

Year-end report 2022	9 February 2023
Q1 interim report for 2023	4 May 2023
Q2 interim report for 2023	17 August 2023

Auditor's review

Ambea AB (publ), Corp. Reg. No. 556468-4354

Introduction

We have reviewed the condensed interim report for Ambea AB (publ) as at 30 September 2022 and the nine months period then ended. The Board of Directors and CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 2 November 2022
Ernst & Young AB

Staffan Landén
Authorised Public Accountant

Consolidated earnings in summary

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	RTM	2021 Jan-Dec
Operating income						
Net sales	3,187	2,912	9,410	8,490	12,398	11,478
Other operating income	54	35	225	125	295	195
Operating income	3,241	2,947	9,635	8,615	12,693	11,673
Operating expenses						
Consumables	-111	-126	-322	-296	-445	-419
Other external costs	-359	-335	-1,065	-947	-1,523	-1,405
Personnel costs	-2,140	-1,908	-6,655	-6,069	-8,785	-8,199
Depreciation, amortisation and impairment of fixed assets	-301	-262	-895	-742	-1,205	-1,052
Other operating expenses	3	0	4	-1	5	0
Operating expenses	-2,908	-2,631	-8,933	-8,055	-11,953	-11,075
Operating profit	333	316	702	560	740	598
Financial income	5	0	4	1	4	1
Financial expenses	-89	-76	-258	-216	-344	-302
Net financial items	-84	-76	-254	-215	-340	-301
Profit before tax	249	240	448	345	400	297
Tax on profit for the period	-56	-50	-104	-72	-92	-60
Profit for the period	193	190	344	273	308	237
Profit for the period attributable to shareholders of the Parent Company	193	190	344	273	308	237
Earnings per share before dilution, SEK	2.04	2.01	3.64	2.90	3.26	2.51
Earnings per share after dilution, SEK	2.04	2.01	3.64	2.90	3.26	2.51

Consolidated statement of comprehensive income in summary

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	RTM	2021 Jan-Dec
Profit for the period after tax	193	190	344	273	308	237
Other comprehensive income, items not transferable to profit or loss						
Remeasurement of defined-benefit pension plans	0	-4	0	-4	28	24
Tax related to remeasurement of defined-benefit pension plans	0	1	0	1	-6	-5
Total items not transferable to profit or loss	0	-3	0	-3	22	19
Other comprehensive income, items transferable to profit or loss						
Translation differences	14	14	29	50	42	63
Hedging of net investments in foreign operations	-5	-3	-8	-21	-19	-32
Cash flow hedges	3	1	13	0	20	7
Cash flow hedge reserve	8	0	43	1	43	1
Incentive programmes	0	0	0	2	0	2
Remeasurement of tenant-owned apartments	0	0	0	0	8	8
Tax	-1	0	-10	5	-9	6
Total items transferable to profit or loss	19	12	67	37	85	55
Total other comprehensive income	19	9	67	34	107	74
Total comprehensive income for the period	212	199	411	307	415	311
Comprehensive income for the period attributable to shareholders of the Parent Company	212	199	411	307	415	311

Earnings per share

	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	RTM	2021 Jan-Dec
Profit for the period attributable to shareholders of the Parent Company, SEK million	193	190	344	273	308	237
Earnings per share before dilution						
Average number of shares, thousands	94,563	94,533	94,549	94,509	94,545	94,515
Earnings per share before dilution, SEK	2.04	2.01	3.64	2.90	3.26	2.51
Earnings per share after dilution						
Average number of shares, thousands	94,563	94,567	94,549	94,542	94,545	94,552
Earnings per share after dilution, SEK	2.04	2.01	3.64	2.90	3.26	2.51

Consolidated balance sheet in summary

SEK million	2022 30 Sep	2021 30 Sep	2021 31 Dec
Assets			
Fixed assets			
Goodwill	7,096	6,826	6,817
Customer contracts and customer relationships	380	433	441
Other intangible assets	26	26	27
Right-of-use assets	7,790	6,809	7,057
Tangible assets	308	329	319
Derivative instruments	60	3	3
Deferred tax assets	122	85	116
Non-current receivables	119	107	117
Total fixed assets	15,901	14,618	14,897
Current assets			
Accounts receivable	1,173	1,039	1,180
Other receivables	116	136	117
Prepaid expenses and accrued income	336	317	334
Cash and cash equivalents	82	78	86
Total current assets excluding assets held for sale	1,707	1,570	1,717
Assets held for sale	36	59	60
Total current assets	1,743	1,629	1,777
Total assets	17,644	16,247	16,674

