



# Interim report Jan–Sep 2020

# Q3

*Humana is a Nordic care company. The company is a market leader in individual and family care and personal assistance with expanding operations in elderly care. Humana has 15,000 employees who all work with a shared vision – Everyone is entitled to a good life. Humana is a growth company with a focus on quality and customer satisfaction. The company had annual operating revenue of SEK 7,467m in 2019. Humana is listed on Nasdaq Stockholm and is headquartered in Stockholm.*



**Humana**

# Interim period and quarter in brief

## Third quarter, July-September 2020

- **Operating revenue** was SEK 1,931m (1,928), which is in line with the previous year. Organic growth was 2.2%.
- **Operating profit** was SEK 172m (176), a decrease of 3 %. Adjusted operating profit amounted to SEK 172m (172), which is in line with the previous year.
- **Net profit after tax for the period** amounted to SEK 109m (128).
- **Basic and diluted earnings per share for the period** amounted to SEK 2.05 (2.42).
- **Operating cash flow** amounted to SEK 146m (206).

## Interim period, January-September 2020

- **Operating revenue** was SEK 5,849m (5,554), an increase of 5%. Organic growth was 4.0%.
- **Operating profit** was SEK 370m (298), an increase of 24%. This includes a capital gain of SEK 17m from sale of properties. Adjusted operating profit was SEK 353m (294), an increase of 20%.
- **Net profit after tax for the period** amounted to SEK 212m (170).
- **Basic and diluted earnings per share for the period** amounted to SEK 3.99 (3.21).
- **Operating cash flow** amounted to SEK 463m (375).

## Significant events in and after the third quarter

- Noora Jayasekara is appointed as new CFO of Humana and takes up the role on 1 September. She was previously Group finance director from 2018.
- The Swedish government proposes in its budget, with the support of its cooperating parties the Centre Party and the Liberals, that the state reimbursement level for personal assistance shall be increased by 3.5 percent and fixed at SEK 315 per hour for 2021. For Humana, the financial effects of the proposed increase are positive since revenues increase, but the effect on profit depends on several factors. Humana estimates that the proposed increase is at least enough to offset pressure on margins.
- After the end of the quarter, Humana acquires assistance company RO Omsorg Assistans AB. Full year revenues amount to approximately SEK 50m and the company has about 90 employees.

## Revenue and profit

SEK m	Jul-Sep			Jan-Sep			Oct-Sep	Jan-Dec	%
	2020	2019	%	2020	2019	%	2019/20	2019	
Net revenue	1,929	1,919	1%	5,824	5,545	5%	7,726	7,446	4%
Other operating revenue	1	9	-85%	25	9	179%	35	21	70%
<b>Operating revenue</b>	<b>1,931</b>	<b>1,928</b>	<b>0%</b>	<b>5,849</b>	<b>5,554</b>	<b>5%</b>	<b>7,761</b>	<b>7,467</b>	<b>4%</b>
Operating profit	172	176	-3%	370	298	24%	441	369	19%
Adjusted operating profit	172	172	0%	353	294	20%	423	365	16%
Net profit for the period	109	128	-15%	212	170	25%	231	187	23%
Operating cash flow	146	206	-31%	463	375	23%	683	595	15%

# A stable quarter with good news for personal assistance

**The third quarter of 2020 was marked by the pandemic just as the last quarter was. Humana continued to manage it well and the quarter can be summarised as stable, both operationally and financially. The quarter also saw positive news on the assistance allowance, we received important confirmation of our quality and once again we have been distinguished for our gender equality work.**

Revenue for the quarter amounted to SEK 1,931m and operating profit was SEK 172m, both in line with the previous year. For the nine-month period, revenue increased 5 percent with organic growth of 4 percent, and operating profit increased 24 percent. The operating margin amounted to 8.9 percent for the quarter and 6.3 percent for the nine-month period. Debt continued to decrease and our leverage is now in line with the financial target.



We continued to focus heavily on managing the pandemic during the quarter. I feel that we are managing the situation very well and am proud of the perseverance of our fantastic employees. Our Humana Quality Index, which weighs seven quality indicators, such as serious deviations and customer satisfaction, confirms my view. The index has been stable during the pandemic and even improved in the third quarter from 94 to 95, with 100 being the long-term target. Financially, the pandemic had a negative effect on revenue due to lower occupancy. Costs for sickness absences and personal protective equipment (PPE) have increased but the effect on profit is marginal after state subsidies.

There were several positive announcements during the quarter concerning Personal Assistance, our largest business area. With the support of its cooperating parties the Centre Party and the Liberals, the Swedish government announced that in its budget, the allowance for personal assistance will increase by 3.5 percent next year. This is very welcome news after six years of pressure on margins due to the assistance allowance increase being below wage increases. The financial effect of the proposed increase is positive since it has a direct effect on revenue. We estimate that the increase is at least enough to offset pressure on margins. At the same time, our annual customer survey showed that we have a good position to work from. Satisfaction among our assistance customers is increasing from already very high levels and the value of the customer loyalty measure (Net Promotor Score) is a fantastic +45. Financially, Personal Assistance continued its positive performance during the quarter. Organic growth amounted to 3.9 percent and operating profit increased 9 percent. After the end of the quarter, we acquired RO Omsorg Assistans, with sales of approximately SEK 50m. The acquisition strengthens our position in important geographies but should also be seen as an expression of our faith in the future. Even though the market continues

to shrink, by 2 percent this year, personal assistance is an attractive segment for a major provider like Humana that can benefit from both economies of scale and low capital intensity in operations.

Individual & Family, our second largest business area, experienced stable development during the quarter and efforts to improve operations have seen results. We opened three new LSS units during the quarter, while earlier this year we closed four units in the Children and Adolescents division, where we had overcapacity. This transition explains the negative organic growth for the quarter. Our operations in Finland also performed positively during the quarter and efforts to improve profitability continue. The effect can be seen in the operating profit but revenue has also declined here. There were positive effects from the opening of new units but exit of unprofitable contracts reduced revenue for the quarter. Our Norwegian operations continued to be very stable with strong organic growth.

The Elderly Care business area is most affected by the pandemic and financially the quarter was challenging. Lower occupancy, higher staff costs and price increases that did not materialise are the underlying causes, but this will be corrected over time. The ban on visitors was challenging for our clients as well as their loved ones and we see the lifting of the ban on 1 October as a positive move, at the same time, of course, a great responsibility falls on everyone involved. That we placed very well in the National Board of Health and Welfare's annual national survey of Sweden's elderly care homes again this year despite the pandemic is an important message for us. Even as existing operations have been in focus, we are building for the future. Several processes are in an intense phase and in Q2 2021 we will open five new elderly care homes under own management.

Finally, I am proud to tell that we have once more excelled in the area of gender equality. When Sweden's most gender-balanced listed companies were selected through the Allbright Award, Humana was one of three finalists. Equality and diversity are important factors for a company to remain sustainable in the long term.

