

Interim report

October-December 2017

Q4



Humana is a leading Nordic public care company. The company is the market leader within individual and family care and personal assistance. In Norway and Finland, Humana is the second-largest provider within individual and family care. Humana has approx. 15,000 employees who all work with a shared vision – Everyone is entitled to a good life. The company had annual revenue of SEK 6,557 M in 2017. Humana is a growth company with a focus on quality and customer satisfaction. Humana has been listed on Nasdaq Stockholm since 2016. The company's headquarters are located in Stockholm, Sweden. Read more about Humana on www.humana.se or <http://corporate.humana.se>.

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Humana



Clear improvements in Individual & Family and better cash flow

Fourth quarter: October-December 2017

- **Operating revenue** was SEK 1,616 M (1,681), a decrease of 4% or SEK 65 M. The majority of the decrease is attributable to the disposal of the home care services business.
- **Operating profit** was SEK 66 M (73).
- **Net profit after tax for the period** was SEK 34 M (34).
- **Earnings per share for the period** before and after dilution were SEK 0.63 (0.65).
- **Operating cash flow** was SEK 197 M (-247).

Full year: January-December 2017

- **Operating revenue** was SEK 6,557 M (6,362), an increase of 3% or SEK 195 M.
- **Operating profit** was SEK 316 M (329).
- **Net profit after tax for the year** was SEK 194 M (170).
- **Earnings per share for the year** before and after dilution were SEK 3.64 (2.87).
- **Operating cash flow** was SEK 184 M (-134).

Events during the fourth quarter

- Humana acquired Ryhmäkoti Raide Oy in Finland in October 2017.

Events after the end of the year

- The Board proposes that the 2018 AGM approve a dividend of SEK 0.60 per share for the 2017 financial year and that the remaining profit be carried forward.
- The government continues to propose a cap on profits in the welfare sector.

Revenue and profit

SEK M	Oct-Dec 2017	Oct-Dec 2016	%	Jan-Dec 2017	Jan-Dec 2016	%
Net revenue	1 616	1 681	-4%	6 542	6 362	3%
Other revenue	0	0	n/a	14	0	n/a
Operating revenue	1 616	1 681	-4%	6 557	6 362	3%
Operating profit	66	73	-10%	316	329	-4%
Adjusted operating profit	66	73	-10%	316	369	-14%
Net profit for the period	34	34	-2%	194	170	14%
Operating cash flow	197	-247	n/a	184	-134	n/a



Humana

Measures taken in Individual & Family give results

“Individual & Family shows improvements and the business area reports earnings growth for the quarter. Performance in Personal Assistance is strong despite a challenging market. Results in Norway are disappointing and improvement efforts are being intensified.”

For Humana 2017 was a challenging year characterised by transition and efficiency efforts in many parts of the business. The majority of the capacity increase in the individual and family care market in Sweden and Norway that came about during the refugee crisis has been reduced or adapted to other forms of care. For Humana, the transition in Individual & Family has been completed and we see a clear improvement in earnings in the fourth quarter due to implemented measures. We are thereby entering 2018 significantly stronger.



Market conditions in personal assistance have been challenging in recent years. Salary increases that exceed the increase in the state reimbursement level has put further pressure on profitability and at the same time restrictive assessments have resulted in a reduction in the number of individuals entitled to personal assistance. It is tragic to note that the short-sighted money saving actions of politicians have affected thousands of people in our society who greatly need help. As expected, we do not see any cost savings from a societal perspective as municipal budgets become increasingly strained. However, the market climate at the beginning of the year seems more positive and we are pleased to see that Humana’s advocacy during the year has yielded results.

Our growth investment in elderly housing under our own management during the year resulted in significant start-up costs, which, together with the sale of the home care services business, impacts profit. A gradual increase in capacity utilisation in

recently opened units, good growth opportunities and a strong interest in Humana’s concept makes this effort very promising for the future.

Developments in the Norwegian operation are disappointing and explain the entire decline in the Other Nordics business area. During the quarter we took additional measures to correct capacity utilisation and increase efficiency. The Norwegian market is challenging for many providers and more time is required to reverse the trend in Norway. Operations in Finland are developing well and the market there is a focus area for Humana’s future growth initiatives.

The political debate held at the national level in Sweden with proposals for far-reaching profit constraints continued during the year. At the beginning of 2018 the government presented a proposal to the Council on Legislation for limiting profits in the welfare sector. The proposal, which is not supported by a majority in the parliament, would have disastrous consequences if it was forced through, not just for private welfare companies; it would basically place a restriction on free enterprise in Sweden.

To summarise the year, we have worked intensively to increase efficiency and strengthen Humana’s profitability. The positive cash flow at the end of the year have reduced Humana’s debt. Our efforts are paying off and in 2018 we look forward with confidence to increasing our focus on growth, both organically and through acquisitions.

