

Date: December 8, 2020

Re: Dentalum Operations AB (publ.) Senior Secured Callable Fixed Rate Bonds 2020/2023 with First Issue Date 2 October 2020 and ISIN: SE0013914462

We refer to the Information Undertakings in the Terms & Conditions, whereby the Issuer is required to prepare and make available to the Trustee and on its web site:

- latest version of the Terms & Conditions
- not later than four months after the expiry of each financial year:
 - annual audited consolidated Financial Statements of the Group; and
 - annual audited unconsolidated Financial Statements of the Issuer; and
- starting with the quarter ending 31 December 2020, not later than two months after the expiry of each quarter of its financial year:
 - quarterly interim unaudited unconsolidated financial statements or year-end report of the Issuer
 - a compliance certificate, certifying no Event of Default is continuing and if provided with any Financial Statements, including calculations of leverage ratio for the relevant reference period

In addition to the financial reporting undertakings in the T&C, the Issuer has decided to provide

- a Q3, unaudited consolidated Q3 report,
 - including actual financials for acquired clinics that are consolidated in the financial statements of Dentalum Operations, as from date of acquisition to September 30, 2020

Consolidated as per Sept. 30, 2020

Moberg-Stenberg – 1 clinic
Ludvikatandläkarna – 2 clinics
Dentalum Tandvårdsteam – 1 clinic
Kungsfors Tandvård – 1 clinic
Borås Tandvård – 1 clinic
Kinna Tandvård – 1 clinic

- Pro forma financial update, including financials for:
 - pro forma financials for Q3 and LTM09/2020 for the eleven clinics included in the investor presentation material for the launch of the Senior Secured Bond Issue

Acquisitions closed after the reporting period

Sthlm Dental Clinics – 3 clinics (closing date Nov.2, 2020)
City Dental – 1 clinic (closing date Dec. 1, 2020)

- pro forma credit metrics, including the initial 300 million bond issue with settlement date on October 2, 2020.



Dentalum Operations AB (publ.) Interim Report

Third Quarter and first nine months of 2020 – unaudited

Dentalum Operations AB (publ.) Interim Report

Third Quarter and first nine months of 2020 – unaudited

Management´s comments:

The Dentalum Group, founded in 2019, is a fast-growing full-service dental service organization (“DSO”) performing general-, aesthetic-, cosmetic-, and specialist dentistry.

During the first nine months of 2020, Dentalum has acquired six dental clinics (of which three during the third quarter) and, as per September 30, 2020, the Group consists of seven clinics operating in four regions in Sweden. Share purchase agreements to acquire additional four clinics have been signed, to be closed in the fourth quarter of 2020.

Reported operating revenues during the first nine months amounts to SEK 26.1 million of which SEK 15.8 million were generated during the third quarter.

Considering the challenging period of managing the Covid-19 pandemic, the Dentalum clinics have demonstrated resilience, both in terms of revenues and EBITDA.

Revenues in the acquired clinics, in Q3 2020 decreased by approx. 2.5% vs. pro-forma Q3 2019, whereas EBITDA increased by approx. 10% in Q3 2020 vs pro-forma Q3 2019.

The acquired clinics have kept sustainable profitability by adjusting expenses to the decrease in patient inflow related to concerns about the Covid-19 virus. Certain clinics have benefited from the government support during the second quarter and part of the third quarter.

Significant Events during the third quarter

- On July 10, Dentalum Operations signed a share purchase agreement to acquire Shtlm Dental Clinics, operating three clinics.
- On August 4, Dentalum Operations, closed the acquisition of three clinics in the region of Västra Götaland, generating combined annual revenues of 20 million (2019).
- On September 9, Dentalum Operations signed a share purchase agreement to acquire one of the largest private dental clinics in Sweden, City Dental.
- On September 24, Dentalum Operations, as the first Swedish dental service organization, issued a senior secured bond with an initial amount of SEK 300 million within a total framework of SEK 600 million and a tenor of 3 years.

Capital structure and financing

During the first three quarters of 2020, the growth of the Dentalum Group, was financed by equity amounting to 67.825m, of which share issues of 0.45m and shareholders contributions of 67.375m, and bank facilities, drawn amount of SEK 31.8m.

Significant Events after the reporting period

- On October 2, settlement of SEK 300 million senior secured bond was executed. Initial proceeds were utilized to repay the existing acquisition credit facility and will further be utilized to finance additional acquisitions, as well as for general corporate purposes. During October, the bond was listed on Frankfurt Stock Exchange Open Market.
- On November 2, Dentalum Operations has executed the closing of the acquisition of Sthlm Dental Clinics, a company operating three clinics in the Stockholm area, generating combined annual revenues of approx. 38 m (2019)
- On December 1, Dentalum Operations has executed the closing of the acquisition of City Dental, generating annual revenues of approx. 90 m (2019).
- The number of Covid-19 cases increased in October, with a surge in November. As a result, the Public Health Authority in Sweden imposed regional restrictions, where deemed necessary, to mitigate the spreading of Covid-19. Dentalum's clinics have been resilient have so far experienced significantly lower impact on patient inflow and performance compared to the first wave of Corona. During previous quarters, some of Dentalum's clinics have benefited from government support for personnel related expenses. However, as from October, no clinics have received or applied for additional government support related to Covid-19.