Stockholm, 6 November 2020

A blue ink signature of Rasmus Nermand, written in a cursive style.

**Rasmus Nermand**, President and CEO, Humana AB

## Operating revenue by business area

SEK m	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec	%
	2020	2019		2020	2019		2019/20	2019	
Individual & Family	522	529	-1%	1,573	1,577	0%	2,091	2,095	0%
Personal Assistance	736	708	4%	2,187	2,077	5%	2,894	2,783	4%
Elderly Care	150	146	3%	450	421	7%	593	564	5%
Finland	318	336	-6 %	1,006	856	17%	1,354	1,204	12%
Norway	200	194	3%	595	598	-1%	791	794	0%
Other <sup>1)</sup>	5	14	-61%	37	24	53%	39	26	50%
<b>Total operating revenue</b>	<b>1,931</b>	<b>1,928</b>	<b>0%</b>	<b>5,849</b>	<b>5,554</b>	<b>5%</b>	<b>7,761</b>	<b>7,467</b>	<b>4%</b>

## Organic growth by business area <sup>2)</sup>

%	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec	%
	2020	2019		2020	2019		2019/20	2019	
Individual & Family	-1.3%	-1,7%	-0.3%	-4.1%	-1.2%	-4.0 %			
Personal Assistance	3.9%	1.3%	4.1%	1.0%	3.1%	0.9%			
Elderly Care	2.8%	30.0%	6.9%	28.3%	7.7%	23.3%			
Finland	-1.3%	9.6%	9.0%	9.0%	12.2%	9.6%			
Norway	11.9%	2.1%	8.6%	6.0%	6.2%	4.2%			
<b>Total organic growth</b>	<b>2.2%</b>	<b>3.2%</b>	<b>4.0%</b>	<b>2.4%</b>	<b>3.4%</b>	<b>2.0%</b>			

## Operating profit by business area

SEK m	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec	%
	2020	2019		2020	2019		2019/20	2019	
Individual & Family	70	72	-4%	153	141	8%	179	168	7%
Personal Assistance	57	52	9%	126	117	8%	163	154	6%
Elderly Care	5	8	-40%	6	12	-54%	6	13	-52%
Finland	24	19	27%	52	39	32%	61	49	25%
Norway	21	21	1%	50	45	10%	63	59	7%
Other <sup>1) 3)</sup>	-5	4	-224%	-16	-57	n/a	-32	-72	n/a
<b>Total operating profit</b>	<b>172</b>	<b>176</b>	<b>-3%</b>	<b>370</b>	<b>298</b>	<b>24%</b>	<b>441</b>	<b>369</b>	<b>19%</b>

## Operating margins by business area

%	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec	%
	2020	2019		2020	2019		2019/20	2019	
Individual & Family	13.4%	13.7%	9.7%	8.9%	8.6%	8.0%			
Personal Assistance	7.7%	7.4%	5.8%	5.6%	5.6%	5.5%			
Elderly Care	3.3%	5.6%	1.2%	2.9%	1.0%	2.3%			
Finland	7.6%	5.7%	5.1%	4.6%	4.5%	4.0%			
Norway	10.5%	10.7%	8.4%	7.6%	8.0%	7.4%			
<b>Total operating margin</b>	<b>8.9%</b>	<b>9.1%</b>	<b>6.3%</b>	<b>5.4%</b>	<b>5.7%</b>	<b>4.9%</b>			

1) Operating revenue and operating profit for 2020 include capital gain on properties of SEK 17m in Q2. Operating profit for 2019 includes a positive effect on earn-out payments of SEK 12m, of which SEK 5m in Q3 and capital gain on properties of SEK 4m in Q3.

2) Organic growth is calculated as revenue growth for comparable companies that Humana owned during the corresponding comparative period

3) Operating profit for 2019 includes acquisition costs of SEK 28m, of which SEK 2m in Q1 and SEK 26m in Q2, and integration costs of SEK 14m for the full year.

# Group development

## Revenue

Third-quarter operating revenue amounted to SEK 1,931m (1,928), which is in line with the previous year. The organic growth was 2.2% (3.2) in the quarter. Operations under own management accounted for 94% of total revenue in the quarter, and contracted operations accounted for 6%. The Covid-19 pandemic had a negative effect on revenue, mostly through lower occupancy but also through a negative impact on hours performed in personal assistance.

Operating revenue for the interim period amounted to SEK 5,849m (5,554), an increase of 5%. Acquired operations accounted for SEK 452m, of which the acquisition of Finnish company Coronaria Hoiva accounted for SEK 406m. Organic revenue growth was 4.0% (2.4) for the interim period.

## Profit

Operating profit for Q3 totalled SEK 172m (176), a decrease of 3%. A capital gain of SEK 4m from the sale of properties is included in Q3 2019 and adjusted operating profit was in line with the previous year at SEK 172m (172). The operating margin was 8.9% (9.1).

Operating profit for the interim period totalled SEK 370m (298), an increase of 24%, and the operating margin amounted to 6.3% (5.4). The adjusted operating profit for the interim period totalled SEK 353m (294) and the adjusted operating margin amounted to 6.0% (5.3).

The pandemic has affected consolidated profit from several aspects. Lower occupancy had a negative effect on revenue while increased sickness absences and increased use of PPE increased costs. The increased costs were offset by lower social security costs and state subsidies for sickness absences. The pandemic had a marginal effect on profit in both Q3 and the interim period.

The effect on operating profit of accounting standard IFRS 16, which has been applied since 1 January 2019, amounted to SEK 15m in the quarter (see following table).

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
<b>IFRS 16 effects</b>				
Rental charges	87	85	255	216
Depreciation	-72	-72	-215	-186
<b>Operating profit</b>	<b>15</b>	<b>13</b>	<b>40</b>	<b>30</b>
Net financial effect	-20	-20	-59	-51
<b>Profit before tax</b>	<b>-5</b>	<b>-7</b>	<b>-19</b>	<b>-21</b>

## Operating cash flow and interest-bearing net debt

Operating cash flow in Q3 amounted to SEK 146m (206). The decrease in operating cash flow is mostly due to an increase in working capital.

Humana's interest-bearing net debt decreased by SEK 305m to SEK 3,549m (3,854), driven by a strengthening of cash assets. The debt/equity ratio, i.e. interest-bearing net debt in relation to EBITDA, decreased to 4.5x (6.0), which means that Humana achieved the financial target.

