

Dentalum Financial Update for investors

pro forma basis Q1 2021

Q1 and pro forma last twelve months as per March 31, 2021

The nine legal entities below are consolidated in the Balance sheet as per March 31, 2021, as well as per December 31, 2020.

All entities were acquired during the year 2020, except Moberg-Stenberg AB which was acquired in 2019.

On a pro forma basis numbers presented in this investor report include all entities as if these had been part of Dentalum group during the relevant financial periods.

Consolidated clinics as per March 31, 2021

- Moberg-Stenberg AB – one clinic
- Ludvikatandläkarna AB – two clinics
- Dentalum Tandvårdsteam AB – one clinic
- Kungsfors Tandvård AB – one clinic
- Borås Tandvård AB – one clinic
- Kinna Tandvård AB – one clinic
- Sthlm Dental Clinics AB – three clinics
- City Dental i Stockholm AB – one clinic
- Vesalis Dental AB – one clinic

All amounts in the report are in SEK

The pro forma financials are presented, based on the information available to management and, to the best of knowledge at the time of preparing the material.

Please also see Dentalum Operations AB (publ) Interim report Q1 2021, for the statutory accounts.

For further information, please contact ir@dentalum.com or Sofi Eriksson, CFO at sofi.eriksson@dentalum.com

Management's comments to the first quarter of 2021 pro forma financial update

Dentalum group is a fast-growing dental service organization. During 2020 eleven additional dental clinics were acquired, an increase from one in 2019 to twelve, operating in five regions in Sweden: Halland, Dalarna, Stockholm, Västra Götaland and Jönköping. The 12th clinic was acquired on December 29th. During the first quarter of 2021, Dentalum has focused on integrating the recent acquisitions while continuing to explore growth opportunities to further strengthen the M&A pipeline. To mitigate the effects from Covid-19 and keep margins intact, Dentalum's clinics continued to work proactively with cost control. Dentalum HQ hired an HR-manager responsible for key HR processes and administration as well as support in talent acquisitions and recruitments to the clinics. Although Covid-19 continued having an impact on the dental market during the first quarter of 2021, patient inflow started to increase again towards the end of the first quarter as more patients received their vaccine. As a result, Dentalum's clinics have strengthened their care teams and recruited skilled dental care personnel in order to meet a pent-up demand.

Significant Events after the reporting period

- On April 23, 2021, Dentalum signed an SPA to acquire two clinics located in the Stockholm region. As of June 2, these clinics will be part of Dentalum.
- On May 7, 2021, Dentalum strengthen the management team by recruiting a Chief Dental Officer ("CDO") with extensive experience, both as practitioner and as founder and former CEO of the dental service organization Oral Care in Sweden. The CDO will start full-time employment on August 16, 2021.
- On May 18, 2021, Dentalum acquired an additional clinic, expanding to the region of Kalmar.

Capital structure and credit metrics

Financing structure and leverage in the first quarter is in line with the structure at year-end 2020.

During the first quarter of 2021, no changes to the financing structure of the Group have been made. Long-term financing of the Dentalum group, was ensured during the fourth quarter of 2020 by the issue of a SEK 300 million Senior Secured Fixed Rate Bond, with a tenor of three years.

- Long term financial liabilities as per March 31, 2021 amounts to 314.8 million (0.4) consisting of 300 million of bond debt, accrued interest and 9.4 million of long term lease liabilities, reclassified as debt according to IFRS16.
- Total Equity as per March 31, 2021 amounts to 84.3 million (9.4) and the increase, includes shareholders contributions of 96.5 million injected since start 2019, strengthening the capital structure in order to finance the growth of Dentalum.
- Total cash position, as per March 31, 2021 financial statements amounts to 174.5 million (7.3) of which 88.6 million on the escrow account designated for add-on acquisitions and earn-out payments.
- Pro forma net debt, calculated as per the definition in the Senior Secured Bond Terms & Conditions, amounts to 175.1 million, consists of interest-bearing debt incl. accrued interest of 312.2 million, cash balance of 174.5 million, IFRS16 adjustments for lease liabilities amounting to 17.4 million as well as net of provisions for deferred purchase price of 14.8 million and earn-outs of 23.7 million, incl. related shareholder contributions of 18.4 million.
- Net leverage as per March 2021 is in line with the leverage as per December 31, 2020. As per the definitions in the Terms & Conditions of the senior secured bond, calculated on pro forma financials, where net debt is 175.1 million and consolidated EBITDA LTM 03/2021 of 39 million, net leverage is 4.49x as per March 31, 2021.
- Pro forma LTM03/2021 EBITDA includes a one-time write-down of accounts receivables of 2.3 million in one of the clinics, related to prior years, as part of conditions precedent for closing of the acquisition carried out in Q4 2020. Excluding this write-down, pro forma net leverage is 4.2x.

