



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



Year-end report January-December 2022

Strong organic growth but higher cost inflation

Fourth quarter October-December

- Net sales rose 8 per cent to SEK 3,225 million (2,988). Organic growth was 4 per cent, acquired growth was 2 per cent and the exchange rate effect was 2 per cent.
- Operating profit (EBIT) totalled SEK 140 million (37).
- EBITA increased 146 per cent to SEK 170 million (69), corresponding to a margin of 5.3 per cent (2.3)
- Adjusted EBITA declined 21 per cent to SEK 170 million (214), representing a margin of 5.3 per cent (7.2).
- Profit for the period totalled SEK 22 million (loss: -37).
- Earnings per share were SEK 0.24 (loss: -0.39) before and after dilution.
- Cash conversion was 121.3 per cent (148.1).
- Free cash flow totalled SEK 402 million (410).

Full-year January-December

- Net sales rose 10 per cent to SEK 12,635 million (11,478). Organic growth was 5 per cent, acquired growth was 3 per cent and exchange rates had a 2 per cent impact on growth.

- Operating profit (EBIT) totalled SEK 843 million (598).
- EBITA rose 34 per cent to SEK 954 million (712), representing a margin of 7.6 per cent (6.2).
- Adjusted EBITA rose 11 per cent to SEK 954 million (857), representing a margin of 7.6 per cent (7.5).
- Profit for the year totalled SEK 366 million (237).
- Earnings per share were SEK 3.89 (2.51) before and after dilution.
- Cash conversion was 95.6 per cent (95.7).
- Free cash flow totalled SEK 1,451 million (1,139).
- The Board proposes a dividend of SEK 1.25 (1.15) per share for 2022.

Significant events

- Consolidated earnings were charged with reorganisation costs of SEK 17 million in Altiden.
- Ambea launched a share buyback programme to purchase five million shares. At 31 December 2022, the company held SEK 3,934,388 shares in treasury.

Consolidated key figures

SEK million	2022	2021	Δ%	2022	2021	Δ%
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net sales	3,225	2,988	8	12,635	11,478	10
EBITA*	170	69	146	954	712	34
Operating margin, EBITA (%)*	5.3	2.3		7.6	6.2	
Adjusted EBITA*	170	214	-21	954	857	11
Operating margin, adjusted EBITA (%)*	5.3	7.2		7.6	7.5	
Operating profit, EBIT*	140	37	278	843	598	41
Operating margin, EBIT (%)*	4.3	1.2		6.7	5.2	
Profit/loss after tax	22	-37	-	366	237	54
Earnings/loss per share before dilution, SEK	0.24	-0.39	-	3.89	2.51	55
Earnings/loss per share after dilution, SEK	0.24	-0.39	-	3.89	2.51	55
Cash conversion (%)*	121.3	148.1		95.6	95.7	
Free cash flow*	402	410	-2	1,451	1,139	27

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

Strong organic growth but higher cost inflation

Strong organic growth continued in the fourth quarter, and our Swedish divisions, Nytida and Vardaga, showed stable underlying earnings, while the strategic shift in Klara generated results.

Klara is now making a greater contribution to consolidated earnings, which was evident during the quarter. During the quarter, we were generally impacted by higher costs for electricity, food and consumables. Sick leave also increased across our units. In Altiden, we worked intensively with integration and change management. The quarterly earnings were charged with non-recurring, reorganisation-related costs to create a stronger and more stable operation. Operational improvements and lower administration costs in Altiden enable gradual performance improvements in 2023.

Higher sales and a share buyback

In the fourth quarter, net sales rose 8 per cent to SEK 3,225 million (2,988). Adjusted EBITA was SEK 170 million (214), corresponding to a margin of 5.3 per cent (7.2). Due to the company's strong cash flow and financial position, Ambea's Board decided on a share buyback in November to optimise the company's capital structure and increase shareholder value. The share buyback programme to purchase up to 5 million shares is ongoing.

Growing demand continued in Vardaga, and we opened a new nursing home in Sollentuna, Villa Tureberg, during the quarter. Due to the high circulation of both seasonal influenza and COVID-19, sick leave was high at the end of the year, and had a negative impact on earnings. Unlike the year-on-year quarter, there was no government support for sick leave expenses during the quarter.

The stable demand for Nytida's services continued. In December, the results of the national care receiver survey were announced (a survey conducted by the Swedish Association of Local Authorities and Regions (SKR) for care receivers under the Support and Service for Persons with Certain Functional Impairments Act (LSS) and the Swedish Social Services Act). Nytida showed a high level of customer satisfaction and the index rose to 88.6 per cent.

The strategic shift in Klara has shown positive results and demand was higher for all services during the quarter. The divested medical staffing services will be completely phased-out during the first quarter of 2023.



"Organic growth was strong again in the fourth quarter and the stable trend in our largest divisions continued."

In Stendi, underlying profit showed a positive trend, due to the positive impact of non-recurring effects on the preceding year's earnings. This trend is due to the improvement programme and our efforts to strengthen earnings will continue. During the period, Stendi completed care receiver and client surveys with positive results. In residential care, we received a satisfaction rate of 89–97 per cent, depending on the service, and an entire 97 per cent of our clients say they are satisfied with the arrangement.

In Altiden, the new management continued the reorganisation with the aim of simplifying the structure, improving operational efficiency and reducing administration costs. We are not satisfied with the financial performance and will continue to implement change at a fast pace. The platform we are creating in Altiden, by growing in social care and increasing the share of operations under own management, will enable better results and future growth.

Cost control and indexation

During the quarter, the main effects of inflation on our operations were higher costs for food and energy. The estimated impact of cost inflation during the quarter was SEK 30 million. We work continuously with cost control, and to reduce the effects by renegotiating supplier agreements and creating economies of scale. We also monitor energy consumption, and together with the owners of our properties, we make our premises more energy efficient to reduce costs and contribute to sustainable development. Throughout 2023, we will be working with quality management, strengthened business leadership and effective cost control.

The prices in our income agreements are adjusted upwards on an annual basis. Due to the large number of services we provide in more than 400 municipalities, the adjustment mechanisms vary. We will not be fully compensated in the same year in the short term. But our assessment is that we will be compensated for most of these cost increases over time.

Most Attractive Employer in Sweden is supporting the entire industry

We are also proud to be appointed one of the Most Attractive Employers in Sweden in Universum's annual survey, for the second consecutive year. We believe that the ability for employees to develop and grow in their workplace is crucial for quality, and for wanting to stay in their workplace. Our own training organisation, Lära, plays an important role in competence provision for both us and the industry and in 2022, external sales of training and courses rose 36 per cent. Lära is an asset that distinguishes Ambea from

its competitors and we will continue to develop this unit in line with our updated strategy to strengthen our competitiveness and secure access to skills.