# Events during the year

## First quarter 2020

- Through its training operation Humana Academy, Humana initiates a collaboration with Bonnier Academy on digital training. The idea is to give more people access to the knowledge and skills about care that Humana possesses.
- Humana's Board takes decision on revising the financial targets. The revised financial targets apply as from 2020.
- With the support of authorisation from the 2019 annual general meeting, the Board decides to buy back own shares on Nasdaq Stockholm. The purpose is to enable a transfer of shares to participants in the share savings programme for employees that ran from 2017 to 31 January 2020. No more than 60,000 own shares were to be acquired at a maximum price of SEK 3,600,000. The share buy-back period was from 31 March 2020 to 14 April 2020. The number of shares bought back is 52,462.
- Humana establishes a crisis organisation to ensure good management and minimal transmission of the Covid-19 virus. Risk analyses are conducted in all operations and several precautions are taken. Among other things, all visits are prohibited at Humana's elderly care homes.

## Second quarter 2020

- Humana extends its existing loan facility, with unchanged terms and conditions, for an additional year to 2022.
- The 2020 annual general meeting decides, in accordance with the Board's proposal and because of the prevailing Covid-19 pandemic, that no dividend be paid to shareholders from the profits of 2019.
- Anders Nyberg and Karita Bekkemellem were elected as new Humana Board members at the 2020 annual general meeting.
- Board members and senior executives of Humana acquire synthetic options in Humana issued by Humana's principal owner, Impilo Care AB. A total of 461,000 synthetic options are acquired at a price that corresponds to the market value of the options. Humana does not participate in the offer, which is issued by Impilo Care AB to Board members and senior executives on its own initiative. The offer does not give rise to any costs for Humana.
- Humana signs an agreement for a new elderly care home under own management in Täby. The unit will have 90 flats. Construction will begin this year and the opening is planned for the autumn of 2022.
- Humana divests its part-ownership in the Sommarsöl property in Ängelholm, where it had previously leased elderly housing. The proceeds of the sale are SEK 90m, which gives a capital gain of SEK 17m.
- Ulf Bonnevier, CFO since 2012 and Vice President since 2016, leaves his position at Humana on August 31, 2020.

## Third quarter 2020

- Noora Jayasekara is appointed as new CFO of Humana and takes up the role on 1 September. She was previously Group finance director from 2018.
- The government proposes in its budget, with the support of its cooperating parties the Centre Party and the Liberals, that the state reimbursement level for personal assistance shall be increased by 3.5 percent and fixed at SEK 315 per hour for 2021. For Humana, the financial effects of the proposed increase are positive since revenues increase, but the effect on profit depends on several factors. Humana estimates that the proposed increase is at least enough to offset pressure on margins.

## Events after the end of the quarter

- Humana acquires assistance company RO Omsorg Assistans AB. Full year revenues amount to approximately SEK 50m and the company has approximately 90 employees.
- Humana continues to strengthen its image as one of the most gender-equal companies listed on Nasdaq Stockholm. When the 2020 Allbright Award is handed out, Humana is among the three finalists.

# Performance by business area

## Individual & Family

Revenue from the Individual & Family business area amounted to SEK 522m (529) in Q3, somewhat lower than the same period previous year. Revenue from the nine-month period amounted to SEK 1,573m (1,577), also somewhat lower than the same period last year. Lower occupancy due to lower demand in the children and adolescents segment had a negative impact on revenue. Meanwhile, increased occupancy in the adult segment offset this well. The Covid-19 pandemic had a negative effect on demand in the business area in Q3.

Operating profit for Q3 totalled SEK 70m (72), a decrease of 4%. Operating profit for the interim period was SEK 153m (141), an increase of 8%. The operating margin for the quarter was 13.4% (13.7) and for the interim period was 9.7% (8.9). Operating profit for Q3 is in line with operating profit for the same period last year. The improvement in profit for the interim period is due the all in all more stable occupancy as well as efficiency improvements. State subsidies for increased costs linked to the pandemic had a marginally positive effect on profit in Q3.

## Personal assistance

Revenue in the Personal Assistance business area for Q3 amounted to SEK 736m (708), an increase of 4%. Organic growth was 3.9% (1.3). Revenue for the interim period amounted to SEK 2,187m (2,077), an increase of 5%. Organic growth was 4.1% (1.0). The revenue increase for the quarter and interim period is due to more performed assistance hours, despite a somewhat negative impact on performed hours from the pandemic, and a higher assistance allowance.

Operating profit for the quarter totalled SEK 57m (52), an increase of 9%. Operating profit for the interim period totalled SEK 126m (117), an increase of 8%. The operating margin was 7.7% (7.4) for the quarter and 5.8% (5.6) for the interim period. The operating margin was stable both for the quarter and interim period because of increased operational efficiency.

## Elderly Care

Revenue from the Elderly Care business area amounted to SEK 150m (146) in Q3. The 3% increase is entirely organic. Revenue for the interim period amounted to SEK 450m (421), an organic increase of 6.9%. The revenue increase for both the quarter and interim period is mainly due to the new elderly care home under own management in Kungsängen, which opened in Q3 2019. Lower occupancy due to the Covid-19 pandemic had a negative effect on revenue in both the quarter and interim period. Several municipalities have also withheld contracted price indexing pending the annual wage negotiation process, which was delayed by the pandemic.

Operating profit in Q3 amounted to SEK 5m (8). Operating profit for the interim period was SEK 6m (12), a decrease of 54%. Start-up costs for the unit in Kungsängen had a negative impact on profit of SEK 1m for Q3 and SEK 7m for the interim period. The effects of the Covid-19 pandemic on profit were due to lower occupancy, higher personnel costs, more sickness absences and higher costs for PPE. The higher costs have been partially compensated for by state subsidies, but negative effects from the pandemic still remain. The Q3 operating margin was 3.3% (5.6).

## Finland

Revenue from business area Finland amounted to SEK 318m (336) in Q3, a decrease of 6%. Organic growth was -1.3% (9.6). Revenue for the interim period amounted to SEK 1,006 (856), an increase of 17%. Organic growth was 9.0% (9.0). The decrease in revenue for Q3 is due to the exit of unprofitable contracts. The increase in revenue for the interim period is mainly due to the acquisition of Coronaria Hoiva, which has been part of the Group since Q2 2019. The opening of new units had a positive impact on revenue growth but the exit of unprofitable contracts decreased revenue, mainly in Q2 and Q3.

Operating profit for Q3 amounted to SEK 24m (19), an increase of 27%. Operating profit for the interim period was SEK 52m (39), an increase of 32%. The operating margin for the quarter was 7.6% (5.7) and for the interim it was 5.1% (4.6). The increase in operating margin in Q3 is due to improvements in profitability, mainly in the acquired operations. Efforts to increase efficiency and improve profitability continue. The Covid-19 pandemic had a marginal effect on profit for the quarter.

## Norway

Revenue in Norway amounted to SEK 200m (194) in Q3, an increase of 3%. Revenue for the interim period amounted to SEK 595m (598), a decrease of 1%. Currency effects, i.e. a weaker Norwegian krona, had a negative effect on revenue both in the quarter and the interim period. Organically, revenues increased by 11.9% (2.1) in the quarter and by 8.6% (6.0) in the interim period. The organic growth was due to openings of new units and more customers.

