

Annual Report 2015



Humana

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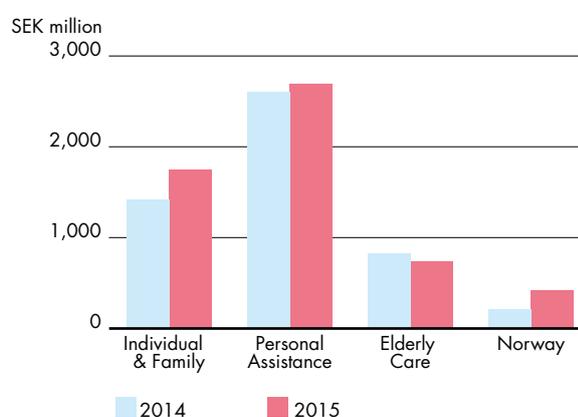
Humana in brief

Operating revenue (SEK M) and operating margin (%) *



*2010-2012 as per BFN accounting policies. 2013-2015 as per IFRS accounting policies.

Operating revenue (SEK M) by business area



Key ratios, SEK M

	2015	2014
Operating revenue	5,655	5,065
Operating profit	312	307
Operating margin, %	5.6	6.1
Adjusted operating income	340	335
Adjusted operating margin, %	6.1	6.6
Profit for the year	114	115
Operating cash flow	227	160
Interest-bearing net debt	1,174	1,484
Interest-bearing net debt/EBITDA ratio	3.0	4.4
Average number of employees, full-time equivalents	9,154	8,619
Average number of customers at year-end	7,262	7,324

Vision

Everyone is entitled to a good life

Mission

To be the preferred provider-of-choice for care services among customers, clients and buyers with high quality standards

Values

Commitment, Happiness and Responsibility



Humana is a leading Nordic care company that offers individual and family care services, personal assistance, as well as elderly care and special services housing under LSS. In Sweden, Humana is the market leader in individual and family care and personal assistance. In Norway, Humana is the second largest provider of individual and family care services.

Marilyne



PROFITABILITY AT 6 PERCENT CREATES SECURITY AND BUILDS A FOUNDATION FOR THE FUTURE



Isabelle

LONG-TERM GROWTH REQUIRES HIGH QUALITY
Between 2009 and 2015, the annual average increase in revenues was 22 percent.

7,000
CUSTOMERS

14,000
EMPLOYEES

7
ACQUISITIONS
2015

FOCUS ON OPERATIONS
UNDER OWN MANAGEMENT
AND FREE CUSTOMER CHOICE

100 DIFFERENT COURSES
AT HUMANA ACADEMY

MORE THAN 60,000
JOB APPLICATIONS SENT
TO HUMANA IN 2015

Events during the year

Q1: January–March

Good growth rate and high customer satisfaction

- At an extraordinary general meeting on 22 January 2015, the company's legal name was changed from Humana Investment Holding AB to Humana AB. At the same time it was decided that the company should become public.
- A quality assurance director joins Group management. On 12 January, Eva Nilsson Bågenholm was appointed quality director in Humana's Group management. This strategic position brings an even sharper focus from the Group level on driving the development of methods, systems and skills for setting a new standard in the care industry.

Q2: April–June

Major acquisition within personal assistance in Norway

- Humana comes to an agreement on new financing. The loan agreement, which runs through the end of 2022 and was entered into with a bank syndicate consisting of six parties, totals SEK 2,020 million. This financing provides Humana with expanded acquisition opportunities.
- Humana acquires Dedicare Assistanse AS, thereby establishing operations within personal assistance in the Norway business segment. Revenue for 2014 totalled SEK 40 million. With 39 customers in the company, this marks the beginning of Humana's investment in personal assistance services in Norway.
- Humana disposes of Villa Skaar, which was focused on the care of elderly people with psychosocial problems, as a step in focusing on core Norwegian operations. Revenue for 2014 totalled SEK 43 million and operating profit approximately SEK 4 million.

Q3: July–September

Additional complementary acquisitions in Sweden

- Humana acquires AB Salboheds Grupp-Boende. Salbohed operates housing with special services in Västmanland for girls and boys of secondary school age. The company's revenue for 2014 totalled SEK 19 million and operating profit approximately SEK 2 million.
- Humana acquires Orana Vård and Omsorg Holding AB. Orana's residential care home (HVB) operations in Kristianstad accept girls who have severe psychiatric problems. The company's revenue for 2014 totalled SEK 36 million and operating profit SEK 5 million.
- Humana acquires Oasen HVB & Skola AB. Oasen operates HVBs and a school in Aneby for girls and boys who have complex psychosocial problems. The company's revenue for 2014 totalled SEK 44 million and operating profit approximately SEK 6 million.

Quarter 1 Summary	2015
Operating revenue, SEK millions	1,351
Revenue growth Q1 2015 vs. Q1 2014, %	17
Organic revenue growth, %	2.1
Operating profit, SEK millions	84
Operating margin, %	6.2
Average number of customers at year-end	7,123
Average number of employees, full-time equivalents	8,701

Quarter 2 Summary	2015
Operating revenue, SEK millions	1,379
Revenue growth Q2 2015 vs. Q2 2014, %	11
Organic revenue growth, %	4.4
Operating profit, SEK millions	24
Operating margin, %	1.7
Average number of customers at year-end	7,183
Average number of employees, full-time equivalents	8,921

Quarter 3 Summary	2015
Operating revenue, SEK millions	1,404
Revenue growth Q3 2015 vs. Q3 2014, %	8
Organic revenue growth, %	3.8
Operating profit, SEK millions	126
Operating margin, %	9.0
Average number of customers at year-end	7,271
Average number of employees, full-time equivalents	9,749



Harald

Q4: October–December

New CEO, continued acquisitions and disposal of properties

- Rasmus Nerman, former deputy CEO of Humana, is appointed the company's new CEO. He assumes his position in December 2015. Former CEO Per Granath continues to be a major shareholder and remains on Humana's Board to continue his involvement in the company.
- Humana takes over the operation of Riddarstengården's elderly housing unit in Lerum. It is home to 40 seniors. Humana already operates Hedegården's elderly housing unit in the same municipality.
- Humana acquires Off.Clinic, a clinic specialising in sexual disorders and trauma/PTSD in outpatient care throughout the country. The clinic also operates Visslan HVB in northern Skåne for clients requiring a higher level of protection. The company's revenue for 2014 totalled approximately SEK 35 million and operating profit approximately SEK 2 million.
- Humana acquires Ramlösa Social Utveckling AB, which operates foster home care for adults, and a LARO clinic (for medically assisted rehabilitation of opiate addicts) in Helsingborg. The company's revenue for 2014/2015 totalled SEK 22 million and operating profit approximately SEK 1 million.
- Humana acquires Familjestödsgruppen AB, which operates supportive housing and foster home operations in the Stockholm area. The company's revenue for 2014/2015 totalled approximately SEK 70 million and operating profit approximately SEK 5 million.
- Humana agrees to dispose of 43 care properties in Sweden, representing much of the property portfolio in Sweden. After the sale, the company will instead rent the properties.

Quarter 4 Summary	2015
Operating revenue, SEK millions	1,521
Revenue growth Q4 2015 vs. Q4 2014, %	12
Organic revenue growth, %	3.6
Operating profit, SEK millions	78
Operating margin, %	5.1
Average number of customers at year-end	7,471
Average number of employees, full-time equivalents	9,246

Humana continues to work towards becoming the leading care company in the Nordics

As society's need for care services increases, Humana's role becomes increasingly important. In 2015 Humana continued to build the leading private and idea-driven care company with high quality services in order to meet demand. Today Humana has more than 14,000 employees who work together to achieve a shared vision – "Everyone is entitled to a good life".

In December 2015, I had the privilege of taking over as CEO of Humana. I would like to express my heartfelt thanks to my predecessor Per Granath, who after 10 years as CEO of Humana is joining Humana's Board of Directors. Under Per's leadership,

Humana has gone from being a local assistance company to becoming one of the leading care companies in Sweden and the Nordic region.

Humana is a care company that focuses on quality and has ambitious growth targets. Several decades of experience, investment and growth in our core areas have created a Humana that is well equipped for the future.

Continued strong growth in 2015

Humana continued to grow in 2015. We further strengthened our position by completing seven acquisitions, growing organically through new units and expanding the number of available places at existing units.

In total, revenue increased by 12 percent to SEK 5,655 million, of which organic growth was 3.5 percent. Profitability totalled 5.6 percent.

At the same time, we continued our efforts to increase the percentage of operations under own management to provide even greater opportunities for us to make long-term investments in operations and quality. In 2015, we completed building most of our brand new elderly

care facility under own management in Gävle that will open in March 2016. Its opening marks another milestone in our history.

Our strategy means continuing to develop our strengths

We will continue to act as a driving force in the development of the care industry through new and innovative work methods, continuous quality improvement, and research and development. We predict an even greater need for a care provider that possesses the resources and capacity to develop the services of the future and is guided by clearly defined core values that are deeply rooted throughout the entire business.

We will be the most attractive employer in the industry, one who invests in professional development from introduction training to specialist and leadership training. We need to spread the message that the care profession is both interesting and rewarding, as well as raise awareness about the breadth of available careers. We will offer attractive career opportunities to those individuals who want to grow in their professional disciplines in a job that feels meaningful from a societal perspective. In addition, we welcome new employees into an organisation where colleagues have strong core values that guide their daily work.

We will continue to grow and continue to further develop our business. Humana's existing pool of talent and its organisation provide a promising point of departure in achieving these goals. We should make good use of them to become even stronger in existing markets and to further expand in the Nordic region.

An increasing need for care services provides good growth potential

Sweden and other Nordic countries face significant challenges in terms of access to care for more and more people. Changes in the world around us, including migration flows, mean opportunities for society but also new and tougher challenges for welfare services requiring efficient use of resources and a high degree of flexibility. In combination with greater service personalisation and more interest in freedom of choice, the number of private care providers will continue to increase. At the same time, higher quality and regulatory requirements mean that many smaller care companies will find it difficult to cope with adapting to these changes.

All these external factors mean great growth potential for Humana. With our extensive experience and our strong corporate culture that links values, quality and an entrepreneurial spirit, the conditions are set for continued sustainable growth. I am also convinced that Humana is better equipped than most to successfully seize opportunities as well as face challenges.

Rasmus Nerman
Chief Executive Officer

The greatest potential still awaits Humana

For ten years, we have been laying the foundation for taking Humana's development to the next level. Our business concept has remained the same since the start: to satisfy the needs of our customers and clients. Humana today has a strong platform for the long-term development of our unique Humana model. It is based on a quality mindset with customer value in focus and value-driven leadership.

Since 2006, as CEO of Humana I have had the privilege of devoting my life to a task that I have felt to be truly valuable: together with a team of passionate and professional employees, to develop and transform a small, assistance-only company into one of Sweden's largest and most complete care companies with a distinctive culture of quality.

I worked in communications at the time and had helped develop several service companies. The Humana I encountered then was a product of its time and showed few similarities to today's business. The assistance reform was relatively new, and lawmakers had the best of intentions. With the help of personal assistance – and one's own right to choose who would deliver it – people with disabilities would get the chance to participate in society like everyone else. This was a task of major importance for the new welfare companies. But some providers were driven by opportunistic goals, where financial interests were the main priority. There was a lack of procedures and processes for monitoring and controlling the business. Above all, a clear moral compass and healthy corporate culture were often absent.

Core values one of Humana's greatest assets for the future

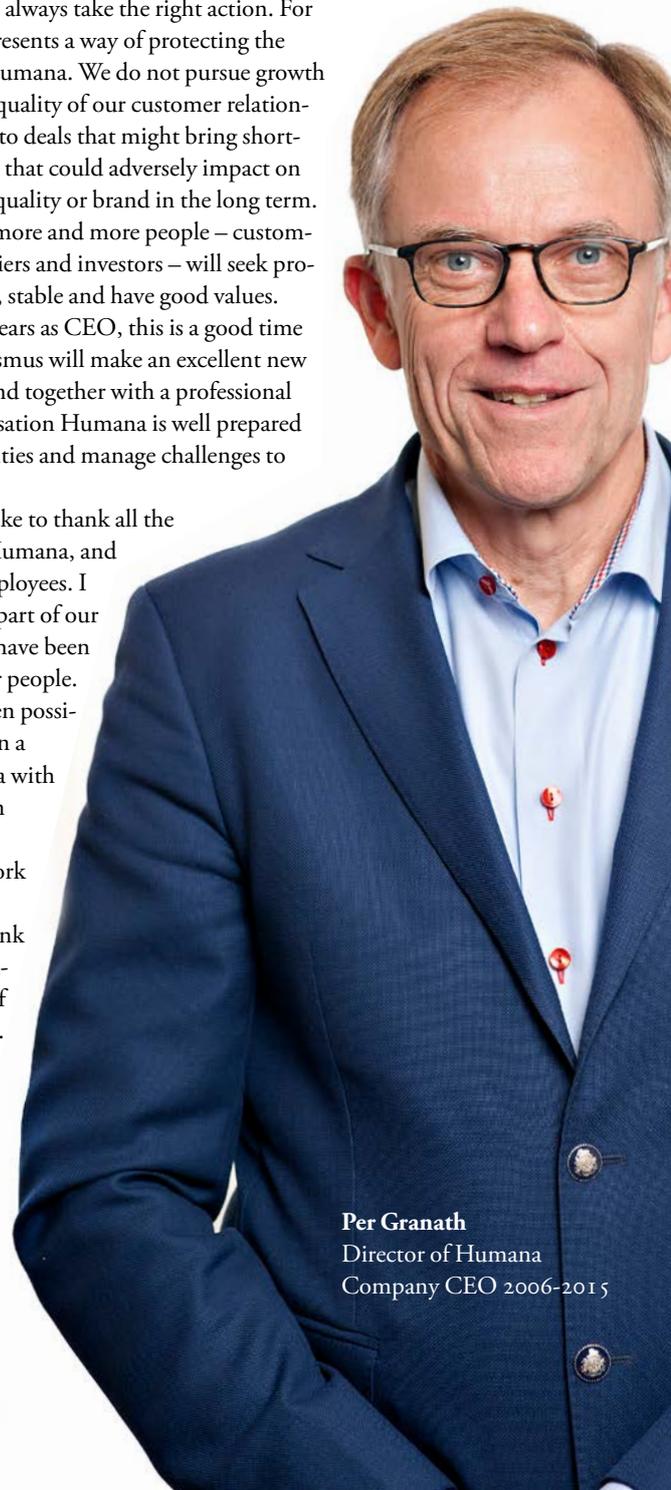
Our ambition has been to grow and scale up so as to be able to do more for more people. To do this, we had to build a business that people generally think of as solid, that our customers appreciate and that our employees are passionate about. The journey that we have taken since Humana's inception has created the basis for continued strong growth.

The core values that we have created together at Humana are one of the company's greatest assets and guide all the work we do. They act as a kind of insurance for all stakeholders – our clients, our customers, our employees and our shareholders – that reinforces the sense of security, stability and long-term viability in everything we do. This means cost effectiveness for our clients, quality for our customers, professionalism and security for our employees, and low risk for our investors.

Humana is a company with high growth potential and staying power in the long term. Thanks to our core values, we can stick to our principles when ethical or regulatory issues arise and always take the right action. For us, this approach represents a way of protecting the customer as well as Humana. We do not pursue growth at the expense of the quality of our customer relationships. And we say no to deals that might bring short-term profitability but that could adversely impact on our overall business, quality or brand in the long term. I am convinced that more and more people – customers, employees, suppliers and investors – will seek providers who are secure, stable and have good values.

After nearly ten years as CEO, this is a good time to pass the baton. Rasmus will make an excellent new CEO for Humana, and together with a professional and dedicated organisation Humana is well prepared to leverage opportunities and manage challenges to come.

Finally, I would like to thank all the leadership teams at Humana, and all colleagues and employees. I know you have been part of our journey because you have been inspired to help other people. It would not have been possible to develop and run a business like Humana with only financial gains in mind. Our success is proof of your hard work and commitment. I would also like to thank our customers and clients for the trust all of you have placed in us. We will always do our utmost to live up to your expectations.



Per Granath
Director of Humana
Company CEO 2006-2015

Personalised care for the individual's needs and circumstances

A key element in the development of care in recent decades has been the idea of greater autonomy and empowerment for the individual. For Humana, this means basing our daily work on the special wishes, needs and circumstances of each individual person during life's various stages.

In line with the structure and development of the welfare state in the Nordic countries, major changes have taken place in the encounters between those who need care and health care and those who provide it. The first half of the 20th century was marked by institutional-style care with little room for the user's autonomy and individual preferences. The elderly, disabled and mentally ill were often placed in institutions or cared for by relatives, which often became a daunting task for the family. But over time it became apparent that hospitals and institutions were neither a good caring environment nor effective from a socio-economic perspective.

Today, the perception of the care environment and individual empowerment looks different. According to the Social Services Act (SoL), businesses must provide care and health care based on respect for people's rights to make their own decisions and to privacy. The overall objective of the LSS reform is to enable people with long-term, extensive disabilities to get the chance to live life the way others do. The individual should be allowed to live as dignified and independent a life as possible.

At the same time, technological advances and the availability of new accessibility aids simplify daily life for many, from electric wheelchairs to custom apps and computer-based communication. For many people, their independence has increased in line with access to such aids.

Milestones towards autonomy

Several important milestones towards greater autonomy and empowerment of the individual were reached during the 1980s and 1990s, when new laws like the Care Act, the Act concerning Support and Service for Persons with Certain Functional Impairments (LSS) and the Public Procurement Act (LOU) were introduced. A further step was taken in 2009 when the Act on System of Choice in the Public Sector (LOV) was introduced with the aim of stimulating increased choice and competition. The entry of private providers in the market has played an important role in this development as the market is largely characterised by increased flexibility, individualisation and privatisation of care.

More people receive help from home care services

In Sweden, close to 1.9 million people are 65 or older and of these almost half a million are over 80. The 65-plus age group, which today makes up about 20 percent of the population, has grown in recent decades. In the 1960s barely 12 percent were 65 or older, while in the 1850s this figure was 5 percent.¹⁾

Never before has the older generation been so active and

healthy. This, combined with a higher life expectancy, results in more and more people being able to live at home well into old age. But for many, the ageing process means a need for help coping with daily tasks, and for others minor or major health problems. In recent years, an increasing number of older people have received help through home care services, whereas accommodation units focus on the sickest and weakest.

According to the National Board of Health and Welfare, in 2014 nearly 105,000 older people lived permanently in special sheltered living arrangements. The same year, more than 223,000 older people received home care services.

A growing need for new skills

Trends in elderly care are moving towards more advanced health care efforts that require highly specialised staff. In the 75-plus age group, about 10 percent use 10 or more medications.²⁾ This is a sign that more and more people are living longer with a variety of illnesses. Overall, prescription of medication to people 75 years or older has doubled over the last 20 years.³⁾ This places considerable demands on staff working with the elderly, especially on nurses and nurse assistants. Specially trained nurses and enhanced geriatric skills will become increasingly important.

More and more people receive personal assistance

In the middle of the 20th century, many adults with disabilities were forced to remain living with their parents or were admitted



1: Hjälpmedelsinstitutet (Swedish Institute of Assistive Technology), 2013/14

2: Medicinal products register, Socialstyrelsen (Swedish National Board of Health and Welfare)

3: MSB (Swedish Civil Contingencies Agency), 2014

to nursing homes to get help, while children with disabilities were often separated from their parents. Today, people with disabilities are able to stay in their own homes with personal assistance or in housing with special services.

Assistance reform in 1994 represented a major breakthrough for individuals with disabilities and significantly helped people judged to be in need of assistance to regain control over their own lives. In order to receive assistance, you must have a permanent disability, such as autism, developmental disability, MS or post-stroke disorders, and high support needs for daily tasks.

Demand for personal assistance increased dramatically as a result of the introduction of LSS in 1994 up to 2009. However, growth has been restrained by a tightening of legislative interpretations, combined with more restrictive assessments when granting personal assistance as well as more withdrawals of previous decisions. The market is still growing, though not so much in terms of the number of individuals awaiting assistance decisions as by the increase in the average number of hours per individual. The number of individuals receiving personal assistance totalled about 20,000 at the end of 2014, of which roughly 16,000 had received a decision from the Social Insurance Agency. At the end of 2014 the average number of assistance hours granted per individual totalled 124 hours per week.¹⁾

Good living conditions, autonomy and participation in society for people with disabilities should serve as the basis for personal assistance. Any person who, because of significant and sustained disability, needs help with personal hygiene, meals, dressing, communicating with others or other assistance that requires intimate knowledge of the person with functional impairments, satisfies what are referred to as basic requirements. The person receiving assistance for basic needs also has the right to assistance for other personal needs. About one in five people with severe disabilities receives regular assistance with life-sustaining measures.

Foster homes the most common form of placement

Individual and family care comprises children, adolescents and adults, and their support needs do vary. Substance abuse, neuro-psychiatric disabilities, depression and self-harm are some of the problems that result in the need for support.

At some point during 2014, 28,700 children and young people received care under the Social Services Act (SoL) or interventions under the Care of Young Persons Act (LVU).²⁾ Mostly children over the age of 15 receive interventions. The most common placement is a foster home but another care option is an 'HVB' (residential care home), a business engaged in treatment or focused on nursing care, support or child-rearing. Usually, 5-6 children stay at an HVB. Across all age groups, more boys than girls receive care. The largest group of adults in individual and family care have problems with substance abuse and addiction, and need support such as housing subsidies or individual means-tested services without housing.

Individual and family care also includes support for

unaccompanied refugee children. More and more severely traumatised children and young people who need extensive support and special interventions are seeking refuge in Sweden. According to the Swedish Migration Board, more than 35,000 unaccompanied minors sought asylum in 2015 compared with 7,000 in 2014. Roughly one-third of those fleeing to Sweden are estimated to be severely traumatised. The growing needs of this group increase the demands on providing care as well as on psychiatric expertise and specially trained psychologists across the country.