Unmet need for new care places

In 2023, we will continue our growth journey by opening new residential care facilities and making compatible acquisitions, mainly in the Nytida segment. There is a major unmet need for residential care, but the construction of new facilities is moving too slowly. In partnership with our clients, we want to create more care places and thereby help society provide good personalised care.

Finally, I would like to address all of the care receivers, loved ones and clients who have been in contact with our units during the year. We thank you for your trust and are looking forward to continued growth and successful collaboration in 2023.

Mark Jensen
President and CEO Ambea



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.*



Combined residential facilities create synergies. We opened our latest nursing home, *Vardaga Villa Tureberg*, in Sollentuna. The facility comprises 60 apartments and features our award-winning interior design concept. The property has solar panels on the roof and construction materials with a low carbon footprint, such as timber and recycled brick, have been used. Nytida operates a residential LSS facility, *Bagarbyvägen*, in the same property.

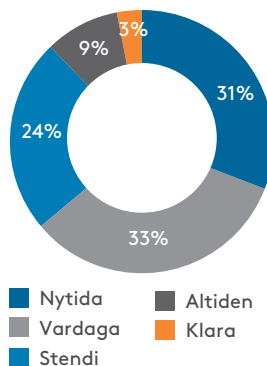
Our divisions

nytida vardaga klara
stendi altiden

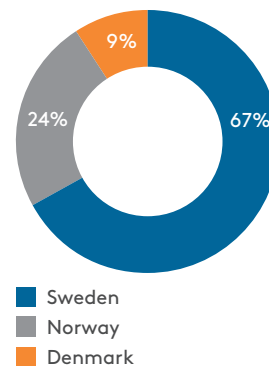
Our services

- Elderly care
- Disability care
- Psychosocial support
- Competence and staffing solutions for social care

Sales per division January-December 2022



Sales per country January-December 2022



31,000
employees

16,500
care receivers

950
units

450
municipalities are
our clients

Sustainability and quality management in the fourth quarter

Ambea – one of the most attractive employers in Sweden



Ambea was appointed one of the Most Attractive Employers in Sweden in Universum’s annual survey for the second consecutive year.

More than 200 companies took part in the survey and the names of the top fifty companies were listed. The survey asks employees how satisfied they are with their employers, based on criteria including loyalty, career opportunities and whether they would recommend their employer to a friend. The ability to recruit and retain employees is a prioritised focus area in our recently updated strategy – Future-proof Care.

High scores from our care receivers

In the fourth quarter, Altiden, Vardaga and Stendi conducted their own Care Receiver Surveys, while Nytida took part in the SKR’s national Care Receiver Survey, all with top scores.

Responded positively to the question: <i>How satisfied are you with the unit?</i>			
SOCIAL CARE		ELDERLY CARE	
Nytida	86%	Vardaga	88%
Stendi	89%	Altiden	91%
Altiden	88%		

Stendi also conducted a survey of its clients and a full 97 per cent say they are satisfied with the arrangement.



Reports and quality inspections during the quarter

SWEDEN

IVO inspections: The IVO performed 19 inspections in the fourth quarter. All inspections took place in Nytida and decisions have been issued for four of these inspections, one with remarks. During the quarter, the IVO issued decisions on seven of their inspections in 2022 (excl. Q4). Four were closed with no remarks, and three with some remarks.

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

Lex Maria cases: Nine Lex Maria cases were lodged, seven by Vardaga and two by Nytida. Decisions have been issued for five of the cases, which were closed without any need for further action.

Individual complaints investigated by the IVO: One individual complaint was lodged in relation to Vardaga, and investigated by the IVO. A decision is pending.

NORWAY

Regulatory inspections based on quality management: 36 inspections of Stendi’s units were carried out – 33 of children’s units, and three of care services. Three of the inspections resulted in demands for remedial action.

DENMARK

Regulatory inspections based on quality management: There were eight regulatory inspections of Altiden in the fourth quarter. Two of elderly care, and six of care services. The inspections of elderly care identified several areas for improvement. The inspections of care services resulted in demands for remedial action for two units, but were concluded for all other units with no requests for action.

Ambea's key figures for social sustainability

	TARGET	OUTCOME Q4 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	7.65	Increase in the QHR score from Q3 (7.58). All divisions increased their QHR score during the quarter except for Stendi, which declined marginally. 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%	88%	The measurement shows the results from the customer survey. Surveys of the divisions, as well as nationally in Sweden, are carried out continuously. New national results in the fourth quarter for Nytida, which achieved a slightly higher score compared with the last survey. Vardaga, Stendi and Altiden all achieved a higher score in their own care receiver surveys. Vardaga achieved a slightly higher score, while scores for Stendi and Altiden declined slightly compared with previous surveys.
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	72.5	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	77	The biannual survey takes the form of an in-depth questionnaire where employees evaluate their line manager based on Ambea's prioritised leadership qualities. A full 5 points, representing a major and positive change. The next survey will take place in Q1.
4) Recommendation of Ambea Whether the employee would recommend Ambea as an employer. eNPS scale -100 – +100	>+20	+21	The survey is carried out twice annually. A full 4 points, representing a positive change. The next survey will take place in Q2.
5) Internal control Control and follow-up of a unit's compliance with the quality management system. Scale of 0–2	>1.85	1.86	All divisions completed a survey in Q4. All divisions declined slightly during the quarter, except for Nytida. Nytida's score remained unchanged. The survey is carried out twice annually.
6) Improvement Index Improvements implemented and documented in the units. Scale of 0–10	>7.50	7.75	Improvement index scores declined slightly for all divisions except for Stendi, which rose slightly during the quarter. 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

Fourth quarter

Net sales

Net sales rose 8 per cent to SEK 3,225 million (2,988). Organic growth was 4 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 2,487 million (2,277). The year-on-year sales growth was attributable to completed acquisitions, increased occupancy in Vardaga and start-up units.

Net sales in Contract Management amounted to SEK 648 million (639). The year-on-year sales growth was attributable to start-ups of previously won contracts in Nytida and Altiden. The increase was offset by elderly care contracts in Stendi and Vardaga that were previously handed back.

Net sales in Staffing rose 25 per cent to SEK 90 million (72).

Earnings

EBIT rose 278 per cent to SEK 140 million (37), representing a margin of 4.3 per cent (1.2).

EBITA rose 146 per cent to SEK 170 million (69). The EBITA margin was 5.3 per cent (2.3). The comparative period was negatively impacted by items affecting comparability of SEK 145 million, attributable to a legal proceeding in Norway related to temporary staff.

Adjusted EBITA declined 21 per cent to SEK 170 million (214). The decrease was mainly due to lower earnings in Altiden, which were negatively impacted by higher operating costs and reorganisation costs. In addition, rising food, fuel and energy prices had a negative impact of about SEK 30 million on the quarter. The adjusted EBITA margin was 5.3 per cent (7.2).

Material transactions with an impact on consolidated earnings

Consolidated earnings for the quarter 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.