FINANCIAL OVERVIEW

This interim report is presented, based on the information available to management, to the best of knowledge at the time of issue. For further information, please see section significant estimates and assumptions.

CONSOLIDATED GROUP

Dentalum Operations AB (publ) Financial Overview - Consolidated Group

<i>(kSEK)</i>	2020 Q3	2020 Q1-Q3	FY 2019 ¹⁾
Operating revenues	15 770	26 075	1 827
EBITDA	2 429	2 446	370
% of revenues	15%	9%	20%
Net financial expenses	-293	-499	-134
Earnings before tax / EBT	1 557	1 073	213
% of revenues	10%	4%	12%
Income tax expenses	-1 554	-1 554	-121
Net Earnings	3	-482	91
Net Cash flow	20 874	29 992	3 939
Cash flow from operations	-1 517	-938	636
Cash flow from investing activities	-21 374	-56 221	-2 294
Cash flow from financing activities	43 765	87 151	5 597
Net cash	2 176	2 176	3 985
Cash & cash equivalents	33 976	33 976	3 985
Interest bearing debt	31 800	31 800	-
Total Assets	123 524	123 524	7 393
Equity	73 123	73 123	5 780

1) Interim report for Q3 2019 not available as the company's activities started in 2019. FY 2019 included as reference period

Net revenues

Net revenues during the first nine months of 2020 amounts to 26.075 of which 15.770 were generated during the third quarter.

Operating expenses

Operating expenses amounts to 23.629 of which 13.341 in the third quarter.

Financial expenses

Net financial items consist mainly of interest expense amounting to 499, of which 293 relates to the third quarter.

Earnings for the period

EBITDA (Earnings before interest, tax, depreciations and amortizations) amounts to 2.446 for the nine months, of which 2.429 in the third quarter.

Net Earnings, after estimated tax expense of 1.554 amounts to -482 for the nine months of which 3 during the third quarter.

Cashflow and Balance Sheet

Cashflow generated from operations before change in working capital, during the first nine months of 2020 amounts to 867 of which 1.427 in the third quarter.

Net cash flow used in investing activities was 56.221 of which 21.374 was used in the third quarter.

Cash flow generated from financing activities amounts to 87.151 of which 43.765 related to the third quarter.

Total cashflow for the nine months period was 29.992, of which 20.874 was generated in the third quarter.

Net working capital

Net working capital utilized in Dentalum's operation is low, supported by efficient cash management cycles. As per September 30, 2020 NWC was negative 719.

Liquid assets and Net Debt

The Group's liquid assets amounts to 33.976 and interest-bearing debt 31.800 as per September 30, 2020. Including IFRS reclassification of lease contracts of 4.807 total net debt amount is 2.631.

NET CASH/DEBT

<i>(SEK thousands)</i>	Sept. 30, 2020	Dec. 31, 2019
Interest-bearing liabilities	31 800	-
Cash and cash equivalents	33 976	3 985
Net Cash	2 176	3 985

ACQUISITIONS DURING THE MOST RECENT 12-MONTHS PERIOD

	Closing Date	Annual Revenue <i>(million)</i>
2019		
Moberg Stenberg	19, Sept. 2019	5.6
2020		
Ludvikatandläkarna	2, April 2020	22.9
Nacka Tandvårdsteam	1, June 2020	29.9
"Kungsforsbolagen", three clinics; Kungsfors Tandvård Borås Tandvård Kinna Tandvård	4, Aug. 2020	20.0

PARENT COMPANY

Dentalum Operations AB (publ) Financial Overview - Parent

<i>(kSEK)</i>	2020 Q3	2020 Q1-Q3	FY 2019 ¹⁾
Operating revenues	-	-	-
EBITDA	-1 995	-5 641	-201
% of revenues			
Net financial expenses	-182	-330	1 070
Earnings before tax / EBT	-2 174	-5 971	869
% of revenues			
Income tax expenses	-	-	-
Net Earnings	-2 174	-5 971	869
Net Cash flow	16 921	21 256	1 817
Cash flow from operations	-2 898	-4 711	-172
Cash flow from investing activities	-24 181	-61 583	-3 653
Cash flow from financing activities	44 000	87 550	5 642
Net Debt	-8 680	-8 680	1 864
Cash & cash equivalents	23 120	23 120	1 864
Interest bearing debt	31 800	31 800	-
Total Assets	101 493	101 493	6 750
Equity	68 411	68 411	6 557

1) Interim report for Q3 2019 not available as the company's activities started in 2019. FY 2019 included as reference period

Net revenues

Dentalum Operations AB, the Parent company, serves as head office and acquisition vehicle of Dentalum. The head office functions started to be established in the beginning of 2020. During the first nine months, the Parent had no operating revenues.