Social services face enormous pressure

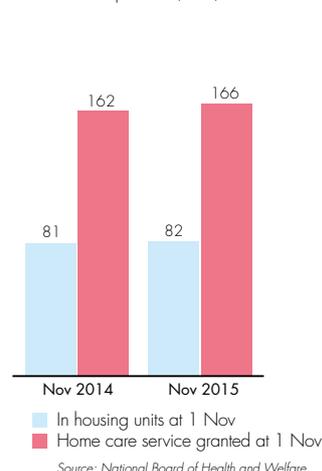
In recent years, many sources have drawn attention to the fact that social services are under enormous pressure as they face staff shortages and overworked social workers. According to the magazine *Dagens Samhälle*, in December 2015 a staggering 83 percent of all municipalities reported that social services are facing great pressure. The social workers' situation makes processing times long and leads to investigations that are not completed on time. And tough working conditions are leading to high staff turnover, which contributes to the loss of continuity for vulnerable people in their contact with social services. There is also widespread concern that efforts and support for other vulnerable groups will be delayed. Overall, social services are in need of reinforcement in terms of human resources.

The importance of private players

It would not be possible to fulfil society's aspirations for greater freedom of choice for the individual and simultaneously obtain the necessary resources without new market players who offer fresh perspectives and new work methods. Today, one-seventh of taxpayer-funded welfare services in Sweden are carried out by private companies. That's 140,000 people working in private care in Sweden today in more than 12,000 companies. A mix of public, co-operative, not-for-profit and private providers must exist so that society can meet the need for welfare services.

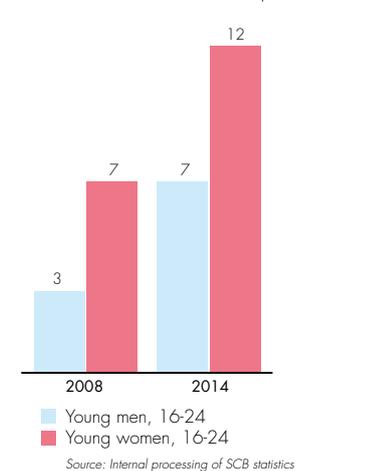
Elderly Care

Thousands of persons (65+)



Individual and Family

Youths with severe mental health problems, %



1: Försäkringskassan [Swedish Social Insurance Agency], 2014

2: Socialstyrelsen [Swedish National Board of Health and Welfare], 2014

Humana's business areas

Individual & Family



Humana Individual & Family provides housing, care and treatment in psychiatry and psychosocial change processes to families and individuals of all ages.

Humana enters into individual placement agreements with the municipality for each client and is qualified through framework agreements. Humana is the leading operator when it comes to nationwide dynamic care with expertise in psychosocial problems and mental health problems in children and young people. Humana operates residential care homes (HVBs), foster homes, sheltered housing, outpatient care and supportive housing, as well as housing with special services under own management. The average number of employees during the financial year totalled 1,795 and the average number of placements was 1,659.

The business area's operating revenue was SEK 1,750 million in 2015 with an operating profit of SEK 217 million in the same period.

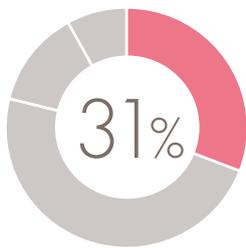
Personal Assistance



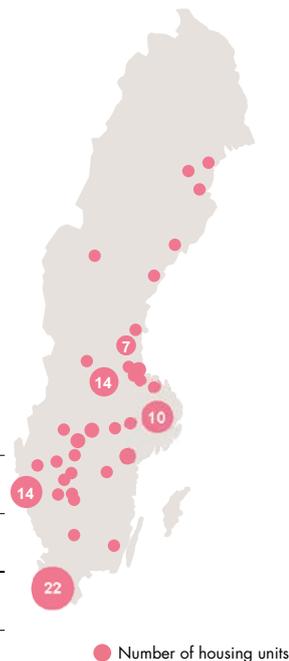
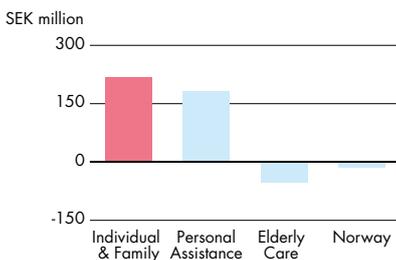
Humana Personal Assistance provides personal assistance to people with disabilities so that they can cope with everyday life situations and be empowered to live life the way others do. Humana has customers of all ages, and a large proportion of customers – about a third – are children. Humana is Sweden's largest and leading private provider of personal assistance, with a nationwide network of regional and local offices. Humana operates personal assistance services in more than 240 municipalities and holds a 10 percent market share. The average number of full-time employees totalled 5,313 during the financial year and the average number of customers 1,952.

The business area's operating revenue was SEK 2,689 million in 2015 with an operating profit of SEK 182 million in the same period.

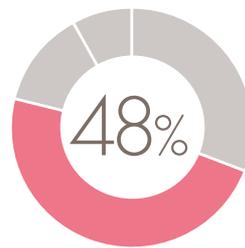
Percentage of Group revenues 2015



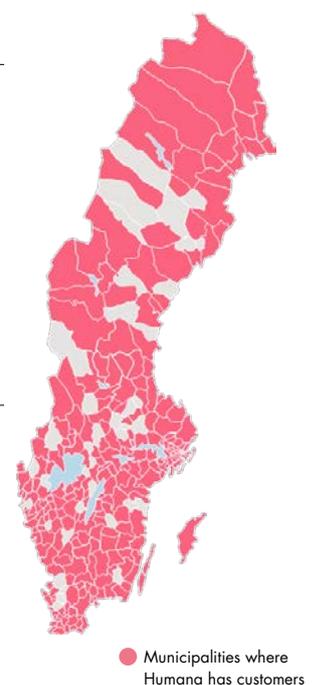
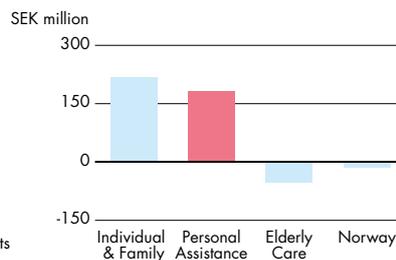
Operating profit 2015, SEK millions



Percentage of Group revenues 2015



Operating profit 2015, SEK millions



Elderly Care



Humana provides personalised care for the elderly based on the clients' own circumstances, needs and preferences. The company provides elderly care within two business areas: housing units for the elderly and home care services. Humana's goal is to become a leading quality operator of elderly housing units with a focus on homes under own management. Within this business area Humana also runs housing with special services and special education operations. The average number of full-time employees totalled 1,640 and the average number of customers 3,499.

The business area's operating revenue in 2015 was SEK 738 million with an operating profit of SEK -53 million in the same period. Profit was negatively affected by a goodwill impairment in home care services totalling SEK 36 million.

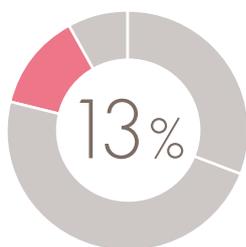
Norway



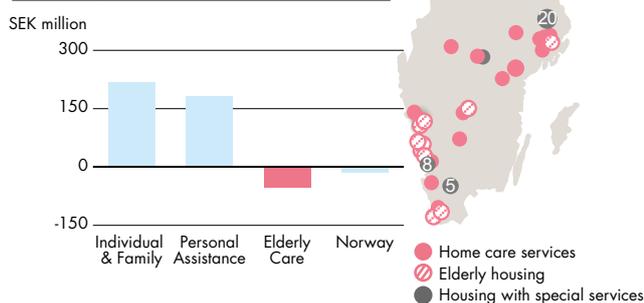
Humana in Norway provides housing, care and treatment in psycho-social change processes to families, children and young people. Humana also operates personal assistance under permit in 48 municipalities and certain activities within care for the disabled in housing with round-the-clock staff as well as through relief services. The average number of full-time employees totalled 393 and the average number of clients 202.

The business area's operating revenue was SEK 416 million in 2015 with an operating profit of SEK -13 million in the same period. Profit was negatively affected by the disposal of Villa Skaar amounting to SEK 32 million.

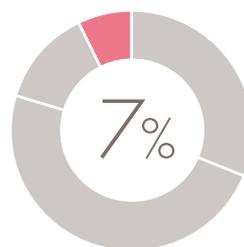
Percentage of Group revenues 2015



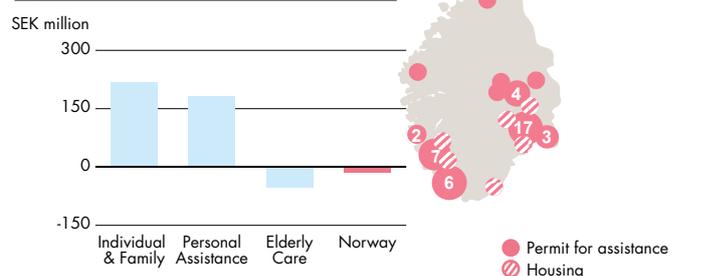
Operating profit 2015, SEK millions



Percentage of Group revenues 2015



Operating profit 2015, SEK millions



One of Sweden's largest private employers with leading specialists in the care professions

Humana is one of the largest private employers in Sweden. Each year we receive more than 60,000 job applications because Humana has become an employer that attracts skilled and motivated individuals. Humana's employees represent a wide range of skills, from seasoned specialists with extensive training to many young adults and new Swedes, who through Humana make their debut on the labour market. Thanks to our skilled workforce, Humana stands well equipped to respond to demand as well as increasing professionalism and competency standards in the care sector.

Our continuous core value efforts serve as a key cornerstone in strengthening Humana's common corporate culture for all 14,000 employees.

Humana today is not just a major employer. We have also become one of the most important employers in Sweden in several care professions with a high level of specialisation and expertise. We employ thousands of personal assistants, treatment assistants, nurses, psychologists and social service workers. Other professions in the Humana family include social scientists, LSS lawyers and occupational therapists. Being an attractive employer strengthens our ongoing quality work, while our experience handling the volume of job applications we receive creates better conditions and lower recruitment costs.

The power of empowered employees

The biggest challenge facing employees in the care sector is taking the right action in every encounter with the customer or client. Compliance with rules and regulations must be combined with one's own judgement and professionalism. Therefore, a company like Humana needs to firmly support its employees by providing

accessible leadership, continuous professional development, and clear systems and procedures for reporting and follow-up.

Every day, the more than 14,000 employees who work at Humana meet their customers and clients in their homes, in facilities with special services (LSS group homes), in residential care homes, in foster homes and in housing units for the elderly. It is thanks to each employee's skills, judgement and attitude that we create successful outcomes and satisfied customers and clients.

Many of Humana's employees work in a setting that can be both mentally and physically stressful. Care often takes place 24/7, under complex conditions that require a variety of skills. To meet these challenges, Humana must be a learning, listening organisation that takes advantage of experiences and opinions and allows for personal responsibility and ideas. Our work is founded in Humana's core values, the vision that everyone is entitled to a good life and the view that all human beings are of equal worth.

Leadership that reflects gender equality



It feels like
you're doing
something
meaningful.

Natalie

Assistant Nurse,
Home Care Services



»I feel close to decisions that are made, and that I have the opportunity to influence them.«

Fredric

Treatment Assistant,
Individual & Family

»I thought it would be just a job, but it turned into something so much more. It became a part of my life.«

Marilyne

Personal Care Assistant

A learning organisation

Humana invests in continual professional development. We are convinced that professional development in a variety of forms leads to higher job satisfaction and a sense of security for employees, customers and clients, and is essential for our quality aspirations. The Humana Academy offers the entire company continuous professional development based on the needs of the individual employee and the business.

Through blended learning that combines traditional teaching methods, web-based training, mentoring and hands-on training, our employees become more committed to wanting to learn more and develop.

Our core areas of focus include new-employee introduction and leadership. Getting off to a good start and feeling secure in one's professional role are important. We therefore offer all new employees web-based introduction courses. Depending on the business area in which one works, employees receive a personalised web course that provides an overview of our business and practical career tips.

Strong and confident leaders make all the difference. Humana's leaders must act clearly and boldly. To lay the groundwork for lead-

ership, Humana offers new leaders an introduction programme based on Humana's core values. Ongoing professional development is offered to the Group's management at all levels on topics like leadership, employment law, workplace health and safety, and recruitment. It's about being trained in a managerial role, but it's also about personal leadership.

The Humana Academy

Humana is a pioneer when it comes to training personal assistants. We offered our first courses as far back as 2006. In connection with the first web training five years ago ("Basic introduction training for personal assistants"), the Humana Academy brand was born. The Humana Academy was an important first step in strengthening the professionalism and expertise of those working as personal assistants.

The Humana Academy's learning portal contains all web-based courses. In 2015 more than 6,800 web-based courses were completed through the learning portal, an increase of 42 percent compared with 2014.

In the autumn of 2015, the Humana Academy expanded to include the entire Group's training offerings across all business areas.

My workplace is evolving all the time, and I am evolving with it.

Fredrik

Leisure Activity Leader,
Special Services
Housing



“There’s nothing greater than seeing the results of a long treatment that was successful.”

Bo

Treatment Director, Social Scientist and
Certified Psychotherapist, Individual & Family

Today, the Humana Academy offers a total of just over 100 different courses covering all main topics for employees, such as introductory and basic training, workplace health and safety, legislation, leadership, core values, customer interaction, quality, disabilities, methodology and treatment, IT systems and finance. Just over half of the courses at Humana Academy are conducted under own management. Roughly 20 percent are web-based and can be taken through the Humana Academy’s learning portal.

Web-based courses allow us to reach out to all our employees and are appreciated because they give employees the choice to develop skills when and where they want. As an employer, we can more clearly follow up on and evaluate our training efforts. Within the next year, there will be more course offerings and the delivery formats will continue to be developed.

Core value initiatives in practice

Core values represent Humana’s ethical and moral platforms. They are based on the words Commitment, Happiness and Responsibility. These core values form an important cornerstone of the ongoing

efforts to strengthen Humana’s common corporate culture. Our organisation continually applies its core values, which act as a reference point for all activities at Humana in strategic planning, recruitment, and in our daily contact with customers, clients and buyers.

Our core value work gives us a handy tool for strengthening a common corporate culture at a fast-growing company. It unites employees in its focus on increased customer value, enhances individual authority and initiative-taking, and helps to reduce the risk of making mistakes. It is also a prerequisite for delivering on our ambitious quality goals and thus is effectively a foundation for our growth strategy as the leading private idea-driven care company.

Working in the care sector means being faced with challenging dilemmas in our daily work. To meet these challenges – and for Humana to remain an attractive employer that attracts the best people – we need to be a learning organisation that always leverages the experience and feedback of its employees. The lessons learned and feedback must be communicated, as they create the basis for the continuous development of procedures, work methods, leadership and policies.

“As a social service worker, when I was asked to become a unit manager at Humana I reflected for a long time about whether to leave the public sector for a private business. It was not an easy decision, but after several calls and visits I ended up switching employers. Today I sleep well at night, and I really thrive and evolve in my work. I’m part of an inspiring company with driven, dedicated employees and I’m in charge of a fantastic operation where both young people and their families are always the main focus.”

Therese

Operations Manager with degree in social science, Individual & Family

It’s not money that rules. It’s commitment and a desire to do good. If I hadn’t felt that way, I would never have switched from the non-profit association I worked with earlier.

Linda

Regional Director with degree in social science, Individual & Family

Our core value work began in 2011 in a process initiated by Group management but which has received input from many employees. Today, the core value initiatives continue to be infused throughout all areas of the business and are incorporated gradually in acquired units.

The work is based on a systematic, ongoing dialogue within the organisation. The dialogue takes place within a framework that is well anchored in the National Board of Health and Welfare’s national guidelines on ethics in social work as well as in Humana’s operations, where the employees’ own experiences are systematically taken into account to create a shared learning experience. In the dialogue, employees and managers are given the chance to discuss demanding professional challenges in everyday life, find practical solutions and learn from one another. The core value work is thus put into practice regarding matters of ethics, leadership and internal rules and policies, as well as the laws and regulations governing our operations. The core value work we do thus gives us a tool we can actively use to develop our employees and our business.

A customer-oriented organisation with a high level of service

The Humana organisation is strongly decentralised. Humana’s employees always operate close to and in dialogue with customers and clients. Regional and local offices are mainly linked to the business areas Elderly Care, with about 30 home care offices, and Personal Assistance, which has offices in 20 locations throughout Sweden. Individual & Family operates in 120 locations, from Skåne to Norrland. In Norway, there are offices in eight locations and local operations in the largest cities in Sør and the southern Sørlandet regions.

The business can grow through acquisitions or new establishments without significant cost increases at the central level. Headquarters is involved in the finance, marketing and communications, quality assurance, IT, acquisitions and property management functions. It is also responsible for Group operational governance, brand and values as well as integrating acquisitions effectively. In addition to operations, the four business areas comprise the business development divisions, quality assurance, marketing, and support functions such as HR and finance.

The preferred choice among customers and buyers with high quality standards

As the Swedish care and health care system moves towards greater freedom of choice and higher standards of quality, efficiency and accountability, quality issues and supervision have become increasingly important. Humana aims to be the clear provider-of-choice for customers, clients and buyers with high quality standards. To live up to the high expectations of both external stakeholders and the company itself, Humana continuously and systematically engages in quality assurance and development initiatives.

Fundamental cornerstones

Humana defines quality according to four fundamental cornerstones. One cornerstone is individual solutions, where Humana's customers and clients always come first. Another cornerstone is a highly skilled workforce, where employees are always provided with the best possible conditions for success through continuous professional development. A strong core value system that is deeply-rooted throughout the entire business is another cornerstone, as well as evidence-based practices in which Humana always strives to work with the best available knowledge.

Individual solutions

Humana always strives to satisfy the needs and wishes of our customers and clients. All of our operations must be based on respect for people's privacy and autonomy. No one person is the same as another, so we must provide individual solutions. We ensure that every customer and client has an implementation plan which we create together, and sometimes even with their nearest and dearest. Individuals should recognise the plan as their own. The plan describes how care and health care should be carried out and organised, and is used for monitoring purposes. Each month, we do a review to see that everyone has an implementation plan.

To measure how satisfied our customers and clients are with Humana's care, we have a regular monitoring system using surveys and a customer satisfaction index (CSI). Humana also conducts customer surveys targeted at the buyers to inquire about their views on how well the company is performing.

Highly skilled workforce

Humana has many highly educated employees, particularly as regards psychotherapeutic skills. Within Humana there are approximately 25 certified psychologists and psychotherapists as well as 300 social service workers, of whom several have basic psychotherapy training. In addition, we maintain close co-operation with 15 consultants (certified psychologists and psychotherapists) for hands-on guidance and training. Humana has extensive medical expertise, notably co-operation with more than 20 medical doctors with expertise in psychiatry, child and adolescent psychiatry, forensic psychiatry and general medicine. Across Humana's operations about 100 registered nurses work together with treatment and care staff, several of whom are specialised in psychiatry. In the assistance business area, Humana employs some of the industry's most skilled LSS lawyers. Our team of twenty or so lawyers are important for our customers and their rights.

The Humana Academy

Highly skilled does not mean that we only have employees with a university education. Just as important, all our employees receive a good introduction to our business followed by continued professional development.

The Humana Academy offers both traditional and interactive web-based training. All our employees are offered a web-based introductory course about Humana and the business area they work in.

Within personal assistance, there is no nationally recognised training for aspiring personal care assistants. It therefore proved

Fundamental cornerstones

Humana always places its customers and clients first – we listen to them and work together with them to meet their needs and wishes in the best possible way.

Humana's core values – Commitment, Happiness and Responsibility – define us and act as our guiding principles in everything we do.



Humana's employees are the foundation of its business, and that is why we give them the best chance to do a good job by providing a positive work environment and continuous professional development.

Humana strives to always use an evidence-based approach in its work, using the best available knowledge.

valuable that Humana was early in developing web training for care assistants. Our other business areas also have training needs, and we are now promoting efforts to offer all staff different skill-building activities. A few of the different needs we identified are training in dementia care for assistant nurses, training for treatment assistants in customer interaction for difficult behaviours and training about how different types of disabilities affect support assistants in the context of group housing.

Humana's core values

Core values represent Humana's ethical and moral platform as well as the approach that guides all of our activities. The ongoing work with our values is a central starting point for all activities at Humana and helps us develop the business. A well-grounded corporate culture with shared values provides Humana and its employees the necessary direction and mandate for personalised customer interaction with a focus on solutions in everyday life. Employee commitment, happiness and willingness to take responsibility give Humana its main competitive edge and form one of the four cornerstones in our continuous quality assurance work.

Humana has defined the values *Commitment, Happiness and Responsibility* and strives to honour them throughout all our operations. Each business area at Humana has a group tasked with managing issues related to core values, and this work is supported at Humana by value ambassadors. The company's efforts to develop tools for working with core values and for following up on the ongoing work is co-ordinated by a designated values champion.

In employee surveys, we follow up on how well-known our core values are. In the latest survey in Personal Assistance, 84 percent of salaried employees reported that our values guide their everyday tasks. Of personal care assistants, 85 percent stated that the values accurately describe the way they work.

Evidence-based practices

Humana's nearly 450 specialists are highly skilled and actively work with medical and psychosocial care and treatment as well as nursing at Humana. The specialists' work in individual and family care involves teaching and implementing Humana's own outpatient method, IHF, and the well-proven TFCO model to external parties. Since September 2014 Humana holds exclusive rights to implement, train and mentor within the parental support programme Connect, a programme that many of the country's municipalities make use of. Elder care specialists are engaged in the development of nursing care and actively contribute to the Swedish Register of Palliative Care in order to support the development of end-of-life care in accordance with national guidelines. Mealtimes are important in care settings, and the introduction of FAMM (Five Aspects Meal Model) has led to an improved dining experience.

The division for research, development and treatment at Humana Individual & Family organises all treatment work to ensure quality and the availability of the right skills for Humana's operations. The division designs, creates and evaluates treatment methods and is responsible for several internal courses. It also co-ordinates and provides guidance for employees throughout the Group. Humana collaborates on research projects with partners like Stockholm University, Linköping University and the Centre for Clinical Research in Västerås.