- Reorganisation costs of SEK 17 million in Altiden.

Net financial items

Net financial expense was SEK -107 million (-86) for the quarter. Of this amount, SEK -67 million (-68) pertained to interest on a lease liability, SEK -40 million (-18) to interest and financial expenses/income, and SEK 0 million (0) to exchange rate fluctuations. The increase in interest and financial expenses was due to higher market interest rates, less use of the company's commercial paper programme and non-recurring costs associated with refinancing.

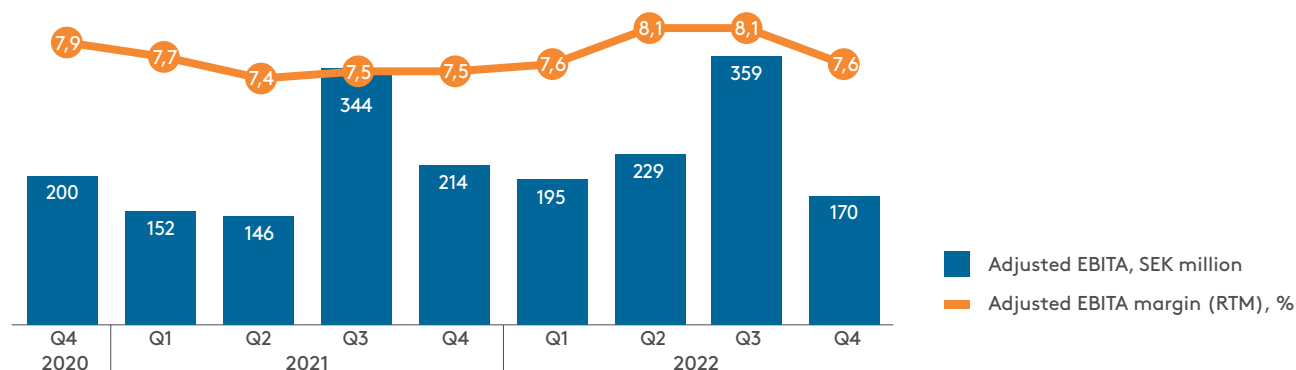
Income tax

Tax expense for the quarter was SEK -11 million (12), corresponding to an effective tax rate of 33 per cent (24).

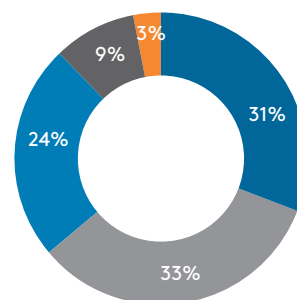
Profit for the quarter

Profit for the quarter totalled SEK 22 million (loss: -37), corresponding to earnings per share of SEK 0.24 (loss: -0.39) before dilution and SEK 0.24 (loss: -0.39) after dilution.

Earnings and margin trend

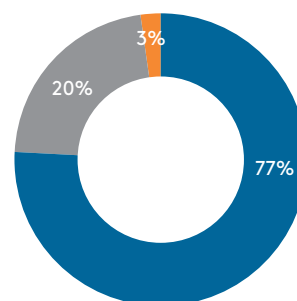


Net sales by segment October-December 2022



■ Nytida
■ Vardaga
■ Stendi
■ Altiden
■ Klara

Net sales by contract model October-December 2022



■ Own Management
■ Contract Management
■ Competence and staffing solutions

Group

Full-year January-December

Net sales

Net sales rose 10 per cent to SEK 12,635 million (11,478). Organic growth was 5 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 9,685 million (8,699), up 11 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 2,612 million (2,510). 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 26 per cent to SEK 338 million (269).

Earnings

EBIT rose 41 per cent to SEK 843 million (598), representing a margin of 6.7 per cent (5.2).

EBITA rose 34 per cent to SEK 954 million (712). The EBITA margin was 7.6 per cent (6.2). The comparative period was negatively impacted by items affecting comparability of SEK 145 million, attributable to a legal proceeding in Norway related to temporary staff.

Adjusted EBITA rose 11 per cent to SEK 954 million (857). Full-year adjusted EBITA was positively impacted by occupancy growth in Vardaga, as well as 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 100 million on the full-year. The adjusted EBITA margin was 7.6 per cent (7.5).

Material transactions with an impact on consolidated earnings

Consolidated earnings for the full-year 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.
- Reorganisation costs of SEK 17 million in Altiden.

Net financial items

Net financial items for the full-year amounted to SEK -361 million (-301). Of this amount, SEK -265 million (-236) pertained to interest on a lease liability, SEK -91 million (-67) to interest and financial expenses/income, and SEK -5 million (2) to exchange rate fluctuations. The increase in interest and financial expenses was due to higher market interest rates, less use of the company's commercial paper programme and non-recurring costs associated with refinancing.

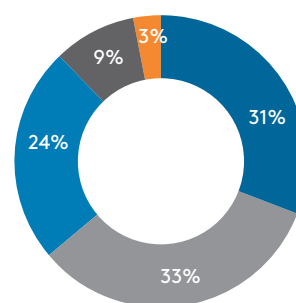
Income tax

Tax expense for the year was SEK -116 million (-60), corresponding to an effective tax rate of 24 per cent (20).

Profit for the year

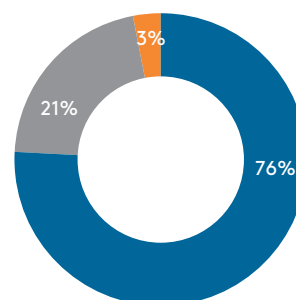
Profit for the year totalled SEK 366 million (237), corresponding to earnings per share of SEK 3.89 (2.51) before dilution and SEK 3.89 (2.51) after dilution.

Net sales by segment January-December 2022



■ Nytida
■ Vardaga
■ Stendi
■ Altiden
■ Klara

Net sales by contract model January-December 2022



■ Own Management
■ Contract Management
■ Competence and staffing solutions

Cash flow

SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
EBITDA	447	347	2,044	1,650
Adjustment for non-cash items	-64	128	-126	131
Change in working capital	178	55	-4	-152
Cash flow from investments in fixed assets*	-28	-22	11	-70
Operating cash flow, including investments to increase capacity	533	508	1,925	1,559
Net interest paid	-97	-84	-351	-296
Tax paid	-34	-14	-123	-125
Free cash flow	402	410	1,451	1,139
Acquisition/disposal of shares and participations	1	-	-225	-189
Cash flow from financing activities	-226	-399	-1,037	-882
Cash flow for the period	177	11	189	68
 * of which sales of fixed assets	 0	 0	 116	 31
 Operating cash flow, excl. IFRS 16	 226	 217	 744	 544
Free cash flow, excl. IFRS 16	162	186	536	359

Free cash flow for the quarter was SEK 402 million (410). The year-on-year decline in free cash flow was largely attributable to lower adjusted EBITDA.