Operating expenses

Operating expenses amounts to 5.641 of which 1.995 in the third quarter.

Financial expenses

Net financial items consist mainly of interest expense on bank debt, amounting to 330, of which 182 relates to the third quarter.

Earnings for the period

The Parent company has a net loss of 5.971 for the nine months of 2020, of which 2.174 relates to the third quarter.

Cashflow and Balance Sheet

Cash used in the operations of the Parent company was 4.711 during the first nine months of 2020, of which 2.898 in the third quarter.

Net cash flow used in investing activities was 61.583 of which 24.181 was used in the third quarter.

Cash flow generated from financing activities amounts to 87.550 of which 44.000 related to the third quarter.

Total cashflow in the Parent company, during the nine months period was 21.256, of which 16.921 was generated in the third quarter.

Net working capital

Net working capital utilized in Dentalum's operation is low supported by efficient cash management cycles. As per September 30, 2020 NWC in the Parent company was negative 220.

Liquid assets and Net Debt

As per September 30, 2020, cash and cash equivalents in the Parent company amounts to 23.120 and interest-bearing debt 31.800.

GROUP CONSOLIDATED REPORTS

Dentalum Operations AB (publ.) Consolidated Income Statement

<i>(kSEK)</i>	2020 Q3	2020 Q1-Q3	FY 2019 ¹⁾
Operating revenues			
Net revenues	15 631	24 857	1 847
Other operating revenues	139	1 218	-
Total operating revenues	15 770	26 075	1 847
Operating expenses			
Direct expenses	-2 900	-4 084	-118
Other external operating expenses	-2 900	-5 626	-522
Personnel expenses	-7 542	-13 919	-837
EBITDA	2 429	2 446	370
Depreciations and amortizations	-579	-874	-24
Earnings before financial items and tax / EBIT	1 850	1 572	346
Financial items			
Income/expenses from shares in Associated companies	-	-	-
Interest income/expenses and similar items	-293	-499	-134
Profit after financial items	1 557	1 073	212
Appropriations	-	-	-
Earnings before tax / EBT	1 557	1 073	212
Income tax expenses	-1 554	-1 554	-121
Net Earnings	3	-482	91

1) Interim report for Q3 2019 not available as the company's activities started in 2019. FY 2019 included as reference period

Dentalum Operations AB (publ.) Statement of Other Comprehensive Income - Group

<i>(kSEK)</i>	2020 Q3	2020 Q1-Q3	FY 2019 ¹⁾
Net Earnings	3	-482	91
Other comprehensive income	-	-	-
Total comprehensive income for the period	3	-482	91

1) Interim report for Q3 2019 not available as the company's activities started in 2019. FY 2019 included as reference period

Dentalum Operations AB (publ.) Balance Sheet – Consolidated

(kSEK)	2020-09-30	2019-12-31 ¹⁾
ASSETS		
Intangible assets	75 580	2 281
Improvements on leasehold	1 385	-
Equipment and tools	2 111	-
Other fixed assets	634	109
Right of use assets	4 301	531
Tenant owned apartments	538	-
Shares in group companies	-	-
Shares in associated companies	-	-
Fixed assets	84 549	2 921
Inventories	582	89
Accounts receivables	1 740	10
Receivables associated companies	404	-
Other current receivables	1 171	287
Prepaid expenses and accrued income	1 102	100
Cash and cash equivalents	33 976	3 985
Current assets	38 976	4 472
TOTAL ASSETS	123 524	7 393
EQUITY AND LIABILITIES	2020-09-30	2019-12-31 ¹⁾
Share capital	500	50
Shareholders contributions	73 017	5 642
Retained earnings	88	-4
Profit/loss for the period	-482	91
Total Equity	73 123	5 780
Untaxed reserves	95	95
Other provisions	6 000	-
Total provisions	6 095	95
Non-current liabilities		
Non-current interest bearing liabilities	27 840	-
Other non-current liabilities	-	-
Non-current liabilities group companies	-	-
Non-current lease liabilities	3 536	390
Total non-current liabilities	31 376	390
Current liabilities		
Accounts payables	2 170	276
Current interest bearing liabilities	3 960	-
Current lease liabilities	1 271	141
Current liabilities group companies	-	-
Current tax liabilities	1 980	397
Other current liabilities	2 087	76
Accrued expenses and prepaid income	1 462	238
Total current liabilities	12 930	1 128
TOTAL EQUITY AND LIABILITIES	123 524	7 393