Consolidated balance sheet in summary – continued

SEK million	2022 30 Sep	2021 30 Sep	2021 31 Dec
Equity and liabilities			
Equity			
Share capital	2	2	2
Other capital contributions	6,172	6,167	6,170
Reserves	34	-46	-34
Retained earnings, including profit for the year	-1,373	-1,597	-1,608
Total equity	4,835	4,526	4,530
Non-current liabilities			
Non-current interest-bearing liabilities	2,335	1,055	993
Lease liabilities	7,131	6,291	6,496
Other non-interest-bearing liabilities	28	-	-
Derivative instruments	-	7	-
Pension provisions	28	46	16
Other provisions	105	39	116
Deferred tax liabilities	185	179	196
Total non-current liabilities	9,812	7,617	7,817
Current liabilities			
Commercial papers	334	1,729	1,639
Lease liabilities	915	719	779
Accounts payable	247	209	341
Other provisions	78	-	76
Tax liabilities	107	60	61
Other non-interest-bearing liabilities	143	258	238
Accrued expenses and deferred income	1,173	1,129	1,193
Total current liabilities	2,997	4,104	4,327
Total equity and liabilities	17,644	16,247	16,674

Consolidated statement of changes in equity in summary

SEK million	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Opening balance	4,530	4,326	4,326
Comprehensive income	411	307	311
Warrants issued	3	3	3
Dividends	-109	-109	-109
Closing balance	4,835	4,526	4,530

Consolidated cash flow statement in summary

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	RTM	2021 Jan-Dec
Operating activities						
Profit before financial items	333	316	702	560	740	598
Depreciation, amortisation and impairment losses	302	262	895	742	1,205	1,052
Capital gains/losses	-3	0	-49	-9	-50	-10
Changes in provisions	4	17	-12	12	117	141
Total non-cash items	303	279	834	745	1,272	1,183
Net interest paid	-84	-75	-254	-211	-339	-296
Tax paid	-16	-38	-89	-111	-103	-125
Cash flow from operating activities before changes in working capital	535	482	1,193	983	1,570	1,359
Cash flow from changes in working capital						
Decrease/increase in receivables	-46	-18	44	-1	-88	-132
Decrease/increase in current liabilities	-216	-254	-227	-206	-40	-19
Cash flow from operating activities	273	210	1,010	776	1,442	1,208
Investing activities						
Acquisition of tangible assets	-20	-20	-71	-70	-91	-90
Acquisition of intangible assets	-1	-4	-6	-7	-9	-10
Sale of fixed assets	0	0	116	31	116	31
Acquisition of subsidiaries	-10	11	-226	-189	-226	-189
Acquisition of financial assets	-	-	-	-1	1	-
Cash flow from investing activities	-31	-13	-187	-236	-209	-258
Cash flow after investments	242	197	823	540	1,233	950
Financing activities						
Loans raised	334	1,480	2,097	4,399	3,247	5,549
Repayment of debt	-449	-1,539	-3,402	-4,483	-4,642	-5,723
Repayment of lease liability	-234	-189	-700	-556	-923	-779
Net change in checking account	126	61	1,301	269	1,214	182
Cost of loans raised	-	-	-	-5	-	-5
Premiums for warrants	-	-	2	3	2	3
Dividends paid	-	-	-109	-109	-109	-109
Cash flow from financing activities	-223	-187	-811	-482	-1,211	-882
Cash flow for the period	19	10	12	58	22	68
Cash and cash equivalents on the opening date	66	70	86	25	77	25
Exchange rate differences in cash and cash equivalents	-3	-3	-16	-6	-17	-8
Cash and cash equivalents on the closing date	82	77	82	77	82	86