Operating profit for the quarter totalled SEK 21m (21), which is in line with last year. The operating margin for the quarter was 10.5% (10.7). Operating profit for the interim period totalled SEK 50m (45), an increase of 10%, and the operating margin amounted to 8.4% (7.6). The improved operating margin for the interim period is mainly due to high operational efficiency. The pandemic had a marginal effect on profit for the quarter.



# Financial position

## Financing

Consolidated equity amounted to SEK 2,480m (2,278) on 30 September 2020. The equity/assets ratio was 29.7% (28.1). Humana's interest-bearing net debt amounted to SEK 3,549m (3,854), a year-on-year decrease of SEK 305m. Humana's leverage ratio, i.e. its interest-bearing net debt in relation to EBITDA, decreased to 4.5x (6.0). The improved leverage is due to higher profit and more available cash.

## Financial position

SEK m	30 Sep 2020	30 Sep 2019	31 Dec 2019
Non-current interest-bearing liabilities	3,682	3,664	3,671
Current interest-bearing liabilities	848	893	878
Cash and cash equivalents	-980	-703	-836
<b>Interest-bearing net debt</b>	<b>3,549</b>	<b>3,854</b>	<b>3,712</b>
Equity/assets ratio	29.7%	28.1%	28.0%
Interest-bearing net debt/adjusted EBITDA, 12 months, times	4.5x	6.0x	5.4x

## Cash flow and investment expenditures

Operating cash flow for the quarter amounted to SEK 146m (206). The decrease in operating cash flow despite the increased profit is due to an increase in working capital.

Cash flow for the period amounted to SEK 30m (213), where net cash flow from operating activities was SEK 117m (207). The lower cash flow from operating activities is due to an increase in working capital, SEK -101m (-23). Cash flow from investing activities was SEK -16m (288). Cash flow from financing activities was SEK -72m (-281).

## Financial targets

### Profitability

An operating margin of 7% over the medium term.

### Revenue growth

Annual organic revenue growth of 5% over the medium term. Bolt-on acquisitions may generate additional annual growth of 2-3%.

### Capital structure

Interest-bearing net debt not exceeding 4.5 times EBITDA, i.e. operating profit before depreciation, amortisation and impairment (see Note 8b, Financial definitions and intent). Debt may temporarily exceed the target level, which may happen during 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.

# Other information

## Employees

The number of full-time employees on 30 September 2020 was 10,920 (10,663).

## Shares, share capital and shareholders

The number of shares in Humana AB at 30 September 2020 amounted to 53,140,064 with a quotient value of SEK 0.022, corresponding to share capital of SEK 1,180,879. The number of shareholders was 4,203. The five largest shareholders were Impilo Care AB, Incentive AS (via funds and mandate), Air Syndication SCA (Argan Capital), Nordea Investment Funds and SEB Investment Management.

## Marketplace

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

## Share-based incentive programmes

Humana has no ongoing long-term share-based incentive programme for senior executives or other employees.

In June 2020, Impilo Care AB, Humana's principal owner, made an offer to Board members and senior executives of Humana to acquire synthetic options in Humana issued by Impilo Care AB. Humana did not participate in the offer and it will not give rise to any costs for Humana. A total of 461,000 synthetic options were acquired. The total market value of the options at the time of the transaction is estimated to be approximately SEK 1.4m. The synthetic options are related to Humana's share and expire after three years. The options can be exercised from 1 April 2023 to 30 June 2023. The exercise price is SEK 77.90 per option.

## Related party transactions

The Group's key personnel consists of the Board of Directors, Group management and the CEO, through ownership of Humana and through their roles as senior executives. Related party transactions are based on market conditions.

## Risks and uncertainties

In the course of its operations, the Group is exposed to different types of financial risk, such as financing risk,

liquidity risk, credit risk and interest rate risk. Risks are described in more detail in the section in Humana's 2019 annual report entitled Risks and risk management on pages 56-61 as well as in Note G19.

The main risks related to operations and uncertainties that can affect Group performance are related to political decisions that may affect private care companies, as well as risks when implementing completed acquisitions.

Humana conducts operations that are financed by state, municipal and county council entities, and as such, operations can be affected by political decisions. As a result, Humana's opportunities for growth are affected by public opinion and political views on the Group's areas of operation. Humana is constantly monitoring the external situation. The purpose is to quickly perceive external changes in order to assess risks and opportunities, as well as adapt operations to external changes. The political situation is evaluated continuously.

Communicable diseases exist in society. These infections can affect anyone in society but the situation is most difficult for vulnerable persons. Humana's operations include customers and clients in risk groups and we have guidelines and procedures in our management system on how to prevent and manage various communicable diseases. Communicable diseases may also lead to several employees getting sick at the same time, which entails a risk of not having enough qualified staff to meet needs. A pandemic also entails a risk of a negative impact on Humana's revenues and costs, for example as a result of lower occupancy or costs for sickness absences and PPE. Humana's operations are affected by the prevailing Covid-19 pandemic. Since February this year a crisis organisation supports the work of minimising transmission and impact.

## Parent Company

Earnings for the Parent Company for Q3 2020 amounted to SEK -14m (-66). The equity/assets ratio at 30 September was 46.4% (43.5). The Parent Company is indirectly affected by the operations of the subsidiaries, so risks and uncertainties are the same as those for the Group described above.

The Board and CEO certify that this interim report for the third quarter of 2020 gives a true and fair presentation of the Parent Company's and the Group's operations, financial position and earnings, and describes the material risks and uncertainties facing the Parent Company and the Group.

Stockholm, 6 November 2020

**Rasmus Nerman**  
President and CEO

# Review report Humana AB

CID 556760-8475

## **Introduction**

We have conducted a review of the condensed interim financial information (the interim report) for Humana AB as at 30 September 2020 and the nine-month period thus ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to reach a conclusion about this interim report based on our review.

## **Focus and scope of the review**

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, to conduct analytical reviews and to take other review measures. A review has a different focus and substantially smaller scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. The measures taken during a review are not such that we can assure full awareness of all important circumstances that might be identified during a full audit. Therefore, the conclusion reached based on a review does not have the guarantees that a conclusion reached based on an audit has.