Humana participates in an ongoing project with the Swedish Standards Institute (SIS) that aims to develop a new national standard in residential care homes. In the last three years Humana has also

contributed to projects related to ethics, for example in elderly care, through research collaboration with Ersta Sköndal University College.

Humana strives to advance the development of evidence-based practices. We aim to set a new, higher standard within our areas of operation.

Organisation

Ensuring quality is a top priority at all levels of Humana – from the responsibility employees take in their daily tasks to strategic initiatives involving management systems, systematic follow-up and internal control.

The day-to-day quality assurance activities take place across all of Humana's operations with the ultimate goal of satisfying the needs and wishes of our customers, clients and buyers. Each business area has a quality assurance organisation focused on supporting operations, driving development, working regularly with quality assurance and planning internal controls. Another important task is regular contact and collaboration with local quality assurance representatives in the divisions.

Humana also has a central quality assurance organisation structure whose task is to ensure that all work in the Group is carried out in accordance with Humana's core values and high quality standards, and that follow-up and development take place according to the established targets. The central quality assurance organisation ensures that each business area has the tools and systems needed to carry out its work and to ensure professional development and knowledge transfer between divisions, business areas and countries. The organisation reports to the company's Board of Directors on a monthly basis. Humana's central quality assurance organisation consists of 25 employees. In addition, many of the divisions have a quality assurance representative and a large number of employees engaged in methods development, mentoring and training.

Quality management

In 2015, Humana created a framework for quality assurance initiatives by forming a company-wide quality assurance group. The group consists of the quality assurance managers from each business area, who meet every month to co-ordinate Humana's quality assurance activities.

A primary focus area for the central group during the year was producing common quality indicators and building a company-wide quality management system. The purpose of this common system is to increase efficiency, flexibility and technical usability.

Humana's quality assurance work

- Group-wide task force and quality management system
- Employees with evidence-based skills and knowledge
- Systems and procedures in place for deviations
- Systematic measurements of objective and subjective quality
- Active participation in research projects and public debate
- Accountability throughout the organisation
- Engagement in core value work

Methodology and follow-up

There are many different opinions about what constitutes quality assurance. Under the National Board of Health and Welfare’s regulations and general advice on management systems for systematic quality assurance work (SOSFS 2011:9), quality means that a business meets the requirements and objectives relating to the business as stated by law and other regulations. This means that meeting all the applicable requirements constitutes operating a quality business. Our operations use the management system as support in achieving high quality, so that the right thing is done the right way at the right time. But Humana aims higher. We want to achieve something that goes beyond the applicable legal requirements. For us, it is essential that the needs of the individual govern our operations.

Quality is, in many cases, a subjective assessment defined by the individual customer or the client’s experience of quality. It’s all about customer interaction, participation, inclusion and respect. Several times a year, Humana evaluates the customer’s experience of the quality of care by using the National Board of Health and Welfare’s user surveys, our own customer surveys and CSI measurements. The purpose of these surveys is to identify shortcomings at the individual level so that we can take action and to identify potential systemic failures in the business.

It is also important to follow objective quality measures, in other words quality indicators that are easy to measure, evaluate and compare over time and between divisions. Currently no nationally agreed quality measurements are available for any of Humana’s business areas except for elderly care. Humana has therefore developed its own quality measurements that are performed regularly to ensure that each business area maintains a high level of quality, makes progress and focuses improvement efforts in the right areas. Quality measurements include a close dialogue with the buyers of care services, customer and buyer surveys, employee surveys, and internal controls as well as scheduled and unscheduled internal audits. In those measurements where Humana can be compared with other market players – both private and public – Humana demonstrates consistently high results.

In elderly care several quality indicators are available from the open benchmark reports and elderly care guides, which are produced in co-operation between the National Board of Health and Welfare and the Swedish Association of Local Authorities and Regions (SKL).

These indicators include the staff’s level of education, presence of implementation plans, and statistics concerning risk assessments for falls, bedsores and malnutrition. Using these types of measurements Humana works systematically by carrying out internal controls and by managing comments, complaints and deviations.

In addition, there are national guidelines, laws and regulations whose purpose is to ensure that all caregivers comply with quality requirements. Part of Humana’s systematic quality assurance work is reporting, investigating and remedying deviations as well as reporting social services abuses according to Lex Sarah and health care abuses according to Lex Maria.

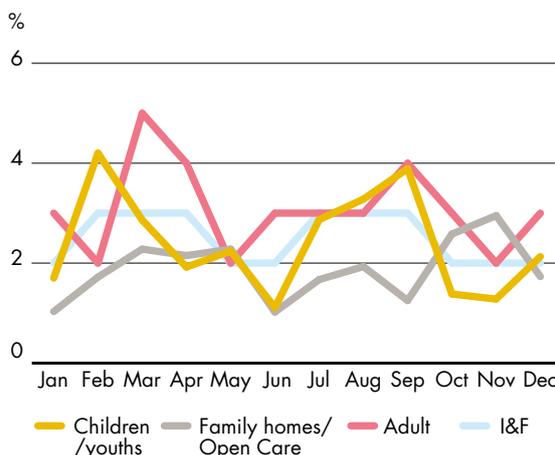
In order to continuously improve operations, Humana has well-established procedures for receiving and processing suggestions and complaints from clients, family members, buyers and employees. Humana is regularly evaluated by municipal buyers and the Health and Social Care Inspectorate (IVO), which grants permits for Humana’s operations.

Quality assurance in our business areas

Individual & Family:

Every month, Individual and Family compiles results from the different divisions that are evaluated in relation to targets. Data is collected on the number of deviations and follow-ups, number of completed treatments, and number of dynamic care touchpoints and breakdowns. Individual and Family also follows up on the rankings by measuring the satisfaction of the placing municipality.

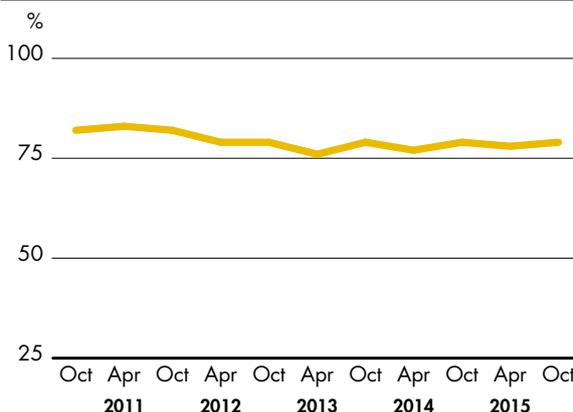
Percentage breakdowns



Personal Assistance:

Every month, Personal Assistance compiles and reports data on the percentage of care assistants who have completed induction training, how many customers have a current implementation plan, and the number of complaints received and resolved. Twice a year, all customers get the chance to answer questions in a CSI about how satisfied they are with their care assistance. More than 1,000 customers respond to each survey.

Customer satisfaction index



Elderly Care:

Every month, Elderly Care compiles and reports data on deviations and follow-ups, the number of Lex Sarah and Lex Maria cases, and results from the quality register. Humana’s elderly care shows excellent results in the national user survey conducted each year by the National Board of Health and Welfare for people living in sheltered housing or receiving home care service.

Norway:

Because there are no national user surveys for children and youth operations in Norway, in 2015 Humana created its own survey. This survey will provide the basis for improvement initiatives and help the company become a learning organisation. Children and young people who reside in an institution or foster home responded to how they perceive their situation. The responses are used to develop care for the individual as well as develop the business as a whole.

The survey questions regard well-being, safety, ability to make own decisions and opportunities to attend school. Regarding safety, in the latest survey 17 out of 31 young people responded that they feel very safe where they live, 3 felt quite safe, 6 felt a bit unsafe and 2 felt not at all safe. Two people did not answer the question.

Humana's large number of units enable us to efficiently compare units to one another and ensure that poorer performing units quickly adopt the practices and procedures that have proved successful in other units.

Humana feels, however, that the most important evidence of good quality is when the company's customers, clients and buyers are so satisfied that they recommend Humana to others.

An active role in public debate and research

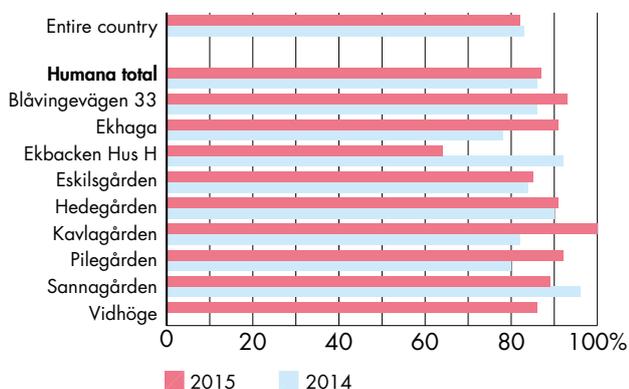
Another important part of Humana's quality work is taking part in the public and academic debate. In 2015 Humana participated in Almedalen and in seminars organised by research institutions and government agencies, and as the only private care company initiated and participated in the Swedish Civil Contingencies Agency's fall prevention week in elderly care.

To pursue quality work going forward, develop new processes and work methods and refine existing methods, Humana regularly participates in research projects. Utilising existing as well as new knowledge will improve the efficiency of our work. For Humana, the knowledge and skills that have been built up should benefit all business areas, employees and countries. Humana is happy to share best practices, and several times a year welcomes international study tours.

Humana also takes an active role in the introduction of clearer, more vigorous quality requirements on all stakeholders in the care industry, both through its own public opinion work and through membership of and board representation on various trade organisations.

Total satisfaction, Elderly Care

How satisfied are you on the whole with your elderly housing?



Source: The National Board of Health and Welfare, *Vad tyckte de äldre om äldreomsorgen* (What the elderly think about elderly care), 2015.

Humana total is based on the average results for Humana's divisions (all have the same weighting)

Last year's results for Vidhöge are unavailable due to too few respondents



Eva Nilsson Bågenholm, Quality Assurance Director at Humana.

Natalie



The market for care and health care

Care is a priority area for government spending. The need for care in communities continues to grow, as does the market for care and health care. The care market is expanding due to a growing and ageing population as well as an increased prevalence of mental health problems, especially among younger people. There is a higher degree of complexity and thus an increased need for specialised care.

The private market for care and health care^{1, 2)}

Today the private market for care and health care consists of approximately 12,500 companies with a total of more than 140,000 employees. In 2014 the industry had sales worth SEK 105.6 billion, corresponding to a growth rate of 8.1 percent year-on-year. This breaks a trend of falling growth rates in 2012 and 2013. Humana operates in all segments of the Swedish care market.

Listing of care and health care companies on the stock exchange

The past year has seen a trend of large care and health care companies being listed on the stock exchange. In June 2015 health care company Capio was listed on the Nasdaq OMX and in November Attendo was listed. In 2014 there was strong M&A activity among the ten largest care and health care operators in Sweden, with almost 50 acquisitions. Humana accounted for seven of these acquisitions. The level in the industry is clearly higher than the previous two years and in line with 2011, when 52 companies were acquired. Swedish companies accounted for about half of the total number of acquisitions in 2014, while Finland accounted for 30 percent. According to a preliminary analysis by Grant Thornton, M&A activity increased substantially in Norway in 2015.

While the big companies in the industry are growing larger, primarily through acquisitions, many new companies are also being started. Care and health care is essentially a small-business industry; of the more than 12,500 companies 93 percent have

fewer than 20 employees. The majority of these companies are run by women.

Another distinct market trend is that the number of care and health care businesses operated under contract have decreased while operations under own management have increased.

Investigation of profits in the welfare system

In March 2015, the government commissioned an investigation into profits made in the welfare system. The results of the investigation, led by Ilmar Reepalu, will be presented on 1 November 2016. Since the directives were made public, the debate and parliamentary support for limiting profits has weakened, and instead the focus on quality, follow-up requirements and long-term forms of ownership has increased.

After a majority vote in Parliament with a call to change the committee directive, the Government issued an additional directive to the investigation in November 2015. In this additional directive, the Government removed the task of investigating the restrictions of LOV in primary care and added new items. The new task includes investigating the possibility of extended permit requirements within social services, particularly home care service, as well as various measures to ensure long-term viability, quality and seriousness of the welfare service providers. These types of measures that ensure long-term viability and quality are generally

The private market for care and health care in figures



1. Grant Thornton, "Den privata vård- och omsorgsmarknaden ur ett finansiellt perspektiv" (The private care market from a financial perspective), 2015
 2. Vårdföretagarna [Association of Private Care Providers], 2015

The Swedish care market

In 2014 the Swedish municipalities' total cost for care was SEK 215 billion in addition to the cost of the Swedish Social Insurance Agency. Care is financed primarily through public funds and to a lesser extent through fees from patients and users. The main buyers of care services are Sweden's 290 municipalities, 20 county councils and the Social Insurance Agency.

The municipalities have overall responsibility for meeting local care needs and are the primary buyers of care services. They can choose to run the services under own management or under contract to private providers. The Social Insurance Agency is the authority responsible for assessing and qualifying the individual to receive a specific number of support hours per week. The county councils are mainly responsible for health care and are responsible for the areas considered to be medical treatment. The healthcare sector also has both regionally operated and private providers.

Three main segments of the care market

The Swedish care market is grouped into elderly care, individual and family care, and care for people with disabilities under LSS (the Act concerning Support and Service for Persons with Certain Functional Impairments). The largest segment is made up of elderly care, followed by LSS. The third largest area, individual and family care, focuses on children, young people and adults with special needs in psychiatry and psychosocial change processes. Humana's operations in Sweden include all segments within the care market. In Norway, Humana operates individual and family care for young people as well as providing special services housing and contributions to personal assistance.

Individual and family care

The work done in the individual and family care area is the most complex. In the area of services there has been some privatisation ever since the 1950s, and today private players claim slightly more than 30 percent of the total market share. The municipalities' costs for

individual and family care nearly doubled between 2005 and 2014, from approximately SEK 22 billion in 2005 to 38 billion in 2014.

The increasing demand for services in individual and family care is primarily due to an increasing number of people in need of care and greater care complexity. This leads in turn to an increase in demand for niche businesses that have expertise and an expansion of individual and family care.

The municipalities often look outside their own regional boundaries to find a suitable service provider for individuals who have special needs and require complex care and treatment. This is often due to the lack of specialist skills in their own municipality.

Humana is currently the market leader in individual and family care.

Care for people with disabilities

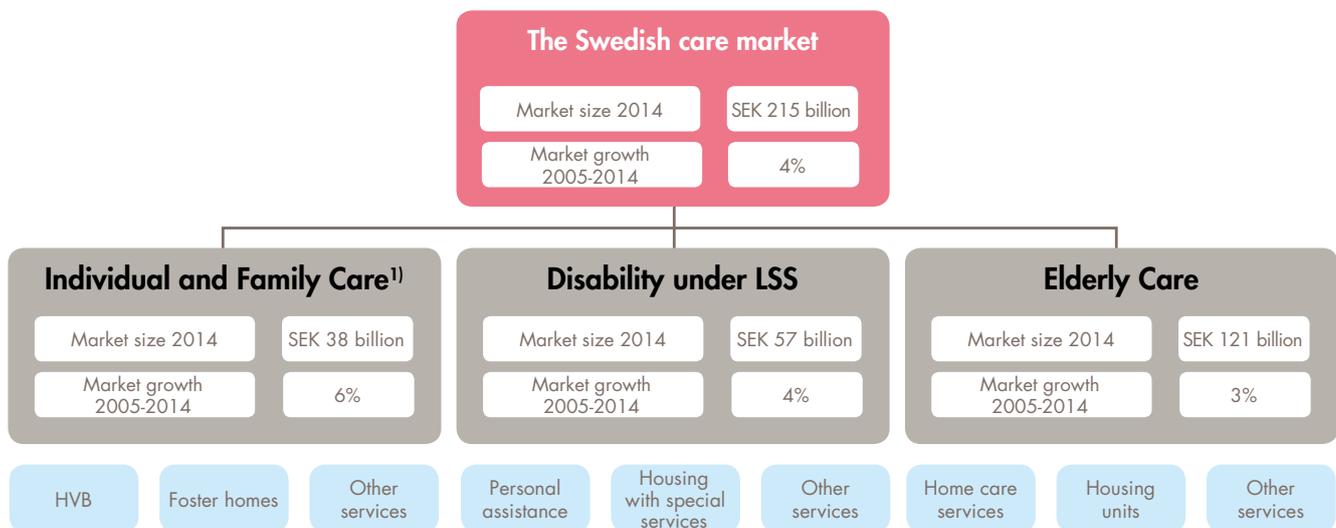
LSS has roughly 10 operations of which personal assistance and special services housing (known as LSS housing) are the most common.

Personal assistance

Since LSS was established in 1994, the number of private providers has risen and the municipally run proportion has dropped. As a result of a more customer-centric offering, today private providers are chosen to a greater extent and the municipalities now make up only 35 percent of the market. The number of users in Sweden entitled to care assistance currently remains at an unchanged level, while the number of care assistance hours per individual has increased somewhat. The total market for personal assistance granted by the Social Insurance Agency increased in 2014 to SEK 28.5 billion. Private enterprises accounted for more than 50 percent of this increase.

In Sweden, the individual has the right to choose who will provide the assistance. Normally, the municipality pays for assistance up to 20 hours per week while insurance funds the excess hours. Humana is the largest provider in a highly

Organisation and size of Swedish care market 2014



1) Individual and family care includes expense items from the municipal financial statements for: children and youth care; care for adults with substance abuse problems; short-term housing/short-term care; residential care homes (outside LSS); and refugee housing

Source: Statistics Sweden

fragmented market. Demand is stable, and because the care assistance allowance increase is small while regulatory requirements are greater the market is projected to be more challenging for smaller players. This will most likely result in increased consolidation.

Housing with special services under LSS

Municipal costs for housing with special services totalled SEK 26 billion in 2014, of which adult housing accounts for the majority of the costs. The number of units with special services that are privately run has remained relatively constant since 2004 at roughly 15-20 percent. Pricing varies depending on care needs and specialisation.

The number of units with special services that are privately run is estimated to continue increasing in line with population growth and as a result of the lack of capacity on the part of the municipal authorities to manage the increased load.

Elderly care

The care market's largest segment is elderly care, which mainly consists of home care services and special services housing but also day care operations, accommodation units, organised meeting places, ancillary services and more. The driving forces in elderly care are twofold. An ageing population brings an increasing demand for elderly care that will exceed municipal resources while more and more municipalities are implementing the customer-choice system, which is expected to boost market share for private providers.

The municipal cost of care for the elderly was SEK 121 billion in 2014. Today, the degree of privatisation in Swedish elderly care stands at about 15 percent.

Private providers who run elderly housing units mainly use contractors but housing under own management is becoming more common. In recent years the number of housing units has declined, offset by a rise in home care services. More and more municipalities are implementing the customer-choice system, which means that individuals can choose a municipally run or a private option.

Humana's competitors within sheltered housing are mainly larger care companies. The Group is investing in housing under own management but also participating in tenders where the focus is on quality. Humana is the second-largest provider of home care services in the market. Humana's assessment is that demand for elderly care will continue to increase in line with a rising average age and continued population growth. The total market share for private providers is expected to increase.

Humana's operations in Norway

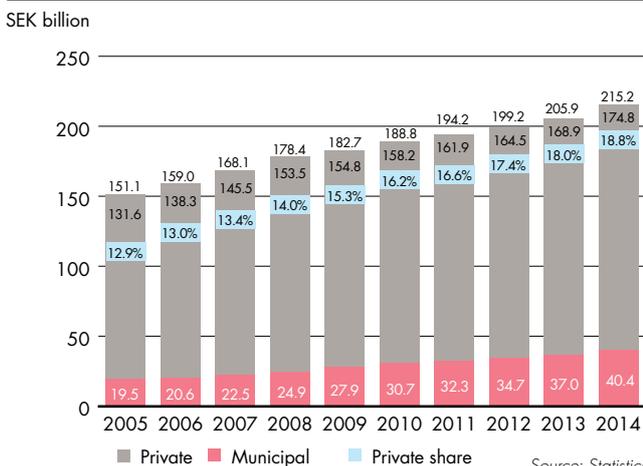
The total care market in Norway was worth NOK 100 billion in 2014. Humana's operations in Norway are primarily focused on psychosocial care for children and young people, and the company is the second-largest provider in the market.

The care market for children and young people in Norway totalled nearly NOK 13 billion in 2014. The government-funded market for children and young people constitutes a smaller percentage of the total market. In Norway, as in Sweden, the need for more complex care and health care is on the rise.

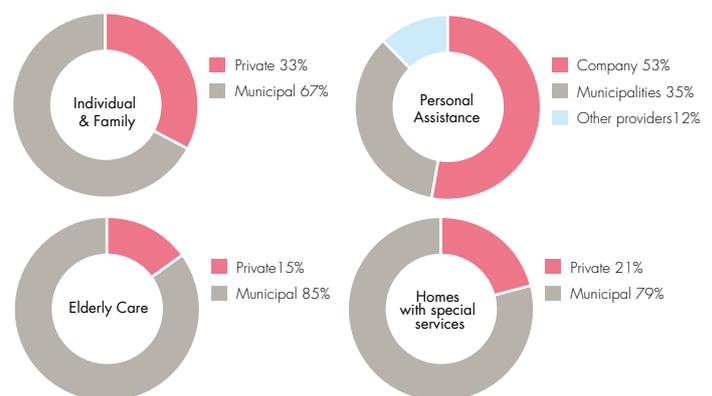
Historical market data from Statistics Norway shows that the cost of government-funded housing operations for children and young people is higher than that of family homes. The degree of privatisation within housing operations is also greater than for family homes. In 2014, the privatisation of housing placements of children and young people in Norway reached about 45 percent, even though the Norwegian individual and family care market, according to Humana, is generally more regulated than the Swedish market. Public housing operations use statutory priority for placements, followed by not-for-profit housing operations and finally private businesses.