Parent Company income statement in summary

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	RTM	2021 Jan-Dec
Income						
Net sales	2	2	6	6	8	8
Total income	2	2	6	6	8	8
Operating expenses						
Other external costs	-4	-2	-12	-9	-15	-12
Personnel costs	-4	-4	-13	-10	-16	-13
Amortisation of intangible assets	0	0	0	0	0	0
Operating expenses	-8	-6	-25	-19	-31	-25
Operating profit	-6	-4	-19	-13	-23	-17
Financial items	-7	-5	-15	-15	-19	-19
Loss after financial items	-13	-9	-34	-28	-42	-36
Appropriations	-	-	-	-	68	68
Profit/loss before tax	-13	-9	-34	-28	26	32
Tax on profit for the period	-	-	-	-	-7	-7
Profit/loss for the period	-13	-9	-34	-28	19	25

Parent Company balance sheet in summary

SEK million	2022 30 Sep	2021 30 Sep	2021 31 Dec
Assets			
<i>Intangible assets</i>			
Software	0	1	0
<i>Financial assets</i>			
Participations in Group companies	7,212	7,212	7,212
Derivative instruments	2	3	2
Total fixed assets	7,214	7,215	7,215
<i>Current assets</i>			
Receivables from Group companies	3,538	3,256	3,370
Other receivables	12	13	14
Prepaid expenses and accrued income	11	8	7
Total current assets	3,561	3,276	3,392
Total assets	10,775	10,491	10,607
Equity and liabilities			
Share capital	2	2	2
Statutory reserve	0	0	0
Total restricted equity	2	2	2
Share premium reserve	1,407	1,406	1,407
Retained earnings	1,716	1,800	1,800
Profit/loss for the period	-34	-28	25
Total non-restricted equity	3,089	3,178	3,232
Total equity	3,091	3,180	3,234
Untaxed reserves	61	50	61
<i>Non-current liabilities</i>			
Liabilities to credit institutions	2,368	1,087	1,003
Total non-current liabilities	2,368	1,087	1,003
<i>Current liabilities</i>			
Commercial papers	334	1,729	1,639
Accounts payable	0	1	4
Tax liabilities	7	11	19
Liabilities to Group companies	4,899	4,419	4,634
Other liabilities	0	0	0
Accrued expenses and deferred income	15	14	13
Total current liabilities	5,255	6,174	6,309
Total equity and liabilities	10,775	10,491	10,607

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 2022

None of the new or revised standards or interpretations effective from 1 January 2022 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.

Alternative performance measures

In prior years, the calculation of operating cash flow was based on adjusted EBITDA and cash conversion was defined as operating cash flow relative to adjusted EBITDA. As of reporting for full-year 2021, the calculation of operating cash flow is now based on EBITDA and cash conversion is defined as operating cash flow relative to EBITDA.

Previously, the reconciliation of some performance measures excluding the effect of IFRS 16 only excluded the effect of IFRS 16 on rented premises. As of reporting for full-year 2021, we also exclude the effect of IFRS 16 on leased vehicles. This affects the following performance measures: operating cash

flow excluding the effect of IFRS 16, EBITDA and adjusted EBITDA excluding the effect of IFRS 16, EBITA and adjusted EBITA excluding the effect of IFRS 16 and net debt excluding the effect of IFRS 16.

Comparative figures have also been restated to reflect these changes, which is why they deviate from the figures reported in previous years.

NOTE 2 Segment information

Ambea's operations consist of the following segments:

Nytida	Comprises residential facilities, day services, support for individuals and families, and schools for children, young people and adults with disabilities or psycho-social problems in Sweden.
Vardaga	Comprises nursing homes, short-term residential facilities, home care and day services for the elderly in Sweden.
Stendi	Comprises support for children, young people and adults by offering personal assistance, residential care, elderly care and home care in Norway.
Altiden	Comprises operations in elderly care, home care, social care and disability care in Denmark.
Klara	Comprises staffing solutions for care, ambulatory care nursing teams and student health services with care provider responsibility.

Quarterly overview

SEK million	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Net sales									
Nytida	980	980	963	949	924	932	919	946	915
Vardaga	1,063	1,034	992	970	940	895	859	867	860
Stendi	767	756	765	737	723	748	731	726	733
Altiden	293	286	283	259	261	211	151	158	166
Klara	121	120	106	100	89	90	89	89	82
Group adjustments	-37	-33	-29	-28	-25	-23	-23	-22	-23
Ambea	3,187	3,143	3,080	2,988	2,912	2,851	2,727	2,764	2,732
Adjusted EBITA									
Nytida	170	104	119	128	174	113	114	159	177
Vardaga	99	69	49	59	89	25	25	42	50
Stendi	77	4	12	28	64	4	15	15	79
Altiden	4	-18	14	1	15	-4	1	-16	11
Klara	18	9	8	8	8	6	6	7	8
Unallocated items	-8	60	-7	-9	-6	2	-10	-7	-7
Ambea	359	229	195	214	344	146	152	200	319