## **Conclusion**

Based on our review, no circumstances have emerged that give us reason to believe that the interim report has not, in all material respects, been prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 6 November 2020

KPMG AB

**Helena Nilsson**

Authorised Public Accountant

## Consolidated income statement

SEK m	Note	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
		2020	2019	2020	2019	2019/20	2019
Net revenue		1,929	1,919	5,824	5,545	7,726	7,446
Other operating revenue		1	9	25	9	35	21
<b>Operating revenue</b>	3	<b>1,931</b>	<b>1,928</b>	<b>5,849</b>	<b>5,554</b>	<b>7,761</b>	<b>7,467</b>
Other external costs		-210	-228	-694	-697	-955	-958
Personnel costs		-1,455	-1,434	-4,508	-4,289	-6,003	-5,784
Depreciation		-94	-90	-276	-242	-361	-327
Other operating costs		0	0	-1	-28	-1	-28
<b>Operating costs</b>		<b>-1,759</b>	<b>-1,752</b>	<b>-5,479</b>	<b>-5,256</b>	<b>-7,320</b>	<b>-7,097</b>
<b>Operating profit</b>		<b>172</b>	<b>176</b>	<b>370</b>	<b>298</b>	<b>441</b>	<b>369</b>
Financial revenue		1	83	5	107	24	125
Financial costs		-35	-102	-110	-186	-169	-246
<b>Profit before tax</b>		<b>137</b>	<b>158</b>	<b>265</b>	<b>219</b>	<b>296</b>	<b>249</b>
Income tax		-28	-30	-53	-49	-65	-61
<b>Net profit for the period</b>		<b>109</b>	<b>128</b>	<b>212</b>	<b>170</b>	<b>230</b>	<b>187</b>
<b>Attributable to:</b>							
Parent Company shareholders		109	128	212	170	231	188
Non-controlling interest		0	0	0	-1	0	-1
<b>Net profit for the period</b>		<b>109</b>	<b>128</b>	<b>212</b>	<b>170</b>	<b>231</b>	<b>187</b>
Earnings per share, SEK, before dilution	5	2.05	2.42	3.99	3.21	4.34	3.54
Earnings per share, SEK, after dilution	5	2.05	2.42	3.99	3.21	4.34	3.54
Average number of shares, thousands		53,140	53,140	53,140	53,140	53,140	53,140

## Consolidated statement of other comprehensive income

SEK m	Note	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
		2020	2019	2020	2019	2019/20	2019
<b>Net profit for the period</b>		<b>109</b>	<b>128</b>	<b>212</b>	<b>170</b>	<b>230</b>	<b>187</b>
<b>Other comprehensive income</b>							
<b>Items that have been/may be reclassified to profit or loss</b>							
Hedges of net investments in foreign operations	6c	0	-10	24	-32	43	-14
Exchange difference on translation of foreign operation		0	0	-38	46	-68	15
<b>Net profit and other comprehensive income for the period</b>		<b>110</b>	<b>118</b>	<b>198</b>	<b>183</b>	<b>205</b>	<b>188</b>
<b>Attributable to:</b>							
Parent Company shareholders		110	119	198	184	205	189
Non-controlling interest		0	0	0	-1	0	-1

## Condensed consolidated balance sheet

SEK m	Note	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill	4	3,856	3,928	3,897
Other intangible assets		5	15	5
Property, plant and equipment		308	406	377
Right-of-use assets		2,135	2,043	2,089
Financial assets		41	13	33
<b>Total non-current assets</b>		<b>6,345</b>	<b>6,405</b>	<b>6,401</b>
<b>Current assets</b>				
Trade receivables and other receivables		844	857	834
Other current receivables		187	205	160
Cash and cash equivalents		980	703	836
<b>Total current assets</b>		<b>2,012</b>	<b>1,765</b>	<b>1,830</b>
<b>TOTAL ASSETS</b>		<b>8,357</b>	<b>8,170</b>	<b>8,231</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		1	1	1
Other paid-in equity		1,096	1,096	1,096
Reserves		14	41	29
Retained earnings		1,368	1,140	1,158
<b>Equity attributable to Parent Company shareholders</b>		<b>2,480</b>	<b>2,278</b>	<b>2,284</b>
<b>Equity attributable to non-controlling interest</b>		<b>0</b>	<b>20</b>	<b>22</b>
<b>Total equity</b>		<b>2,480</b>	<b>2,298</b>	<b>2,305</b>
<b>Non-current liabilities</b>				
Non-current lease liabilities		1,957	1,867	1,902
Other interest-bearing liabilities		1,725	1,797	1,769
Deferred tax liabilities		71	77	71
<b>Total non-current liabilities</b>		<b>3,753</b>	<b>3,740</b>	<b>3,741</b>
<b>Current liabilities</b>				
Current lease liability		247	271	270
Other interest-bearing liabilities		601	623	607
Trade payables		84	118	129
Other current liabilities		1,193	1,120	1,178
<b>Total current liabilities</b>		<b>2,125</b>	<b>2,132</b>	<b>2,185</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,357</b>	<b>8,170</b>	<b>8,231</b>

## Condensed consolidated statement of changes in equity

SEK m	Share capital	Other paid-in capital	Translation reserve	Retained earnings	Equity attributable to Parent owners	Non-controlling interest	Total equity
<b>Opening balance, 1 Jan 2019</b>	<b>1</b>	<b>1,094</b>	<b>28</b>	<b>1,007</b>	<b>2,130</b>	<b>17</b>	<b>2,147</b>
<b>Comprehensive income for the period</b>							
Net profit for the period	-	-	-	170	170	-1	170
Other comprehensive income for the period	-	-	14	-	14	-	14
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>170</b>	<b>184</b>	<b>-1</b>	<b>183</b>
<b>Owner transactions</b>							
Dividend	-	-	-	-37	-37	-	-37
Share savings programme	-	1	-	-	1	-	1
Shareholder contributions	-	-	-	-	-	4	4
<b>Total owner transactions</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-37</b>	<b>-36</b>	<b>4</b>	<b>-32</b>
<b>Closing balance, 30 Sep 2019</b>	<b>1</b>	<b>1,096</b>	<b>42</b>	<b>1,140</b>	<b>2,278</b>	<b>20</b>	<b>2,298</b>
<b>Opening balance, 1 Jan 2020</b>	<b>1</b>	<b>1,096</b>	<b>29</b>	<b>1,158</b>	<b>2,284</b>	<b>22</b>	<b>2,305</b>
<b>Comprehensive income for the period</b>							
Net profit for the period	-	-	-	212	212	0	212
Other comprehensive income for the period	-	-	-14	-	-14	-	-14
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-14</b>	<b>212</b>	<b>198</b>	<b>0</b>	<b>198</b>
<b>Owner transactions</b>							
Sale of operation	-	-	-	-	-	-22	-22
Share buy-back	-	-	-	-2	-2	-	-2
<b>Total owner transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2</b>	<b>-2</b>	<b>-22</b>	<b>-24</b>
<b>Closing balance, 30 Sep 2020</b>	<b>1</b>	<b>1,096</b>	<b>14</b>	<b>1,368</b>	<b>2,480</b>	<b>0</b>	<b>2,480</b>