The number of individuals with disabilities who were granted assistance under the consumer-directed (BPA) scheme has remained around 3,000 for several years. Since this entitlement legislation was introduced on 1 January 2015, we consider that the market will grow and that more and more municipalities will encourage free customer choice. Humana has been offering BPA in Norway since 2015.

Municipalities' total costs for care in Sweden, 2005-2014



Ratio of private to regionally run care, 2014



How Humana creates value

As one of the biggest players in the care and health care sector, we are held to a high standard by those who use our services as well as by ourselves. We aim to operate a high-quality business and drive customer, employee and buyer satisfaction while contributing to the development of welfare.



Humana wants to help improve the lives of all the clients and customers we provide care to, each and every day. At the same time, we want to build confidence and long-term partnerships for buyers who turn to us for our services.

Humana's business itself is about social responsibility – we provide services that enhance the quality of people's daily lives. Across all lines of business, Humana works to promote the health of its clients and employees regardless of circumstance or ability.

Humana's business completely depends on skilled employees who enjoy their work and feel good. Humana proactively strives to be a thriving organisation through employee wellness programmes, strong leadership, and by preventing and eliminating health risks at the workplace. Humana's business areas are all subject to collective agreement and have for many years advocated for collective agreements in the industry.

Humana is a private care company and an important resource in a market characterised by growing care and health care needs where free care choices have become a matter of course for many citizens. As an engaged provider, Humana wishes to continue raising the quality of care and health care. We do this through the development of our own core business through our unit for research,

development and treatment as well as through research projects with different colleges and universities. We strive to set a new and higher standard within our areas of operation.

We feel a responsibility to efficiently leverage our public resources and to ensure that taxpayers receive the best-value care and health care for their money. Throughout our operations, Humana promotes financial viability and prosperity for society at large by providing and developing alternatives to publicly funded care and health care. One such example is Individual & Family services. These services help lower the costs to society for the target group of the young and socially disadvantaged while eliminating their social exclusion and providing the tools they need to be reintegrated in society.

As a major care provider, Humana sees it as its responsibility to participate in public debate and influence the industry issues that our customers and clients care about. We achieve this through representation on many industry councils and boards and by evaluating municipal efforts in selected areas, such as the Accessibility Barometer and Children's Barometer. Humana wishes to continue to seek solutions to today's and tomorrow's welfare challenges.

Humana's strong position today and into the future

Humana is a leading player in the Nordic care market. As a company, we possess many strengths that together give us good opportunities to create future sustainable growth as well as maintain and further develop our quality offerings. Humana has also shown itself highly capable of addressing changing market conditions over time and identifying, acquiring and integrating new operations. This makes Humana well positioned for the future.

Humana operates in a large and stable market with underlying drivers for continued growth and great potential for consolidation

The care market is expanding due to a growing and ageing population as well as an increased prevalence of mental health problems, especially among younger people. This will require a higher degree of complexity and thus an increased need for specialised care.

In the segments where Humana claims a market-leading position, the pace of privatisation has been more substantial than in most other care segments. This increased privatisation is affected by the lack of resources and competence required from public-sector players to meet growing demand, the difficulties of the municipalities in providing specialised care and the competitive high quality and efficiency of private players. Consumer demand and public support for freedom of choice in care and health care are also on the rise.

The market has long been facing ongoing consolidation. Humana has emerged as one of the most active players in this space and has succeeded in acquiring high-quality companies thanks in large part to the expertise and entrepreneurial corporate culture at Humana. To keep pace with increasing demand from buyers, clients and public authorities, this trend is expected to keep accelerating.

Humana enjoys a leading position in attractive market segments as it focuses on operations under its own management and free customer choice

Ninety-three percent of Humana's sales come from operations managed through individual contracts with, or for, the individual and within the framework of deregulated customer choice. Government agencies and other buyers impose high standards on these segments and, as regards individual and family care, high entry barriers and high levels of service complexity. Finally, operations under our own management and free customer choice allow for long-term investments in quality and professional development, which are key success factors for Humana.

The market for individual and family care is expected to grow in the coming years, and the high level of complexity and high standards bring entry barriers that are higher than in any other segment of care. The assistance market can expect greater regulation combined with a more challenging market climate that will make

it more difficult for smaller companies in particular to conduct high-quality, efficient operations. This will most likely put more pressure on smaller players and drive further consolidation. Changes made in the Norwegian market in January 2015 for consumer-directed personal assistance bring more opportunities for personal assistance to many individuals. In order to safeguard its ability to deliver more assistance to a rapidly growing population in need of elderly care, Humana has recently launched efforts to provide sheltered housing for the elderly under its own management in addition to housing with special services for people with disabilities under its own management.

Humana is an attractive partner that offers complex, socially critical care services to buyers and clients

In recent years, Humana has built up extensive experience and expertise in individual and family care and provides a unique offering for both individuals and their buyers. Our wide geographical coverage creates unique conditions for Humana to maintain and expand its market-leading position.

Humana is a quality-centric organisation with a strong corporate culture that contributes to the industry's development

Humana's values constitute the foundation of its operations, and quality work is deeply rooted in its corporate culture. Ensuring quality is a top priority at all levels of Humana – from the responsibility employees take in their daily tasks to the work of the central quality assurance organisation or any of the hundreds of specialists.

Humana is a company focused on growth, with a history of organic growth and successful acquisitions

Humana's growth has largely been organic as exemplified by new lines of business, expanded capacity and capacity utilisation of existing units as well as by the fact that more customers and buyers selected Humana in areas such as personal assistance services. In addition to organic growth, Humana completed more than 30 acquisitions since 2009 and has extensive experience in identifying, implementing and integrating acquired companies successfully. Humana has demonstrated stable and sustainable profitability over time. The company's strong cash flows have historically enabled it to finance organic growth and complementary acquisitions without the need for external capital.

Marilyne



Competence
and *compassion*.
That's what good
care is about.

Humana's strategy for growth as the leading care company in the Nordic region

As the leading private, idea-driven care company, business development is always high on our agenda. Humana's goal is to continuously develop the business by consistently improving work methods to create more value for the money. Humana aims to be the most attractive employer in the industry and help stimulate awareness of and interest in care as a profession. During the year, Humana has sharpened its strategy for growth in three target areas, which together create an even stronger Humana that can do more for more people.

Main strategies

To achieve the target objectives for the Group, Humana has defined three main strategies:

- Drive development of the care industry close to the customer and business and help set a new, higher standard of quality in all business areas
- Be the most attractive employer in the industry and help stimulate interest in the care industry and raise its status
- Sustainable growth – organically and through acquisitions

Drive customer-oriented development of the care industry

Be the most attractive employer in the industry

Grow sustainably over the long term

Drive development of the care industry to achieve a new, higher standard of quality

As a leading Nordic care company and a socially responsible provider, Humana wishes to contribute to a new, higher standard of quality in the care industry. Humana will continue to pursue strengthening its quality management systems to support employees in their work to deliver the best care and to develop new quality indicators that regularly measure and follow up different areas. Our quality assurance organisation, with its 25 dedicated staff members, works continuously with process improvement, systematic follow-up, self-monitoring and development. An important part

of this strategy has been to appoint a quality assurance director to Group management in order to ensure the future quality of Humana's care services and to develop and coordinate the ongoing quality assurance work. As a company, we also wish to drive efforts to achieve a common quality standard that enables measurement and follow-up at the national level in all areas in which Humana operates. When Humana establishes new operations under own management, we always strive to set a new standard for content, environmental impact and applied technology, to name a few examples.

Be the most attractive employer in the industry and help stimulate interest in the care industry and raise its status

Employees who are happy at work, show strong commitment and possess a high skill level are critical to Humana's ability to deliver the best-quality care to our customers and clients as well as to Humana's continued development. The care profession is often challenging and requires many different skills. We therefore attach great importance to ensuring continuous professional development and stimulation at the workplace. For example, Humana has developed The Humana Academy through which we offer our employees more than 100 different courses.

Moreover, our organisation continually applies its core values, which act as a reference point for all activities at Humana both in strategic planning as well as in our daily contact with customers, clients and buyers. Employee commitment, happiness and willingness to take responsibility constitute Humana's main competitive advantage, and we intend to continue developing our core values and our skill sets to become the most attractive employer in the industry. In our role as a key civic agent, we intend to lead efforts to stimulate interest in the care industry as a whole and raise its status.

Read more about The Humana Academy and Humana's core values in the section Employees and Organisation.

Long-term sustainable growth, organically as well as through acquisitions

Humana is here to stay in the care market. Investment in all business areas is characterised by a long-term perspective. Growth

Fredrik and Per-Mikael



through customer inflow and acquisitions gives us the scale and resources that provide more stability in the face of demographic and regulatory changes as well as the growing needs of customers and buyers.

Organic growth with a focus on establishing operations under own management

Since 2009, Humana has achieved an average organic growth of 10 percent annually and intends to grow organically in the future. Common to all Humana operations, regardless of segment, is our strong focus on organic growth through the establishment of operations under own management and based on free customer choice. Humana has developed special expertise in establishing housing operations using a structured process to successfully launch new housing units. Support functions are available such as real estate and operating permit expertise to support continued growth of housing operations under own management.

Individual and family care

As individual and family care has evolved and grown, it has also become increasingly complex with an increasing need for specialist skills. Humana has met this demand by successfully establishing new units under own management, often businesses with specialist treatments targeted at individuals with complex diagnoses. Based on our extensive experience with new establishments, we have developed a structured process enabling the new units to often operate at full capacity within 6 to 12 months of opening. Humana currently owns a portfolio of projects with many possible new establishments. We therefore believe that there are good opportunities to continue maintaining strong growth in operations under own management within individual and family care. In addition to this,

we intend to continue our investments in opening new operations in foster care and outpatient care. Humana is currently the market leader in individual and family care in Sweden.

Personal assistance

We see great potential for continued organic growth in personal assistance, where Humana is the leading player in the Nordic region. The market for personal assistance is expected to be more challenging for providers, which in our judgement will affect the quality and service levels of many smaller players and spur their customers to turn to larger, stable players like Humana. In order to be the natural choice for customers who switch providers, Humana works continuously to maintain the high quality that has led to our market-leading position today.

Elderly care

The demographic trend of a growing elderly population and longer life expectancy means that the need for special housing for the elderly and home care service is expected to increase in the future. Humana has been engaged in elderly care for several years. In 2015 it decided, given the company's knowledge of and processes for establishing new housing, to accelerate the growth of special housing under its own management. In March 2016 Humana opened its first elderly housing unit operating under its own management in Gävle with capacity for 81 individuals. Even when investing in housing units for the elderly we aim to set a new standard, and the housing in Gävle has attracted much positive attention because of its design, content and use of the latest available technology. Investments in the central organisation, such as specialists for the establishment, planning, design and construction of new buildings, are expected to support continued growth. After close dialogue with

municipalities that show a great need for new housing, we intend to establish two to three new units annually, with a focus on central and attractive locations.

Housing with special services under LSS

Demand for housing with special services under the Act Concerning Support and Service for Persons with Certain Functional Impairments (LSS) is expected to increase, partly driven by increasing mental illness in Sweden. In our view, municipalities and public-sector buyers will have difficulty handling the increased demand. At the end of 2015 Humana operated 39 homes with special services and, through multiple investments in central resources, recently initiated efforts to establish more homes with special services under its own management. Operations within special service homes and Humana's residential care homes (HVB) are closely related operationally, and we believe that there are synergies in running both types of operations. More homes with special services also means that Humana's method of dynamic care becomes even more complete and attractive to Humana's partners. Today, we are working on a project portfolio that is expected to result in several new establishments in the next few years.

Lead consolidation of the fragmented market

Humana's well-developed infrastructure has resulted in notable economies of scale in the business model. During the acquisition of new businesses, only limited additional central costs are required. As quality and documentation requirements for companies in the care market increase, we see good potential to acquire and integrate other market actors.

Humana plans to continue driving consolidation of the fragmented market for individual and family care. Many smaller players in the market seek out Humana because of our strong core values and leadership in individual and family care in Sweden, as well as Humana's proven track record of successful integration of acquired businesses. This has created favourable conditions for improvements in quality and client offerings in acquired units, resulting in a stimulating work situation for entrepreneurs and continued development opportunities.

We estimate that the market conditions within personal assistance will become more challenging, particularly for certain smaller providers. In addition to organic growth through an expanded

customer base, this is expected to lead to opportunities for acquisitions. Given our long-standing experience and prominent position, we may take an active role in the consolidation of the private assistance industry.

Strengthen Humana's position in the care market in Norway

Since the acquisition of INOM in January 2014 Humana has, through organic growth and additional acquisitions, emerged as the second largest provider of care for children and young people in Norway. During 2015, Humana also built up a fast-growing business within personal assistance and established a central organisation in Norway to support continued growth in all areas. We intend to maintain a wide exchange of experiences between Sweden and Norway as well as to offer support to Norwegian operations in their future development from their sister organisation in Sweden.

We intend to continue to invest in growing our business within individual and family care through both organic growth and acquisitions. Through the successful expansion of our housing operations for children and young people, we have developed a structured process for the establishment of new units. We believe that the businesses under our own management for the care of children and young people show potential for continued growth in Norway in the coming years.

Humana also sees great potential to grow organically within personal assistance, also known as consumer-directed personal assistance (BPA). A growing market, driven by entitlement legislation introduced in 2015, and support from Humana's Swedish business experience and expertise, have enabled us to demonstrate positive organic growth. The number of customers within personal assistance in Norway has increased from 39 at the end of May 2015 to 67 customers in mid-January 2016. We believe that both the market for personal assistance and our business will develop positively over the next few years, and we intend to continue investing in organic growth within personal assistance in Norway.

Expansion into new geographical markets

Humana is evaluating opportunities to expand into new geographical markets. We have identified the most attractive acquisition opportunities that would give Humana a strong presence in the Nordic markets where we currently do not operate.

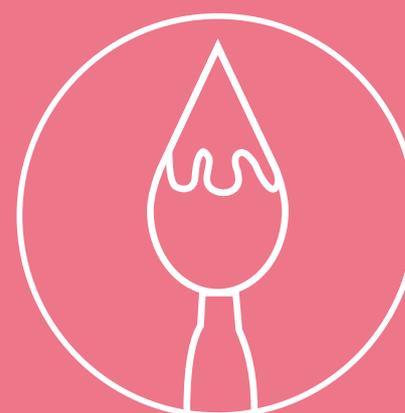
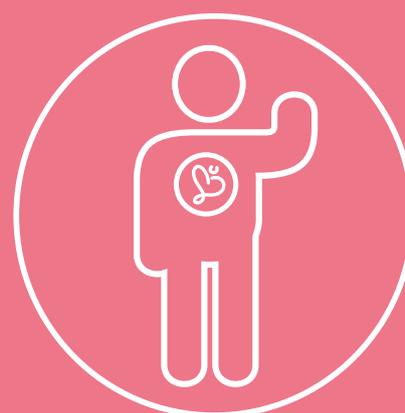
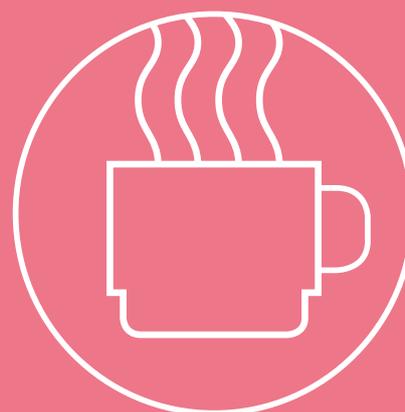
Financial targets

REVENUE GROWTH	Annual growth in revenue in the medium to long term of 8–10 percent. Growth shall be achieved through organic growth and bolt-on acquisitions.
PROFITABILITY	An operating margin in the medium term amounting to approximately 6 percent.
CAPITAL STRUCTURE	Interest-bearing net debt in relation to EBITDA shall not exceed 3.0 times. However, indebtedness may temporarily exceed the target level, for example in conjunction with acquisitions.
DIVIDEND POLICY	A dividend amounting to 30 percent of profit for the year. The proposed dividend shall take Humana's long-term development potential and financial position into account.

Els-Britt and Bernt

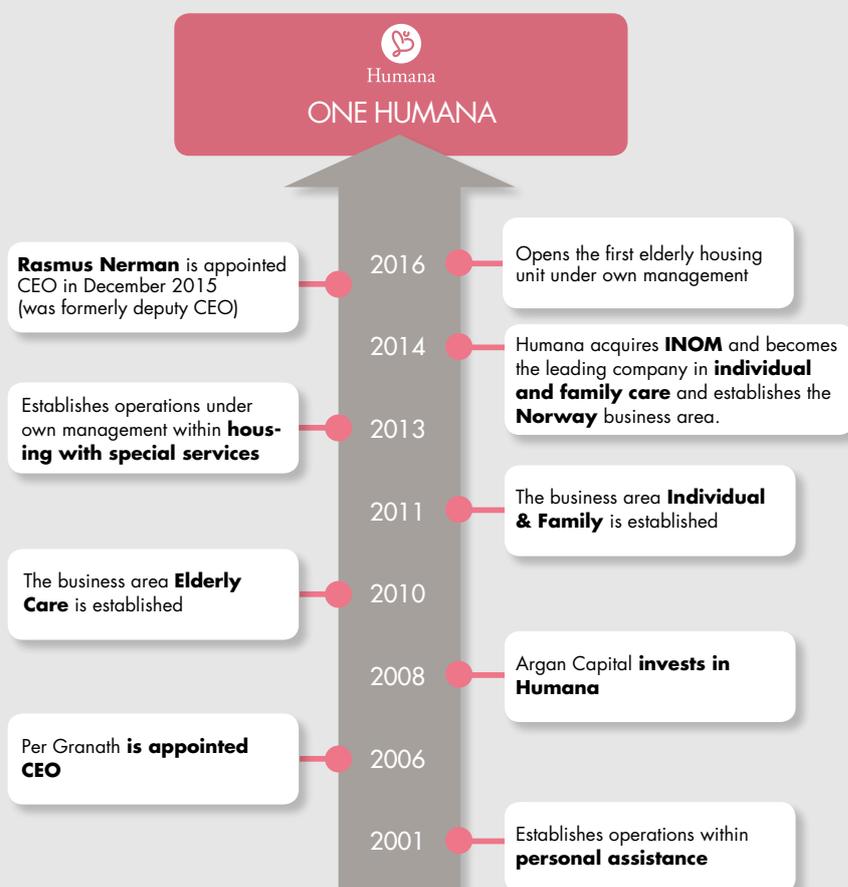


OPERATIONS



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15 years of history

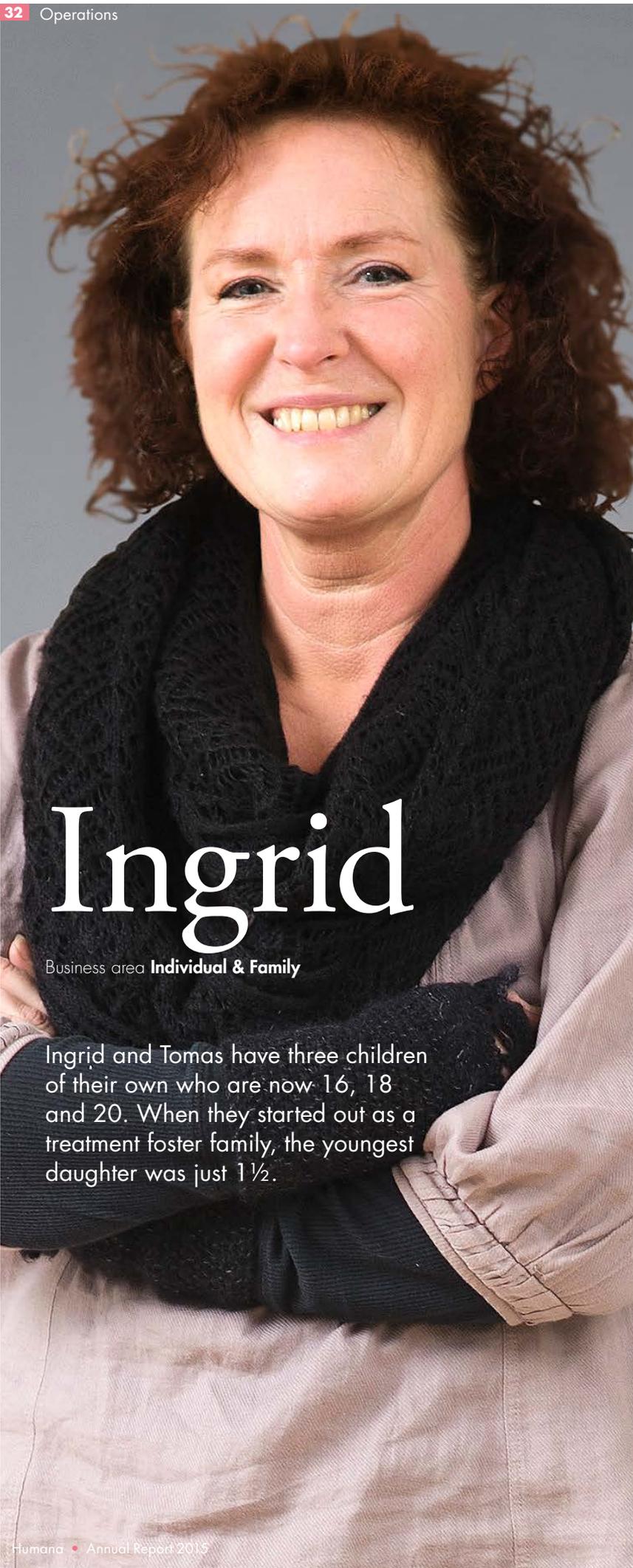


Everyone is entitled to a good life. That was the starting point for founding the Humana company in 2001 through our first business, Assistansia. Our idea was to provide high-quality services in personal assistance. The company grew rapidly and became one of the first major private care assistance companies. Per Granath took over as CEO for Humana in 2006, and in 2008 Argan Capital became a majority shareholder in the company. It was during these times that Humana started to grow. Since then, the company has expanded operations to include the segments individual and family care, elderly care, and housing with special services for individuals with disabilities. This expansion has occurred both organically and through acquisitions, including the strategically significant acquisitions of Avesina Äldreomsorg in 2010, Baggium Vård och Behandling in 2011 and INOM (Innovativ Omsorg i Norden) in 2014. With the acquisition of INOM, Humana not only established operations in

Norway but Rasmus Nerman also joined the company. Mr Nerman had served as Humana's deputy CEO since the summer of 2014 before he took up his position as president and CEO at year-end 2015.

