

Dentalum Financial Update - Pro forma basis for investors as per 2020-12-31

Q4 and last twelve months as per December 31, 2020

The nine legal entities below are included on a pro forma basis in this investor report.

Consolidated clinics as per December 31, 2020

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 AB – one clinic
Vesalis Dental AB – one clinic

Currency for amounts in this report is 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.

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Management's comments – fourth quarter pro forma financial update

Acquisitions completed in the fourth quarter

In line with plan, Dentalum Operations completed the closing of acquisitions of three entities, i.e. five clinics during the months of November and December 2020.

- Sthlm Dental Clinics, a company operating three clinics in the Stockholm area, generating combined annual revenues of approx. 38 million (2019).
- City Dental, one of the largest private dental clinics in Sweden, generating annual revenues of approx. 90 million (2019).
- Vesalis Dental, operating one clinic in the region of Jönköping, with annual revenues of approx. 15 million (2019).

Capital structure and credit metrics

As per expansion plan, the capital structure was further strengthened in relation to the completion of acquisitions, by shareholder's contributions of 23.5 million during the fourth quarter.

Total group equity, as per December 31, 2020 financial statements, amounts to 87.7 million of which 85.4 million in the balance sheet of Dentalum Operations AB, the Parent.

In October, the Dentalum Operations Senior secured bond issue of 300 million was settled and subsequently listed on Frankfurt Stock Exchange Open Market.

Total cash position, as per December 31, 2020 financial statements amounts to 181.4 million of which 94 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 172.3 million, including, in addition to interest-bearing debt and cash balance, IFRS16 adjustments for lease liabilities as well as net provisions for deferred purchase price, earn-outs and shareholder's contributions.

As per the definitions in the Terms & Conditions of the senior secured bond, net leverage, calculated on pro forma financials, where net debt is 172.3 million and consolidated EBITDA 38.7 million, is 4.4x by December 31, 2020.

The increase in pro forma net leverage on LTM 12/20 basis, vs. LTM 09/20 is due to completion of acquisitions of 5 clinics during the fourth quarter and related impact on pro forma debt as per IFRS accounting, such as reclassification of lease contracts (IFRS 16) and recognizing net deferred purchase price as provisions, included in the credit metrics. Pro forma LTM12/20 EBITDA includes a one-time write-down of accounts receivables of 2.3 million, as part of conditions precedent for closing of an acquisition carried out in Q4 2020. Excluding this write-down, pro forma net leverage is 4.2x.

Summary Credit Metrics Pro forma

Credit metrics / Pro forma ("PF") components	LTM12/20 Pro Forma 4)
Leverage ratios 4)	
Net Debt / EBITDA	4.4x
Gross Debt / EBITDA	9.6x
Debt / Equity	3.5x
Cash & cash equivalents	181.4m
Gross Debt 1)	372.1m
Net Debt 2)	172.3m
Equity 4)	106.2m
Adj. PF Group EBITDA 3)	38.7m

1) Incl. IFRS lease liabilities and provisions

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

3) Pro forma LTM12/20

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

Pro forma 12 clinics – Highlights Q4 and LTM12/2020

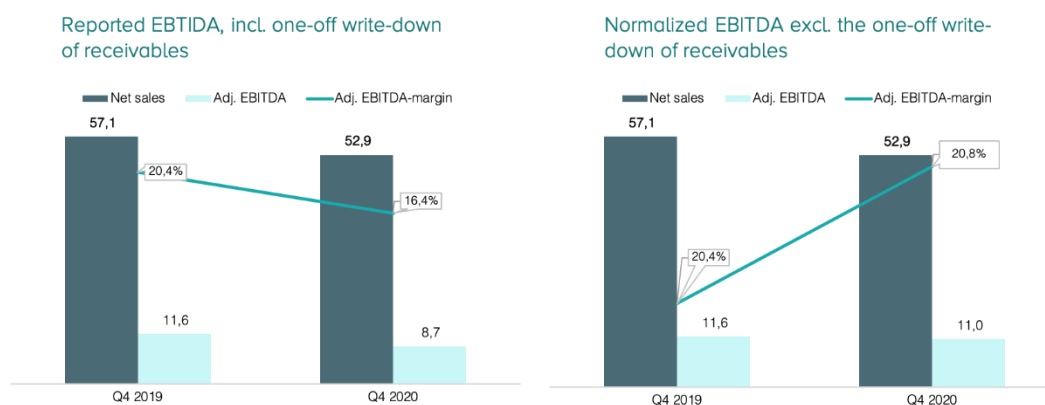
LTM 12/2020 Net Sales lower than FY 2019 but clinics EBITDA margin resilient above 20%

Considering the challenging period of adapting to the Covid-19 pandemic, the Dentalum clinics have been resilient and experienced lower impact on patient inflow and performance compared to the first wave of Corona. The clinics have kept sustainable profitability by adjusting expenses to the decrease in patient inflow related to concerns about the Corona virus.