## Condensed consolidated statement of cash flows

SEK m	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Oct-Sep 2019/20	Jan-Dec 2019
<b>Profit before tax</b>	<b>137</b>	<b>158</b>	<b>265</b>	<b>219</b>	<b>296</b>	<b>249</b>
<b>Adjustments for:</b>						
Depreciation	94	90	276	242	361	327
Financial items, net	34	19	105	80	145	121
Other non-cash items	0	0	0	0	0	0
<b>Cash flow from operating activities before change in working capital</b>	<b>266</b>	<b>266</b>	<b>646</b>	<b>540</b>	<b>802</b>	<b>697</b>
Change in working capital	-101	-23	-78	-7	55	126
<b>Cash flow from operating activities</b>	<b>164</b>	<b>244</b>	<b>567</b>	<b>533</b>	<b>857</b>	<b>823</b>
Financial items paid, net	-24	-24	-102	-76	-146	-120
Income tax paid	-23	-12	-72	-47	-97	-71
<b>Net cash flow from operating activities</b>	<b>117</b>	<b>207</b>	<b>393</b>	<b>411</b>	<b>614</b>	<b>631</b>
Acquisition of subsidiaries, net cash impact	0	0	-8	-483	-8	-483
Disposal of properties	3	325	113	325	176	388
Investments in other non-current assets, net	-19	-38	-104	-158	-174	-228
<b>Cash flow from investing activities</b>	<b>-16</b>	<b>288</b>	<b>1</b>	<b>-316</b>	<b>-6</b>	<b>-323</b>
Loans raised	0	0	24	795	24	795
Repayments of borrowings	0	-211	-50	-494	-51	-494
Repayment of lease liability	-72	-70	-210	-181	-279	-250
Dividend paid	0	0	0	-37	0	-37
<b>Cash flow from financing activities</b>	<b>-72</b>	<b>-281</b>	<b>-237</b>	<b>84</b>	<b>-307</b>	<b>14</b>
<b>Cash flow for the period</b>	<b>30</b>	<b>213</b>	<b>157</b>	<b>178</b>	<b>301</b>	<b>322</b>
<b>Cash and cash equivalents at start of period</b>	<b>954</b>	<b>489</b>	<b>836</b>	<b>514</b>	<b>703</b>	<b>514</b>
Exchange differences	-3	1	-13	11	-24	0
<b>Cash and cash equivalents at end of period</b>	<b>980</b>	<b>703</b>	<b>980</b>	<b>703</b>	<b>980</b>	<b>836</b>

## Key ratios

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Oct-Sep 2019/20	Jan-Dec 2019
Operating revenue	1,931	1,928	5,849	5,554	7,761	7,467
Operating margin, %	8.9%	9.1%	6.3%	5.4%	5.7%	4.9%
Interest-bearing net debt, SEK m	3,549	3,854	3,549	3,854	3,549	3,712
Return on capital employed, %	2.5%	2.6%	5.3%	4.4%	6.3%	5.4%
Equity/assets ratio, %	29.7%	28.1%	29.7%	28.1%	29.7%	28.0%
Operating cash flow, SEK m	146	206	463	375	683	595
Interest-bearing net debt/adjusted EBITDA, 12 months, times	4.5x	6.0x	4.5x	6.0x	4.5x	5.4x
Average full-time employees, Individual & Family	2,082	2,131	2,085	2,070	2,038	2,026
Average full-time employees, Personal Assistance	5,378	5,229	5,104	4,931	5,038	4,909
Average full-time employees, Elderly Care	901	924	863	868	843	847
Average full-time employees, Finland	1,674	1,768	1,698	1,482	1,701	1,538
Average full-time employees, Norway	934	815	784	798	787	799
Average full-time employees, Central functions incl. DK	60	56	58	54	58	56
Total average full-time employees	11,028	10,923	10,592	10,203	10,466	10,175
Full-time employees at end of period	10,920	10,663	10,920	10,663	10,920	10,093
Average customers, Individual & Family	1,730	1,827	1,749	1,851	1,753	1,829
Average customers, Personal Assistance	1,889	1,879	1,885	1,862	1,886	1,869
Average customers, Elderly Care	813	805	809	794	806	794
Average customers, Finland	3,811	3,775	3,982	3,429	4,044	3,628
Average customers, Norway	319	298	316	302	310	300
Average customers, Denmark	71	85	69	86	70	83
Total average customers	8,632	8,668	8,811	8,323	8,869	8,503
Average ordinary shares for the period, thousands	53,140	53,140	53,140	53,140	53,140	53,140
Equity per ordinary share, SEK	47	43	47	43	47	43
Earnings per share, SEK, after dilution	2.05	2.42	3.99	3.21	4.34	3.54



## Parent Company

### Condensed income statement

	Jan-Sep 2020	Jan-Sep 2019	Oct-Sep 2019/20	Jan-Dec 2019
<b>SEK m</b>				
Operating revenue	2	6	3	7
Operating expenses	-12	-18	-17	-23
<b>Operating profit</b>	<b>-10</b>	<b>-12</b>	<b>-14</b>	<b>-15</b>
Interest income	80	22	106	48
Interest expenses	-88	-95	-108	-115
<b>Profit after financial items</b>	<b>-18</b>	<b>-85</b>	<b>-15</b>	<b>-83</b>
Group contribution	0	0	150	150
Change in untaxed reserves	0	0	22	22
<b>Profit before tax</b>	<b>-18</b>	<b>-85</b>	<b>157</b>	<b>90</b>
Income tax	4	19	-35	-20
<b>Net profit for the period</b>	<b>-14</b>	<b>-66</b>	<b>122</b>	<b>70</b>

### Condensed balance sheet

	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>SEK m</b>			
Non-current assets	1,629	1,628	1,629
Current assets	1,914	1,870	1,992
<b>TOTAL ASSETS</b>	<b>3,543</b>	<b>3,498</b>	<b>3,621</b>
Equity	1,642	1,523	1,659
Untaxed reserves	152	174	152
Non-current interest-bearing liabilities	1,145	1,195	1,190
Other current liabilities	604	608	621
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,543</b>	<b>3,498</b>	<b>3,621</b>

# Notes

## Note 1 Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting along with applicable stipulations in 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. In general the same accounting policies and bases of calculation have been used as in the annual report for 2019, which was prepared in accordance with the International Financial Reporting Standards as ratified by the EU, and interpretations of these.

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.

### New accounting standards applied from 1 January 2020

Humana has determined that new or amended standards and interpretations will not have any significant effect on the consolidated financial statements.

### State subsidies

State subsidies are reported at fair value when there is reasonable assurance that the subsidy will be received and that Humana will meet the conditions associated with the subsidy. State subsidies that relate to costs are accrued and reported in the income statement as net sales over the same periods as the costs the subsidies are intended to cover.

## Note 2 Estimations and assessments

Preparation of financial statements in compliance with IFRS requires management to make accounting estimates and assumptions which affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. The actual outcome may differ from these accounting estimates. The critical assessments and sources of uncertainty in estimates are the same as in the most recent annual report.