Credit metrics / Pro forma ("PF") components	LTM03/21 Pro Forma 4)
Leverage ratios 3)	
Net Debt / EBITDA	4.49x
Gross Debt / EBITDA 1)	9.43x
Cash & cash equivalents	174.5m
of which on escrow	88.6m
Gross Debt 1)	368.0m
Net Debt 2)	175.1m
PF Group EBITDA 4)	39.0m

1) incl. IFRS lease liabilities, deferred purchase price, provisions for earn-outs, excl. reinvestment

2) Net debt as per definitions in Bond Terms & Conditions

3) Pro forma credit metrics as per definitions in Bond Terms & Conditions

4) Pro forma EBITDA LTM03/21, incl one-off 2.3m write-down of receivable, prior to acquisition

Pro forma 12 clinics consolidated – Highlights Q1 and LTM03/2021

LTM 03/2021 clinics EBITDA in line with FY 2020 and profitability resilient at 20.7%

During the last twelve months of April 2020 – March 2021, the complete period include the Covid-19 Pandemic and the restrictions imposed by the Public Health Agency in Sweden to mitigate the spreading of the virus. During the first quarter of 2021, the Pandemic and the mitigating restrictions have continued. As a consequence of these prolonged restrictions, Dentalum´s clinics have seen a continued negative impact on patient inflow during the quarter, compared to the first quarter of 2020. However, there has been regional variations. Following the roll-out of vaccination programs, patient inflows are increasing and as a consequence of a pent-up demand for treatment during 2020, we expect a positive impact on dental care services.

In order to mitigate the decline in revenues, the clinics have been able to keep sustainable profitability by adjusting expenses to the decrease in patient inflow.