Stockholm, 21 February 2018

Rasmus Nerman, President and CEO
Humana AB



Operating revenue by business area

SEK M	Oct-Dec	Oct-Dec	%	Jan-Dec	Jan-Dec	%
	2017	2016		2017	2016	
Individual & Family	553	560	-1%	2 212	2 214	0%
Personal Assistance	653	651	0%	2 621	2 645	-1%
Elderly Care	92	147	-38%	521	580	-10%
Other Nordics	319	322	-1%	1 188	924	29%
Other revenue 2)	0	0	n/a	15	0	n/a
Total operating revenue	1 616	1 681	-4%	6 557	6 362	3%

Organic growth by business area ¹⁾

%	Oct-Dec	Oct-Dec	%	Jan-Dec	Jan-Dec
	2017	2016		2017	2016
Individual & Family	-2.9%	-2.5%		-2.8%	4.4%
Personal Assistance	0.2%	-3.2%		-0.9%	-1.6%
Elderly Care	13.2%	-0.8%		12.2%	-1.0%
Other Nordics, constant currency	-7.4%	27.4%		-5.4%	7.0%
Total organic growth, constant currency rate	-1.7%	-0.5%		-1.3%	1.1%

Operating profit by business area

SEK M	Oct-Dec	Oct-Dec	%	Jan-Dec	Jan-Dec	%
	2017	2016		2017	2016	
Individual & Family	44	34	27%	191	211	-10%
Personal Assistance	46	34	35%	160	151	6%
Elderly Care	-8	-2	n/a	-18	-6	n/a
Other Nordics	7	23	-70%	62	89	-30%
Central costs/other 2) 3)	-22	-16	n/a	-79	-115	n/a
Total operating profit	66	73	-10%	316	329	-4%

Operating profit margin by business area

%	Oct-Dec	Oct-Dec	%	Jan-Dec	Jan-Dec
	2017	2016		2017	2016
Individual & Family	7.9%	6.1%		8.6%	9.5%
Personal Assistance	7.0%	5.2%		6.1%	5.7%
Elderly Care	-8.7%	-1.5%		-3.4%	-1.1%
Other Nordics	2.2%	7.3%		5.2%	9.6%
Total operating profit margin	4.1%	4.3%		4.8%	5.2%

1) Like-for-like growth for companies that Humana owned in the preceding comparison period.

2) Operating profit full-year 2016 includes SEK 40 M in IPO costs and SEK 16 M in acquisition costs. Included in 2017 is a capital gain of SEK 14 M from the disposal of property (sale-and-leaseback) in second quarter. Third quarter 2017 operating profit includes SEK 1 M in acquisition costs, YTD SEK 4 M.

3) Third quarter 2017 operating profit includes a SEK 14 M loss from the sale of the Home Care business.



Group performance

Revenue

Operating revenue in the fourth quarter decreased by 4% or SEK 65 M to SEK 1,616 M (1,681), which is below Humana's target of an annual growth increase of 8-10%. The decrease in revenue is explained by the disposal of the home care service business as of 1 September, lower acquisition activity than previously and a continued slightly lower capacity utilisation in parts of Individual & Family. The restructuring of several units in Norway, leading to lower capacity utilisation in the Norwegian operations, also had a negative effect on consolidated revenues. Operations under our own management accounted for 95% of revenues. Acquired operations, that is, companies that were not owned throughout the previous comparative period, contributed SEK 40 M to revenues in the quarter. Organically, revenue decreased by 1.7%, which is explained by a continued slightly lower capacity utilisation in children and adolescents in Individual & Family and a weak development in Norway.

For the full year 2017, operating revenue increased by 3% to SEK 6,557 M (6,362), which is not in line with the growth target. Acquired companies contributed SEK 823 M to operating revenue. Organically, that is, excluding acquisitions, revenue decreased by 1.3%. As it was for the quarter, the decrease is attributable to the restructuring of some units in Individual & Family, which had slightly lower capacity utilisation, the restructuring of several units and the start-up of new units in Norway that do not yet have a satisfactory capacity utilisation.

Profit

Operating profit for the fourth quarter amounted to SEK 66 M (73), corresponding to an operating margin of 4.1% (4.3). Acquisitions contributed SEK 4 M to operating profit. Profit was affected by lower capacity utilisation in Norway and costs for the start-up and restructuring of units in Norway. Profit was also reduced by start-up costs of SEK 6 million for elderly housing in Växjö and Åkersberga. Profit after tax for the period was unchanged compared to the previous year and amounted to SEK 34 M (34).

Operating profit for the year amounted to SEK 316 M (329), corresponding to an operating margin of 4.8% (5.2). Profit included SEK 14 M in capital gains from property sales and SEK -14 M in capital losses from the sale of the home care service business. Adjusted operating profit amounted to SEK 316 M (369 excluding costs of IPO of SEK 40 M), corresponding to an adjusted operating margin of 4.8% (5.8). Acquired companies contributed SEK 66 M to profit. The decline in profit for the year was largely explained by weak developments in the Norwegian market with lower capacity utilisation compared with the previous year and significant costs for the restructuring and start-up of new operations. Lower capacity utilisation in the children and adolescents area in Individual & Family also contributed to the lower profit. Profit after tax for the year increased due to improved net financial items, amounting to SEK 194 M (170).

Events during the year

Fourth quarter 2017

- Humana acquired Ryhmäkoti Raide Oy in Finland in October 2017 (Other Nordics).

Third quarter 2017

- New collective agreement for companies active in personal assistance in Sweden (Personal Assistance).
- Proposed state reimbursement level increase in personal assistance in Sweden of 1.5% per hour to SEK 295.4 (Personal Assistance).
- Agreement regarding the fifth elderly housing unit under own management. The accommodation, located in Kungsängen outside Stockholm, will have 72 apartments and is scheduled to open in 2019 (Elderly Care).
- Humana disposed of its home care service business as of 1 September (Elderly Care). The capital loss charged to the third quarter amounted to SEK 14 M. Full year revenues amounted to approximately SEK 250 M.
- Humana acquired Nordic Senior Services Oy in Finland (Other Nordics). The acquisition meant an expansion of Humana's service area to include elderly care and LSS.