¹⁾ Interim report for Q3 2019 not available as the company's activities started in 2019. FY 2019 included as reference period

Dentalum Operations AB (publ.) Statement of changes in equity – Group

<i>(kSEK)</i>	Share capital	Shareholders contributions	Retained earnings	Profit/loss for the period	Total Equity
Opening balance as of January 1, 2020	50	5 642	-4	91	5 780
Transfer of profit from previous year			91	-91	0
New share issue	450				450
Shareholder contributions		67 375			67 375
Profit/loss for the period				-482	-482
Closing balance as of September 30, 2020	500	73 017	88	-482	73 123

Dentalum Operations AB (publ.) Cash Flow Statement – Consolidated

<i>(kSEK)</i>	2020 Q3	2020 Q1-Q3	FY 2019 ¹⁾
<i>Cash flow from operating activities</i>			
Income before financial items (EBIT)	1 850	1 572	213
Adjustments for non cash affecting items	579	874	24
Net interest received/-paid	-293	-499	
Income tax paid	-709	-1 080	-26
Cash flow from operations before changes in working capital	1 427	867	210
<i>Changes in working capital</i>			
Change in inventories	-44	-44	5
Change in operating receivables	-932	-2 262	-309
Change in operating liabilities	-1 968	501	730
Cash flow from changes in working capital	-2 943	-1 805	426
Net cash flow from operations	-1 517	-938	636
<i>Cash flow from investing activities</i>			
Acquisition of tangible assets	-104	-104	-
Proceeds from divestments of tangible assets	13	13	-13
Acquisition of companies and shares	-21 283	-56 131	-2 281
Cash flow from investing activities	-21 374	-56 221	-2 294
Cash flow after investing activities	-22 891	-57 159	
<i>Cash flow from financing activities</i>			
New share issue	0	450	
Shareholders contributions received	32 000	55 300	5 642
Change in interest-bearing debt	12 000	31 800	-
Amortization, lease liabilities	-235	-399	-45
Cash flow from financing activities	43 765	87 151	5 597
Total cash flow for the period	20 874	29 992	3 939
Cash and cash equivalents at the beginning of the period	13 102	3 985	46
Cash and cash equivalents at the end of the period	33 976	33 977	3 985
<i>Summary</i>			
Cash flow from operations	-1 517	-938	636
Cash flow from investing activities	-21 374	-56 221	-2 294
Cash flow from financing activities	43 765	87 151	5 597
Total cash flow	20 874	29 992	3 939

1) Interim report for Q3 2019 not available as the company's activities started in 2019. FY 2019 included as reference period

PARENT
Dentalum Operations AB (publ) Income Statement - Parent

<i>(kSEK)</i>	2020 Q3	2020 Q1-Q3	FY 2019 ¹⁾
Operating revenues			
Net revenues	-	-	-
Other operating revenues	-	-	-
Total operating revenues	-	-	-
Operating expenses			
Direct expenses	-	-	-
Other external operating expenses	-842	-2 184	-201
Personnel expenses	-1 153	-3 456	-
EBITDA	-1 995	-5 641	-201
Depreciations and amortizations	2	-	-
Earnings before financial items and tax / EBIT	-1 992	-5 641	-201
Financial items			
Income/expenses from shares in Associated companies	-	-	1 200
Interest income/expenses and similar items	-182	-330	-130
Profit after financial items	-2 174	-5 971	869
Appropriations	-	-	-
Earnings before tax / EBT	-2 174	-5 971	869
Income tax expenses	-	-	-
Net Earnings	-2 174	-5 971	869

1) Interim report for Q3 2019 not available as the company's activities started in 2019. FY 2019 included as reference period