NOTE 2 Segment information

July-September 2022

SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	980	1,063	767	293	121	–	-37	3,187
Other operating income	6	34	2	9	–	3	–	54
Total income	986	1,097	769	302	121	3	-37	3,241
EBITA	170	99	77	4	18	-8	0	359
EBITA margin, %	17.3	9.3	10.0	1.4	14.9	–	–	11.3
Items affecting comparability	–	–	–	–	–	–	–	–
Adjusted EBITA	170	99	77	4	18	-8	0	359
Adjusted EBITA margin, %	17.3	9.3	10.0	1.4	14.9	–	–	11.3
Amortisation of intangible assets								-26
Operating profit (EBIT)								333
Net financial items								-84
Profit before tax								249
Tax on profit for the period								-56
Profit for the period								193
Assets	6,265	7,442	2,100	1,256	311	270	0	17,644

July-September 2021

SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	924	940	723	261	89	–	-25	2,912
Other operating income	7	20	1	4	–	3	–	35
Total income	931	960	725	265	89	3	-25	2,948
EBITA	174	89	64	15	8	-6	0	344
EBITA margin, %	18.8	9.5	8.9	5.7	9.0	–	–	11.8
Items affecting comparability	–	–	–	–	–	–	–	–
Adjusted EBITA	174	89	64	15	8	-6	0	344
Adjusted EBITA margin, %	18.8	9.5	8.9	5.7	9.0	–	–	11.8
Amortisation of intangible assets								-28
Operating profit (EBIT)								316
Net financial items								-76
Profit before tax								240
Tax on profit for the period								-50
Profit for the period								190
Assets	5,740	7,047	1,989	1,071	177	222	0	16,247

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

NOTE 2 Segment information – continued

January–September 2022

SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	2,923	3,089	2,288	863	347	–	-100	9,410
Other operating income	18	68	5	35	–	99	–	225
Total income	2,941	3,157	2,293	898	347	99	-100	9,635
EBITA	393	218	93	-1	35	45	0	783
EBITA margin, %	13.4	7.1	4.1	-0.1	10.1	–	–	8.3
Items affecting comparability	–	–	–	–	–	–	–	–
Adjusted EBITA	393	218	93	-1	35	45	0	783
Adjusted EBITA margin, %	13.4	7.1	4.1	-0.1	10.1	–	–	8.3
Amortisation of intangible assets								-81
Operating profit (EBIT)								702
Net financial items								-254
Profit before tax								448
Tax on profit for the period								-104
Profit for the period								344
Assets	6,265	7,442	2,100	1,256	311	270	0	17,644

January–September 2021

SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	2,774	2,694	2,202	623	268	0	-71	8,490
Other operating income	19	68	5	9	0	23	0	125
Total income	2,793	2,762	2,207	632	268	23	-70	8,615
EBITA	401	140	84	12	20	-15	0	642
EBITA margin, %	14.5	5.2	3.8	1.9	7.5	–	–	7.6
Items affecting comparability	–	–	–	–	–	–	–	0
Adjusted EBITA	401	140	84	12	20	-15	0	642
Adjusted EBITA margin, %	14.5	5.2	3.8	1.9	7.5	–	–	7.6
Amortisation of intangible assets								-82
Operating profit (EBIT)								560
Net financial items								-215
Profit before tax								345
Tax on profit for the period								-72
Profit for the period								273
Assets	5,740	7,047	1,989	1,071	177	222	0	16,247

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

NOTE 3 Revenue from contracts with customers

Type of service delivery (July-September)

SEK million	Nytida		Vardaga		Stendi		Altiden		Klara		Group eliminations		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Own Management	797	763	728	612	730	667	197	166	-	-	-	-	2,452	2,207
Contract Management	183	161	335	329	37	57	96	95	-	-	-	-	651	642
Staffing	-	-	-	-	-	-	-	-	121	89	-37	-25	84	64
Total	980	924	1,063	940	767	723	293	261	121	89	-37	-25	3,187	2,912