In addition to its major strategic acquisitions, Humana has also acquired a large number of smaller companies over the years. This has increased Humana's ability to quickly take leading positions in new markets and to offer a wide range of care services requiring deep expertise. Although the Humana Group has established itself in many new areas over the past five years, many of the acquired businesses have been in operation for more than 40 years. These businesses delivered high-quality care services and built up a solid reputation and network before becoming part of Humana.

In 2011 the Group launched the common name Humana, providing wider exposure for the Humana logo and brand.



Ingrid

Business area **Individual & Family**

Ingrid and Tomas have three children of their own who are now 16, 18 and 20. When they started out as a treatment foster family, the youngest daughter was just 1½.

It was not obvious that Ingrid would take the plunge and become a treatment foster carer. "I was hesitant at first, but thought it was positive that the time period was limited to a year, so I figured we could always try it out for a year," Ingrid says.

The Åkesson treatment foster family and the TFCO treatment programme have made a great impact on many young people and their futures. In the home of the treatment foster family, the young person is coached through positive reinforcement to function in everyday life.

A treatment foster family is a special kind of foster home in which the carer undergoes special training and is part of a treatment team consisting of a coordinator, skills trainers, youth therapist and family therapist. The treatment programme lasts between eight and 12 months with the goal of eventually uniting the young person with his or her family.

All Humana's foster homes are carefully assessed. The assessment process is guided by regulations and general advice from the National Board of Health and Welfare.

Since the first year, many young people have passed through Ingrid and Thomas's home. They come from different backgrounds but share one thing in common: they cannot live in their parental homes, and the alternative would be possible placement in a residential care home. These young people might have problems with crime or substance abuse, for example.

"Usually we don't read the assessment before they're placed with us. We want to meet them first and see them as people and not as diagnoses. I've been asked how we have the courage to let them stay with us, but when they come to us they're often quite anxious and lonely," Ingrid says.

"My youngest daughter can barely remember that there was a time when she did not have an 'extra sibling'. For our family, it has been a positive experience. Everyone in a family has to agree on it. It does affect the entire family," Ingrid says. "Our kids have gotten to 'see' and take care of people who are outsiders. They're passionate about the weak in society, and I think that comes from having experienced first hand that there is no need to be afraid of things that are different. They know that the young people who live with us often wrestle with a lot of problems, but that they also have so many nice qualities. Our family has also seen that participation means a lot. Each young person has contributed with their own special personality. Sometimes you'll have a tough period but it's also a lot of fun. It's great to see another human being develop positively," Ingrid says.

A treatment foster family becomes part of the treatment team and receives coaching in areas like skills training. This can involve exercises in positive interactions and behaviours, such as taking responsibility and showing respect, calling home when one is late, or helping out around the house. In addition to Ingrid's receiving training through Humana, she also takes part in a support group that meets regularly.

Individual & Family

Humana provides assessments, residential care homes, temporary and regular foster homes, sheltered housing, outpatient care and supportive housing for children, adolescents, adults and the elderly. We have more than 40 years of experience in psychosocial problems and more than 20 years of experience in receiving unaccompanied refugee children and adolescents. Humana is currently the market leader in individual and family care in Sweden.

The market has largely been privatised since the 1950s. As society faces increasing mental illness, the need for further specialisation and a continued influx of unaccompanied children, private companies have captured a greater share of the market.

Individual & Family business area

Humana currently has framework agreements with approximately 240 municipalities. The business, now established throughout the country, receives children, young people and adults who need assistance in their daily lives and often cannot continue to live in their own homes. Many clients have complex psychosocial and neuropsychiatric problems that require complex, long-term interventions. Services include assessment, care and treatment, housing, halfway houses, foster homes, outpatient care and aftercare. Our capital- and labour-intensive operations are based on the individual's needs, and almost all operations are run under own management.

Humana has 650 places for children and adolescents spread across 65 departmental units, and 550 places for adults across 24 units. We partner with 650 foster homes throughout Sweden and provide daily assistance for 700 children and young people within Foster Homes and Outpatient Care.

Children and Adolescents

Within Children and Adolescents, in addition to residential care units and supportive housing that receive clients with psychosocial and neuropsychiatric problems, Humana

offers units specialising in abuse issues and self-injury, units caring for girls with self-destructive behaviour and units for unaccompanied minors seeking asylum. Humana has been engaged in efforts for unaccompanied minors since 1992 and is one of the most experienced companies in the market.

Foster Homes and Outpatient Care

Humana also provides temporary and regular foster homes and operates outpatient care throughout Sweden. Operations are geographically dispersed to satisfy the need for proximity to the families that Humana supports.

Adults

For adult clients in need of interventions within psychiatry, neuropsychiatry, comorbidity, forensic psychiatry and geriatric psychiatry, Humana offers short-term and sheltered housing as well as residential care homes.

Developments in 2015

Revenue increased by 23 percent in 2015 to SEK 1,750 million (1,422). Operating profit before central costs increased to SEK 217 million (174).

Since 2011, 40 companies have been acquired within the business area including six in 2015. The business area is also growing organically and in 2015 opened seven new units at different locations, as well as increased capacity at existing units in all areas of operation.

During the year the business area units

underwent screening, and a plan was created for developing and expanding several of the units. The need for staff is great, and we face challenges going forward such as how to best organise the units to optimise our resources regionally and how to ensure adequate human resources. Even our foster home operations show a huge need for qualified personnel, not least in order to assess the families who have applied to become family homes.

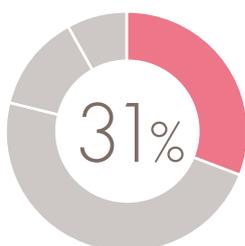
Outlook

In the past year, the number of unaccompanied children seeking asylum in Sweden has risen sharply. According to the Swedish Migration Board, more than 35,000 unaccompanied minors sought asylum in Sweden in 2015. Many of them need care and social services, and without private options local authorities would find it difficult to cope with this challenge.

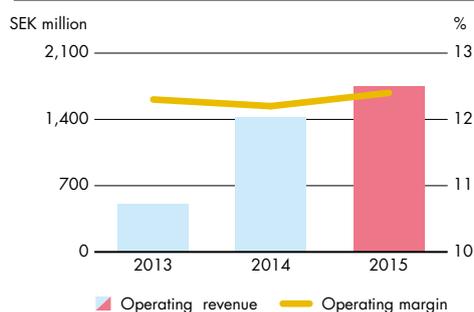
At the same time, increasing mental illness in society, especially in adolescents and young adults, results in an even greater need for care and treatment efforts. Going forward we also see a growing need for coordination within the different branches of individual and family care, for example with better aftercare solutions, an area that Humana is actively engaged in.

Despite the great pressure the current situation places on our business, like recruiting and onboarding new employees, we can say that Humana is keeping the bar high in terms of the quality of services we offer.

Percentage of Group revenues 2015

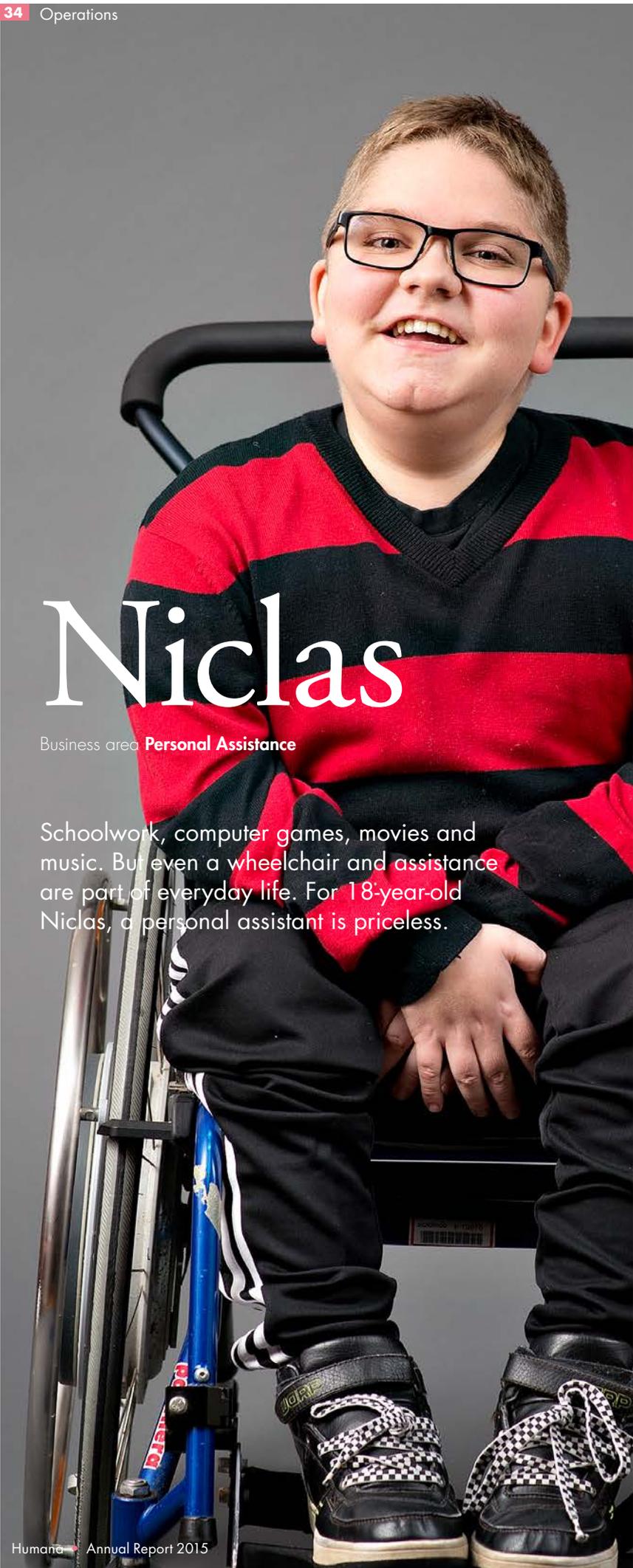


Operating revenue and operating margin by year



Facts

	2015	2014
Operating revenue, SEK million	1,750	1,422
Revenue trend, %	23	180
Organic growth, %	3.5	17.0
Revenue share of Humana, %	31	28
Operating profit, SEK million	217	174
Operating margin, %	12.4	12.2
Full-time employees at year-end	1,986	1,644



Niclas

Business area **Personal Assistance**

Schoolwork, computer games, movies and music. But even a wheelchair and assistance are part of everyday life. For 18-year-old Niclas, a personal assistant is priceless.

Niclas Forsberg stands at the threshold of adult life, and his own life resembles that of any teenager in many ways. In his second year of high school, he studies a lot and likes to relax with computer games and movies.

What distinguishes him from most other teens is his illness – he sits in a wheelchair due to a rare form of muscular dystrophy and needs personal assistance 24 hours a day to manage his daily routines.

“I like to find different things to do like going to the movies and visiting museums, so it’s important to have an assistant who also thinks it’s fun. I like doing stuff,” Niclas says.

Niclas’s parents went through a long battle to get personal assistance for their son.

“We got help from Humana’s lawyers. When it comes to children, you often hear about parental responsibility. But when your child grows up and is about to embark on adult life, it’s not so much fun to do everything with your parents,” says Maria, Niclas’s mom.

Today, Niclas receives support 24 hours a day. The day often begins at 6:30 a.m. when he gets up to get ready for school. He goes to the RgRh Stockholm secondary school in Skärholmen, part of a nationwide school programme adapted for the physically disabled. School days are long, and often he is not back home in Spånga until late in the afternoon.

“But I like school. English is fun – it’s my favourite subject – and I study Spanish, too. It’s more complicated but fun to learn. And I like Swedish and reading books,” Niclas says.

The words curious and inquiring come to mind when around Niclas. He reads a lot online about movies and filmmaking, one of his favourite interests. He also thinks history is interesting. And he likes music – both listening to it and singing himself. He has been asked several times to sing at graduations and different inaugurations. A future in the music business remains to be seen, though.

“I don’t know. I have no idea what I’ll do after graduation, we’ll see. I like to sing, although I’m a little bit shy as well. It’s kind of scary to stand before an audience and I usually get pretty nervous before, but then it goes away once you get started,” Niclas says.

Personal Assistance

More than 20 years ago, the Parliament decided on a reform which in many ways became a milestone in disability policy. Through the LSS Act (an act on support and service for people with certain functional impairments) and the introduction of a state-funded assistance allowance, the individual's opportunity to participate in and influence society and receive personalised assistance were brought into focus. With over 1,900 customers in more than 240 Swedish municipalities, Humana today is the market leader in Sweden in personal assistance.

The market for personal assistance has changed significantly since the introduction of the assistance allowance. From its beginnings when assistance was operated entirely under regional management, today 7 out of 10 choose an option other than a municipal provider. Roughly 20,000 people receive personal assistance in Sweden, and of these more than 1,900 are Humana customers.

Personal Assistance business area

The Personal Assistance business area employs about 9,000 people. Humana has a nationwide organisation within personal assistance, with five regional offices and 15 smaller offices. In 2015 Humana hired approximately 4,300 people, many of whom are young and many first- or second-generation Swedes. In our experience, the assistance profession provides important entry-level jobs for the labour market.

Assistance operations use the customer's home as a starting point and can be tailored according to individual needs. Customers have a variety of disabilities and diagnoses, represent all ages and can be found throughout the country. It is always the customer or close relatives who choose the assistant. For each customer, an individual agreement is created as well as a plan for how the assistance will be carried out. Each Humana customer has a team of assistants, where one of the assistants is often the supervisor. One or more people in the assistant group can be relatives.

The customer also receives the support of a dedicated team headed by a regular Customer and Assistant Manager. When the manager is not available, he or she is backed up by one or two colleagues with good insight into the customer's specific situation. The customer also has access to a lawyer when necessary. Additionally, central payroll support is available for the customer and assistants. Humana focuses on quality from both a customer and an employee perspective.

Developments in 2015

Revenue in the business area increased by 3 percent in 2015 to SEK 2,689 million (2,609). Operating profit before central costs totalled SEK 182 million (205), corresponding to an operating margin of 6.8 percent (7.9). Operating profit was negatively affected by a wage cost increase greater than the standard compensation set by the government and by an increase in social security contributions for young people of roughly SEK 13 million during the full year.

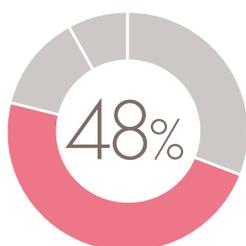
The Personal Assistance business area saw a good inflow of new customers during the year. The vast majority of customers are moreover very satisfied with Humana. The overall results of our customer satisfaction survey indicate the same high levels as in measurements from 2014 and 2013. As in previous surveys, a large percentage of customers report that they would consider recommending Humana to friends and that they also do this.

Outlook

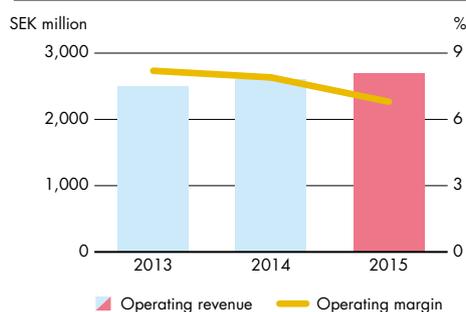
Thanks to the assistance allowance, many more people are able to live independently. In addition, personal assistance is often considered a socioeconomically successful reform in which the majority of costs go directly back to the community as taxes. The recent small increase in the state's hourly rate, together with higher contractual wage increases, will affect the future structure of the industry. The 2015 rate was SEK 284 per hour of performed assistance service and was raised in 2016 to SEK 288, a 1.4 percent increase representing the lowest increase ever.

The government also decided to totally abolish the reduction in payroll taxes for young people in 2016 and is preparing for a transition to postpaid assistance compensation. These changes taken together place great pressure on the financially weak in particular, who are often smaller providers of personal assistance. As the largest and leading player, Humana is better positioned than others to drive efficiency improvements with low central and administrative costs while maintaining high quality. Thanks to Humana's strong market position, we are well prepared for the coming macro changes. In addition, Humana shows good potential for continued growth in the expansive Norwegian market in personal assistance.

Percentage of Group revenues 2015

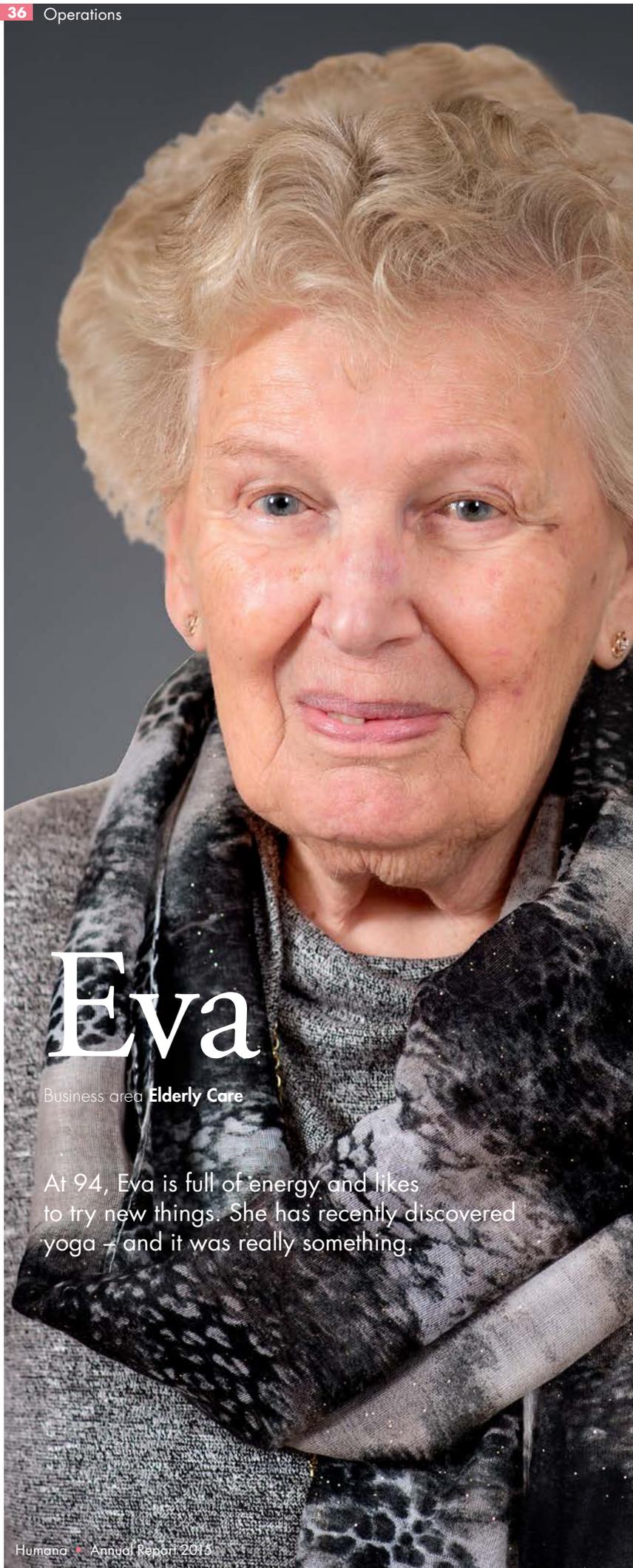


Operating revenue and operating margin by year



Facts

	2015	2014
Operating revenue, SEK million	2,689	2,609
Revenue trend, %	3	4
Organic growth, %	3.1	4.1
Revenue share of Humana, %	48	52
Operating profit, SEK million	182	205
Operating margin, %	6.8	7.9
Full-time employees at year-end	5,198	5,035



Eva

Business area **Elderly Care**

At 94, Eva is full of energy and likes to try new things. She has recently discovered yoga – and it was really something.

Eva Hedlund did not really want to move to a home, but when her husband passed away in the early 2000s her children convinced her.

Today, she does not regret it for a second.

“I really like it here. The staff is wonderful and things are happening all the time,” Eva says.

She is sitting at the café in the Ekhaga care facility in Onsala, outside of Gothenburg. Upstairs is her apartment, but she likes to be in the common areas and socialise with other people. Her social life is important.

“We have fitness classes several times a week, and last week we got to try yoga. That was really something! We have bingo and pub night once a month, too. That’s when there’s dancing,” she says with a smile.

It’s hard to believe that Eva is 94. She does use a walker but appears lively and curious, with an easy laugh. Except for the depressed mood that accompanied the death of her husband, she has always had good health.

“The only times I’ve been in hospital were when I gave birth to my children. Otherwise, I’ve been healthy. It’s almost as if I sometimes wonder about it myself – Am I really 94? My only regret is that I have macular degeneration that makes me see poorly,” she says.

Her vision impairment means that she can no longer do weaving, one of her interests. She takes out some beautifully woven pictures, like one of a bird and a sunset over Tösaviken where she and her husband had a summer house for many years. Today, her children have taken over the summer house. The bird motif also has a personal connection. It turns out that Eva is an avid bird watcher. She then finds some photographs of Gustav V taken by royal family photographer Herman Bergne, whose studio at Hamngatan she worked at for several years in the late 1940s.

“I did my first internship at a photo studio in Hudiksvall and then moved to Stockholm and started to work at Studio Bergne. I remember one time when we were going to photograph Gustav V and how our current King sat in his lap. Bergne was the great photographer of the era. We photographed everyone – Jussi Bjorling, Prince Bertil, Queen Sibylla. It was indeed a very exciting experience,” she says.

Life at Ekhaga is of course less glamorous but not more boring.

“At my age you take things one day at a time, but this has got to be the best home for the elderly around. I couldn’t have it better,” she says.