Dentalum Operations AB (publ.) Balance Sheet – Parent

(kSEK)	2020-09-30	2019-12-31 ¹⁾
ASSETS		
Intangible assets	-	-
Improvements on leasehold	-	-
Equipment and tools	-	-
Other fixed assets	-	13
Right of use assets	-	-
Tenant owned apartments	-	-
Shares in group companies	77 311	3 640
Shares in associated companies	-	-
Fixed assets	77 311	3 653
Inventories	-	-
Accounts receivables	-	-
Receivables associated companies	404	1 200
Other current receivables	286	32
Prepaid expenses and accrued income	372	1
Cash and cash equivalents	23 120	1 864
Current assets	24 182	3 097
TOTAL ASSETS	101 493	6 750
EQUITY AND LIABILITIES	2020-09-30	2019-12-31 ¹⁾
Share capital	500	50
Shareholders contributions	73 017	-
Retained earnings	865	5 638
Profit/loss for the period	-5 971	869
Total Equity	68 411	6 557
Untaxed reserves	-	-
Other provisions	-	-
Total provisions	-	-
Non-current liabilities		
Non-current interest bearing liabilities	27 840	-
Other non-current liabilities	-	-
Non-current liabilities group companies	-	-
Long term (IFRS) lease liabilities	-	-
Total non-current liabilities	27 840	-
Current liabilities		
Accounts payables	436	120
Current interest bearing liabilities	3 960	-
Current lease liabilities	-	-
Current liabilities group companies	-	-
Current tax liabilities	44	-
Other current liabilities	162	-
Accrued expenses and prepaid income	639	72
Total current liabilities	5 241	192
TOTAL EQUITY AND LIABILITIES	101 493	6 750

1) Interim report for Q3 2019 not available as the company's activities started in 2019. FY 2019 included as reference period

Dentalum Operations AB (publ.) Cash Flow Statement – Parent

<i>(kSEK)</i>	2020 Q3	2020 Q1-Q3	FY 2019 ¹⁾
<i>Cash flow from operating activities</i>			
Income before financial items (EBIT)	-1 992	-5 641	869
Adjustments for non cash affecting items	-2	-	-1 200
Net interest received/-paid	-182	-330	-
Income tax paid	-	-	-
Cash flow from operations before changes in working capital	-2 177	-5 971	-331
<i>Changes in working capital</i>			
Change in inventories	-	-	-
Change in operating receivables	-374	171	-1
Change in operating liabilities	-347	1 089	161
Cash flow from changes in working capital	-721	1 260	160
Net cash flow from operations	-2 898	-4 711	-172
<i>Cash flow from investing activities</i>			
Acquisition of tangible assets	-	-	-
Proceeds from divestments of tangible assets	13	13	-13
Acquisition of companies and shares	-24 194	-61 596	-3 640
Cash flow from investing activities	-24 181	-61 583	-3 653
Cash flow after investing activities	-27 079	-66 294	
<i>Cash flow from financing activities</i>			
New share issue	-	450	
Shareholders contributions received	32 000	55 300	5 642
Change in interest-bearing debt	12 000	31 800	-
Amortization, lease liabilities	-	-	-
Cash flow from financing activities	44 000	87 550	5 642
Total cash flow for the period	16 921	21 256	1 818
Cash and cash equivalents at the beginning of the period	6 199	1 864	46
Cash and cash equivalents at the end of the period	23 120	23 120	1 864
<i>Summary</i>			
Cash flow from operations	-2 898	-4 711	-172
Cash flow from investing activities	-24 181	-61 583	-3 653
Cash flow from financing activities	44 000	87 550	5 642
Total cash flow	16 921	21 256	1 818

1) Interim report for Q3 2019 not available as the company's activities started in 2019. FY 2019 included as reference period

ACCOUNTING AND VALUATION PRINCIPLES

This interim report was prepared according to the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting. The same accounting principles and methods, as used in the annual report 2019, are valid for this interim report.

The interim financial information for the Group for the period has been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board.

The amendments to IFRS standards that apply from 1 January 2020 had no impact on the financial statements for the three quarters of 2020.

The amounts presented in this interim report refer to actuals during the period July 1 - September 30, 2020 unless otherwise stated.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

When preparing interim reports, the Board and the Management must, in accordance with the applicable accounting and valuation principles, make certain estimates, assessments and assumptions that affect the recognition and valuation of assets, provisions, liabilities, income and expenses. The outcome may deviate from these estimates and assessments and will rarely amount to the same sum as the estimated outcome.

Dentalum Financial Update - Pro forma basis as per 2020-09-30

Q3 and last twelve months as per September 30, 2020

Entities included on a pro forma basis in this report, equals the entities presented in the Investor Presentation to bond investors in September 2020

Pro forma leverage ratios, include pro forma 300 million bond issue and IFRS lease liabilities related to entities included on a pro forma basis.

Consolidated as per Sept. 30, 2020

Moberg-Stenberg – 1 clinic
Ludvikatandläkarna – 2 clinics
Dentalum Tandvårdsteam – 1 clinic
Kungsfors Tandvård – 1 clinic
Borås Tandvård – 1 clinic
Kinna Tandvård – 1 clinic

Acquisition closed after the reporting period

Sthlm Dental Clinics – 3 clinics (closing date Nov.2, 2020)
City Dental – 1 clinic (closing date Dec. 1, 2020)

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

For further information, please contact Sofi Eriksson, CFO of Dentalum, at sofi.eriksson@dentalum.com or + 46 70 595 46 33

Management comments – financial update since investor presentations (“IP”) at the end of September 2020

Capital structure and credit metrics

In line with presented plan, additional shareholders contribution of 20 million was injected by Sponsors as per 30 September 2020.