Second quarter 2017

- Humana disposed of 16 properties in Sweden. The purchase price amounted to SEK 135 M with a capital gain of SEK 14 M.
- Humana's AGM approved a dividend of SEK 0.50 per share for the 2016 financial year.

First quarter 2017

- Humana acquired Skellefteå Stöd och Behandling AB (Individual & Family).
- Humana intends to open its fourth elderly housing unit under own management in 2018 (Elderly Care).



Events after the end of the quarter

- Humana's Board proposes that the 2018 AGM approve a dividend of SEK 0.60 per share for 2017.
- The government continues to propose a cap on profits in the welfare sector. The proposal referred to the Council on Legislation for consideration, which currently has no majority in the parliament, aims to limit profits to 7% of operating capital.
- Andreas Westlund is appointed as new business area manager for Personal Assistance.

Business area performance

Individual & Family

Revenue decreased by 1% in the quarter to SEK 533 M (560). Revenues for the full year were in line with the previous year and amounted to SEK 2,212 M (2,214). Organically the revenue decreased by 2.9% in the quarter and 2.8% for the year. The lower revenue is mainly due to a continued slightly lower capacity utilisation in the children and youth area. Acquisitions contributed SEK 13 M to revenue in the quarter and SEK 40 M for the year.

Operating profit increased by 27% to SEK 44 M (34), corresponding to an operating margin of 7.9% (6.1) in the quarter. The increase is mainly due to lower costs resulting from implemented action programmes. Acquisitions contributed SEK 4 M to profit in the quarter. Operating profit for the year declined somewhat to SEK 191 M (211). Acquisitions contributed SEK 18 M to profit for the year. The decline in profit for the year is largely explained by a somewhat lower degree of capacity utilisation in the children and youth area, as well as costs for conversion and measures to increase cost efficiency in the business area. The expectation for fiscal year 2018 is for the operating margin to be back at 9-10% for the business area.

Personal Assistance

Revenue for the quarter amounted to SEK 653 M (651) and SEK 2,621 M (2,645) for the full year. An increase in the state reimbursement level of 1.0% compared to last year influenced these figures. The number of customers and the number of assistance hours delivered continued to decline somewhat during the quarter as a result of the Social Insurance Board's (Försäkringskassan) very restrictive application of current regulations.

Operating profit for the quarter increased by 35% to SEK 46 M (34), corresponding to an operating margin of 7.0% (5.2) for the quarter. For the full year, operating profit increased to SEK 160 M (151). The profit increase for the year was achieved in a market with fewer customers, increased social security contributions for young people and a personnel cost increase that exceeds the increase in the state reimbursement level.

As of 1 January 2018, the government implemented an increase in the state reimbursement level for personal assistance companies of 1.5% per hour (1.0% increase 2017). The increase meant that the allowance per hour increased from today's SEK 291 to SEK 295.40. The increase is a step in the right direction for the industry, although the increase does not fully offset the contractual salary cost increase of 2.2%.

In November 2017, the government proposed a temporary amendment to the law starting 1 April, meaning that the two-year reviews for persons who have been granted personal assistance will be stopped ("Emergency Stop"). The stop is expected to contribute to a certain amount of stability to the market.

Elderly Care

Revenues in Elderly Care amounted to SEK 92 M (147, of which home care service business was 65) in the fourth quarter, a decrease of 38%. Revenues for the full year amounted to SEK 521 M (580), of which home care services contributed SEK 178 M (274). Adjusted for the sold home care services business, revenues for the full year increased to SEK 343 M (306). Organic revenue increased by 13.2% for the quarter and 12.2% for the year.

Operating profit was SEK -8 M (-2) for the quarter. Operating profit for the year was SEK -18 M (-6). Divested operations affected profit for the full year by SEK -7 M (-5). The decline in profit in the quarter is explained by start-up costs for the elderly housing units in Växjö and Åkersberga of SEK 6 M. The decline in profit for the year is explained by losses in the now divested home care service business and start-up costs for new elderly housing units.

The home care service business was divested as of 1 September 2017 with a capital loss of SEK 14 M.

Two additional elderly housing units under our own management in Staffanstorp and Kungsängen are scheduled to open in 2019.

**Other Nordics**

Revenues in Other Nordics amounted to SEK 319 M (322) in the fourth quarter, a decrease of 1%. Organically, revenue decreased by 7.4%. The organic decrease is explained by a significantly lower capacity utilisation in the Norwegian operations due to the conversion of migration-related units. Finnish operations show good growth. Acquisitions contributed SEK 27 M to revenue in the quarter. For the year, revenue amounted to SEK 1,188 M (924), an increase of 29% or SEK 264 M. Acquisitions contributed SEK 743 M.

Operating profit for the fourth quarter amounted to SEK 7 M (23), corresponding to an operating margin of 2.2% (7.3). Acquisitions contributed SEK 1 M to profit. For the period, operating profit decreased to SEK 62 M (89), of which acquisitions contributed SEK 48 M. The decrease is entirely due to a weak development in Norway and is explained by costs for the start-up of new units that are not yet contributing to revenue, lower capacity utilisation and costs for restructuring the Norwegian business. Further restructuring work remains, which means that it will take some time before we see the effects, but the target of an operating margin for the full year 2018 above the Group remains.