Pro forma revenues and profitability

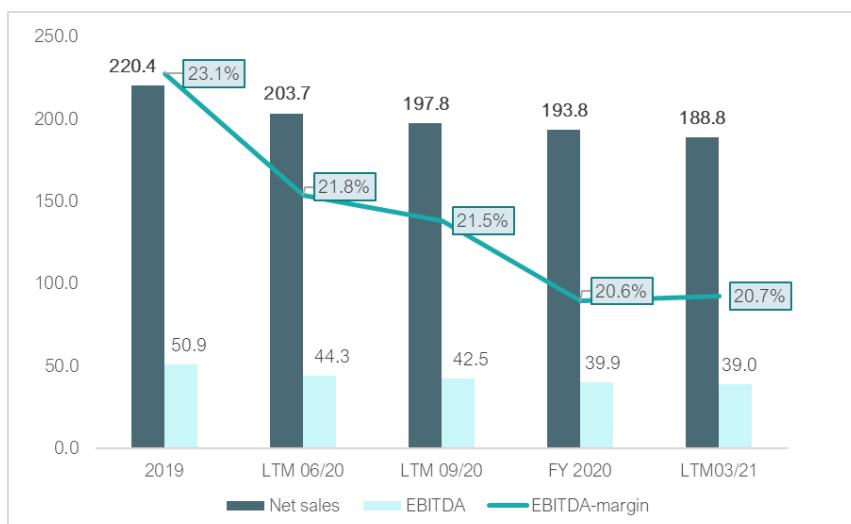
Q1 2021

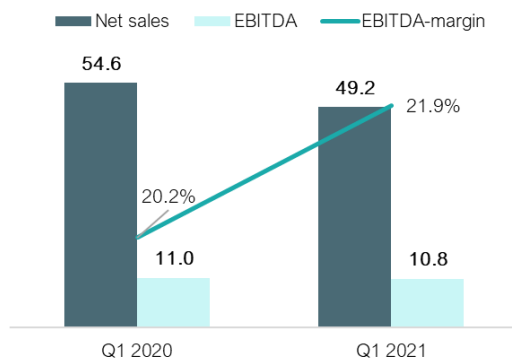
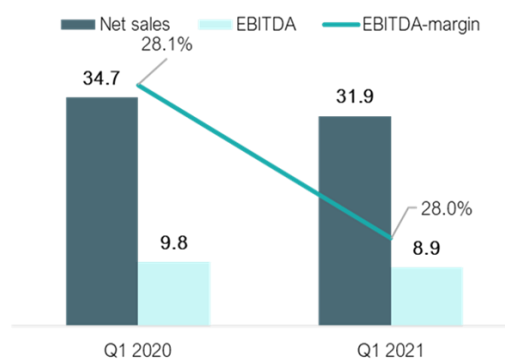
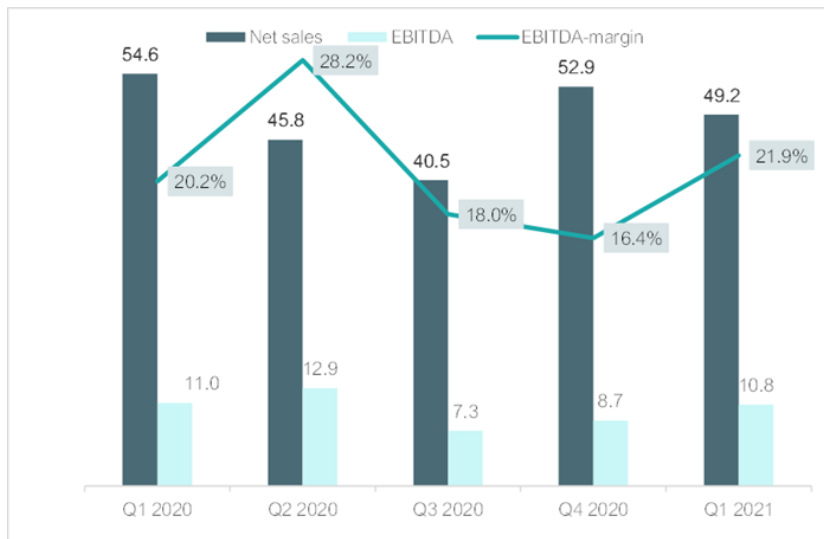
- In Q1 2021, clinic revenues decreased by approximately 6% vs Q4 2020 from 53 million to 49.7 million, and by 9% vs Q1 2020 (54.7m).
- Despite lower revenues in the first quarter, clinic EBITDA increased by 24% to 10.8 million compared to Q4 2020 (8.7m) but decreased by 2% vs Q1 2020 (11m).
- Profitability margin increased to 22% in Q1 2021, vs 16% in Q4 2020 and 20% in Q1 2020. Excluding the clinic, City Dental, located in the center of Stockholm, clinics profitability margin reached 28%.
- Expense management, lead to a decrease in total expenses by 12% to 38.9 million in Q1 2021 vs. Q4 2020 (44.3m) and by 11% vs Q1 2020 (43.7m), mainly due to a decrease in other operating expenses and personnel expenses.

LTM03/2021

- Total clinic net sales amounted to 188.8 million, which is a decrease by 2.6% vs FY 2020.
- On a pro forma consolidated basis, clinics EBITDA reached 39 million, which is in line with FY 2020 (39.9m).
- Clinics profitability, as a percentage of net sales increased to 20.7% (20.6% FY 2020).