Free cash flow for the full-year was SEK 1,451 million (1,139). The year-on-year increase in free cash flow was mainly due to improved earnings in the units, less working capital tied up and property divestments.

Financial position

SEK million	2022 31 Dec	2021 31 Dec	2022 31 Dec, excl. IFRS 16	2021 31 Dec, excl. IFRS 16
Net interest-bearing debt*	10,718	9,821	2,620	2,547
Rolling 12 months adjusted EBITDA*	2,044	1,794	869	773
Net debt/Rolling 12 months adjusted EBITDA	5.2	5.5	3.0	3.3

At 31 December 2022, net interest-bearing debt amounted to SEK 10,718 million (9,821). Excluding the effects of IFRS 16, indebtedness amounted to SEK 2,620 million (2,547), or 3.0 times (3.3) 12-months adjusted EBITDA.

At the balance-sheet date, the number of shares held by the company was 3,934,388 (84,715). The share buyback reduced cash and cash equivalents by SEK -179 million in both the quarter and the full-year.

* Alternative performance measures. For reconciliation of financial statements to IFRS, purpose and definition, see: <https://www.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 4 per cent year-on-year to SEK 991 million (949).

Net sales in Own Management amounted to SEK 804 million (786). Sales were positively impacted by acquired units.

Net sales in Contract Management amounted to SEK 187 million (163). The 15-per cent increase was due to the net effect between start-ups and the termination of previous contracts.

Adjusted EBITA declined 9 per cent to SEK 116 million (128). 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 11.7 per cent (13.5).

Full-year January-December

Net sales rose 5 per cent to SEK 3,915 million (3,723).

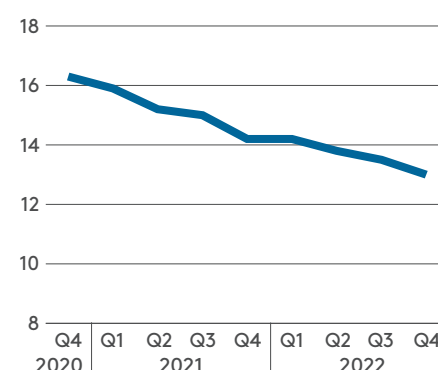
Net sales in Own Management amounted to SEK 3,188 million (3,087), up 3 per cent, due to acquisitions.

Net sales in Contract Management amounted to SEK 727 million (636), up 14 per cent, due to start-ups of previously won contracts.

Adjusted EBITA declined 4 per cent to SEK 509 million (529). Earnings were negatively impacted by rising costs and energy prices. The comparative period was positively impacted by compensation for sick pay costs.

The adjusted EBITA margin was 13.0 per cent (14.2).

Adjusted EBITA margin RTM %



SEK million	2022 Oct-Dec	2021 Oct-Dec	Δ%	2022 Jan-Dec	2021 Jan-Dec	Δ%
Net sales	991	949	4	3,915	3,723	5
Adjusted EBITA*	116	128	-9	509	529	-4
Operating margin, adjusted EBITA (%)*	11.7	13.5		13.0	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



The quarter

Vardaga's net sales rose 12 per cent year-on-year to SEK 1,083 million (970).

Net sales in Own Management amounted to SEK 760 million (638), up 19 per cent, due to increased occupancy and newly opened units.

Net sales in Contract Management amounted to SEK 323 million (333). The 3-per cent decline was due to the net effect between start-ups and the termination of previous contracts.

Adjusted EBITA declined 10 per cent to SEK 53 million (59). The earnings decline was due to rising costs for food and energy. The comparative period was positively impacted by compensation for sick pay costs.

The adjusted EBITA margin was 4.9 per cent (6.1).

Full-year January-December

Vardaga's net sales rose 14 per cent year-on-year to SEK 4,172 million (3,664).

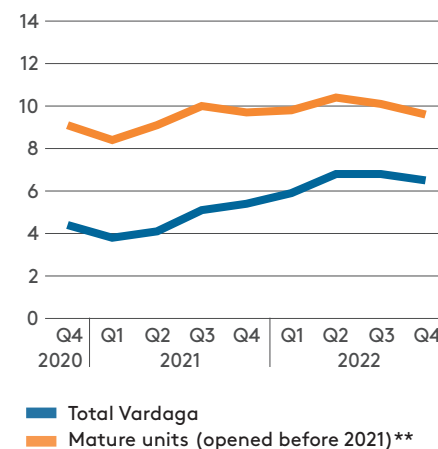
Net sales in Own Management amounted to SEK 2,856 million (2,377), up 20 per cent, due to newly opened units.

Net sales in Contract Management amounted to SEK 1,316 million (1,287). The 2-per cent increase was due to start-ups of previously won contracts.

Adjusted EBITA rose 37 per cent to SEK 271 million (198). The higher profitability was attributable to higher occupancy in Vardaga's residential facilities under own management

The adjusted EBITA margin was 6.5 per cent (5.4).

Adjusted EBITA margin RTM %



SEK million	2022 Oct-Dec	2021 Oct-Dec	Δ%	2022 Jan-Dec	2021 Jan-Dec	Δ%
Net sales	1,083	970	12	4,172	3,664	14
Adjusted EBITA*	53	59	-10	271	198	37
Operating margin, adjusted EBITA (%)*	4.9	6.1		6.5	5.4	
Operating margin, adjusted EBITA mature units (%)*	7.4	9.3		9.6	9.7	

* Alternative performance measures.

** As of 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 3 per cent to SEK 760 million (737). Sales declined 1 per cent in local currency.

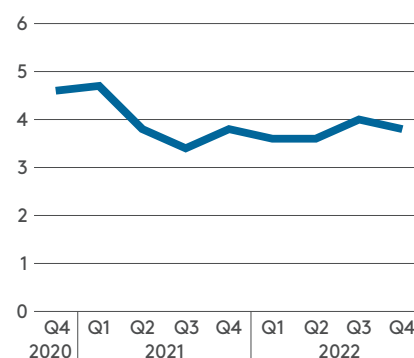
Net sales in Own Management amounted to SEK 725 million (678). Sales rose 3 per cent in local currency. The increase in local currency was due to a higher share of care receivers with a greater need for care.

Net sales in Contract Management amounted to SEK 35 million (59). Sales declined 43 per cent in local currency. The decrease was due to the hand-back of an elderly care contract.

Adjusted EBITA was SEK 24 million (28), down 14 per cent. The earnings decline was due to rising costs for food and energy. The comparative period was positively impacted by a retroactive final settlement of 2020 and 2021 pay revisions.

The adjusted EBITA margin was 3.2 per cent (3.8).

Adjusted EBITA margin RTM %



Full-year January-December

Net sales rose 4 per cent to SEK 3,047 million (2,939). Sales declined 2 per cent in local currency.

Net sales in Own Management amounted to SEK 2,867 million (2,709), up 6 per cent. Sales remained unchanged in local currency.