Pro forma total equity, post completion of the acquisitions of Sthlm Dental Clinics and City Dental, amounts to 96.6 million.

On 2 October, the initial senior secured bond issue of 300 million was successfully issued, oversubscribed, at a fixed coupon rate of 7.75%. The bond was subsequently listed at the FSE Open Market.

Pro forma gross debt of 322.7m is in line with financials presented in the IP. Net debt pro forma amounts to 140m, which is lower than forecast, due to expected transaction expenses which have not yet materialized.

Total pro forma cash position amounts to 182.3 m of which 110.9 m on the escrow account dedicated for add-on acquisitions and earn-out payments.

As per calculations below, based on pro forma financials, where the Net Interest Bearing Debt is 140.4 m, Consolidated EBITDA is 38.4m and Net leverage Ratio is 3.7x - below threshold levels - we confirm that no default has occurred.

Summary Credit Metrics - Pro Forma

Credit metrics / Pro forma (“PF”) components	Incl. clinic, cons. as per Sept 30 2020	Pro forma incl. 11 clinics and initial bond issue	
	Actual Debt and PF LTM09	LTM06 Pro forma	LTM09 Pro forma
Leverage ratios			
Net Debt / EBITDA	0.6x	3.6x	3.7x
Gross Debt / EBITDA	3.1x	7.7x	8.4x
Debt / Equity	0.6x	3.3x	3.3x
Escrow Account	n.a.	100.2m	110.9m
Cash & cash equivalents	34.0m	71.4m	71.4m
Gross Debt 1)	42.7m	322.9m	322.7m
Net Debt	8.7m	151.2m	140.4m
Equity	73.1m	96.6m	96.6m
Adj. PF Group EBITDA	13.9m	41.9m	38.4m
Interest Coverage (estimated)			
PF Interest expense	1.3m	23.3m	23.3m
Interest coverage pre-tax CF	n.a.	1.7x	1.5x
PF pre-tax operating cash flow	12.8m	39.1m	35.6m
Interest coverage post-tax CF	n.a.	1.4x	1.3x
PF post-tax operating cash flow 2)	10.1m	32.9m	29.8m

1) incl. IFRS lease liabilities and provisions for earn-out

2) Post tax CF, assuming tax consolidation, IR expense tax deductible 30% of EBITDA

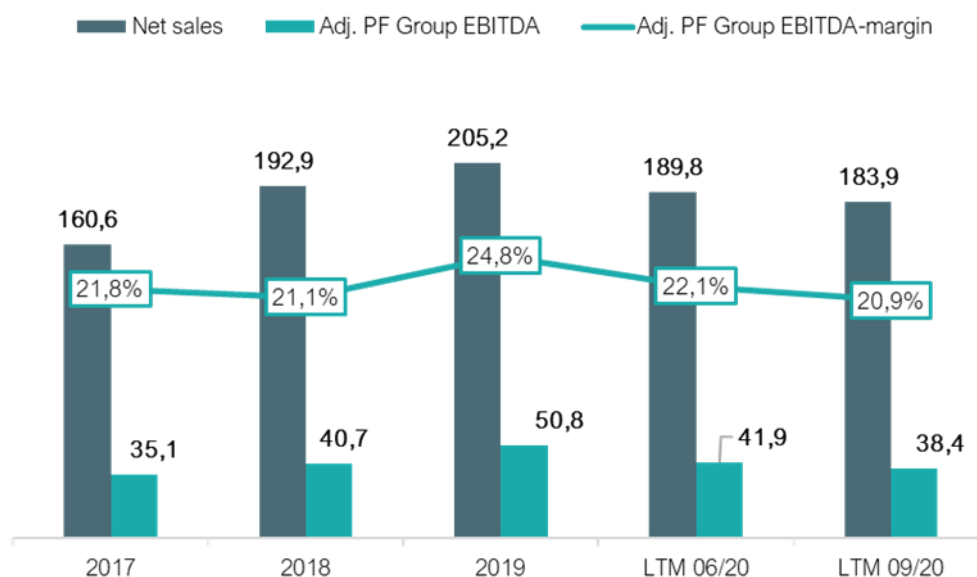
3) PF CF assuming CAPEX of 1.5% of Net Revenues & flat ch. NWC