Development of Clinics Net sales and profitability on an LTM basis Pro forma



Dentalum Pro forma 12 clinics Q1 2021 vs Q1 2020

Clinics profitability margin 28%, excluding City Dental

Quarterly development pro forma 12 clinics

Development of costs - Clinic cost base pro forma

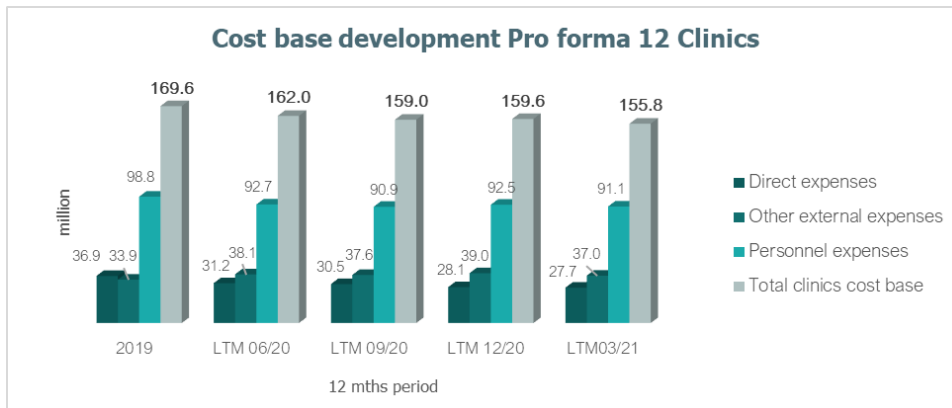
- On a consolidated bases, the clinics have managed to, partially, adjust expenses to the lower revenues by pro-active expense management.

Q1 2021

- Expense management, lead to a decrease in total expenses by 12% to 38.9 million in Q1 2021 vs. Q4 2020 (44.3m) and by 11% vs Q1 2020 (43.7m), mainly due to a decrease in other operating expenses and personnel expenses.
 - Direct expenses decreased Q1 2021 by 7% vs Q1 2020 but increased by 47% vs Q4 2020. These expenses are directly related to revenues but is generally higher in the first quarter as the clinics normally initiates purchases in the beginning of the year.
 - Other operating expenses decreased by 38% in Q1 2021 to 7.5 million vs Q4 2020 and by 26% vs Q1 2020. These expenses include costs for premises, marketing, IT, services, administrative expenses and insurances.
 - Personnel expenses decreased by 12% to 23.6 million in Q1 2021 vs. Q4 2020 and by 6% vs Q1 2020. The decrease in personnel expenses, including dental care consultants, reflects an alignment to the decrease in patient inflow related to the Covid-19 pandemic, as well as personnel turnover in certain clinics. Recruitments have been made but the cost is not reflected in Q1 as onboarding took place in April-May.

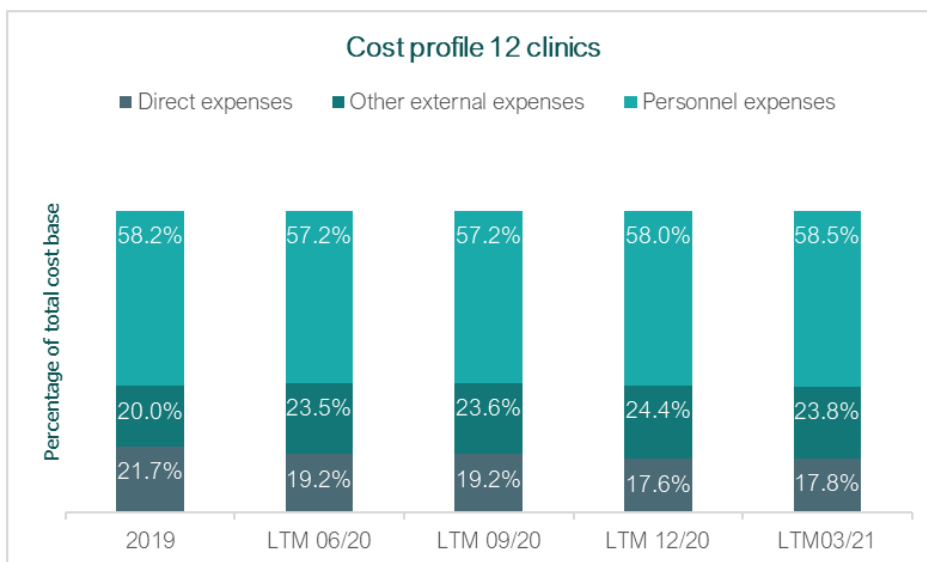
LTM03/2021

- Total expenses on an LTM basis continued to decrease to adjust to the decline in revenues related to lower patient inflow caused by the Pandemic. LTM 03/2021 total expenses decreased by 2.3% to 155.8 million vs. FY 2020 (159.6)
 - Direct expenses decreased by 1.5% to 27.7 million, compared to FY 2020 (28.1m). As a percentage of net sales, direct expenses is stable at around 14.4%.
 - Other external expenses, decreased by 5% to 37 million vs FY 2020 (39m).
 - Personnel expenses decreased by 5% to 91.1 million vs FY 2020 (92.5m).