Financial position**Financing**

At the end of December 2017, group equity amounted to SEK 1,891 M (1,726 at 31 December 2016), equivalent to an equity/assets ratio of 37.3% (34.8). Humana's interest-bearing net debt amounted to SEK 1,440 M (1,628), a decrease of 12% that is mainly due to lower accounts receivables and stabilisation of tied-up capital in Personal Assistance. Since its introduction in October 2016, payment in arrears in personal assistance has resulted in increased working capital of approximately SEK 360 M. In 2017, the increase in working capital due to the changed payment principle in Personal Assistance was SEK 7 M.

Humana's interest-bearing net debt in relation to EBITDA at the end of the year was 3.8 times (3.9), which is above the company's net debt target. The goal is for interest-bearing net debt to not exceed 3.0 times EBITDA over time.

Financial position

SEK M	31 Dec 2017	31 Dec 2016
Non-current interest-bearing liabilities	1 345	1 405
Current interest-bearing liabilities	680	687
Cash and cash equivalents	-584	-465
Interest-bearing net debt	1 440	1 628
Equity/assets ratio, %	37.3%	34.8%
Interest-bearing net debt/adjusted EBITDA 12 months, times	3.8x	3.9x

Cash flow and capital expenditures

Operating cash flow during the year improved substantially to SEK 184 M (-134), an improvement of SEK 318 M. Essentially, the improvement is explained by a decrease in tied-up capital of SEK -41 M (-371). The stronger working capital in the fourth quarter is explained by lower accounts receivables and slightly lower tied-up capital in Personal Assistance. Investments during the year increased somewhat compared with last year to SEK -151 M (-142). The net effect of acquisitions on cash flow was SEK -42 M (-474), of which SEK -5 M (-19) was for settlement of earn-out payments related to acquisitions from previous years. Cash flow from financing activities was SEK -75 M (SEK 733 M including the IPO's new share issue). Cash flow for the year was SEK 106 M (-44).

Financial targets**Revenue growth**

Annual growth of 8-10% in the medium term, achieved through organic growth as well as bolt-on acquisitions.

Profitability

EBIT margin of approximately 6% over the medium term.

Capital structure

Interest-bearing net debt in relation to EBITDA not to exceed a factor of 3.0 However, leverage may temporarily exceed the target level, for example, in relation to acquisitions.

Dividend policy

Payment of a dividend equivalent to 30% of net profit for the year. The proposed dividend shall consider Humana's long-term development potential and financial position.



Humana

Other information

Employees

The number of full time employees at the end of December 2017 was 9,503 (10,091 per end of December 2016).

Shares, share capital and shareholders

The number of shares in Humana AB at the end of December 2017 amounted to 53,140,064 shares with a quotient value of SEK 0.022, corresponding to share capital of SEK 1,180,879. The number of shareholders at the end of December 2017 was 3,718. The five largest shareholders were Air Syndication SCA (Argan), Incentive AS, Nordea Investment Funds, Zirkona AB (Per Granath) and UBS AG London Branch.

Marketplace

Humana AB shares trade on the Nasdaq Stockholm Main Market. The company's ticker symbol is HUM and the ISIN code is SE0008040653.

Share-based incentive programme

Humana has two long-term incentive programmes: one warrant programme for eight of the Company's senior executives and one share savings programme for 187 other Humana employees.

The warrant programme comprises a total of 1,440,420 warrants entitling holders to subscribe for the same number of new Humana shares. The participants acquired the warrants at market value, amounting to a total of approximately SEK 5.5 M, a total dilution of approximately 2.7 percent of Humana's total number of shares. The warrants have been issued in three series with different maturities.

Those who retain their savings shares over the share savings programme's three-year period will receive matching shares for each savings share acquired at the end of those three years. At full allotment, the total number of shares amounts to a maximum of 106,000 shares, corresponding to approximately 0.2 percent of the total number of outstanding shares in the Company. Costs for the share savings programme amounted to SEK 0.6 M in the fourth quarter and to SEK 2.4 M for the year. More information is available in the 2016 Annual Report.

2018 Annual General Meeting

Humana's 2018 Annual General Meeting will be held Wednesday, 16 May at 1:00 pm CET at Lindhagen Mat & Möten, Kungsholmen auditorium Horn, Lindhagensgatan 126, Kungsholmen. The annual report for 2017 is expected to be available in early April and will be published on Humana's website at <http://corporate.humana.se/en>.

Dividend

Humana's Board proposes that the 2018 AGM approve a dividend of SEK 0.60 per share for the 2017 financial year and that the remaining profit be carried forward.

Related-party transactions

The Group's key persons consist of the Board of Directors, group management and CEO – in part through ownership in Humana and in part through the executives' roles. Related parties also include the principal shareholder, Air Syndication S.C.A. Related-party transactions are conducted on an arm's length basis.

Risks and uncertainties

While doing business the Group is exposed to various types of financial risk. These risks can be summarised as financing risk, liquidity risk, credit risk and interest rate risk. A detailed description of risks is provided in the risk section of the 2016 Annual Report, pages 70-73 and in Note K21.

The main business-related risks and uncertainties that could affect the Group's performance in 2017 are related to political decisions that could affect private care companies, along with risks associated with the implementation of completed acquisitions.

Humana's business is funded by governments, municipalities and county councils, entailing that the business is impacted by political decisions. This means that Humana's growth opportunities are affected by public opinion and by politicians' views of the Group's areas of operation. Humana uses business intelligence to promptly identify changes in the external operating environment and can thereby assess risks and opportunities and adapt its operations to changes in the Group's operating environment. The political situation is evaluated on a continuous basis.



Humana

Parent Company

Profit for the year was SEK -64 M (54). The Parent Company's equity/assets ratio was 44.5% (43.6%).

This interim report was not subject to a review as per ISRE 2410 by the Company's auditors.