Net sales in Contract Management amounted to SEK 180 million (230). The sales decline was attributable to contracts handed back in elderly care.

Adjusted EBITA was SEK 117 million (112), up 4 per cent. Measures taken earlier generated results in the form of lower costs. The improvements were partly offset by rising costs for food and energy.

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

SEK million	2022 Oct-Dec	2021 Oct-Dec	Δ%	2022 Jan-Dec	2021 Jan-Dec	Δ%
Net sales	760	737	3	3,047	2,939	4
Adjusted EBITA*	24	28	-14	117	112	4
Operating margin, adjusted EBITA (%)*	3.2	3.8		3.8	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 16 per cent to SEK 301 million (259). Sales rose 7 per cent in local currency.

Net sales in Own Management amounted to SEK 198 million (175). Sales rose 5 per cent in local currency. The sales growth in local currency was attributable to increased occupancy and acquisitions.

Net sales in Contract Management amounted to SEK 103 million (84). Sales rose 13 per cent in local currency. The increase was attributable to new elderly care contracts, but offset by terminated contracts in home care.

Adjusted EBITA amounted to SEK -16 million (1). Earnings were adversely impacted by higher operating costs.

The adjusted EBITA margin was -5.3 per cent (0.4).

Full-year January-December

Net sales rose 32 per cent to SEK 1,163 million (882). Sales rose 26 per cent in local currency.

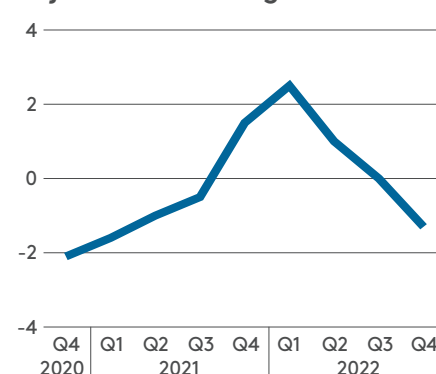
Net sales in Own Management amounted to SEK 774 million (526). The increase was attributable to the acquisition of EKKOfondens omsorgsverksamhet as well as new residential start-ups. Sales rose 41 per cent in local currency.

Net sales in Contract Management amounted to SEK 389 million (356). The increase was attributable to new contracts in elderly care. In local currency, sales rose 4 per cent.

Adjusted EBITA was SEK -16 million (13). 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 -1.4 per cent (1.5).

Adjusted EBITA margin RTM %



SEK million	2022 Oct-Dec	2021 Oct-Dec	Δ%	2022 Jan-Dec	2021 Jan-Dec	Δ%
Net sales	301	259	16	1,163	882	32
Adjusted EBITA*	-16	1	-	-16	13	-
Operating margin, adjusted EBITA (%)*	-5.3	0.4		-1.4	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 30 per cent to SEK 130 million (100). The increase was due to the acquisition of SkolPool and a positive trend in all of Klara's existing divisions. The sales growth was driven by more initiatives than in the preceding year.

Adjusted EBITA was SEK 18 million (8), representing a margin of 13.8 per cent (8.0). The strategic transition, with acquisitions of student health services and the divestment of medical staffing, had a positive impact on earnings.

Full-year January-December

Net sales rose 30 per cent to SEK 477 million (368). The increase was attributable to acquisitions and a positive trend in Klara's existing divisions.

Adjusted EBITA was SEK 52 million (27), representing a margin of 10.9 per cent (7.3). All business segments showed a positive trend. Stronger demand enabled better staff efficiency with improved margins.

Adjusted EBITA margin RTM %



SEK million	2022 Oct-Dec	2021 Oct-Dec	Δ%	2022 Jan-Dec	2021 Jan-Dec	Δ%
Net sales	130	100	30	477	368	30
Adjusted EBITA*	18	8	125	52	27	93
Operating margin, adjusted EBITA (%)*	13.8	8.0		10.9	7.3	

* Alternative performance measures.

Operational key figures

SEK million	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Ambea					
Number of beds and placements in operation under own management on the closing date	9,895	9,795	9,889	9,888	9,523
Number of beds and placements opened under own management (RTM)	409	331	361	565	310
Number of beds and placements under own management under construction	1,434	1,540	1,495	1,287	1,522
Net management contracts won/lost, SEK million*	-110	-	135	-20	-57
Nytida					
Number of beds and placements in operation under own management	5,365	5,406	5,421	5,427	5,290
Number of beds and placements opened under own management (RTM)	24	24	54	66	53
Number of beds and placements under own management under construction	116	122	86	86	92
Net management contracts won/lost, SEK million*	-29	-	25	-5	2
Vardaga					
Number of beds in operation under own management	3,431	3,311	3,311	3,311	3,064
Number of beds opened under own management (RTM)	367	307	307	427	180
Number of beds under own management under construction	1,196	1,316	1,316	1,108	1,355
Net management contracts won/lost, SEK million*	-81	-	110	-15	-59
Stendi					
Number of beds in operation under own management	668	665	744	746	765
Number of beds opened under own management (RTM)	-	-	-	-	-
Number of beds under own management under construction	21	-	-	-	-
Net management contracts won/lost, SEK million*	-	-	-	-	-
Altiden					
Number of beds and placements in operation under own management	431	413	413	404	404
Number of beds opened under own management (RTM)	18	-	-	72	77
Number of beds and placements under own management under construction	101	102	93	93	75
Net management contracts won/lost, SEK million**	-	-	-	-	-
Announced home care contracts to be retaken	-	-	-	-	-39

Net change in management contracts won and lost

During the quarter, the net change in contracts won and lost was SEK -110 million. The change was attributable to Vardaga and Nytida. Vardaga's change comprised one contract won with annual sales of SEK 29 million and three contracts lost with annual sales of SEK 110 million, where the municipality announced a take back of the contracts upon expiry. The net change in Nytida pertains to the loss of one contract with annual sales of SEK 15 million, and three contracts with annual sales of SEK 14 million, where the municipality announced a take back.

* 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

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. In the fourth quarter of 2022, SEK 55 million had been paid out and at 31 December 2022, the remaining provision for known and unknown claims amounted to SEK 109 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

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 14,437 (14,292), 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.