Income statement – Highlights Q3 and LTM09/2020

LTM09/2020 Net Sales lower than FY 2019 but EBITDA margin resilient above 20%

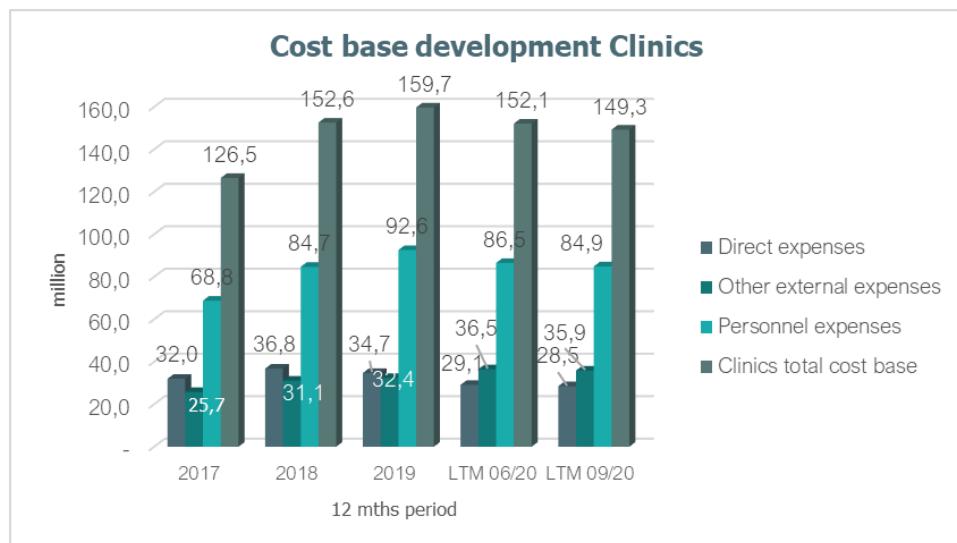
Considering the challenging period of managing the Covid-19 pandemic, the majority of Dentalum’s clinics have demonstrated resilience, both in terms of revenues of EBITDA.

- Revenues
 - On a proforma consolidated basis, total revenues “LTM09” amounts to 187.3 m, of which a decline of 3.1% vs LTM06 and 10.4% vs FY 2019.
 - Pro forma revenues including 11 clinics on a pro forma basis, had slightly recovered in August- September compared to the months of Q2.
 - Certain clinics have increased revenues in Q3/2020 vs Q3/2019. However, the recovery was not sufficient to keep the total consolidated revenues in line with the levels of the same period of last year. Total revenues declined by 10.7% from 46.6 m in Q3/2019 to 41.6m for the third quarter of 2020.