Type of service delivery (January-September)

SEK million	Nytida		Vardaga		Stendi		Altiden		Klara		Group eliminations		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Own Management	2,384	2,301	2,096	1,739	2,143	2,031	576	351	-	-	-	-	7,199	6,421
Contract Management	539	473	993	955	145	171	287	272	-	-	-	-	1,964	1,872
Staffing	-	-	-	-	-	-	-	-	347	268	-100	-71	247	197
Total	2,923	2,774	3,089	2,694	2,288	2,202	863	623	347	268	-100	-71	9,410	8,490

NOTE 4 Items affecting comparability

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	RTM	2021 Jan-Dec
Provision, legal proceeding in Norway	-	-	-	-	-145	-145
Total items affecting comparability	-	-	-	-	-145	-145

No items affecting comparability were recognised in 2022. Items affecting comparability in 2021 pertained to provision for legal proceedings about costs for temporary staff in Norway.

Note 5 Business combinations

Q3

There were no acquisitions during the quarter. Two business transfers were completed, but these had a limited impact on the Group's financial position or earnings.

Q2

Skolpool was acquired in April and control was transferred on 2 May. The transaction costs for the acquisition amounted to SEK 0.3 million. Since the acquisition date, Skolpool has contributed SEK 30 million to net sales, and SEK 5 million to profit before tax. If the acquisition had taken place on 1 January 2022, the company would have contributed SEK 57 million to net sales and SEK 8 million to profit before tax.

Alternatus Familia was also acquired in April, and control was transferred on 2 May. The transaction costs for the acquisition amounted to SEK 0.2 million. Since the acquisition date, Alternatus Familia has contributed SEK 13 million to net sales and SEK 2 million to profit before tax. If the acquisition had taken place on 1 January 2022, the company would have contributed SEK 21 million to net sales and SEK 3 million to profit before tax.

On 30 June, Altiden acquired two social care companies – SK Reflekt and Huset Reflekt. The transaction costs for the acquisition amounted to SEK 1.9 million. Since the acquisition date, SK Reflekt and Huset Reflekt have contributed SEK 10 million to net sales and SEK 2 million to profit before tax. If the acquisition had taken place on 1 January 2022, the compa-

nies would have contributed SEK 30 million to net sales and SEK 4 million to profit before tax.

During the second quarter, a settlement was reached regarding the earn-out for EKKOfonden in Altiden. The value of the earn-out was set at SEK 10 million, and the difference was recognised as other income of SEK 39 million. The amount was paid in July.

The acquisition analyses for acquisitions in the second quarter are preliminary.

Q1

Control of Christinagården and Yxe Herrgård was transferred on 1 February. The transaction costs for the acquisition were approximately SEK 1 million. Since the acquisition date, Christinagården and Yxe Herrgård have contributed SEK 65 million to net sales and SEK 3 million to profit before tax. If the acquisition had taken place on 1 January 2022, the company would have contributed SEK 74 million to net sales and SEK 4 million to profit before tax.

Hannas Hemtjänst was acquired on 1 March and control was transferred on the same date. The transaction costs for the acquisition amounted to SEK 0.1 million. Since the acquisition date, Hannas Hemtjänst has contributed SEK 16 million to net sales and SEK 0 million to profit before tax. If the acquisition had taken place on 1 January 2022, the company would have contributed SEK 21 million to net sales and SEK 0 million to profit before tax.

NOTE 5 Business combinations – continued

Effect on financial position

SEK million	Hannas Hemtjänst	Christinagården and Yxe Herrgård	Skolpool	Alternatus Familia	Reflekt	Total
Net identifiable assets excl. intangible assets	1	43	10	2	4	60
Intangible assets	–	10	–	–	–	10
Group goodwill	11	41	125	16	30	223
Total consideration (price of shares)	12	94	135	18	34	293
Less: earn-out	–	–	-35	–	–	-35
Less: cash and cash equivalents	-2	-15	-23	-1	-4	-45
Net change in cash	10	79	77	17	30	213