- The relative cost break-down of total costs are in line with previous periods, where personnel costs represent approximately 58% of the clinics total cost base.

Total cost break-down - % of total costs

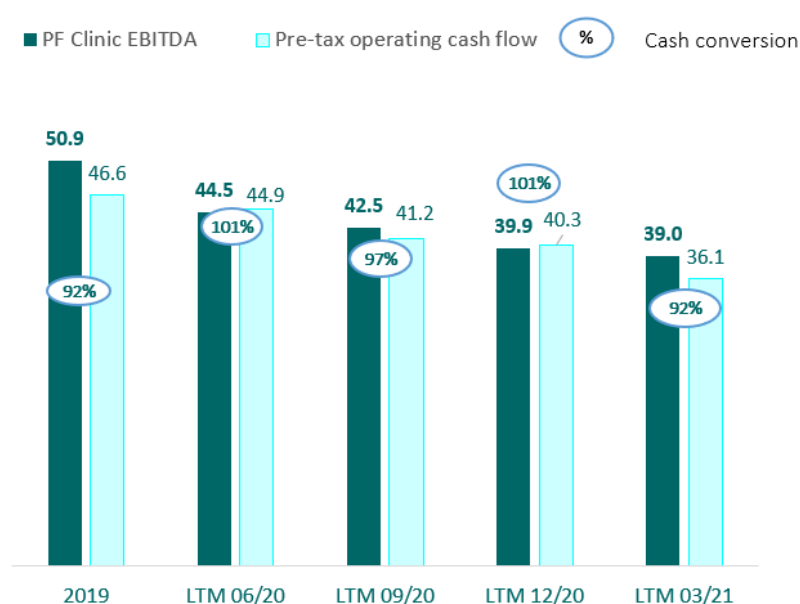


Clinics operating cash flow

Cash conversion in the clinics continues to be at levels above 90% in LTM03/2021

- Pro forma cash flow from clinics operations amounted to 36.1 million in LTM03/2021.
- Clinics cash conversion reached 92.5%.
- Cash flow from change in net working capital was negative 2 million (FY 2020 positive 1m), mainly related to increase in inventory and settlement of VAT liabilities related to dental consultants.
- Cashflow related to capital expenditures for the period LTM03/2021 amounted to 0.9 million which is an increase compared to FY 2020 (0.6m). Recurring capital expenditures in the dental sector is relatively low at about 1.5% of revenues. During the pandemic months, capex has been somewhat lower compared to previous years.

LTM03/2021



SEKm	Pro forma 12 clinics				
	2019	LTM 06/20	LTM 09/20	LTM 12/20	LTM03/2021
Adj. PF Clinic EBITDA	50.9	44.5	42.5	39.9	39.0
Δ Inventory	-1.7	-1.8	-1.7	-2.5	-2.6
Δ Accounts receivable	1.9	1.9	0.9	1.9	1.8
Δ Other receivables	-0.1	-1.9	-0.1	1.3	0.6
Δ Prepayments and accrued income	-0.4	0.2	0.8	0.4	-0.2
Δ Current assets	-0.3	-1.7	-0.2	1.1	-0.5
Δ Advance payments from customers	-0.4	-0.4	-0.4	-0.2	-0.2
Δ Accounts payable	0.4	-0.8	-1.3	-0.4	0.1
Δ Other payables	1.3	2.6	0.3	-1.0	-1.2
Δ Prepaid expenses and accrued liabilities	0.4	0.9	1.1	1.5	-0.3
Δ Current liabilities	1.8	2.2	-0.2	-0.1	-1.5
Δ Other cash flow items	0.3	0.3	-	-	-
Δ Adj. working capital	1.7	0.8	-0.5	1.0	-2.0
Capex ²	-6.0	-0.4	-0.8	-0.6	-0.9
Pre-tax operating cash flow	46.6	44.9	41.2	40.3	36.1
Cash conversion	91.6%	100.9%	96.9%	100.9%	92.5%

- 1) Pro forma 12 clinics as from LTM 09/20
- 2) Capex computed as change in gross value of fixed assets
- 3) LTM 12/20 adjusted for non-cash affecting items in