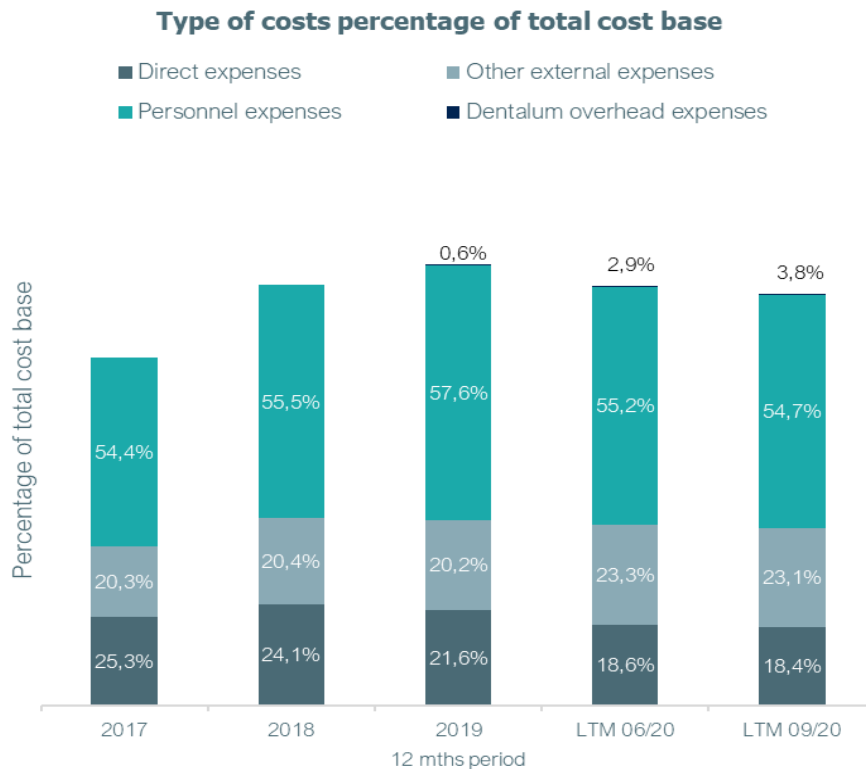
Development of costs

- **Cost base**
 - The clinics have managed to, partially, adjust expenses to the lower revenues by pro-active management of decreasing direct expenses by more efficient purchases.
 - Total expenses in Q3 and LTM09/2020 continued to decline, however to a lower extent than the decline in revenues.
 - Total expenses decreased by 6.5% to 149.3m in LTM09 vs. FY 2019 (159.7m) and by 7.7% to 34.3m in Q3/2020 vs. 37.2m in Q3/2019.
 - Direct expenses decreased by 17.9% to 28.5m in LTM09/2020 vs FY 2019 (34.7m) and by 8.2% to 7.1m in Q3/2020 vs. 7.7m in Q3 of 2019.
 - Other external expenses, including costs for premises, insurances, decreased by 7.1% to 8.0m in Q3/2020 vs 8.8m in Q3/2019, but increased on an LTM09 basis, to 35.9m (32.4m FY2019)
 - Personnel expenses decreased, both on a quarterly basis, by 7.7% from 20.9m in Q3/2019 to 19.3m in Q3/2020, and by 8.3% from 92.6m FY 2019 to 84.9 LTM09/2020.



Total cost break-down - % of total costs

- The relative cost break-down of total costs are in line with previous periods where personnel costs represent approximately 55% and other external costs 23%.
- Direct costs in relation to the total cost base, has decreased to 18.4% in LTM09/2020 from 21.6% in FY 2019.



Profitability

- The clinics have kept sustainable profitability by proactive management of expenses, adjusting expenses to patient inflow related to concerns about the Covid-19 virus.
- Certain clinics have benefited from the government support during the second quarter and part of the third quarter.
- Consolidated EBITDA margin LTM 09/2020 is 20.9% vs. 22.1% in LTM06/2020 and 24.8% FY2019

Pro forma 11 clinics development

SEKm	2017	2018	2019	LTM 06/20	LTM 09/20
Net sales	160,6	192,9	205,2	189,8	183,9
Other operating income	1,0	0,5	-0,1	2,6	3,5
Total income	161,6	193,3	205,2	192,3	187,3
Expenses	-126,5	-152,6	-159,7	-152,1	-149,3
Direct expenses	-32,0	-36,8	-34,7	-29,1	-28,5
Other external expenses	-25,7	-31,1	-32,4	-36,5	-35,9
Personnel expenses	-68,8	-84,7	-92,6	-86,5	-84,9
Adj. PF Clinic EBITDA	35,1	40,7	45,5	40,2	38,1
Dentalum overhead expenses	-	-	-0,9	-4,6	-6,0
IFRS adjustments	-	-	6,3	6,3	6,3
Adj. PF Group EBITDA	35,1	40,7	50,8	41,9	38,4

IFRS adjustments as from 2019 Dentalum consolidation

KPIs	2017	2018	2019	LTM 06/20	LTM 09/20	Ave. 2017-2019 pre-Covid-19
Increase in net sales	n.a.	20,1%	6,4%	-7,5%	-3,1%	n.a.
Adj. PF Clinic EBITDA-margin	21,8%	21,1%	22,2%	21,2%	20,7%	21,7%
Adj. PF Group EBITDA-margin	21,8%	21,1%	24,8%	22,1%	20,9%	22,6%
Direct expenses %	19,9%	19,1%	16,9%	15,3%	15,5%	18,6%
Other external expenses %	16,0%	16,1%	15,8%	19,2%	19,5%	16,0%
Personnel expenses %	42,8%	43,9%	45,1%	45,6%	46,2%	43,9%
Dentalum overhead expenses %	n.a.	n.a.	0,4%	2,4%	3,2%	n.a.

IFRS adjustments as from 2019 Dentalum consolidation

Pro forma 11 clinics Q3 2019 vs Q3 2020

SEKm	Q3 2019	Q3 2020	FY 2019	LTM 09/20
Net sales	46,4	40,5	205,2	183,9
Other operating income	0,2	1,1	-0,1	3,5
Total income	46,6	41,6	205,2	187,3
Expenses	-37,2	-34,3	-159,7	-149,3
Direct expenses	-7,7	-7,1	-34,7	-28,5
Other external expenses	-8,6	-8,0	-32,4	-35,9
Personnel expenses	-20,9	-19,3	-92,6	-84,9
Adj. PF Clinic EBITDA	9,4	7,3	45,5	38,1
Dentalum overhead expenses	-0,9	-2,0	-0,9	-6,0
IFRS adjustments	n.a.	n.a.	6,3	6,3
Adj. PF Group EBITDA			50,8	38,4

Covid-19 development

Considering the challenging period of managing the Covid-19 pandemic, the majority of Dentalum's clinics have demonstrated resilience, both in terms of revenues and EBITDA.

After the reporting period, there has been additional recovery in the revenues and profitability of the clinics.

The recent surge and development of Covid-19 virus spread in Sweden is, however, unpredictable. Dentalum clinics' management are monitoring the development closely and are taking specific mitigating actions to ensure the health of patients and co-workers, as well as monitoring the performance of clinics.