This information is information that Humana AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 08:00 CET on 21 February 2018.

Conference call

A conference call will be held today, 21 February, at 09:00 CET, at which President and CEO Rasmus Nerman and CFO Ulf Bonnevier will present the report and answer questions. To participate, please call:

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The Board of Directors and President certify that the fourth quarter report gives a true and fair presentation of the Parent Company's and Group's business, financial position and result of operations, and describes the material risks and uncertainties facing the Parent Company and the Group.

Stockholm, February 21, 2018

Rasmus Nerman

President and CEO

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Financial calendar 2018

Interim report Jan-Mar 2018 16 May 2018

AGM 16 May 2018

Interim report Apr-Jun 2018 17 Aug 2018

Interim report Jul-Sep 2018 16 Nov 2018



Consolidated income statement

SEK M	Note	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net revenue		1 616	1 681	6 542	6 362
Other revenue		0	0	14	0
Operating revenue	3	1 616	1 681	6 557	6 362
Other external costs		-264	-272	-1 016	-963
Personnel costs		-1 269	-1 320	-5 145	-4 964
Depreciation		-15	-15	-60	-50
Other operating costs		-2	-1	-19	-57
Operating costs		-1 551	-1 608	-6 241	-6 033
Operating profit		66	73	316	329
Financial revenue		1	1	4	11
Financial costs		-23	-32	-79	-140
Unrealised changes in value of derivatives		0	6	9	27
Profit before tax		44	48	250	228
Income tax		-11	-14	-57	-58
Net profit for the period		34	34	194	170
Of which, attributable to:					
Owners of the Parent Company		34	34	194	170
Net profit for the period		34	34	194	170
Earnings per ordinary share, SEK, before dilution	5	0.63	0.65	3.64	2.87
Earnings per ordinary share, SEK, after dilution	5	0.63	0.65	3.64	2.87
Average number of ordinary share, thousands		53 140	53 140	53 140	51 514

Consolidated statement of comprehensive income

SEK M	Note	Oct-Dec 2017	Oct-Dec 2016	Jan-Sep 2017	Jan-Dec 2016
Net profit		34	34	194	170
Other comprehensive income					
Items that have been/can be reclassified to profit/loss					
Exchange rate differences on translation of foreign operation		0	-6	-4	15
Comprehensive income for the period		34	28	190	185
Of which, attributable to:					
Owners of the Parent Company		34	28	190	185



Consolidated balance sheet in summary

SEK M	Note	31 Dec 2017	31 Dec 2016
Assets			
Non-current assets			
Goodwill	4	3 104	3 089
Other intangible assets		10	13
Property, plant and equipment		413	405
Financial assets		14	6
Total non-current assets		3 541	3 514
Current assets			
Trade receivables		489	523
Other current receivables		452	459
Cash and cash equivalents		584	465
Total current assets		1 525	1 446
TOTAL ASSETS		5 065	4 960
Equity and liabilities			
Equity			
Share capital		1	1
Additional paid-in capital		1 092	1 091
Retained earnings		797	634
Equity attributable to owners of the parent company		1 891	1 726
Non-current liabilities			
Interest-bearing liabilities		1 345	1 405
Deferred tax liabilities		78	78
Total non-current liabilities		1 423	1 484
Current liabilities			
Interest-bearing liabilities		680	687
Trade payables		93	103
Other current liabilities		979	960
Total current liabilities		1 752	1 750
TOTAL EQUITY AND LIABILITIES		5 065	4 960

**Consolidated statement of changes in equity in summary**

SEK M	Share Capital	Additional paid-in capital	Translation reserve	Retained earnings	Total equity
Opening balance, 1 January 2016	1	642	-7	457	1 093
Comprehensive income for the period					
Profit for the period	-	-	-	170	170
Other comprehensive income for the period	-	-	15	-	15
Total comprehensive income for the period	-	-	15	170	185
Transactions with Company owners					
New share issue	0	450	-	-	450
IPO expenses	-	-8	-	-	-8
Tax on IPO expenses	-	2	-	-	2
New share option issue	-	5	-	-	5
Total transactions with Company owners	-	448	-	-	448
Closing balance, 31 December 2016	1	1 091	8	626	1 726
Opening balance, 1 January 2017	1	1 091	8	626	1 726
Comprehensive income for the period					
Profit for the period	-	-	-	194	194
Other comprehensive income for the period	-	-	-4	-	-4
Total comprehensive income for the period	-	-	-4	194	190
Transactions with Company owners					
Dividend	-	-	-	-27	-27
Share-savings plan	-	2	-	-	2
Total transactions with Company owners	-	2	-	-27	-25
Closing balance, 31 December 2017	1	1 092	4	793	1 891

**Consolidated statement of cash flows in summary**

SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Profit before tax	44	48	250	228
Adjustment for:				
Depreciation	15	15	60	50
Financial items, net	22	25	66	101
Cash flow from operating activities before changes in working capital	81	88	376	379
Changes in working capital	157	-278	-41	-372
Cash flow from operating activities	238	-190	335	8
Financial items, net	-21	-20	-64	-99
Income tax paid	-7	-7	-30	-70
Cash flow from operating activities, net	210	-217	241	-161
Acquisition of subsidiaries, net cash impact	-13	-19	-42	-474
Sales of subsidiaries, net cash impact	-8	0	133	0
Investments in other non-current assets, net	-41	-57	-151	-142
Cash flow from investing activities	-62	-76	-60	-616
Proceeds from new borrowings	0	350	7	1 969
Repayment of borrowings	0	0	-56	-1 678
Dividend	0	0	-27	0
New share issue	0	0	0	442
Cash flow from financing activities	0	350	-75	733
Cash flow for the period	148	57	106	-44
Cash and cash equivalents at start of period	432	395	465	501
Exchange rate difference in cash/cash equivalents	4	13	13	8
Cash and cash equivalents at end of period	584	465	584	465