- Pro forma revenues and profitability
 - On a proforma consolidated basis, total clinic revenues LTM12/2020 amount to 199.5 million, which is a decrease by 3.9 million vs LTM12/2020 and 26.5 million vs FY2019, corresponding to a decline of 2% and 12% respectively.
 - In Q4 2020, clinic revenues decreased by approximately 7% vs. Q4 2019, from 57.1 million to 53 million.
 - Certain clinics have increased EBITDA in Q4 2020 vs Q4 2019 and the EBITDA margin for the 12 clinics increased to 20.8% in Q4 2020 vs 20.4% in Q4 2019.

Pro forma 12 clinics Q4 2020 vs Q4 2019

On a pro forma basis, revenues in the clinics, decreased by approximately 7% in Q4 2020 vs. pro-forma Q4 2019. Pro forma EBITDA decreased by approx. 25% in Q4 2020 vs pro-forma Q4 2019. The decrease in EBITDA is to a large extent driven by a one-time write-down of accounts receivables amounting to 2.3 million, as part of conditions precedent for an acquisition carried out in Q4 2020. Adjusted for this write-off, the decrease in EBITDA in Q4 2020 vs pro-forma Q4 2019 was 5.2%.



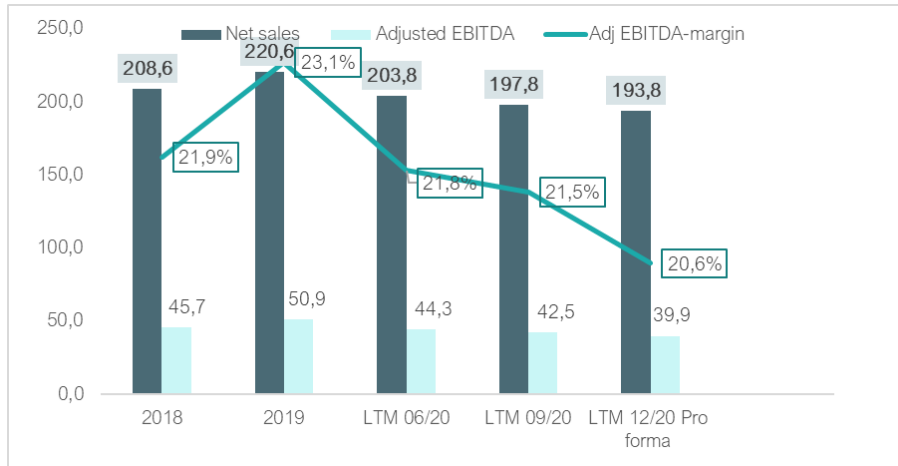
Pro forma 12 clinics Q4 2020 vs Q4 2020 ¹⁾

SEKm	Q4 2019	Q4 2020	FY 2019	FY 2020
Net sales	57,1	52,9	220,4	193,8
Other operating income		0,1	0,1	5,7
Total income	57,1	53,0	220,5	199,5
Expenses	-45,5	-44,3	-169,6	-159,6
Direct expenses	-7,7	-5,3	-36,9	-28,1
Other external expenses	-12,7	-12,1	-33,9	-39,0
Personnel expenses	-25,2	-26,8	-98,8	-92,5
Adj. PF Clinic EBITDA	11,6	8,7	50,9	39,9
Dentalum overhead expenses	-0,9	-2,0	-0,9	-8,5
IFRS adjustments	n.a.	n.a.	6,3	7,2
Adj. PF Group EBITDA	10,7	6,7	56,3	38,6