Distribution of net assets on the acquisition date

SEK million	Hannas Hemtjänst	Christinagården and Yxe Herrgård	Skolpool	Alternatus Familia	Reflekt	Total
Fixed assets	–	48	–	1	1	50
Right-of-use assets	–	–	–	–	–	0
Accounts receivable and other receivables	3	10	7	4	2	26
Cash and cash equivalents	2	15	23	1	4	45
Non-current liabilities and provisions	–	-15	–	–	–	-15
Lease liabilities	–	–	–	–	–	0
Accounts payable and other liabilities	-4	-15	-20	-4	-3	-46
Net identifiable assets	1	43	10	2	4	60

Acquisitions and divestments during the year

Date	Acquisitions	Divestments	Operations	Segments	Annual sales
1 Feb 2022	Christinagården & Yxe Herrgård	–	Psychiatric residential treatment facilities, residential LSS facilities and a day services unit.	Nytida	SEK 100 million
1 Mar 2022	Hannas Hemtjänst	–	Home care	Vardaga	SEK 32 million
2 May 2022	Skolpool	–	Staffing services with care provider responsibility for municipal and independent schools.	Klara	SEK 68 million
2 May 2022	Alternatus Familia	–	Foster care services	Nytida	SEK 24 million
30 Jun 2022	SK Reflekt & Huset Reflekt	–	Social services and residential care for children and young people with special needs.	Altiden	DKK 26 million
1 Sep 2022	–	Gabels Park	Nursing home	Stendi	NOK 18 million
8 Sep 2022	–	Klara Läkare	Medical staffing	Klara	SEK 120 million

* For distribution by line in profit or loss, see www.ambea.com/investor-relations/reports-and-presentations

NOT 6 Verkligt värde för finansiella instrument i värderingshierarkin

	Klassificering enligt värderingshierarki							
			1		2		3	
MSEK	2022 30 sep	2021 30 sep	2022 30 sep	2021 30 sep	2022 30 sep	2021 30 sep	2022 30 sep	2021 30 sep
Tillgångar								
Räntederivat	60	3	–	–	60	3	–	–
Andelar i bostadsrättsföreningar	97	89	–	–	–	–	97	89
Totalt	157	92	–	–	60	3	97	89
Skulder								
Räntederivat	–	7	–	–	–	7	–	–
Tilläggsköpeskilling	35	61	–	–	–	–	35	61
Totalt	35	68	–	–	–	7	35	61

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 reduce the company's interest-rate risk, the company has purchased interest-rate swaps and caps, and the remaining term of the interest-rate hedges is 15-48 years. In total, 69 per cent of the interest-rate risk was hedged with interest-rate derivatives at the balance-sheet date.

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 7 Pledged assets and contingent liabilities

SEK million	2022 30 Sep	2021 30 Sep	2021 31 Dec
Leased assets	129	124	128
Total pledged assets	129	124	128
Tax audit	12	–	–
Total contingent liabilities	12	–	–