Q1 2021 vs Q1 2020

SEKm	Q1 Δ 2020	Q1 Δ 2021
Adj. PF Clinic EBITDA	13.3	10.8
Δ Inventory	0.3	0.1
Δ Accounts receivable	-1.1	-1.2
Δ Other receivables	0.8	0.0
Δ Prepayments and accrued income	0.3	-0.2
Δ Current assets	0.3	-1.3
Δ Advance payments from customers	0.0	0.0
Δ Accounts payable	-0.2	0.4
Δ Other payables	0.0	-0.3
Δ Prepaid expenses and accrued liabilities	1.1	-0.6
Δ Current liabilities	0.9	-0.5
Δ Other cash flow items	0.0	0.0
Δ Adj. working capital	1.2	-1.8
Capex ²	-0.3	-0.6
Pre-tax operating cash flow	14.2	8.4
<i>Cash conversion</i>	<i>107.0%</i>	<i>78.1%</i>

Pro forma consolidated income statement

Including 12 clinics, Dentalum Operations expenses and IFRS adjustments

- Pro forma Group EBITDA increased slightly in LTM03/2021 vs FY 2020.
 - Dentalum Operation expenses, consisting of head office expenses and M&A transaction costs, increased to 9.3 million in LTM03/2021 (8.5 FY 2020).
 - The increase relates to strengthening of the central support function within HR and Finance.
 - Reclassification of lease contracts (IFRS16) had a positive impact of 9.3 million.
- Please see table on next page

Last twelve months development – including LTM03/2021

SEKm	2019	LTM 06/20	LTM 09/20	LTM 12/20 ³⁾	LTM03/21
Net sales	220.4	203.7	197.8	193.8	188.8
Other operating income	0.1	2.8	3.7	5.7	6.0
Total income	220.5	206.5	201.5	199.5	194.9
Expenses	-169.6	-162.0	-159.0	-159.6	-155.8
Direct expenses	-36.9	-31.2	-30.5	-28.1	-27.7
Other external expenses	-33.9	-38.1	-37.6	-39.0	-37.0
Personnel expenses	-98.8	-92.7	-90.9	-92.5	-91.1
PF Clinic EBITDA ¹⁾	50.9	44.5	42.5	39.9	39.0
PF Clinic EBITDA	50.9	44.5	42.5	39.9	39.0
Dentalum Operations expenses ⁴⁾	-0.9	-4.6	-6.0	-8.5	-9.3
IFRS adjustments ²⁾	6.3	6.3	6.3	7.2	9.3
PF Group EBITDA	56.3	46.2	42.8	38.7	39.0

KPIs	2019	LTM 06/20	LTM 09/20	LTM 12/20	LTM03/21
<i>Change in net sales</i>		-7.5%	-2.9%	-2.0%	-2.6%
<i>Change in PF Clinic EBITDA</i>		-12.5%	-4.6%	-6.0%	6.1%
PF Clinic EBITDA-margin	23.1%	21.9%	21.5%	20.6%	20.7%
PF Group EBITDA-margin	25.5%	22.7%	21.6%	20.0%	20.6%
Direct expenses %	16.7%	15.3%	15.4%	14.5%	14.7%
Other external expenses %	15.4%	18.7%	19.0%	20.1%	19.6%
Personnel expenses %	44.8%	45.5%	46.0%	47.7%	48.3%
Dentalum Operations expenses %	0.4%	2.3%	3.0%	4.4%	4.9%

1) Reported EBITDA, no adjustments LTM12/20 and onwards

2) IFRS 16 PF assessment of lease contracts

4) Dentalum Operations expenses including HQ and M&A transaction costs

3) LTM12/20 EBITDA incl. a one-time write-down of receivables of 2.3m related to previous years, as part of an M&A closing

Quarterly development – including Q1 2021

SEKm	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Net sales	54.6	45.8	40.5	52.9	49.2
Other operating income	0.1	4.3	1.1	0.1	0.5
Total income	54.7	50.2	41.6	53.0	49.7
Expenses	-43.7	-37.3	-34.3	-44.3	-38.9
Direct expenses	-8.5	-7.2	-7.1	-5.3	-7.8
Other external expenses	-10.1	-8.8	-8.0	-12.1	-7.5
Personnel expenses	-25.1	-21.2	-19.3	-26.8	-23.6
Clinic EBITDA	11.0	12.9	7.3	8.7	10.8
<i>Clinics net sales profitability</i>	20%	28%	18%	16%	22%