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, 8 February 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 fourth 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, 9 February 2023. The presentation will be held in English, and available as a webcast at ambea.se, or via Direct Link:

<https://edge.media-server.com/mmc/p/8nqfj93c>

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/BI2801f8a9f212465dbbcdd9b1164cda11>

Contact

Susanne Vogt, Head of Group Controlling & Investor Relations
Telephone: +46 (0)73 534 63 86

Forthcoming report occasions

2022 Annual Report	28 March 2023
Q1 interim report for 2023	4 May 2023
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	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Operating income				
Net sales	3,225	2,988	12,635	11,478
Other operating income	96	70	321	195
Operating income	3,321	3,058	12,956	11,673
Operating expenses				
Consumables	-121	-123	-443	-419
Other external costs	-409	-458	-1,474	-1,405
Personnel costs	-2,343	-2,131	-8,998	-8,199
Depreciation, amortisation and impairment of fixed assets	-307	-310	-1,201	-1,052
Other operating expenses	-1	1	3	0
Operating expenses	-3,181	-3,021	-12,113	-11,075
Operating profit	140	37	843	598
Financial income	-	0	-	1
Financial expenses	-107	-86	-361	-302
Net financial items	-107	-86	-361	-301
Profit/loss before tax	33	-49	482	297
Tax on profit for the period	-11	12	-116	-60
Profit/loss for the period	22	-37	366	237
Profit/loss for the period attributable to shareholders of the Parent Company	22	-37	366	237
Earnings/loss per share before dilution, SEK	0.24	-0.39	3.89	2.51
Earnings/loss per share after dilution, SEK	0.24	-0.39	3.89	2.51

Consolidated statement of comprehensive income in summary

SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Profit/loss for the period after tax	22	-37	366	237
Other comprehensive income, items not transferable to profit or loss				
Remeasurement of defined-benefit pension plans	1	28	1	24
Tax related to remeasurement of defined-benefit pension plans	0	-6	0	-5
Total items not transferable to profit or loss	1	22	1	19
Other comprehensive income, items transferable to profit or loss				
Translation differences	11	14	41	63
Hedging of net investments in foreign operations	-6	-11	-14	-32
Cash flow hedges	-1	7	12	7
Cash flow hedge reserve	-2	-	41	1
Incentive programmes	-	-	-	2
Remeasurement of tenant-owned apartments	-2	8	-2	8
Tax	2	1	-8	6
Total items transferable to profit or loss	2	19	70	55
Total other comprehensive income	3	41	71	74
Total comprehensive income for the period	25	4	437	311

Earnings per share

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Profit/loss for the period attributable to shareholders of the Parent Company, SEK million	22	-37	366	237
Earnings per share before dilution				
Average number of shares, thousands	92,876	94,533	94,127	94,515
Earnings/loss per share before dilution, SEK	0.24	-0.39	3.89	2.51
Earnings per share after dilution				
Average number of shares, thousands	92,876	94,571	94,127	94,552
Earnings/loss per share after dilution, SEK	0.24	-0.39	3.89	2.51

Consolidated balance sheet in summary

SEK million	2022 31 Dec	2021 31 Dec
Assets		
Fixed assets		
Goodwill	7,095	6,817
Customer contracts and customer relationships	384	441
Other intangible assets	26	27
Right-of-use assets	7,827	7,057
Tangible assets	341	319
Derivative instruments	56	3
Deferred tax assets	105	116
Non-current receivables	121	117
Total fixed assets	15,955	14,897
Current assets		
Accounts receivable	1,180	1,180
Other receivables	118	117
Prepaid expenses and accrued income	361	334
Cash and cash equivalents	259	86
Total current assets excluding assets held for sale	1,918	1,717
Assets held for sale	2	60
Total current assets	1,920	1,777
Total assets	17,875	16,674

Consolidated balance sheet in summary – continued

SEK million	2022 31 Dec	2021 31 Dec
Equity and liabilities		
Equity		
Share capital	2	2
Other capital contributions	6,172	6,170
Reserves	38	-34
Retained earnings, including profit for the year	-1,531	-1,608
Total equity	4,681	4,530
Non-current liabilities		
Non-current interest-bearing liabilities	2,421	993
Lease liabilities	7,155	6,496
Other non-interest-bearing liabilities	14	–
Pension provisions	29	16
Other provisions	83	116
Deferred tax liabilities	220	196
Total non-current liabilities	9,922	7,817
Current liabilities		
Commercial papers	458	1,639
Lease liabilities	943	779
Accounts payable	320	341
Other provisions	37	76
Tax liabilities	38	61
Other non-interest-bearing liabilities	231	238
Accrued expenses and deferred income	1,245	1,193
Total current liabilities	3,272	4,327
Total equity and liabilities	17,875	16,674

Consolidated statement of changes in equity in summary

SEK million	2022 Jan-Dec	2021 Jan-Dec
Opening balance	4,530	4,326
Comprehensive income	437	311
Warrants issued	2	3
Share buybacks	-179	–
Dividends	-109	-109
Closing balance	4,681	4,530

Consolidated cash flow statement in summary

SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Operating activities				
Profit before financial items	140	37	843	598
Depreciation, amortisation and impairment losses	307	310	1,201	1,052
Capital gains/losses	1	-1	-49	-10
Changes in provisions	-65	129	-77	141
Total non-cash items	243	438	1,075	1,183
Net interest paid	-97	-84	-351	-296
Tax paid	-34	-14	-123	-125
Cash flow from operating activities before changes in working capital	252	377	1,444	1,359
Cash flow from changes in working capital				
Decrease/increase in receivables	-29	-131	15	-132
Decrease/increase in current liabilities	207	187	-19	-19
Cash flow from operating activities	430	433	1,440	1,208
Investing activities				
Acquisition of tangible assets	-27	-20	-97	-90
Acquisition of intangible assets	-1	-3	-8	-10
Sale of fixed assets	0	-	116	31
Acquisition of subsidiaries	1	-	-225	-189
Acquisition of financial assets	-	1	-	-
Cash flow from investing activities	-27	-22	-214	-258
Cash flow after investments	403	411	1,225	950
Financing activities				
Loans raised	1,125	1,150	3,221	5,549
Repayment of debt	-1,002	-1,240	-4,404	-5,723
Repayment of lease liability	-216	-223	-915	-779
Net change in checking account	63	-87	1,364	182
Cost of loans raised	-17	-	-17	-5
Premiums for warrants	-	-	2	3
Share buybacks	-179	-	-179	-
Dividends paid	-	-	-109	-109
Cash flow from financing activities	-226	-399	-1,037	-882
Cash flow for the period	177	11	189	68
Cash and cash equivalents on the opening date	82	77	86	25
Exchange rate differences in cash and cash equivalents	0	-2	-16	-8
Cash and cash equivalents on the closing date	259	86	259	86

Parent Company income statement in summary

SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Income				
Net sales	2	2	8	8
Total income	2	2	8	8
Operating expenses				
Other external costs	-3	-3	-15	-12
Personnel costs	-4	-3	-16	-13
Amortisation of intangible assets	0	0	0	0
Operating expenses	-7	-6	-31	-25
Operating loss	-5	-4	-23	-17
Financial items	-24	-4	-40	-19
Loss after financial items	-29	-8	-63	-36
Appropriations	108	68	108	68
Profit before tax	79	60	45	32
Tax on profit for the period	-10	-7	-10	-7
Profit for the period	69	53	35	25