NOTE 8 Reconciliation of financial statements

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	RTM	2021 Jan-Dec
Growth/Acquired growth						
Net sales growth (%)	9	7	11	2	8	4
Of which organic growth (%)	5	3	6	0	3	2
Of which acquired growth (%)	2	4	3	2	4	2
Of which currency effect (%)	2	0	2	0	1	0
Operating margin (EBIT)						
Net sales	3,187	2,912	9,410	8,490	12,398	11,478
Operating profit (EBIT)	333	316	702	560	740	598
Operating margin, EBIT (%)	10.4	10.9	7.5	6.6	6.0	5.2
EBITA and adjusted EBITA						
Operating profit (EBIT)	333	316	702	560	740	598
Amortisation and impairment of intangible assets	26	28	81	82	113	114
EBITA	359	344	783	642	853	712
Items affecting comparability	-	-	-	-	145	145
Adjusted EBITA	359	344	783	642	998	857
Net sales	3,187	2,912	9,410	8,490	12,398	11,478
EBITA margin (%)	11.3	11.8	8.3	7.6	6.9	6.2
Adjusted EBITA margin (%)	11.3	11.8	8.3	7.6	8.1	7.5
EBITDA and adjusted EBITDA						
Operating profit (EBIT)	333	316	702	560	740	598
Depreciation, amortisation and impairment of assets	301	262	895	742	1,205	1,052
EBITDA	634	578	1,597	1,302	1,945	1,650
Items affecting comparability	-	-	-	-	145	145
Adjusted EBITDA	634	578	1,597	1,302	2,090	1,794
EBITDA and adjusted EBITDA, excl. IFRS 16						
Operating profit (EBIT)	333	316	702	560	740	598
Depreciation, amortisation and impairment of assets	301	262	895	742	1,205	1,052
Less: Rental payments Properties	-288	-238	-840	-697	-1,128	-985
Less: Rental payments Vehicles	-10	-9	-28	-27	-37	-36
Less: Capital gain/loss from terminated agreements	-3	-	-5	-	-5	-1
Net effect of IFRS 16 on EBITDA	-301	-247	-873	-724	-1,170	-1,022
EBITDA, excl. IFRS 16	333	331	724	578	774	628
Items affecting comparability	-	-	-	-	145	145
Adjusted EBITDA, excl. IFRS 16	333	331	724	578	919	773
EBITA and adjusted EBITA, excl. IFRS 16						
Operating profit (EBIT)	333	316	702	560	740	598
Amortisation and impairment of intangible assets	26	28	81	82	113	114
EBITA	359	344	783	642	853	712
Additional: Amortisation IFRS 16	252	211	730	597	975	842
Less: Rental payments Properties	-288	-238	-840	-697	-1,128	-985
Less: Rental payments Vehicles	-10	-9	-28	-27	-37	-36
Less: Capital gain/loss from terminated agreements	-3	-	-5	-	-5	-1
Net effect of IFRS 16 on EBITA	-49	-36	-143	-127	-195	-180
EBITA, excl. IFRS 16	310	308	640	515	658	532
Items affecting comparability	-	-	-	-	145	145
Adjusted EBITA, excl. IFRS 16	310	308	640	515	803	677
EBITA margin, excl. IFRS 16	9.7	10.6	6.8	6.1	5.3	4.6
Adjusted EBITA margin, excl. IFRS 16	9.7	10.6	6.8	6.1	6.5	5.9

NOTE 8 Reconciliation of financial statements – continued

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	RTM	2021 Jan-Dec
Operating cash flow						
EBITDA	634	578	1,597	1,302	1,945	1,650
Adjustment for non-cash items	1	17	-61	3	67	131
Cash flow from investing activities excl. acquisition and divestment of subsidiaries	-21	-24	39	-47	16	-70
Adjustment for cash flow from investing activities related to increased capacity/growth	4	1	21	14	27	20
Change in working capital	-262	-272	-183	-207	-128	-152
Operating cash flow	356	300	1,413	1,065	1,927	1,579
Cash conversion (%)						
Operating cash flow	356	300	1,413	1,065	1,927	1,579
EBITDA	634	578	1,597	1,302	1,945	1,650
Cash conversion (%)	56.2	52.1	88.5	81.8	99.1	95.7
Items affecting comparability						
<i>Reversal of provision related to legal proceeding in Norway</i>						
- of which costs included in the line item of other external costs	-	-	-	-	145	145
Total provision related to legal proceeding in Norway	-	-	-	-	145	145
Total items affecting comparability	-	-	-	-	145	145

SEK million	2022 30 Sep	2021 30 Sep	2021 31 Dec
Net debt, Net debt/Adjusted EBITDA, RTM			
Non-current interest-bearing liabilities	9,466	7,346	7,489
Current interest-bearing liabilities	1,249	2,448	2,418
Less: cash and cash equivalents	-82	-77	-86
Net debt	10,633	9,717	9,821
Adjusted EBITDA RTM	2,090	1,704	1,794
Net debt/Adjusted EBITDA, RTM (times)	5.1	5.7	5.5
Net debt, Net debt/Adjusted EBITDA, RTM excl. effect of IFRS 16			
Non-current interest-bearing liabilities	9,466	7,346	7,489
Less: non-current lease liabilities pertaining to properties recognised on the lease liability line	-7,013	-6,174	-6,375
Less: non-current lease liabilities pertaining to vehicles, recognised on the lease liability line	-119	-117	-121
Current interest-bearing liabilities	1,249	2,448	2,418
Less: current lease liabilities pertaining to properties recognised on the lease liability line	-869	-679	-741
Less: current lease liabilities pertaining to vehicles, recognised on the lease liability line	-46	-40	-38
Less: cash and cash equivalents	-82	-77	-86
Net debt, excl. IFRS 16	2,586	2,707	2,547
Adjusted EBITDA RTM	919	766	773
Net debt/Adjusted EBITDA, RTM (times)	2.8	3.5	3.3