Key ratios

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating revenue	1 616	1 681	6 557	6 362
EBIT, %	4.1%	4.3%	4.8%	5.2%
Interest-bearing net debt, SEK M	1 440	1 628	1 440	1 628
Return on capital employed, %	1.7%	2.0%	8.2%	8.9%
Equity/assets ratio, %	37.3%	34.8%	37.3%	34.8%
Operating cash flow	197	-247	184	-134
Interest-bearing net debt/Adjusted EBITDA 12 months, times	3.8x	3.9x	3.8x	3.9x
Average number full-time employees Individual & Family	2 347	2 563	2 483	2 528
Average number full-time employees Personal Assistance	4 969	4 997	5 097	5 198
Average number full-time employees Elderly Care	653	1 246	1 028	1 248
Average number full-time employees Other Nordic	1 454	1 289	1 372	920
Average number full-time employees Central functions	23	21	23	19
Total average number full-time employees	9 445	10 116	10 003	9 912
Number of full-time employees on the closing date	9 503	10 091	9 503	10 091
Average number of customers Individual & Family	2 018	2 115	2 064	2 165
Average number of customers Personal Assistance	1 844	1 883	1 866	1 904
Average number of customers Elderly Care	579	3 068	1 946	3 006
Average number of customers Other Nordic	2 734	2 134	2 441	1 286
Total average number of customers	7 176	9 199	8 316	8 361
Average number of ordinary shares on the closing date, 000s	53 140	53 140	53 140	51 514
Equity per ordinary share, SEK	36	32	36	34



Parent company

Income statement in summary

	Jan-Dec	Jan-Dec
SEK M	2017	2016
Operating revenue	5	5
Operating costs	-19	-54
Operating profit	-13	-48
Group contribution	150	155
Interest revenue from group companies	0	0
Interest cost	-46	-36
Profit after financial items	90	70
Change untaxed reserves	-8	-1
Tax	-18	-15
Net profit for the period	64	54

Balance sheet in summary

	31 Dec	31 Dec
SEK M	2017	2016
Non-current assets	1 625	1 623
Current assets	1 905	1 890
TOTAL ASSETS	3 530	3 513
Equity	1 571	1 532
Untaxed reserves	179	171
Non-current Interest-bearing liabilities	1 296	1 354
Other current liabilities	485	456
TOTAL EQUITY AND LIABILITIES	3 530	3 513



Notes

Note 1 Accounting policies

This report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting along with applicable stipulations of the Swedish Annual Accounts Act. The report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act – Interim Reports. For the Group, the same accounting policies and bases of calculation have been used as in the annual report for 2016, which was prepared in accordance with International Financial Reporting Standards as endorsed by the EU, and interpretations of these. No changes have been made in the Group's accounting policies.

Disclosures in accordance with IAS 34.16A appear in the financial statements and their associated notes as well as in the interim information on pages 2-8, which form an integral part of this financial report.

All amounts in this report are stated in millions of Swedish kronor (SEK M) unless otherwise stated. Rounding differences may occur.

New accounting standards not yet applicable

IFRS 9 *Financial Instruments* will replace IAS 39 *Financial Instruments: Recognition and Measurement* on 1 January 2018. The major changes are related to a new model for impairment losses on trade receivables (expected loss vs incurred loss) and changed rules for hedge accounting. IFRS 9 will therefore not have any significant impact on Humana's financial reporting.

IFRS 15 *Revenue from Contracts with Customers* replaces as of 2018 existing IFRSs related to revenue recognition, such as IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. IFRS 15 introduces new ways of determining how and when revenues are to be recognised. Evaluation of the effects on Humana's accounts is ongoing. IFRS 15 will not have a material impact on the Company's income statement or balance sheet.

IFRS 16 *Leasing* will replace IAS 17 *Leasing* and apply as of 1 January 2019. Early adoption is permitted if IFRS 15 *Revenue from Contracts with Customers* is also adopted. The standard requires that the lessee recognise all leases except for those shorter than 12 months or where the lease item is of low value in the balance sheet. It also means that lease payments that are now recognised as other external expenses are replaced by a cost of depreciation on leased assets and an interest expense attributable to lease costs in the income statement.

Note 2 Estimations and assessments

Preparation of financial statements in accordance with IFRS requires that company management makes assessments and estimations along with assumptions that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual outcome may deviate from these estimations and assessments.

Note 3 Operating segments

SEK M	Individual & Family		Personal Assistance		Elderly Care		Other Nordic		Other 1)		Jan-Dec 2016	Jan-Dec 2017
	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2016		
Net revenue – External revenue	2 212	2 214	2 621	2 645	521	580	1 188	924	0	0	6 5	6 5
Other operating revenue	0	0	0	0	0	0	0	0	14	0	0	0
Operating revenue	2 212	2 214	2 621	2 645	521	580	1 188	924	15	0	6 5	6 5
Profit before depreciation, amortisation and other operating costs	221	238	163	153	-12	-1	82	103	-59	-57	3	3
Depreciation	-30	-26	-2	-3	-6	-6	-20	-13	-1	-2	-	-
Other operating costs	0	0	0	0	0	0	0	0	-19	-56	-	-
Operating profit	191	211	160	151	-18	-6	62	89	-79	-115	3	3

1) Operating profit in 2016 includes SEK 40 M in IPO expenses and SEK 16 M in acquisition costs. A capital gain on the sale of property (sale-and-leaseback) of SEK 14 M, acquisition costs of SEK 4 M and capital loss of SEK 14 M for the sale of the Home Care business are included in 2017.