## Note 3a Operating segments

SEK m	Individual & Family		Personal Assistance		Elderly Care	
	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
Net revenue – external income	1,573	1,577	2,187	2,077	450	421
Other operating revenue	0	0	0	0	0	0
<b>Operating revenue</b>	<b>1,573</b>	<b>1,577</b>	<b>2,187</b>	<b>2,077</b>	<b>450</b>	<b>421</b>
<b>Profit before depreciation, amortisation and other operating expenses</b>	<b>178</b>	<b>167</b>	<b>128</b>	<b>119</b>	<b>15</b>	<b>19</b>
Depreciation	-25	-26	-1	-1	-9	-7
Other operating expenses	-1	0	0	0	0	0
<b>Operating profit</b>	<b>153</b>	<b>141</b>	<b>126</b>	<b>117</b>	<b>6</b>	<b>12</b>

SEK m	Finland		Norway		Other 1)		Total	
	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
Net revenue – external income	1,006	856	595	598	13	15	5,824	5,545
Other operating revenue	0	0	0	0	25	9	25	9
<b>Operating revenue</b>	<b>1,006</b>	<b>856</b>	<b>595</b>	<b>598</b>	<b>37</b>	<b>24</b>	<b>5,849</b>	<b>5,554</b>
<b>Profit before depreciation, amortisation and other operating expenses</b>	<b>65</b>	<b>53</b>	<b>60</b>	<b>51</b>	<b>201</b>	<b>159</b>	<b>647</b>	<b>568</b>
Depreciation	-14	-14	-10	-6	-217	-188	-276	-242
Other operating expenses	0	0	0	0	0	-28	-1	-28
<b>Operating profit</b>	<b>52</b>	<b>39</b>	<b>50</b>	<b>45</b>	<b>-16</b>	<b>-57</b>	<b>370</b>	<b>298</b>

1) Operating profit for 2020 includes capital gain on properties of SEK 17m in Q2. Operating profit 2019 through Q3 includes SEK 28m in acquisition costs; Q3 2019 also includes earn-out payments of SEK 5m and capital gain on properties of SEK 4m.

### Note 3b Revenue by country

SEK m	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
Sweden	1,409	1,392	4,235	4,084
Finland	318	336	1,006	856
Norway	200	194	595	598
Denmark	4	5	13	15
<b>Total operating revenue</b>	<b>1,931</b>	<b>1,928</b>	<b>5,849</b>	<b>5,554</b>

### Note 4 Acquisition of operations, goodwill

Consideration of SEK 8m attributable to acquisition from prior years was settled during the year.

SEK m	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Opening balance, 1 January</b>	<b>3,897</b>	<b>3,168</b>	<b>3,168</b>
Acquisitions	-	702	702
Adjustment of acquisition analysis	-	0	8
Sales of subsidiaries	-10	0	0
Exchange difference	-32	58	20
<b>Closing balance, end of period</b>	<b>3,856</b>	<b>3,928</b>	<b>3,897</b>

### Note 5 Earnings per share

SEK m	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Oct-Sep 2019/20	Jan-Dec 2019
<b>Profit for the period attributable to Parent Company shareholders</b>	109	128	212	170	231	187
Average shares, thousands	53,140	53,140	53,140	53,140	53,140	53,140
Earnings per share, SEK, before dilution	2.05	2.42	3.99	3.21	4.34	3.54
Earnings per share, SEK, after dilution	2.05	2.42	3.99	3.21	4.34	3.54

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

30 September 2020 SEK m	Financial liabilities at fair value through profit or loss	Total carrying amounts	Fair values	Level 1	Level 2	Level 3
<b>Financial liabilities</b>						
Earn-out payment	5	5	5	-	-	5

30 September 2019 SEK m	Financial liabilities at fair value through profit or loss	Total carrying amounts	Fair values	Level 1	Level 2	Level 3
<b>Financial liabilities</b>						
Earn-out payment	8	8	8	-	-	8

### Fair value measurement

When determining the fair value of an asset or liability, 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 measurement 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/closing balances for financial instruments measured in level 3, earn-out payment

SEK m	30 Sep 2020	31 Dec 2019
Opening balance, 1 January	13	8
Total recognized gains and losses:		
Recognised in adjustment of earn-out payments in net profit	0	-12
Cost of acquisition	0	20
Settled during the period	-8	-3
<b>Closing balance, end of period</b>	<b>5</b>	<b>13</b>

## Note 6c Hedge accounting

The Group is hedging parts of the foreign exchange risk related to net investments in foreign operations. As at 30 September 2020, the Group had exposure in EUR and NOK, which is hedged with loans in foreign currencies. Hedge accounting entails recognising the effective part of the translation differences in the consolidated statement of other comprehensive income. As at 30 September 2020, the Group had loans of EUR 40m and loans of NOK 328m for which hedge accounting is applied. The related translation difference of SEK 31m (-41) before tax is consequently recognised in the consolidated statement of other comprehensive income.

## Note 7 Incentive programmes

Humana has had two long-term incentive programmes that were approved by the AGMs in 2016 and 2017. Both ended in the first quarter of 2020. One of the programmes, a share savings programme, was intended for key individuals at Humana and expired on 31 January 2020. The other programme, a warrant programme, was intended for eight senior executives and expired on 31 March 2020. The purpose of the programmes was to encourage a broad ownership among Humana employees, facilitate recruitment, retain competent employees and increase the motivation to achieve or exceed Humana's financial targets.

For the share savings programme, participants could invest in saving shares (at market price) and then, based on the terms of the programme, could receive matching shares and potentially even performance-based shares at the end of the programme. The number of registered saving shares at 31 March 2020 amounted to 44,045, which corresponds to a maximum allocation of 52,462 shares. The shares were distributed in April-May 2020.

The warrants were acquired at market price and were issued in three separate series that could be redeemed at different times. The first date for redeeming the warrants was during the period 1-31 March 2018 at the subscription price of SEK 74.40. The second date for redeeming the warrants was during the period 1-31 March 2019, at the issue price of SEK 77.50. The third date for redeeming the warrants was during the period 1-31 March 2020 at the subscription price of SEK 80.60.

Number of warrants	Number of shares in programme		
	2020	2020	
<b>Outstanding, 1 January</b>	<b>480,140</b>	<b>Outstanding, 1 January</b>	<b>61,667</b>
Acquired	-	Acquired	-
Forfeited	-	Forfeited	-12,056
Exercised	-	Exercised	-49,611
Expired	-480,140	Expired	-
<b>Outstanding, 30 September</b>	<b>0</b>	<b>Outstanding, 30 September</b>	<b>0</b>

## Note 8a Reconciliation with IFRS financial statements

In the financial reports that Humana issues, there are alternative performance measures specified that complement the measurements 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 measurements defined in the applicable financial reporting rules. The alternative performance measures are derived from the Company's consolidated financial statements and are not IFRS measures.