¹⁾Incl. one-off write-down of receivables in Q4 2020

Development of Clinics Net sales and profitability

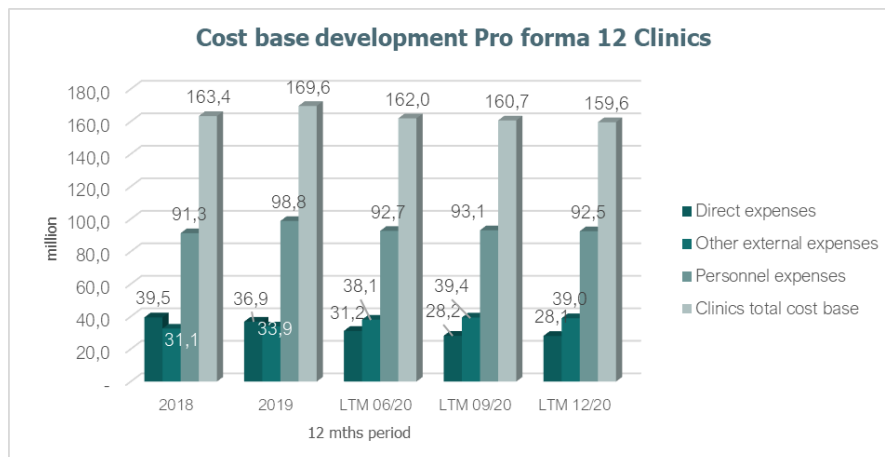
Pro forma 12 clinics LTM12/20



Development of costs

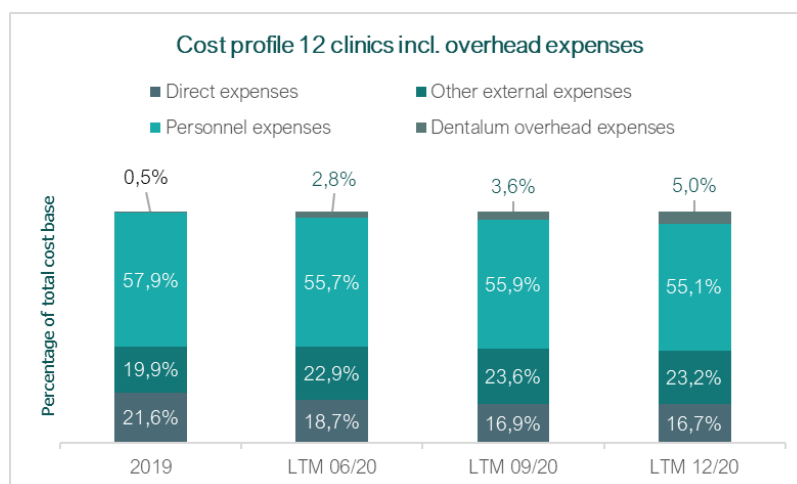
• Clinics cost base pro forma

- The clinics have managed to, partially, adjust expenses to the lower revenues by pro-active expense management.
- Total expenses in Q4 and LTM12/2020 continued to decline, however to a lower extent than the decline in revenues.
 - Total expenses LTM12/2020 decreased by 5.9% to 159.6 million vs. FY 2019 (169.6 million) and by 2.8% to 44.3 million in Q4/2020 vs. 45.5 million in Q4/2019.
 - Direct expenses decreased by 23.8% to 28.1 million in LTM12/2020 vs FY 2019 (36.9million) and by 30.8% to 5.3 million in Q4/2020 vs. 7.7 million in Q4 of 2019.
 - Other external expenses, including costs for premises, insurances, decreased by 4.3% to 12.1 million in Q4/2020 vs 12.7 million in Q4/2019, but increased on an LTM12/2020 basis by 14.8%, to 39 million (33.9 million FY2019).
 - Personnel expenses decreased by 6.4% to 92.5 million in LTM12 vs 98.8 million in FY 2019. In Q4 2020 personnel expenses amounts to 25.2 million which is an increase by 6.6% vs. 26.8 million in Q4/2019.



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 16.7% in LTM12/2020 from 21.6% in FY 2019.



Pro forma 12 clinics incl. Dentalum overhead expenses and IFRS 16 adjustments

Dentalum development

SEKm	Pro forma 12 clinics			
	2019	LTM 06/20	LTM 09/20	LTM 12/20
Net sales	220,4	203,7	197,8	193,8
Other operating income	0,1	2,8	3,7	5,7
Total income	220,5	206,5	201,5	199,5
Expenses	-169,6	-162,0	-159,0	-159,6
Direct expenses	-36,9	-31,2	-30,5	-28,1
Other external expenses	-33,9	-38,1	-37,6	-39,0
Personnel expenses	-98,8	-92,7	-90,9	-92,5
Adj. PF Clinic EBITDA	50,9	44,5	42,5	39,9
Adj. PF Clinic EBITDA	50,9	44,5	42,5	39,9
Dentalum overhead expenses	-0,9	-4,6	-6,0	-8,5
IFRS adjustments	6,3	6,3	6,3	7,2
Adj. PF Group EBITDA	56,3	46,2	42,8	38,7

KPIs	Pro forma 12 clinics			
	2019	LTM 06/20	LTM 09/20	LTM 12/20
Change in net sales	n.a.	-7,5%	-2,9%	-2,0%
Change in PF Clinic EBITDA		-12,5%	-4,6%	-6,0%
Adj. PF Clinic EBITDA-margin	23,1%	21,9%	21,5%	20,6%
Adj. PF Group EBITDA-margin	25,5%	22,7%	21,6%	20,0%
Direct expenses %	16,7%	15,3%	15,4%	14,5%
Other external expenses %	15,4%	18,7%	19,0%	20,1%
Personnel expenses %	44,8%	45,5%	46,0%	47,7%
Dentalum overhead expenses %	0,4%	2,3%	3,0%	4,4%

LTM12/20 EBITDA includes a one-time write-down of receivables of 2.3m, as part of an M&A closing in Q4 2020.