**Note 4** Acquisition of operations**Goodwill**

SEK M	31 Dec 2017	31 Dec 2016
Opening balance, 1 January	3 089	2 584
Acquisitions of subsidiaries	31	463
Adjustment of acquisition analysis	-3	-
Sales of subsidiaries	-	0,0
Impairment of goodwill	-	0,0
Exchange rate differences	-13	42
Closing balance, end of period	3 104	3 089

Acquisitions in 2017

Humana acquired Ryhmäkoti Raide Oy in Finland in October 2017. This acquisition strengthened Humana's current position in Finland in the area of children and adolescents and expanded its offering in the individual and family care area. The company had sales of SEK 7 M in 2016.

Humana acquired Nordic Senior Services Oy in Finland in August 2017. The acquisition strengthens Humana's geographical presence in Finland while expanding its service offer to include elderly care and LSS. The company's revenue in 2017 was SEK 69 M.

In January 2017, Humana acquired Skellefteå Stöd & Behandling AB. The acquisition meant that Humana strengthened its presence in individual and family care in Norrland. Skellefteå Stöd & Behandling runs supportive housing unit Fyren and residential care home Lotsen. The target group is boys ages 14–18 with psychosocial and neuropsychiatric problems (ADHD). The company had sales of SEK 12 M in 2016.

Acquisitions in 2016

Humana completed seven acquisitions during 2016. The acquisitions will help Humana expand into Finland, strengthen its geographic position in Norway and expand its specialisation in individual and family care.

- Nygårds Vård Gotland AB (Individual & Family), in April 2016
- Kvæfjord Oppløvelse og Avlastning AS (Other Nordics), in May 2016
- Arjessa Oy (Other Nordics), in May 2016
- Kilen Akut Behandlingshem AB (Individual & Family), in September 2016
- FUGA omsorg AB (Individual & Family), in September 2016
- Platea AB (Individual & Family), in November 2016
- Pienryhmäkoti Puolenhehtaarin Metsä Oy (Other Nordics), in December 2016

For more information regarding these acquisitions, refer to the Annual Report for 2016.



Net assets in acquired companies as per the acquisition date

SEK M	Smaller acquisitions* and other, total.
Non-current assets	32
Trade receivables and other receivables	24
Cash and cash equivalents	2
Interest-bearing liabilities	-12
Trade payables and other operating liabilities	-26
Deferred tax liability	0
Net identifiable assets and liabilities	20
Goodwill	31
Consideration paid	
Cash and cash equivalents	38
Contingent earn-out payments	0
Total consideration paid	38
Impact on cash and cash equivalents	
Cash consideration paid	38
Cash and cash equivalents in acquired units	-2
Total impact on cash and cash equivalents	36
Settlement of payments attributable to acquisitions in previous years	6
Total impact on cash and cash equivalents	42
Impact on revenue and profit 2017	
Operating revenue	44
Operating profit	6
Net profit impact earn-out payment	0

*The acquisition analysis is preliminary since the final settlement has not been determined.

Goodwill

The goodwill resulting from the acquisitions relates to employee expertise in treatment methods, establishment of market position, the underlying profitability of the acquired units and the synergies expected to arise when the units are integrated with the rest of the Group. No part of the goodwill that arose in 2016 and 2017 is tax deductible.

Acquisition costs

Acquisition costs amounted to SEK -4 M (-16). The costs consist of compensation to consultants and lawyers for financial and legal advice in connection with acquisitions. The costs are recognised as other operating expenses in the income statement.

Note 5 Earnings per share

SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Sep 2017	Jan-Dec 2016
Net profit for the period	34	34	194	170
Less return on preference shares	-	-	-	-22
Profit for the period after return on preference shares	34	34	194	148
Average number of ordinary shares, thousands	53 140	53 140	53 140	51 514
Earnings per ordinary share, SEK, before dilution	0.63	0.65	3.64	2.87
Earnings per ordinary share, SEK, after dilution	0.63	0.65	3.64	2.87



Note 6a Fair value of financial instruments and level of valuation hierarchy

31 December 2017	SEK M	Financial assets/liabilities assessed at fair value through profit and loss	Trade and other receivables	Other liabilities	Total	Fair value	Level 1	Level 2	Level 3
Financial liabilities at fair value									
		1	-	-	1	1	-	1	-
		22	-	-	22	22	-	-	22

31 December 2016	SEK M	Financial assets/liabilities assessed at fair value through profit and loss	Trade and other receivables	Other liabilities	Total	Fair value	Level 1	Level 2	Level 3
Financial liabilities at fair value									
		10	-	-	10	10	-	10	-
		28	-	-	28	28	-	-	28

* Fair value is based on the brokers' quotations. Similar contracts are traded in an active market, and the rates reflect actual transactions for comparable instruments.