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Oct-Sept 2019/20	Jan-Dec 2019
<b>Adjusted operating profit</b>						
Operating profit	172	176	370	298	441	369
Capital gain on sale of property	0	-4	-17	-4	-17	-4
<b>Adjusted operating profit</b>	<b>172</b>	<b>172</b>	<b>353</b>	<b>294</b>	<b>423</b>	<b>365</b>
<b>Adjusted EBITDA</b>						
Operating profit	172	176	370	298	441	369
Depreciation	94	90	276	242	361	327
<b>EBITDA</b>	<b>266</b>	<b>266</b>	<b>646</b>	<b>540</b>	<b>802</b>	<b>697</b>
Capital gain on sale of property	0	-4	-17	-4	-17	-4
<b>Adjusted EBITDA</b>	<b>266</b>	<b>262</b>	<b>628</b>	<b>536</b>	<b>785</b>	<b>692</b>
<b>Organic revenue growth</b>						
Revenue, base	1,919	1,676	5,227	4,993	6,887	6,660
Revenue, organic growth	43	53	208	122	236	134
<b>Total organic growth</b>	<b>2.2%</b>	<b>3.2%</b>	<b>4.0%</b>	<b>2.4%</b>	<b>3.4%</b>	<b>2.0%</b>
<b>Operating cash flow</b>						
Operating profit	172	176	370	298	441	369
Depreciation	94	90	276	242	361	327
Change in working capital	-101	-23	-78	-7	55	126
Investments in other non-current assets, net	-19	-38	-104	-158	-174	-228
<b>Operating cash flow</b>	<b>146</b>	<b>206</b>	<b>463</b>	<b>375</b>	<b>683</b>	<b>595</b>
	<b>30 Sep 2020</b>	<b>30 Sep 2019</b>				<b>31 Dec 2019</b>
<b>Interest-bearing net debt</b>						
Non-current interest-bearing liabilities	3,682	3,664				3,671
Current interest-bearing liabilities	848	893				878
Cash and cash equivalents	-980	-703				-836
<b>Interest-bearing net debt</b>	<b>3,549</b>	<b>3,854</b>				<b>3,712</b>
<b>Adjusted EBITDA 12 month</b>	<b>785</b>	<b>638</b>				<b>692</b>
<b>Interest-bearing net debt/Adjusted EBITDA, 12 months, times</b>	<b>4.5x</b>	<b>6.0x</b>				<b>5.4x</b>
<b>Return on capital employed, %</b>						
Total assets	8,357	8,170				8,231
Deferred tax liabilities	-71	-77				-71
Trade payables	-84	-118				-129
Other current liabilities	-1,193	-1,120				-1,178
<b>Capital employed</b>	<b>7,009</b>	<b>6,855</b>				<b>6,853</b>
Operating profit	370	298				369
Financial income	1	1				1
<b>Total</b>	<b>371</b>	<b>299</b>				<b>371</b>
<b>Return on capital employed, %</b>	<b>5.3%</b>	<b>4.4%</b>				<b>5.4%</b>
<b>Equity/assets ratio, %</b>						
Total equity	2,480	2,298				2,305
Total assets	8,357	8,170				8,231
<b>Equity/assets ratio, %</b>	<b>29.7%</b>	<b>28.1%</b>				<b>28.0%</b>

## Note 8b Financial definitions and intent

### Financial performance measures

	<b>Definition</b>	<b>Intent</b>
<b>Return on capital employed (%)</b>	Operating profit and financial revenue divided by total capital employed multiplied by 100.	Indicates the operating return on the capital that owners and lenders have made available. The intent is to show consolidated returns, regardless of the financing.
<b>EBITDA</b>	Operating profit before depreciation, amortisation and impairment.	The measure is used to monitor the company's profit/loss generated by operating activities and facilitate comparisons of profitability between different companies and industries.
<b>Adjusted operating profit and adjusted EBITDA</b>	Operating profit and EBITDA adjusted for items affecting comparability.	Adjustment for non-recurring items is made to facilitate a fair comparison between two comparable periods and to show the underlying trend in operating activities excluding non-recurring items.
<b>Operating cash flow</b>	Operating profit including changes in depreciation/amortisation/impairment, working capital and investments in other non-current assets (net).	The exclusion of cash flow from acquisitions and financing facilitates an analysis of cash conversion in operating activities.
<b>Organic growth</b>	Growth for comparable companies in each segment that Humana owned during the previous comparative period.	The measure shows the underlying sales growth in comparable companies between the different periods.
<b>Interest-bearing net debt</b>	Borrowing excluding interest rate derivatives less cash and cash equivalents and interest-bearing assets.	Net debt is used as a simple way to illustrate and assess the Group's ability to meet financial commitments.
<b>Interest-bearing net debt/EBITDA</b>	Interest-bearing net debt divided by EBITDA.	Indicates consolidated debt in relation to EBITDA. This is used to illustrate the Group's ability to meet financial commitments.
<b>Equity/assets ratio (%)</b>	Equity including non-controlling interests divided by total assets multiplied by 100.	Indicates the proportion of assets that are financed with equity. The aim is to assess the Group's solvency in the long term.
<b>Capital employed</b>	Total assets less non-interest-bearing liability.	The measure indicates the portion of the company's assets financed by interest-bearing capital.

## Other performance measures

	<b>Definition</b>
<b>Equity per ordinary share</b>	Equity attributable to Parent Company shareholders divided by number of shares at end of period after redemption, repurchase and new share issue.
<b>Average ordinary shares</b>	Calculated as the average daily number of ordinary shares outstanding after redemption and repurchase.
<b>Average equity</b>	Calculated for average equity attributable to Parent Company shareholders per quarter, calculated from the opening and closing balance for each quarter.
<b>Items affecting comparability</b>	Non-recurring items that complicate the comparability between two given periods.
<b>Average full-time employees</b>	Average number of full-time employees during the reporting period.
<b>Average customers</b>	Average number of customers during the period.
<b>Earnings per ordinary share for the period</b>	Profit for the period attributable to Parent Company shareholders less the period's share of the adopted dividend for preference shares divided by average number of ordinary shares. Defined in IFRS.
<b>Operating profit</b>	Profit before financial items and tax.
<b>Operating margin (%)</b>	Operating profit divided by operating revenue multiplied by 100.



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 on 6 November 2020 at 08:00 CET.

### Conference call

A conference call will be held 6 November 2020 at 09:00 CET, at which President and CEO Rasmus Nerman and CFO Noora Jayasekara will present the report and answer questions.

To participate, call:

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### Financial calendar

Full year report Jan-Dec and Q4 2020	11 Feb 2021
Interim report Jan-Mar, Q1 2021	7 May 2021
2021 Annual General Meeting	11 May 2021
Interim report Jan-Jun and Q2 2021	20 Aug 2021
Interim report Jan-Sep and Q3 2021	11 Nov 2021

### More information? Contact:

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