Parent Company balance sheet in summary

SEK million	2022 31 Dec	2021 31 Dec
Assets		
<i>Intangible assets</i>		
Software	0	0
<i>Financial assets</i>		
Participations in Group companies	7,212	7,212
Receivables from Group companies	481	–
Derivative instruments	1	2
Total fixed assets	7,694	7,215
<i>Current assets</i>		
Receivables from Group companies	3,721	3,370
Other receivables	15	14
Prepaid expenses and accrued income	12	7
Total current assets	3,748	3,392
Total assets	11,442	10,607
Equity and liabilities		
Share capital	2	2
Statutory reserve	0	0
Total restricted equity	2	2
Share premium reserve	1,407	1,407
Retained earnings	1,537	1,800
Profit for the year	35	25
Total non-restricted equity	2,979	3,232
Total equity	2,981	3,234
Untaxed reserves	77	61
<i>Non-current liabilities</i>		
Liabilities to credit institutions	2,405	1,003
Total non-current liabilities	2,405	1,003
<i>Current liabilities</i>		
Commercial papers	458	1,639
Accounts payable	3	4
Tax liabilities	15	19
Liabilities to Group companies	5,490	4,634
Other liabilities	0	0
Accrued expenses and deferred income	13	13
Total current liabilities	5,979	6,309
Total equity and liabilities	11,442	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.

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

Quarterly overview

SEK million	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Net sales									
Nytida	991	980	980	963	949	924	932	919	946
Vardaga	1,083	1,063	1,034	992	970	940	895	859	867
Stendi	760	767	756	765	737	723	748	731	726
Altiden	301	293	286	283	259	261	211	151	158
Klara	130	121	120	106	100	89	90	89	89
Group adjustments	-40	-37	-33	-29	-28	-25	-23	-23	-22
Ambea	3,225	3,187	3,143	3,080	2,988	2,912	2,851	2,727	2,764
Adjusted EBITA									
Nytida	116	170	104	119	128	174	113	114	159
Vardaga	53	99	69	49	59	89	25	25	42
Stendi	24	77	4	12	28	64	4	15	15
Altiden	-16	4	-18	14	1	15	-4	1	-16
Klara	18	18	9	8	8	8	6	6	7
Unallocated items	-25	-8	60	-7	-9	-6	2	-10	-7
Ambea	170	359	229	195	214	344	146	152	200

NOTE 2 Segment information – continued

October-December 2022

SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	991	1,083	760	301	130	–	-40	3,225
Other operating income	9	51	2	25	1	8	–	96
Total income	1,000	1,134	762	326	131	8	-40	3,321
EBITA	116	53	24	-16	18	-25	–	170
EBITA margin, %	11.7	4.9	3.2	-5.3	13.8	–	–	5.3
Items affecting comparability	–	–	–	–	–	–	–	–
Adjusted EBITA	116	53	24	-16	18	-25	–	170
Adjusted EBITA margin, %	11.7	4.9	3.2	-5.3	13.8	–	–	5.3
Amortisation of intangible assets								-30
Operating profit (EBIT)								140
Net financial items								-107
Profit before tax								33
Tax on profit for the period								-11
Profit for the period								22
Assets	6,230	7,462	2,140	1,322	304	417	0	17,875

October-December 2021

SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	949	970	737	259	100	–	-28	2,988
Other operating income	7	42	2	11	–	7	–	70
Total income	957	1012	739	270	100	7	-28	3,058
EBITA	128	59	-117	1	8	-9	–	69
EBITA margin, %	13.5	6.1	-15.9	0.4	8.0	–	–	2.3
Items affecting comparability	–	–	145	–	–	–	–	145
Adjusted EBITA	128	59	28	1	8	-9	–	214
Adjusted EBITA margin, %	13.5	6.1	3.8	0.4	8.0	–	–	7.2
Amortisation of intangible assets								-32
Operating profit (EBIT)								37
Net financial items								-86
Loss before tax								-49
Tax on profit for the period								12
Loss for the period								-37
Assets	6,050	7,096	2,000	1,138	179	212	–	16,674

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

NOTE 2 Segment information – continued

January–December 2022

SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	3,915	4,172	3,047	1,163	477	–	-139	12,635
Other operating income	26	120	8	60	1	106		321
Total income	3,941	4,292	3,055	1,223	478	106	-139	12,956
EBITA	509	271	117	-16	52	21	–	954
EBITA margin, %	13.0	6.5	3.8	-1.4	10.9	–	–	7.6
Items affecting comparability	–	–	–	–	–	–	–	–
Adjusted EBITA	509	271	117	-16	52	21	–	954
Adjusted EBITA margin, %	13.0	6.5	3.8	-1.4	10.9	–	–	7.6
Amortisation of intangible assets								-111
Operating profit (EBIT)								843
Net financial items								-361
Profit before tax								482
Tax on profit for the period								-116
Profit for the period								366
Assets	6,230	7,462	2,140	1,322	304	417	0	17,875

January–December 2021

SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	3,723	3,664	2,939	882	368	–	-99	11,478
Other operating income	26	110	7	21	–	30	–	195
Total income	3,750	3,774	2,946	903	368	30	-99	11,673
EBITA	529	198	-33	13	27	-23	–	712
EBITA margin, %	14.2	5.4	-1.1	1.5	7.4	–	–	6.2
Items affecting comparability	–	–	145	–	–	–	–	145
Adjusted EBITA	529	198	112	13	27	-23	–	857
Adjusted EBITA margin, %	14.2	5.4	3.8	1.5	7.4	–	–	7.5
Amortisation of intangible assets								-114
Operating profit (EBIT)								598
Net financial items								-301
Profit before tax								297
Tax on profit for the period								-60
Profit for the period								237
Assets	6,050	7,096	2,000	1,138	179	212	–	16,674

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

NOTE 3 Revenue from contracts with customers

Type of service delivery (October-December)

	Nytida		Vardaga		Stendi		Altiden		Klara		Group eliminations		Group	
SEK million	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Own Management	804	786	760	638	725	678	198	175	–	–	–	–	2,487	2,277
Contract Management	187	163	323	333	35	59	103	84	–	–	–	–	648	639
Staffing	–	–	–	–	–	–	–	–	130	100	-40	-28	90	72
Total	991	949	1,083	970	760	737	301	259	130	100	-40	-28	3,225	2,988

Type of service delivery (January-December)

	Nytida		Vardaga		Stendi		Altiden		Klara		Group eliminations		Group	
SEK million	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Own Management	3,188	3,087	2,856	2,377	2,867	2,709	774	526	–	–	–	–	9,685	8,699
Contract Management	727	636	1,316	1,287	180	230	389	356	–	–	–	–	2,612	2,510
Staffing	–	–	–	–	–	–	–	–	477	368	-139	-99	338	269
Total	3,915	3,723	4,172	3,664	3,047	2,939	1,163	882	477	368	-139	-99	12,635	11,478

NOTE 4 Items affecting comparability

SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	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

Fourth quarter

There were no acquisitions during the quarter.