Elderly Care

Humana's Elderly Care business area provides care services for the elderly such as housing units, home care services, housing with special services under LSS, schools and short-term care services. In the fast-growing area of home care services, Humana is Sweden's second largest private player. More and more, business is being conducted under own management.

As Sweden's population grows and people live longer, private companies are playing an increasingly significant role in the Swedish elderly care market. In the early 1990s, elderly care was run almost exclusively by the public sector. Today, the degree of privatisation in elderly care stands at about 15 per cent.

The Elderly Care business area

Humana has been providing elderly care and housing with special services since 2010 through the acquisition of Avesina's elderly care business. Humana's current offering in the business area includes housing units for the elderly, home care services and housing with special services. The business area also includes the facility Habiliteket in Täby, with a special school and short-term care for children with multiple disabilities.

Within elderly care, Humana operates ten housing units as well as two day care facilities under contract in seven Swedish municipalities, along with home care services under LOV (Act on System of Choice in the Public Sector) in 15 municipalities. Under the LOV Act, an individual who has received a decision from the municipality can freely choose and switch providers.

In this business area, Humana operates 34 housing units with special services under LSS as well as a day care facility. These units are group homes or service homes for people with disabilities. The housing units are built to provide customers with as independent a life as possible on their own terms.

The housing is staffed according to customers' specific needs with personnel who possess specialist skills.

Within the framework of the business area, Humana also operates a school at Habiliteket in Täby, which over time has grown to include a preschool, primary school and short-term services for children with multiple disabilities.

Developments in 2015

Revenue in the business area decreased by 11 per cent in 2015 to SEK 738 million (825), of which the decrease in organic growth was the same. Revenue decreased as a result of Humana's choice not to renew a sourcing contract and lower volumes in home care services. Operating profit before central costs dropped to SEK -53 million. Operating profit was negatively affected by a goodwill impairment in home care services totalling SEK 36 million, an increase in social security costs for young people, and setup costs in home care services.

At the request of the government, each year the National Board of Health and Welfare assesses the elderly's perception of care and health care in the areas of home care services and sheltered housing. Once again, Humana shows good results and high customer satisfaction, higher than the national average, both in elderly care and sheltered housing for the elderly.

In 2015, Humana continued efforts to develop more housing under own

management – a key strategy for creating enhanced quality and meeting future requirements for good care on the individual's own terms. The first sheltered housing for the elderly under own management will be built in Gävle and will be ready by March 2016 with 81 vacancies. The building is innovatively designed and sustainably constructed, with the material selection and design contributing to a feeling of coming home. It features innovative solutions such as lighting systems and IT integrated into daily care routines.

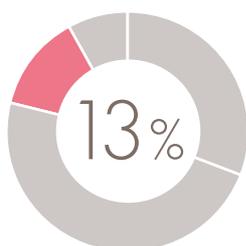
Outlook

As part of our continuing investment in housing under own management, Humana has also begun construction of housing units in Växjö.

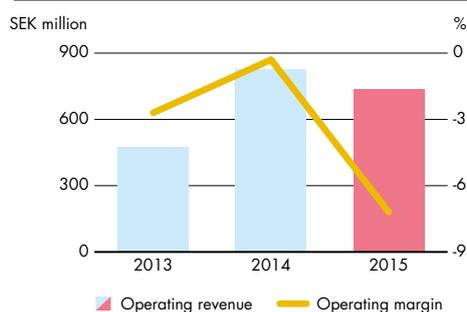
Humana foresees continued strong demand for services from private care companies within elderly care and LSS. One general trend is the rising demand for home care services. But with an ageing population, the need for accommodation units for the elderly will increase significantly over the next few years and continue over a 15-year period. There is also a shortage of housing with special services under LSS in many of Sweden's municipalities.

With an established position as a quality player, we will concentrate our efforts in 2016 within Elderly Care mainly on activities that will help us grow our in-house operations and strengthen profitability.

Percentage of Group revenues 2015

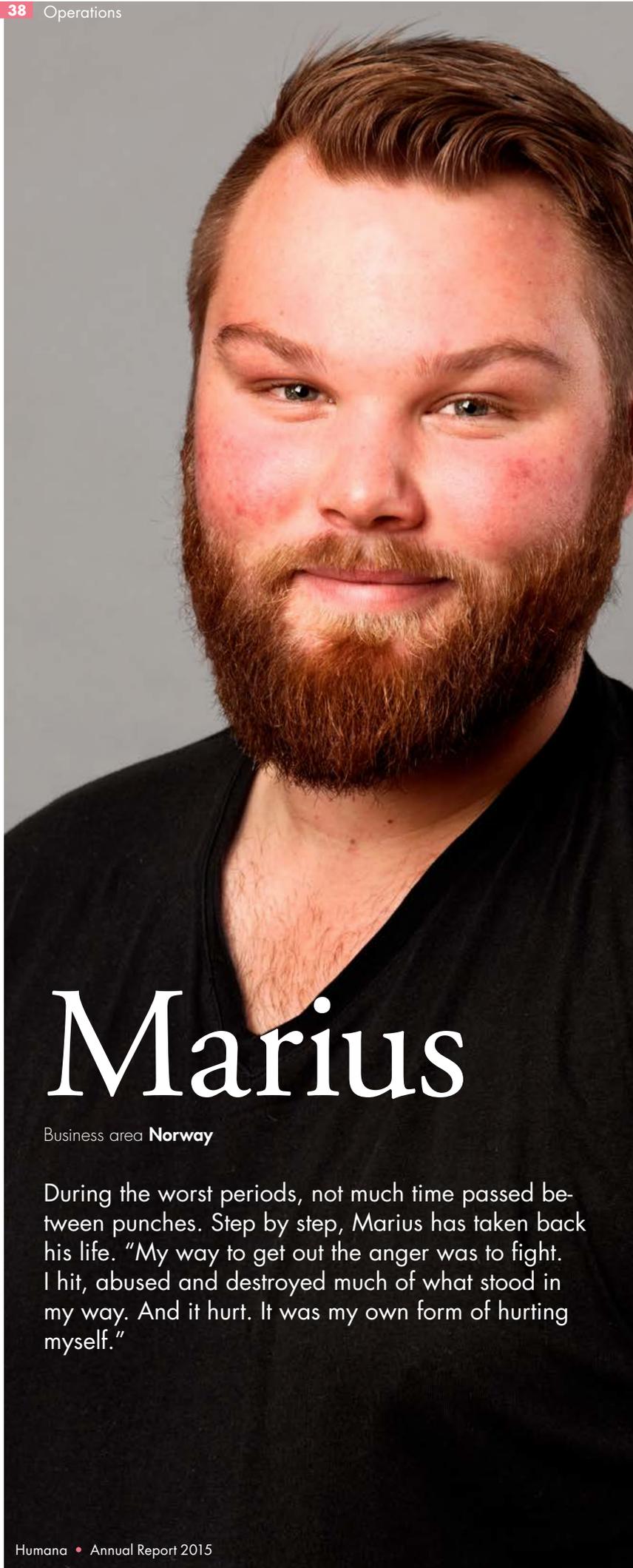


Operating revenue and operating margin by year



Facts

	2015	2014
Operating revenue, SEK million	738	825
Revenue trend, %	-11	73
Organic growth, %	-10.7	18.4
Revenue share of Humana, %	13	16
Operating profit, SEK million	-53	-3
Operating margin, %	-7.2	-0.3
Full-time employees at year-end	1,609	1,728



Marius

Business area **Norway**

During the worst periods, not much time passed between punches. Step by step, Marius has taken back his life. "My way to get out the anger was to fight. I hit, abused and destroyed much of what stood in my way. And it hurt. It was my own form of hurting myself."

Marius gives the impression of being older than his 21 years when he tells his life story in a café in Asker Centre. He is quiet and reflective, and it's hard to believe that he really was the person he is telling us about. Here sits a friendly fighter – a fighter who has fought back.

When Marius was just three years old, his parents separated. Things really began to spiral downward when he moved to Stovner with his mother, right before he was to begin primary school. The relationship with his alcoholic and at times aggressive father had already started to deteriorate.

In second grade, he took a beating for nearly a year by a group of sixth and seventh graders. He didn't want to tell anyone, and in the end tried to kill himself.

His mother became suspicious when her son, who loved water, neither wanted to take a shower nor bathe. Finally, she had enough and forced him into the bathroom.

"I'll never forget the expression on her face when she saw my body – I wasn't blue, I was purple."

In the middle of ninth grade, the situation came to a head. He was almost kicked out of school and had weekly meetings with youth social services. He finally received a diagnosis of ADHD. But even if the medication is helping, it creates new challenges.

"It was totally alien to me to suddenly be able to sit still for three hours. There were times when the blinds were like completely pulled down. I was so mad that everything around me turned black."

Marius eventually heard about Pål, who works at Humana's Löft facility. Pål went on to become the mainstay that Marius needed, as a friend and father figure. Löft has extensive experience working with young people who need extra support and supervision in their daily lives. With Pål, Marius can talk about everything and nothing, but also get help with important things like planning and navigating the adult world. The turning point came when Marius stormed out of a meeting with Pål. Pål followed him and then told his own story.

"He hadn't been an angel either as a kid. He was worse. Then a light went off for me. I got proof that change was possible," Marius says.

With this reality check, Marius stood at a crossroads. He graduated from university with passing grades in all subjects. He decided after that to accept a spot at a youth institution.

"A lot of good things happened that year. Things became more structured. I learned to see the consequences of things and I had good communication with the people who worked there."

His stay also helped improve his relationship with his mother, and slowly he began to build up a relationship with his father again. Marius has lived on his own since May 2014. He has good contact with both parents and is about to graduate as a child and youth assistant. Life has been a struggle, but Marius took the fight and won.

Norway

Today, Humana is the second largest provider of services in individual and family care in Norway. Humana Norway provides psychosocial care and treatment to children, adolescents and young adults, as well as personal assistance. Humana established its business in Norway at the beginning of 2014 when the company purchased the INOM Group. Since then four complementary acquisitions have been made, one of which was an important acquisition in 2015 in personal assistance, which strengthened Humana's position in this area.

A market with huge growth potential

Market conditions in Norway are positive. Like the Swedish market, the Norwegian market is also fragmented. One difference between the markets is a higher prevalence of family homes in Norway and a relatively undeveloped market for personal assistance.

The Norwegian Office for Children, Youth and Family Affairs ("Bufetat") is the government agency responsible for providing HVB¹⁾ residential care homes and family homes to the municipalities, while the municipalities themselves are responsible for outpatient care services. Care for persons with disabilities as well as the fields of psychiatry and mental illness are governed by the Health and Care Services Act. The decision-making process in Norway is more centralised than the Swedish one. Municipalities determine needs, while Bufetat provides HVBs or family homes. The state accounts for the bulk of the funding, but local authorities bear some of the costs. In Norway, as in Sweden, the total need for more complex care and health care is on the rise. In 2014, the level of privatisation for placements of children and adolescents was approximately 45 percent.

Increased focus on children and adolescents combined with growth in personal assistance

Humana offers housing at HVBs, in family homes and outpatient care, as well as care and health care services for children and

adults and consumer-directed personal assistance (BPA). Humana's operations are governed mainly by the Norwegian Child Welfare Act. This legislation regulates the care and treatment of children and adolescents under the age of 18 with a special provision for young people up to the age of 23. Humana's housing operations for children and adolescents are geared towards individuals with neuropsychological disabilities, substance abuse or criminality issues, and often psychiatric diagnoses. Humana offers children and adolescents with a range of problems treatment and support at institutions and family homes. In most of the family homes, a parent is present who is employed on a full-time basis in order to ensure continuity.

Outpatient care is primarily aimed at adolescents in their teens who need special support in order to cope with school and independent living and to create a network that can help them fend for themselves in everyday life. Outpatient care also provides support to families with children and young people who need special guidance. Housing operations, operated in accordance with the Act on Municipal Health and Care Services (HOT), are mainly for individuals with complex physical and psychological impairment or brain damage.

Developments in 2015

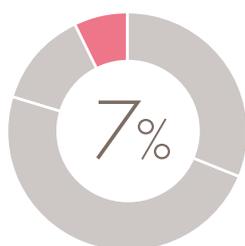
Humana showed strong growth in Norway in 2015, and doubled the number of customers in the last few months of the year.

Revenues in Norway totalled SEK 416 million and operating profit before central costs was SEK -13 million. Profit was negatively affected by the disposal of Villa Skaar amounting to SEK 32 million. In 2015 Humana also established operations in personal assistance by acquiring Dedicare Assistanse. In addition, Humana established HVB operations for younger unaccompanied refugee children. A decision has been taken to focus the Norway business on children and adolescents within the individual and family area and within personal assistance. As a consequence Humana disposed of Villa Skaar, which focused on elderly care. The focus in 2015 has remained on efforts to successfully integrate the acquired businesses INOM, Frösunda Norway, Våre Hjem and Dedicare Assistanse with Humana's approach, care methodology and core values. Today, Humana has a well-integrated business in Norway and a strong platform for continued growth.

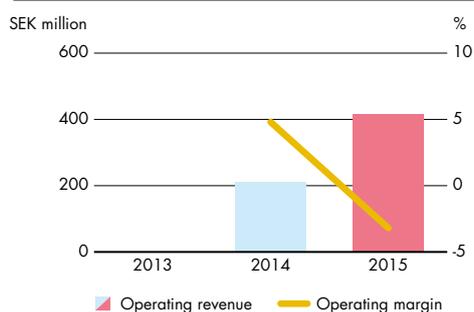
Outlook

The underlying need for care is increasing steadily, and Humana will participate in the consolidation of the care market. Our goal is to utilise the existing business in Norway and leverage the strengths of the established Swedish business to build a robust care services offering. Dedicare Assistanse is an important acquisition that represents significant opportunities for further expansion in personal assistance.

Percentage of Group revenues 2015



Operating revenue and operating margin by year



Facts

	2015	2014
Operating revenue, SEK million	416	210
Revenue trend, %	99	N/A
Organic growth, %	N/A	N/A
Revenue share of Humana, %	7	4
Operating profit, SEK million	-13	10
Operating margin, %	-3.2	4.8
Full-time employees at year-end	423	353

1: "HVB" is a Swedish term; in Norway "institusjoner" is used.

Ownership structure

Share classes and share capital

Humana has three share classes – Class A and B ordinary shares, and Class C preference shares. Each Class A ordinary share carries 4 votes, each Class B ordinary share carries 1 vote, and each Class C preference share carries 0.4 vote per share. At general meetings of shareholders, every person entitled to vote may vote for the full number of shares he or she owns and represent such shares without restriction in voting rights. The total number of votes is 3,013,995.8.

The company's registered share capital on 31 December 2015 was SEK 1,019,600, divided among 1,019,600 shares, of which 664,800 were Class A ordinary shares, 354,793 were Class B ordinary shares, 7 were Class C1 preference shares, 2 were Class C2 preference shares, and 4 were Class C3, C4, C5 and C6 preference shares (1 share each). The shares have a quotient value of SEK 1 per share.

The annual return on the preference shares is 12 percent. The nominal value of the preference shares was SEK 508 million as per 31 December 2015 (excluding non-paid return; see Note K17).

Shareholders

As per 31 December 2015 Humana had 89 shareholders. The company's largest shareholder is the British venture capital company Argan Capital, through the company Air Syndication S.C.A. As per 31 December Argan Capital owned 664,800 Class A shares, 1,150 Class B shares, and 1 Class C6 preference share.

Per Granath, a member of the Board of Directors as well as former President and CEO of Humana, owned 108,649 Class B shares and 1 Class C1 preference share through the company Zirkona Aktiebolag. No other shareholder owns, directly or indirectly, more than 10 percent of the shares or votes in the company.

Dividend

To ensure high-quality services and to finance continued growth, the Board of Directors of Humana has decided that the company's cash flow is to be reinvested in the business. In accordance with this decision, no dividend has ever been paid to the company's shareholders.

Share data, 31 December 2015

SEK	2015	2014
Earnings per ordinary share*	0.61	0.84
Shareholders' equity per ordinary share	287	266
Dividend per ordinary share	0	0
Dividend per preference share	0	0
Number of ordinary shares at year-end	1,019,593	1,019,593
Average number of ordinary shares	1,019,593	1,018,466
Number of preference shares at year-end	7	7
Average number of preference shares	7	7
Number of ordinary shareholders at year-end	89	86
Number of preference shareholders at year-end	7	7

* Basic earnings per ordinary share are adjusted for the 45:1 share split that was determined at an extraordinary general meeting on 15 February 2016; see Note G11.

Largest shareholders

	Number of A-shares	Number of B-shares	Number of C-shares	Total	Votes, %	Share capital, %
Air Syndication S.C.A	664,800	1,150	1	665,951	88.2	65.3
Zirkona Aktiebolag	0	108,649	1	108,650	3.6	10.7
SLP Partners AB	0	46,063	1	46,064	1.5	4.5
Europeiska Investeringsklubben	0	43,798	1	43,799	1.5	4.3
Harald Wessman	0	30,000	0	30,000	1.0	2.9
MECA Ekonomi AB	0	13,827	1	13,828	0.5	1.4
Minara AB	0	12,500	1	12,501	0.4	1.2
Maria Nilsson	0	10,000	1	10,001	0.3	1.0
Patrik Ahlvin	0	10,000	0	10,000	0.3	1.0
Q-It AB	0	5,263	0	5,263	0.2	0.5
Total, 10 largest shareholders	664,800	281,250	7	946,057	97.5	92.8
Others	0	73,543	0	73,543	2.5	7.2
Total number of shares	664,800	354,793	7	1,019,600	100.0	100.0

Passionate care
requires *resources*.
That's what
we have.

Board of Directors' report

The Board of Directors and CEO of the public company Humana AB, corporate identity number 556760-8475, registered office in Stockholm, hereby submit the annual report and consolidated accounts for the financial year 1 January 2015 – 31 December 2015.

Market development during the year

The care sector showed growth during the year, with the privatisation trend continuing. The market for services in the individual & family area increased during the year as a result of increased privatisation, a rise in mental health problems, and a continuing inflow of unaccompanied asylum-seeking children with traumatic experiences. The personal assistance care segment has shown consistent growth during the year, but profitability has declined due to a low upward adjustment of the hourly flat rate in relation to wage growth. In the face of demographic factors such as an ageing population with a higher average life expectancy, the future market for elderly care is considered to be favourable. However, activity in the area of subcontracting by tender was lower during the year. The total market for care and health care services in Norway has experienced growth during the year as a result of the introduction of client choice in personal assistance and a continuing increase in unaccompanied young asylum-seeking children. The political climate in Norway is still positive, with political support for further expansion of free user choice.

Important events during the year

For Humana, the quality of its services represents the basis for further development of the existing business and continuing expansion. Humana has invested further in the process of improving quality in all stages of its care operations during the year. Efforts have been focused on further developing the existing quality system into a common system that allows monitoring and control, thereby facilitating benchmarking. The quality system has been implemented gradually but will be fully implemented during the next financial year.

Alongside the quality initiatives, Humana has focused on implementing the acquisitions that the company made in

2014 in Norway and Sweden. In Norway efforts have been made to integrate, consolidate and streamline, thereby improving profitability. As part of its streamlining and focusing strategy, Humana has sold Villa Skaar which specialises in care of elderly people with psychosocial problems. In the Elderly Care business area, a decision was made to discontinue an unprofitable construction contract, which led to a decrease in revenue but helped improve profitability. A restructuring programme has been implemented in the home care operations with the aim of boosting profitability. As the home care restructuring work has taken longer than expected, profitability remains depressed and market conditions are expected to remain difficult, the entire goodwill value was written down and recognised in the fourth quarter. The write-down amounted to SEK 36 million.

During the year, Humana conducted a number of activities aimed at generating continued growth, both organically and through acquisitions. The Company made seven acquisitions during the year. The acquisition of Dedicare Assistanse AS in Norway was particularly important as it marked Humana's establishment in the personal assistance care segment in Norway.

In addition, to free up capital to be able to focus on expansion, the Board of Humana decided to sell a large part of the Company's property portfolio.

At an Extraordinary General Meeting on 22 January 2015, it was decided to change the Company's name from Humana Investment Holding AB to Humana AB. At the same time, it was decided that the Company would be public.

Humana entered into a new financing agreement in July 2015. The financing enabled Humana to make further acquisitions while also creating scope to continue the Company's organic growth.

Humana's establishment of its own elderly care home in Gävle is proceeding

according to plan, and the home will be opened in March 2016. At the end of the year, the Company signed an agreement on the establishment of two more of its own elderly care homes. The homes are scheduled to open in 2017.

Per Granath stepped down as President and CEO of Humana at the end of the financial year. He was replaced by Rasmus Nerman, former Deputy CEO, Individual & Family business area manager and former President and CEO of INOM Group, which Humana acquired in January 2014. Per Granath remains a major shareholder and will continue to serve on Humana's Board.

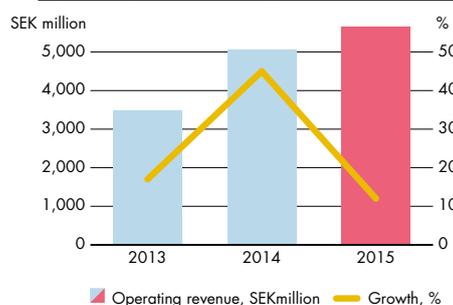
The political climate in Sweden has been uncertain during the year, and is a result of the election results in 2014, when no party achieved a majority. However, it is clear that the initial intensive political debate about profits in welfare has subsided. The investigation initiated by the Government will be presented in autumn 2016 and will form the basis of a decision in 2017. The focus of the investigation has been directed more towards quality, monitoring and control than the initial discussion on profits in welfare.

Parliament has decided to phase out the subsidised employer contributions for young people in two stages. The decision is unfavourable for Humana, which has a significant proportion of young people, primarily in the Personal Assistance business area. The first rise in social security contributions, which was implemented in August 2015, increased Humana's employer contribution costs by about SEK 19 million in 2015.