Fair value measurement

When the fair value of an asset or liability is to be determined, the Group uses observable data as far as possible. Fair value is categorised in various levels in a fair value hierarchy based on input data that is used in the valuation method as follows:

- Level 1: according to prices quoted in an active market for the same instruments
- Level 2: based on directly or indirectly observable market data that is not included in level 1
- Level 3: based on input data that is not observable in the market

Note 6b Reconciliation of opening and closing balances for financial instruments measured at level 3, earn-out payments

SEK M	31 Dec 2017	31 Dec 2016
Opening balance, 1 January	28	26
Total recognised gains and losses:		
Recognised in adjustment of earn-out payments in profit for the year	0	0
Cost of acquisitions	0	20
Settled during the period	-5	-19
Closing balance, end of period	22	28



Note 7a Financial definitions

Adjusted EBIT

Operating profit adjusted for items affecting comparability.

Average equity

Average equity attributable to owners of the Parent Company per quarter, based on opening and closing balance per quarter.

Average number of customers

Average number of customers during the period.

Average number of ordinary shares

Average of number of shares outstanding on a daily basis after redemptions and repurchases.

Average number of full-time employees

Average number of full-time employees over the entire period.

Capital employed

Total assets less non-interest-bearing liabilities.

Earnings per ordinary share for the period

Profit for the period attributable to owners of the Parent Company less the period's share of declared dividend on preferred shares, divided by average number of ordinary shares.

EBIT

Operating profit before interest and tax.

EBIT margin (%)

EBIT divided by operating revenue multiplied by 100.

EBITDA

Operating profit before depreciation, amortisation and impairment losses.

Equity per ordinary share

Equity attributable to owners of the Parent Company divided by number of shares outstanding after the end of the period after redemptions, repurchases and new issues.

Equity/assets ratio (%)

Equity including non-controlling interests divided by total assets, multiplied by 100.

Interest-bearing net debt

Borrowings excluding interest rate derivatives less cash and cash equivalents and interest-bearing assets.

Interest-bearing net debt/EBITDA

Interest-bearing net debt divided by EBITDA.

Operating cash flow

Operating profit including changes in depreciation/amortisation and impairment, working capital and investments in other non-current assets (net).

Operating profit

Profit before interest and tax.

Organic growth

Like-for-like growth for companies in the respective segments that Humana owned in the preceding comparative period.

Return on capital employed, ROCE (%)

Operating profit plus net financial income divided by capital employed, multiplied by 100.

**Note 7b** Reconciliation with IFRS financial statements

In the financial reports that Humana issues, there are alternative performance measures specified that complement the measures defined or specified in the applicable financial reporting rules. Alternative performance measures are indicated when, in their context, they provide clearer or more detailed information than the measures defined in the applicable financial reporting rules. The alternative performance measures are derived from the company's consolidated financial statements and do not comply with IFRS.

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Adjusted operating profit				
Operating profit	66	73	316	329
IPO costs	-	-	-	40
Loss on disposal of Home Care	-	-	14	-
Capital gains on sale of properties	-	-	-14	-
Adjusted operating profit	66	73	316	369
Adjusted EBITDA				
Operating profit	66	73	316	329
Depreciation	15	15	60	50
IPO costs	-	-	-	40
Loss on disposal of Home Care	-	-	14	-
Capital gains on sale of properties	-	-	-14	-
Adjusted EBITDA	81	88	376	419
Organic revenue growth				
Revenue, base	1 611	1 431	5 647	5 481
Revenue, organic growth	-28	-7	-76	58
Total organic growth, constant currency rate	-1.7%	-0.5%	-1.3%	1.1%
Operating cash flow				
Operating profit	66	73	316	329
Depreciation	15	15	60	50
Changes in working capital	157	-278	-41	-372
Investments in other non-current assets, net	-41	-57	-151	-142
Operating cash flow	197	-247	184	-134



	31 Dec 2017	31 Dec 2016
Interest-bearing net debt, SEK M		
Non-current interest-bearing liabilities	1 345	1 405
Current interest-bearing liabilities	680	687
Cash and cash equivalents	-584	-465
Interest-bearing net debt	1 440	1 628
Adjusted EBITDA 12 month	375	419
Interest-bearing net debt/Adjusted EBITDA 12 months, times	3.8x	3.9x
Return on capital employed, %		
TOTAL ASSETS	5 065	4 960
Deferred tax liabilities	-78	-78
Trade payables	-93	-103
Other current liabilities	-979	-960
Capital employed	3 915	3 818
Operating profit	316	329
Financial revenue	4	11
Total	320	341
Return on capital employed, %	8.2%	8.9%
Equity/assets ratio, %		
Equity attributable to owners of the parent company	1 891	1 726
TOTAL ASSETS	5 065	4 960
Equity/assets ratio, %	37.3%	34.8%

Note 7c Intent

Return on capital employed

Indicates the operating return on the capital that owners and lenders have made available. The intent is to show consolidated returns, regardless of the type of financing.

Adjusted operating profit and adjusted EBITDA

Operating profit adjusted for items affecting comparability. The adjustment of items affecting comparability is done to facilitate a fair comparison between two comparable periods and to show the underlying trend in operating activities excluding non-recurring items.

Operating cash flow

Operating profit including changes in depreciation/amortisation/impairment, working capital and investments in other non-current assets (net). Excluding cash flow from acquisitions and financing facilitates an analysis of cash flow generation in operating activities.

Interest-bearing net debt

Net debt is used to easily illustrate and assess the Group's ability to meet financial commitments.

Interest-bearing net debt/EBITDA

Indicates consolidated debt in relation to EBITDA. Used to illustrate the Group's ability to meet financial commitments.

Equity/assets ratio

Indicates the proportion of assets that are financed with equity. The aim is to assess the Group's solvency in the long term.

Working capital

Total current assets minus total current liabilities.