Third quarter

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.

Second quarter

Ambea completed three acquisitions in the second quarter. Skolpool and Alternatus Familia were acquired in April, and control was transferred on 2 May. Skolpool offers staffing services with care provider responsibility to municipal and independent schools, and Alternatus Familia provides family care in Sweden. On 30 June, Altiden acquired two social care companies in Denmark – SK Reflekt and Huset Reflekt. The transaction costs for the acquisition amounted to SEK 2.4 million.

In 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.

First quarter

On 1 February, control of Christinagården and Yxe Herrgård was transferred, comprising two psychiatric residential treatment facilities, including halfway and transitional living apartments, four residential LSS facilities and one day services unit. Hannas Hemtjänst, a provider of home care services in central Stockholm, was acquired on 1 March and control was transferred on the same date. The transaction costs for the acquisition amounted to SEK 1.1 million.

Since the acquisition date, the acquisitions have contributed SEK 214 million to net sales, and SEK 22 million to profit before tax. If the acquisitions had taken place on 1 January 2022, the companies would have contributed SEK 282 million to net sales and SEK 30 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	123	16	30	221
Total consideration (price of shares)	12	94	133	18	34	291
Less: earn-out	–	–	-33	–	–	-33
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 per income statement row, see [ambea.com/investor-relations/reports-and-presentations](https://www.ambea.com/investor-relations/reports-and-presentations)

NOTE 6 Fair value of financial instruments in the fair value hierarchy

			Classification in the fair value hierarchy					
			1		2		3	
SEK million	2022 31 Dec	2021 31 Dec	2022 31 Dec	2021 31 Dec	2022 31 Dec	2021 31 Dec	2022 31 Dec	2021 31 Dec
Assets								
Interest-rate derivatives	56	3	–	–	56	3	–	–
Investments in housing cooperative associations	95	97	–	–	–	–	95	97
Total	151	100	–	–	56	3	95	97
Liabilities								
Earn-out	34	53	–	–	–	–	34	53
Total	34	53	–	–	–	–	34	53

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 12–48 years. In total, 65 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 31 Dec	2021 31 Dec
Leased assets	131	128
Total pledged assets	131	128
Tax audit	12	–
Total contingent liabilities	12	–

NOTE 8 Reconciliation of financial statements

SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Growth/Acquired growth				
Net sales growth (%)	8	8	10	4
Of which organic growth (%)	4	2	5	2
Of which acquired growth (%)	2	4	3	2
Of which currency effect (%)	2	2	2	0
Operating margin (EBIT)				
Net sales	3,225	2,988	12,635	11,478
Operating profit (EBIT)	140	37	843	598
Operating margin, EBIT (%)	4.3	1.2	6.7	5.2
EBITA and adjusted EBITA				
Operating profit (EBIT)	140	37	843	598
Amortisation and impairment of intangible assets	30	32	111	114
EBITA	170	69	954	712
Items affecting comparability	-	145	-	145
Adjusted EBITA	170	214	954	857
Net sales	3,225	2,988	12,635	11,478
EBITA margin (%)	5.3	2.3	7.6	6.2
Adjusted EBITA margin (%)	5.3	7.2	7.6	7.5
EBITDA and adjusted EBITDA				
Operating profit (EBIT)	140	37	843	598
Depreciation, amortisation and impairment of assets	307	310	1,201	1,052
EBITDA	447	347	2,044	1,650
Items affecting comparability	-	145	-	145
Adjusted EBITDA	447	492	2,044	1,794
EBITDA and adjusted EBITDA, excl. IFRS 16				
Operating profit (EBIT)	140	37	843	598
Depreciation, amortisation and impairment of assets	307	310	1,201	1,052
Less: Rental payments Properties	-291	-289	-1,131	-985
Less: Rental payments Vehicles	-10	-9	-39	-36
Less: Capital loss from terminated agreements	-1	-1	-5	-1
Net effect of IFRS 16 on EBITDA	-302	-299	-1,175	-1,022
EBITDA, excl. IFRS 16	145	48	869	628
Items affecting comparability	-	145	-	145
Adjusted EBITDA, excl. IFRS 16	145	193	869	773
EBITA and adjusted EBITA, excl. IFRS 16				
Operating profit (EBIT)	140	37	843	598
Amortisation and impairment of intangible assets	30	32	111	114
EBITA	170	69	954	712
Additional: Amortisation IFRS 16	252	245	983	842
Less: Rental payments Properties	-291	-289	-1,131	-985
Less: Rental payments Vehicles	-10	-9	-39	-36
Less: Capital loss from terminated agreements	-1	-1	-5	-1
Net effect of IFRS 16 on EBITA	-50	-54	-192	-180
EBITA, excl. IFRS 16	120	15	762	532
Items affecting comparability	-	145	-	145
Adjusted EBITA, excl. IFRS 16	120	160	762	677
EBITA margin, excl. IFRS 16	3.7	0.5	6.0	4.6
Adjusted EBITA margin, excl. IFRS 16	3.7	5.4	6.0	5.9

NOTE 8 Reconciliation of financial statements – continued

SEK million	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Operating cash flow				
EBITDA	447	347	2,044	1,650
Adjustment for non-cash items	-64	128	-126	131
Cash flow from investing activities excl. acquisition and divestment of subsidiaries	-28	-22	11	-70
Adjustment for cash flow from investing activities related to increased capacity/growth	9	6	30	20
Change in working capital	178	55	-4	-152
Operating cash flow	542	514	1,955	1,579
Cash conversion (%)				
Operating cash flow	542	514	1,955	1,579
EBITDA	447	347	2,044	1,650
Cash conversion (%)	121.3	148.1	95.6	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 31 Dec	2021 31 Dec
Net debt, Net debt/Adjusted EBITDA, RTM		
Non-current interest-bearing liabilities	9,576	7,489
Current interest-bearing liabilities	1,401	2,418
Less: cash and cash equivalents	-259	-86
Net debt	10,718	9,821
Adjusted EBITDA RTM	2,044	1,794
Net debt/Adjusted EBITDA, RTM (times)	5.2	5.5
Net debt, Net debt/Adjusted EBITDA, RTM excl. IFRS 16		
Non-current interest-bearing liabilities	9,576	7,489
Less: non-current lease liabilities pertaining to properties recognised on the lease liability line	-7,044	-6,375
Less: non-current lease liabilities pertaining to vehicles, recognised on the lease liability line	-111	-121
Current interest-bearing liabilities	1,401	2,418
Less: current lease liabilities pertaining to properties recognised on the lease liability line	-876	-741
Less: current lease liabilities pertaining to vehicles, recognised on the lease liability line	-67	-38
Less: cash and cash equivalents	-259	-86
Net debt, excl. IFRS 16	2,620	2,547
Adjusted EBITDA RTM	869	773
Net debt/Adjusted EBITDA, RTM (times)	3.0	3.3