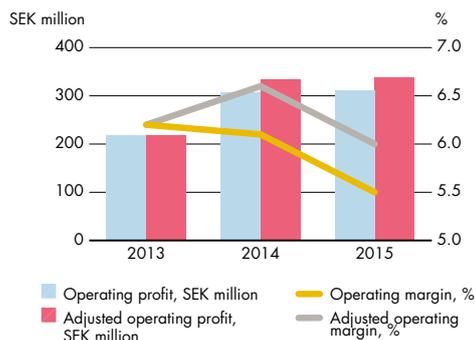
Acquisitions/disposals

Humana is a growth company in the care sector. The goal is for the business to grow through a combination of organic growth, i.e., through its own efforts, and company acquisitions. Humana is active in the

Operating revenue and growth



Operating profit and operating margin



Operating profit by segment

SEK millions	2015	2014
Individual & Family	1,750	1,422
Personal Assistance	2,689	2,609
Elderly Care	738	825
Norway	416	210
Other	62	-
Operating revenue	5,655	5,065

Operating revenue by country

SEK millions	2015	2014
Sweden	5,239	4,855
Norway	416	210
Total operating revenue	5,655	5,065

market consolidation and is continuously seeking suitable acquisition candidates. Humana has three primary aims in its acquisition strategy:

- To achieve volume and economies of scale
- To make smaller, complementary acquisitions to strengthen the existing business in its niches
- To complement existing operations with new service areas in which Humana sees growth potential and synergies with its existing offering

Humana has completed 31 acquisitions since 2006. In 2015, Humana made five acquisitions in the Individual & Family and Norway business areas:

- April 2015 Dedicare Assistanse AS (Norway)
- July 2015 AB Salbohed Gruppboende (Individual & Family)
- July 2015 Orana Vård och Omsorg Holding AB (Individual & Family)
- September 2015 Oasen HVB & Skola AB (Individual & Family)
- October 2015 Ramlösa Social Utveckling AB (Individual & Family)
- November 2015 Off.Clinic AB (Individual & Family)
- December 2015 Familjestödsgruppen i Stockholm AB (Individual & Family)

The acquisition of Dedicare Assistanse AS represents an expansion into the personal assistance care segment in Norway. Personal Assistance is Humana's largest business area in Sweden and is also the area in which Humana was founded. AB Salbohed Gruppboende conducts operations outside Sala for students in need of special support. With the acquisition of Orana Vård och Omsorg Holding AB in Kristianstad, Humana has expanded its operations in the segment for young girls with severe psychiatric problems. Oasen HVB & Skola specialises in psykosocial problems, mainly disruptive behaviour disorders. Ramlösa Social utveckling operates in the areas of abuse and dependency care, family care for adults and outpatient care. At the end of the year, the Company also acquired Off. Clinic AB, which has specialised knowledge in the area of sexual behavioural problems and trauma, and Familjestödsgruppen i Stockholm AB. The acquisition of Familjestödsgruppen i Stockholm AB represents an expansion in the area of family homes for newly arrived unaccompanied refugee children.

The total purchase consideration, including contingent consideration, for the seven acquisitions during the year was SEK 184 million. The seven acquisitions contributed SEK 92 million to Humana's

revenue in 2015 and SEK 10 million to the Company's operating profit. If the acquisitions had been conducted on 1 January 2015, Humana's revenue would have increased by SEK 213 million to SEK 5,868 million and operating profit would have increased by SEK 28 million to SEK 340 million.

Humana has sold Villa Skaar as part of the process of concentrating and focusing the business in Norway. The proceeds amounted to SEK 16 million. Villa Skaar's sales for 2014 amounted to SEK 43 million, while operating profit was SEK 4 million. For the first five months of 2015, the company's sales were SEK 19 million, with operating profit of SEK 1 million.

In order to free up capital for future expansion, Humana sold a large part of its property portfolio in the latter part of the financial year. The value of the 43 properties that were sold was SEK 259 million and a capital gain of SEK 62 million was generated.

Revenue and earnings

Humana's revenue for 2015 was SEK 5,655 (5,065) million, an increase of SEK 590 million, or 12 percent, which was higher than the Company's growth target. Operating revenue includes a capital gain of SEK 62 million. Acquisitions contributed SEK 509 million, while comparable units contributed SEK 42 million. The Group's comparable units increased by 0.8 percent. A construction contract completed during the year had an adverse effect of approximately SEK 79 million, or 1.6 percent, on organic growth. In actual figures, the Individual & Family business area showed the highest growth, with an increase of SEK 328 million in revenue, corresponding to growth of 23 percent.

Operating profit was SEK 312 (307) million, which is in line with the previous year. Acquired companies that were not part of Humana during the previous year contributed SEK 57 million to operating profit for the year. Earnings were affected by nonrecurring items of SEK -27 (-28) million (net). Nonrecurring items that affected earnings for the full year included a capital gain of SEK 62 million on property sales, costs of SEK 6 million associated with the change of CEO, goodwill impairment of SEK 36 million in the Elderly Care business area, a capital loss of SEK 32 million on the sale of Villa Skaar in Norway and consulting costs of SEK 15 million relating to refinancing. Operating profit adjusted for these items amounted to SEK 340 (335) million, with an adjusted operating margin of 6.1 (6.6) percent. The operating margin for the full year is below the Company's profitability target of 6

Operating cash flow

SEK millions	2015	2014
Profit before tax	149	156
Depreciation/impairment	82	32
Changes in working capital	37	18
Investments in non-current assets	-42	-46
Operating cash flow	227	160

Investments

SEK millions	2015	2014
Acquisition of operations, net cash impact	-141	-821
Disposal of operations, net cash impact	261	0
Capital expenditures in other non-current assets, net	-42	-46
Total investments	78	-868

percent as a result of nonrecurring costs. Adjusted for nonrecurring items, the underlying profitability of the operations is in line with Humana's financial targets. The underlying improvement in earnings is attributable to strong revenue growth and sustainable profitability in the Individual & Family business area.

Profit before tax for the year was SEK 149 (156) million. The effect of unrealised changes in the value of derivatives was SEK 7 (-41) million. Borrowings increased during the year, resulting in higher interest expenses, which were SEK 172 (112) million.

Operating profit for 2015 was SEK 114 (115) million, which is in line with the previous year. Earnings per ordinary share for the year amounted to SEK 0.61 (0.84). The effective tax rate was 23.7 (26.4) percent.

Profitability, financial position and cash flow

The return on capital employed was 11 (11) percent. As a result of advance payments in the Personal Assistance business area, Humana has a low level of capital employed and reports a negative level of working capital.

Humana entered into a new financing agreement in July 2015. The loan agreement, which runs until 2022, was signed with a bank syndicate consisting of six parties and amounted to SEK 2,020 million. The agreement covers business financing as well as acquisition credit for continuing investments in operations and expansion. The agreement's interest terms are in line with the previous loan agreement. The total loan facility was SEK 2,020 (1,900) at 31 December 2015. Total repayments for the year amounted to SEK 1,732 million, SEK 13 million of which related to the ex-

isting loan agreement and SEK 1,719 million to the previous loan facility.

The equity/assets ratio was 28 (27) percent. The Group's equity was SEK 1,093 (986) million at the reporting date. Equity per ordinary share adjusted for unpaid return on preference shares was SEK 292 (271). The Group's interest-bearing net debt ended the year at SEK 1,174 (1,484) million. Interest-bearing net debt in relation to EBITDA was 3.0 (4.4) times.

Cash and cash equivalents, consisting of cash and bank balances, amounted to SEK 501 (244) million at 31 December 2015. Humana's credit facility includes an unutilised bank overdraft facility of SEK 100 million.

Net cash flow from operating activities during the year was SEK 274 (156) million. Company acquisitions including settlement of additional consideration for acquisitions conducted in previous years amounted to SEK 141 (821) million. Working capital declined by SEK 37 (18) million during the year. Investments in property, plant and equipment amounted to SEK 42 (46) million. Cash flow from financing activities was SEK -93 (668) million.

Performance by business area

Individual & Family

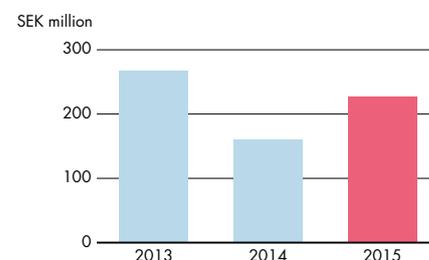
Revenue increased by 23 percent to SEK 1,750 (1,422) million, with acquisitions contributing SEK 280 million to the total. Organic growth was 3.5 percent. Operating profit was SEK 217 (174) million. Acquisitions contributed SEK 45 million to operating profit for the year.

The number of customers continued to increase during the year. The increase was partly an effect of Humana's successful expansion and establishment of new units with specialist expertise in areas such as

Capital structure

SEK millions	2015	2014
Total assets	3,838	3,660
Capital employed	2,767	2,715
Equity	1,093	986
Interest-bearing net debt	1,174	1,484
Net debt/EBITDA, times	3.0	4.4

Operating cash flow



psychiatry and psychosocial change work, but was also a result of acquisitions. Demand in the segment increased during the year as a result of a higher level of mental ill-health, more unaccompanied asylum-seeking children and adults suffering from traumatic problems.

Humana has continued to be active in its organic expansion by starting up new units and driving consolidation in the market. Six acquisitions were conducted in the Individual & Family business area in 2015:

- AB Salbohed Gruppboende
- Orana Vård och Omsorg Holding AB
- Oasen AB
- Ramlösa Social Utveckling AB
- Off.Clinic AB
- Familjestödsgruppen i Stockholm AB

Personal Assistance

Revenue showed organic growth of 3 percent during the year, increasing to SEK 2,689 (2,609) million. Growth is explained by an increase in the state flat rate during the year of 1.4 percent, more customers and more delivered assistance hours than in the previous year. Operating profit was SEK 182 (205) million. Earnings were adversely affected by wage costs having increased more than the state flat rate and higher social security contributions for young people. The effect of the increased social security contributions for young people had an adverse effect of about SEK 13 million on earnings for the full year.

Humana's Personal Assistance operations continued to gain market share during the year. The number of clients in the business area increased by 2 percent to 1,952 during the year. The number of assistance hours that each individual is entitled to increased during the year. However,

growth in the number of individuals entitled to assistance allowance payments decreased slightly.

There were no acquisitions in the business area during the year.

Elderly Care

Revenue for the Elderly Care business area declined by 11 percent to SEK 738 (825) million during the year. Discontinued operations contributed approximately SEK 79 million for the full year 2014, corresponding to 9.6 percent. Revenue declined by 10.6 percent organically. During the year, Humana implemented a comprehensive restructuring programme in home care, which has given rise to restructuring costs. As the home care restructuring work has taken longer than expected, and in view of the fact that profitability remains depressed and market conditions are expected to remain difficult, a goodwill impairment loss for the entire home care business has been recognised. Impairment amounted to SEK 36 million during the year. The Board of Humana has decided that parts of the home care operations will be discontinued in 2016. Goodwill impairment and the restructuring programme in home care were instrumental in a significant decline in the business area's operating profit during the year, which was SEK -53 (-3) million. Furthermore agreements were signed for the establishment of two elderly care homes to be owned and operated by Humana. The homes are scheduled to open in 2017.

The market for elderly care is growing, with older people representing an increasing proportion of the total population. The fact that people are staying healthy for longer and are therefore able to live at home longer is contributing to growth in the market for home care services. The trend in elderly care and housing is moving towards more care-intensive clients, where the share of dementia patients and clients with special needs is rising. During the

year, the market was characterised by a relative stagnation in the degree of privatisation, as fewer subcontractor contracts were offered for tenders compared with a year earlier.

Norway

Revenue from the Norwegian operations amounted to SEK 416 (210) million, an increase of 99 percent. Acquisitions accounted for the entire increase in revenue. Operating profit was SEK -13 (10) million. Profit was adversely affected by a capital loss of SEK 32 million on the disposal of Villa Skaar.

The acquisition of INOM in 2014 marked the start of Humana's expansion in Norway; since then a number of acquisitions have been added. Comprehensive efforts to integrate and consolidate operations continued during the year. As part of these efforts, Humana has sold Villa Skaar which specialises in care of elderly people with psychosocial problems. Villa Skaar's revenue for 2014 amounted to SEK 43 million, while operating profit was SEK 4 million. For the first five months of 2015, the company's revenue was SEK 19 million, with operating profit of SEK 1 million.

Humana is currently one of the leading private players in the Norwegian care market. Operations in Norway are focused on individual and family care for children and young people, and also on personal assistance.

The Norwegian care market differs from the Swedish market in that it is more regulated, and privatisation has not progressed as far as in Sweden.

Humana acquired Dedicare Assistanse AS during the year. The acquisition marks the establishment of personal assistance services in the Norwegian market. Humana has also established operations relating to young unaccompanied refugee children.

Employees

The average number of full-time employees during the year was 9,154, compared with 8,619 at the beginning of the year. Approximately 56 (57) percent of the average number of employees were employed under collective agreements, while 44 (43) were salaried employees. Ninety-six percent (98) of the employees worked in Sweden and 4 percent (2) in Norway. The number of employees at year-end amounted to 9,231, of which 69 percent (70) were women.

Principles for remuneration of senior executives

Prior to the Annual General Meeting on 6 March 2016, it is the Board's intention to propose unchanged guidelines compared with 2015. The guidelines cover remuneration of the CEO and other members of Humana's Group Management. Group Management consisted of nine individuals at the beginning of the year.

Remuneration of members of Group Management shall consist of a fixed salary, any variable salary earned, retirement benefits and other benefits. The combined remuneration shall be in line with the going rate in the market and competitive, and shall be commensurate with the individual's performance and responsibility as well as the growth in value generated for the benefit of all of Humana's stakeholders.

Humana's remuneration model consists of a fixed basic salary and a variable salary component. Payment of variable cash salary shall be dependent on the achievement of defined and measurable targets and shall be capped to 30 percent of the individual's yearly fixed salary. The terms and conditions for variable salary should be designed in such a way that, in the event of exceptional economic circumstances, the Board has the ability to restrict or withhold payment of variable salary if such a measure is considered reasonable. In special cases, agreements may be made for

Key ratios

	Individual & Family		Personal Assistance		Elderly Care		Norway	
	2015	2014	2015	2014	2015	2014	2015	2014
Operating revenue, SEK million	1,750	1,422	2,689	2,609	738	825	416	210
Organic revenue growth, %	3.5	17.0	3.1	4.1	-10.7	18.4	na	na
Operating profit, SEK million	217	174	182	205	-53 ¹⁾	-3	-13 ²⁾	10
Operating margin, %	12.4	12.2	6.8	7.9	-7.2	-0.3	-3.2	4.8
Average number of customers	1,659	1,441	1,952	1,923	3,449	3,842	202	118
Average number of full-time employees	1,795	1,448	5,313	5,143	1,640	1,812	393	204

1) Includes goodwill impairment of SEK 36 million

2) Includes capital loss of SEK 32 million on the disposal of Villa Skaar.

one-time remuneration, provided that such remuneration does not exceed an amount corresponding to the individual's yearly fixed salary and maximum variable cash salary, and is not paid more than once a year for the individual in question.

Retirement benefits shall be defined contribution arrangements. The notice period shall be six months for both Humana and the senior executive. If an executive's employment exceeds five years, the notice period for Humana will increase to 12 months, while the executive will continue to have a six-month notice period. Severance pay may be payable to senior executives who have served more than five years, but for a maximum amount equivalent of six months' salary. Termination benefit agreements are made separately after a decision by the remuneration committee.

The Board has the right to deviate from the guidelines adopted by a general meeting of shareholders if it has special reasons for doing so in individual cases. If such a deviation is made, related information and the reason for the deviation shall be reported on at the next Annual General Meeting.

The remuneration committee, appointed by the Board of Humana, prepares and presents recommendations to the Board for decisions on remuneration of the CEO. Following a proposal by the CEO, the remuneration committee makes decisions on the remuneration of other members of Group Management. The Board is kept informed about decisions made by the remuneration committee. See also note G7 on page 74.

Seasonal effects

Based on the distribution of revenue during the year, Humana's operations are not significantly affected by any seasonal variations. Changes in revenue between quarters and compared with the preceding year are mainly attributable to the point in time at which acquisitions were made in 2014

and 2015. Revenue and earnings are also positively affected by months with a large number of working days and a lack of absence. In terms of earnings, the Company's third quarter is the strongest, as this is when employees take holidays, resulting in changes in the holiday pay liability.

Parent Company

The Parent Company's registered office is in Stockholm. The Parent Company's operating profit for 2015 was SEK -5 million (-16). Profit for the year was SEK 0 (89) million.

Share capital and shareholders

The Company's registered share capital at 31 December 2015 was SEK 1,019,600, divided into 1,019,600 shares, distributed as follows: 664,800 Class A ordinary shares, 354,793 Class B ordinary shares, 7 Class C preference shares (one C1, two C2, one C3, one C4, one C5 and one C6). The shares have a quotient value of SEK 1 per share.

The number of shareholders at 31 December 2015 was 89 (86). The Company's largest shareholder was the UK fund company Argan Capital through the company Air Syndication S.C.A., which controlled 88.2 percent of the votes and 65.3 percent of the capital. Board Member Per Granath, former President and CEO of the Company, is the second-largest shareholder, controlling 3.6 percent of the votes and 10.7 percent of the capital. No other shareholder owns, directly or indirectly, more than 10 percent of the shares or votes in the company.

An extraordinary general meeting held on 15 February 2016 decided on a 45:1 split, see note G17.

Outlook

Humana does not provide financial forecasts regarding its future development. The Company's long-term financial targets are described on page 28 of the Annual Report.

Underlying market forces continued to point to growth in demand for care services during the year. An ageing population and a growing rate of ill-health in Humana's markets indicates continuing market growth. The change in government in Sweden in 2014 has given rise to uncertainty about Sweden's political agenda, budget and decisions in the next few years. Changes in political control and future decisions may affect growth and profitability potential for private players in general. The refugee situation in Europe affects Humana in several ways, even though support and treatment for unaccompanied refugee children represents a small part of the business area's operations. The emergency situation has the effect of increasing the processing time for recruiting and qualifying family homes and having other placements examined and authorised. In the long term, there is a danger of the situation leading to a re-prioritisation of public resources in the face of capacity and budgetary constraints.

Events after the end of the financial year

As part of the ongoing restructuring programme within Humana's Elderly Care business area, the Board has decided to transfer three units in its home care operations. Revenue for the three units was SEK 59 million in 2015. The operations reported a loss of SEK -7 million in 2015.

An extraordinary general meeting held on 15 February 2016 decided on a 45:1 split, see note G17.

Three-year overview

SEK millions	2015	2014	2013
Condensed consolidated income statements			
Operating revenue	5,655	5,065	3,489
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	394	339	231
Operating profit (EBIT)	312	307	218
Profit before tax	149	156	216
Profit for the year (attributable to Parent Company shareholders)	114	115	179
Condensed consolidated balance sheet			
Assets			
Goodwill	2,584	2,565	1,436
Other non-current assets	213	305	144
Current assets	1,040	790	616
Total assets	3,838	3,660	2,196
Condensed equity and liabilities			
Equity	1,093	986	853
Non-current liabilities	1,616	1,710	585
Current liabilities	1,129	963	758
Total equity and liabilities	3,838	3,660	2,196
Condensed consolidated statements of cash flows			
Net cash flow from operating activities	274	156	196
Cash flow from investing activities	78	-868	-158
Cash flows from financing activities	-93	668	57
Cash flow for the year	258	-45	95

Quarterly overview

SEK millions	2015					2014				
	Full year	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4
Operating revenue by segment										
Individual & Family	1,750	407	415	434	495	1,422	297	357	374	394
Personal Assistance	2,689	656	671	688	673	2,609	636	646	664	663
Elderly Care	738	185	183	182	188	825	199	211	208	207
Norway	416	104	110	100	103	210	24	32	55	98
Operating revenue	5,593	1,351	1,379	1,404	1,459	5,065	1,157	1,245	1,301	1,362
Operating profit by segment										
Individual & Family	217	47	43	76	51	174	36	36	68	35
Personal Assistance	182	49	33	56	45	205	56	39	62	48
Elderly Care	-53	-1	-8	6	-51	-3	-6	-5	10	-2
Norway	-13	5	-28	7	3	10	2	6	3	-2
Other	-20	-15	-16	-19	30	-79	-23	-15	-14	-28
Operating profit	312	84	24	126	78	307	65	62	128	52
Operating margin by segment										
Individual & Family, %	12.4	11.5	10.4	17.5	10.3	12.2	12.1	10.1	18.1	8.8
Personal Assistance, %	6.8	7.4	4.9	8.1	6.7	7.9	8.8	6.1	9.3	7.3
Elderly Care, %	-7.2	-0.3	-4.4	3.4	-27.1	-0.3	-3.2	-2.1	4.7	-0.8
Norway, %	-3.2	4.4	-25.2	7.1	2.7	4.8	10.3	20.0	5.9	-2.1
Operating margin, %	5.6	6.2	1.7	9.0	5.3	6.1	5.6	5.0	9.9	3.8

Key ratios

SEK millions	2015	2014	2013
Operating revenue	5,655	5,065	3,489
Profit measure			
Operating profit before interest, taxes, depreciation and amortisation (EBITDA)	394	339	231
Operating profit (EBIT)	312	307	218
Profit for the year	114	115	179
Earnings per ordinary share, SEK*	0.61	0.84	2.46
Margin measure			
Operating margin before interest, taxes, depreciation and amortisation (EBITDA), %	7.0	6.7	6.6
Operating margin (EBIT), %	5.6	6.1	6.2
Capital structure			
Equity/assets ratio, %	28.5	27.0	38.9
Return on capital employed, %	11.3	11.4	14.6
Interest-bearing net debt	1,174	1,484	355
Interest-bearing net debt/EBITDA, times	3.0	4.4	1.5
Operating cash flow	227	160	263
Per-share data			
Number of ordinary shares at end of year	1,019,593	1,019,593	1,000,000
Dividend	0	0	0
Operating cash flow per share, SEK	263	157	222
Other			
Number of full-time employees at end of year	9,231	8,773	7,215
Average number of customers	7,262	7,324	4,198

*See note G11 page 76.

Risks and risk management

As is the case with all business, Humana's operations are associated with risks. To clarify and allow proactive efforts for minimising risk exposure, Humana has conducted a risk analysis and graded all risks according to probability and impact on Humana.

Risk management

A risk is defined as an uncertainty about an event occurring that could affect the Company's ability to achieve defined objectives. Risks are a natural part of all business operations, and must be managed effectively by the organisation.

Risk management is aimed at preventing, mitigating or precluding risks from materialising or affecting operations in a negative way. Humana endeavours to effectively identify, assess and manage the Company's risks.

In connection with preparation of the Company's business plan, Humana's management has drawn up a gross list of conceivable events that could have an impact on the Company's operations and its ability to achieve defined objectives. The gross list has been evaluated and reduced to a net list containing the most relevant risks. These risks have been graded according to probability and impact perspectives. In Humana's case, an increased probability of a risk occurring is not always a negative factor, but can also be seen as positive in cases where the Company believes that the change sharpens requirements, which in turn raises standards in the industry as a whole. Quantifying risks in a risk matrix makes it possible for Humana to allocate the right amount of time and resources to its work on risk mitigation. The risks are monitored by Group Management and in the Board's work. As Humana conducts operations in both Sweden and Norway, the assessment is based on both geographic markets, but also jointly in a consolidated matrix. As the Swedish market accounts for the majority of Humana's revenue, comments on the risks that differ and are assessed as significant in the Norwegian market are provided separately under each risk.

Purpose

The aim of Humana's risk management work is to:

- create awareness in the Company's management and Board about the Company's risks, and ensure effective information about its risk exposure
- create effective governance and control of the business so that the Company is able to achieve its objectives
- provide data and processes that support the daily operations

Risk categories

Humana has opted to divide its identified risks into three risk categories:

Sector and market-related risks

Market risks concern external factors, events and changes in Humana's markets that could have an adverse effect on the conditions for achieving the Company's defined objectives. The Company has limited opportunity to influence these types of risks, but they still

need to be addressed. There are often two sides to every sector or market-related risk: a downside, i.e., a risk or threat, and an upside, i.e., an opportunity.

Business-related risks

Operational risks are mainly related to internal factors and events that could adversely affect the Company's operating activities and ultimately its brand. Humana's reputation and good-standing are key to maintaining the trust of the Company's customers, clients and employees. Negative publicity about private care providers or a serious incident within the Group's operations could have a considerable adverse impact on the Company's business and earnings.

Compliance risks related to laws and regulations

Humana's operations are regulated by data protection laws such as the Swedish Personal Data Act, the Swedish Patient Data Act and the Norwegian Personal Health Data Filing Act. These regulations require the existence of systemised and secure procedures to be in place for handling and storing personal data. In addition, Humana's business is dependent on the Company's ability to obtain and maintain a number of permits and attract certain professional categories with specific skills in order to be able to offer care services.

In the course of its operations, the Group is also exposed to various types of financial risks, including financing and liquidity risk, credit risk, interest rate risk and currency risk. The Group's financial policy for financial risk management has been formulated by the Board and provides a framework of guidelines and rules in the form of a risk mandate and limits for financing activities. A further description of the Company's financial risks can be found in note G20 in the annual report.

The Company's aggregate risks and measures are managed by the audit committee and finance committee, which report to the Board of Directors for assessment and approval.

Sector and market-related risks

A *Increased sector regulation*

The care sector is subject to extensive rules in the form of complex laws and regulations at the national, regional and local levels. Laws and regulations cover areas such as availability of services, access to services, quality of services, staff qualifications and obligations, and confidentiality rules. Humana works with clear requirement specifications, documentation and quality monitoring to ensure delivery of high quality services. The company has a positive view of more stringent standards. Adoption of more stringent rules and regulations would raise the status and quality of all actors.

B *Dividend-restricting legislative changes in the care sector*

Political parties in Sweden have questioned the privatisation of care and support services and have advocated for restrictions on the ability to run private care companies for profit. If legal requirements were to be adopted whereby no or only limited profits were to be allowed, or where the rate of privatisation or the number of services that are subject to privatisation were to be restricted, the business model for private care companies could be jeopardised.

C *Other political risks*

The care sector operates under a distinct political agenda. The Company's operations are funded by the state and municipalities, and changes in political control could have consequences on society's view of private care providers. Private actors' offerings are dependent on political decisions made by each municipality and regional authority. Humana is a significant actor in the sector, and the Company has a high level of specialist expertise. The growing need for care services and thereby escalating costs will present challenges to society in general.

D *Changed payment procedure for assistance allowance*

Humana's Personal Assistance business area receives an assistance allowance from the Swedish Social Insurance Agency and municipalities. Approximately 90 percent of the allowance that Humana receives is paid by the Social Insurance Agency in advance.

The Company's salaries are thereby funded by advance payments that the Company receives from the Social Insurance Agency. The Social Insurance Agency has announced an amendment to the advance payment procedure without having yet announced the details. A change in the payment procedure is negative for Humana and others on the market because it increases the Company's working capital needs and hence the cost of borrowing. Capital-weak providers with poor profitability may find it difficult to survive, which would mean a certain amount of market consolidation.

E *Changed remuneration model for personal assistance*

The Social Insurance Agency pays assistance allowances according to a flat rate per assistance hour. In a few special cases, slightly higher compensation may be paid. Although several studies have highlighted shortcomings with the current model, no changes have been implemented. An investigation is expected to propose a new remuneration model. Proposals generated by the investigation are expected in 2017. Proposals from earlier investigations have largely been economically neutral for Humana. As the government's ambition is to curtail costs for assistance allowances, a new compensation model may constitute an economic impairment for Humana as well as other assistance providers.

F *Changes in pricing and demand*

Prices of publicly funded care services can be influenced, limited or set by local, regional and national authorities. As a result, prices are not only affected by market forces such as supply and demand. A decrease in demand for private care services would have a negative impact on Humana's business. Increased demand may lead to price pressure since state funds must be allocated among more needy persons.

Business-related risks**G** *Adverse publicity about private care providers or an operational incident*

For Humana, the Group's reputation is fundamental for maintaining good relationships with current and potential clients and customers, and local, regional and regulatory authorities. There is a

risk of an incident occurring in one of Humana's or another private operator's operations – as a result of intentional action or neglect – which could cause injury to one or more persons under Humana's care. Such an event could lead to negative publicity, causing subsequent harm to the sector and company in question. Further, an incident could lead to the loss of customers and thus revenue.

H *Computer system limitations*

Humana handles a large amount of data in the form of personal information, patient journals and other business-critical information. Breakdowns or disruptions in IT systems, including such caused by sabotage, computer viruses, operator error or software defects, could have a negative impact on the Group's operations. Humana strives to minimise such disruptions as far as possible by using firewalls, encryption and parallel computer centres for backup copying.

I *Framework agreements*

Many of the framework agreements that Humana enters into with Swedish municipalities to conduct operations under its own management contain assumptions on volume, entailing that the scope and volume of the services offered under such agreements may be uncertain. If Humana cannot fulfil the requirements made in framework agreements, the agreements may be cancelled.

Since Humana secures long-term leases for premises used in its operations, the Company bears the risk that operating revenue may be lower than its personnel costs and costs for premises. Humana works daily to optimise its capacity utilisation with respect to care places in the Group's operations conducted under its own management and to match costs effectively.

J *Future expansion and growth*

Humana is a growth company that plans to continue expanding its business organically and through acquisitions. The future success of the Company's acquisition strategy is dependent on several factors, such as Humana's ability to identify suitable acquisition candidates, and negotiate the right level of purchase prices and acceptable terms. Further, Humana's ability and competence at integrating completed acquisitions with its existing operations in a favourable manner has an impact on future growth. The company may also encounter business risks, tax risks and economic risks associated with acquiring and integrating companies.

K *Expertise and ability to attract employees*

Humana is dependent on its ability to attract, hire and retain qualified personnel at a reasonable cost. The Company's operations are very labour-intensive, and the competency requirements vary between the different business areas. In Personal Assistance, the formal competency requirements are low, while some of the services offered in the Individual & Family and Norway business areas require a high level of competence and specialisation. Humana's quality assurance is dependent on the employees' ability to make the right decisions and have the right attitude in their daily work. If the Company does not succeed in attracting the right people, it could affect the Company's growth opportunities.

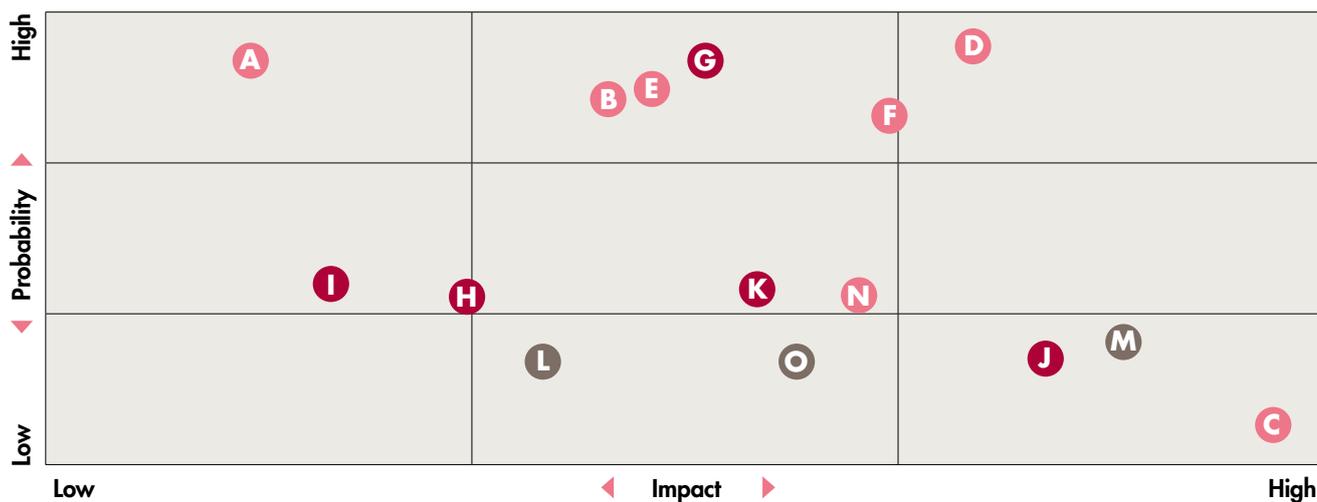
Compliance risks related to laws and regulations**L** *Violation of data protection laws*

Humana's operations are covered by data protection laws. Current rules place high demands on processes and security in handling, storing and sorting through personal data, and on ensuring that individuals are properly informed about how the Company handles personal information. Humana works continuously on improving its processes and routines, and conducts checks and controls on a regular basis.

M *Dependence on permits and professional qualifications*
 Humana's operations and growth are dependent on the company's ability to secure and retain a number of permits to conduct care and support operations. It also requires professionals with the right skills. A number of the permits that Humana has obtained to conduct its business are tied to specific properties owned by the Company. If such properties are sold or moved Humana may be required to apply for new permits. Permits could also affect Humana's ability to move companies within the Group.

N *Legal processes and investigations*
 Humana may be negatively affected by judicial rulings, settlements, and costs associated with legal processes and investigations. In the future Humana could be party to legal actions arising out of alleged malpractice or medication errors. In the event of incorrect processes or practices, Humana could bear costs for damages or compensation.

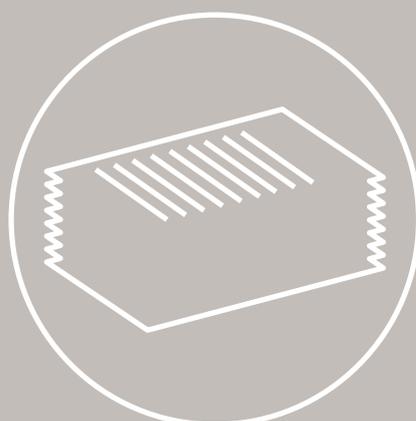
O *Occupational health and safety*
 Humana's operations are covered by regulations on occupational health and safety. Deficiencies in meeting such regulations could lead to fines or penalties.



In its risk matrix, Humana has assessed the probability of an event occurring and the impact on Humana if it were to occur. The Probability/Impact grading represents the level of risk for Humana.

Sector and market-related risks	
Risk	Comments (C)/risk management (RM)
A Increased sector regulation	C: Humana is in favour of increased sector regulation as increased requirements and controls help to raise quality in the sector. The Norwegian care market is considered more regulated and centralised than the Swedish market. RM: Humana engages in lobbying for increased sector regulation through participation on boards and in networks and implements internal action plans accordingly.
B Dividend-restricting legislative changes in the care sector	C: The probability of legislation on dividend restrictions being introduced has decreased slightly since the previous year. RM: Dialogue with key stakeholders and influencers. Internal high state of preparedness.
C Other political risks	C: Political risks are still high in the care sector, although the political climate from Humana's perspective is considered to have improved a little in Sweden over the last year. In Norway, the risk is considered minimal. RM: Continuous knowledge gathering and relationship-building in public affairs.
D Changed payment procedure for assistance allowance	C: A change to the advance payment system has been announced and its financial impact on Humana will be felt more than in the previous year. RM: Continuing lobbying for knowledge dissemination to community contacts.
E Changed remuneration model for personal assistance	C: A change to the remuneration model may have an adverse effect on economic conditions for assistance providers as it is the government's aim to reduce the cost of attendance allowance payments. RM: Continuing lobbying for knowledge dissemination to community contacts.
F Changes in pricing and demand	C: Demand and the need for government-funded care is increasing in society. The risk of price pressure due to budgetary constraints is considered to have increased a little in Sweden and in Norway compared with the previous year. RM: Continuing focus on high service quality and high customer adaptation.
Business-related risks	
Risk	Comments/risk management
G Adverse publicity about private care providers or an operational incident	C: The refugee crisis and a sharp increase in the need for care in the community at large is heightening the media focus on the care and health care sector. Knowledge of and interest in the sector is increasing. RM: Well-grounded internal communication plan. Transparent and accessible approach to media.
H Computer system limitations	C: Humana has worked on IT systems and processes during the year and considers the probability of computer system limitations to have been reduced. RM: Continuous system monitoring. Development of competence, systems, and routines with operating partners.
I Framework agreements	C: A small proportion of Humana's operations are conducted under framework contracts and the Company's influence in the event of changes is considered relatively low. RM: Focus on high service quality (leading expertise and good therapeutic results), and cooperation with municipalities.
J Future expansion and revenue growth	C: The political situation and increased sector requirements create opportunities for continuing consolidation. RM: Identify future leaders with good experience in implementing organic projects and successful integration processes. Find good business partners with solid negotiating, legal and financial skills.
K Skills supply	C: Employee surveys show that employees are happy at Humana. Scope for engaging managers and middle managers is expected to remain good, while certain specific profession categories are perceived as more difficult. RM: Clear employer branding strategy is built on values, education, leadership and career paths.
Compliance risks related to laws and regulations	
Risk	Comments/risk management
L Violation of data protection laws	C: As a result of increased awareness, improved processes and procedures and continuous improvement of systems, the risk is considered to have declined a little compared with the previous year. RM: Competence, training, processes and routines.
M Dependence on permits and professional qualifications	C: The refugee crisis requires major resources from government authorities and social services in the country's municipalities. As a consequence, the ability of the Health and Social Care Inspectorate (IVO) to exercise its powers has been greatly restricted, which is creating long lead times for all players. RM: Identify business managers with the right background and experience.
N Legal processes and investigations	C: The risk is considered the same as in the previous year and there are no major incidents or issues to report. RM: Routines, processes and competence, and the right legal partners.
O Occupational health and safety	C: The risk is considered the same as in the previous year and there are no major incidents or issues to report. RM: The right internal competence through proactive training, action plans and control.

GOVERNANCE



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Corporate Governance Report

Corporate governance at Humana

Governance of Humana is grounded in the Articles of Association, the Swedish Companies Act, other applicable Swedish and foreign laws and regulations, and internal rules and guidelines. These internal rules and guidelines mainly include the Board's Rules of Procedure, the CEO's instructions, instructions for financial reporting, and the financial manual. In addition, Humana has a number of policy documents and manuals that lay out internal rules and recommendations, and include principles and provide guidance in the Company's operations and for its employees.

Humana's shares are not available for trading in a regulated market, and Humana is therefore not obligated to apply the Swedish Code of Corporate Governance ("the Code"). However, the Board of Directors has decided to adhere to the Code where possible, with the aim of ensuring good corporate governance. The

Company has therefore prepared this Corporate Governance Report.

Shareholders

As per 31 December 2015, Argan Capital, through the company Air Syndication S.C.A. is the largest owner of Humana, with 664,800 Class A ordinary shares, 1,150 Class B ordinary shares, and 1 Class C6 preference share. Per Granath (member of the Board) owns 108,649 Class B ordinary shares and 1 Class C1 preference share. No other shareholder owns, directly or indirectly, more than 10 percent of the shares or votes in the Company.

Share capital and voting rights

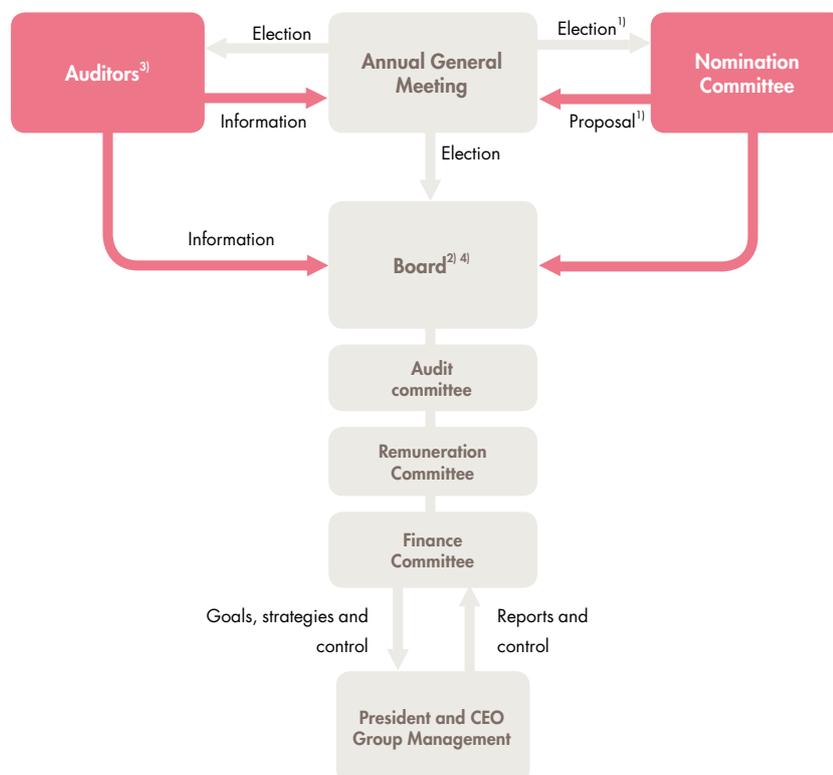
The Company's registered share capital on 31 December 2015 amounted to SEK 1,019,600, divided among 1,019,600 shares, of which 664,800 are Class A ordinary shares, 354,793 are Class B ordinary shares, and seven are Class C preference

shares (C1, C2 [two shares], C3, C4, C5 and C6). The shares have a quotient value of SEK 1 per share. Each Class A ordinary share carries 4 votes, each Class B ordinary share carries 1 vote, and each Class C preference share (C1, C2 [two shares], C3, C4, C5 and C6) carries 0.4 vote. At general meetings of shareholders, each shareholder entitled to vote may vote for the full number of shares owned by him or her and represent such shares without limitation in the voting rights. The total number of votes thus amounts to 3,013,995.8.

The Articles of Association do not regulate how amendments are to be made to the Articles of Association.

There are no outstanding mandates from the Board to issue new shares.

The Articles of Association contain stipulations on preferential rights in connection with, e.g., cash or set-off issues, as well as on rights of first refusal. The Articles of Association also regulate the right to



The model at left illustrates how corporate governance is organised at Humana. Humana is a Swedish limited liability company whose shareholders ultimately decide on the Group's governance by appointing the Company's board at the AGM. The Board, in turn, is continuously responsible for ensuring that the Company's governance adheres to laws and other external and internal governance instruments. At general meetings, every shareholder entitled to vote may vote for the full number of shares owned and may represent such shares without restriction of voting rights.

Internal governance instruments

Business concept and goals, Articles of Association, the Board's Rules of Procedure, the CEO's instructions, the financial manual, strategies and policies on financial information and insider issues, and processes for internal control and governance.

External governance instruments

The Swedish Companies Act, the Swedish Annual Accounts Act, other relevant laws, and the Swedish Code of Corporate Governance.

1) The Nomination Committee drafts proposals for decisions to be presented at the AGM. The AGM decides on principles for appointment of members of the Nomination Committee.

2) The Board establishes the committees and determines which board members are to serve on the respective committees.

3) The auditors review the Board's and CEO's administration as well as the financial statements.

4) The Audit Committee reports to the Board.



dividends and surpluses in the event of liquidation.

Shareholder agreements

The Company's shareholders are currently parties to a shareholder agreement. To the Board's knowledge, no shareholder agreements or other agreements exist between Humana shareholders pertaining to joint control of the company, other than the aforementioned shareholder agreement. Nor is the Board aware of any agreements or similar that could lead to a change in control over Humana.

General meetings of shareholders

Notice of general meeting

According to the Articles of Association, a notice of a general meeting of shareholders shall be made through advertisement in the Official Swedish Gazette (Post- och Inrikes Tidningar) and on the Company's website. An announcement that a notice has been issued shall be made in the Swedish business daily *Dagens Industri*.

Most recent AGM resolutions

The Annual General Meeting (AGM) for the 2015 financial year was held on 20 May 2015. Per Båtelson was elected to preside as AGM chairman. The AGM resolved:

- to adopt the submitted income statement and balance sheet as well as the consolidated income statement and balance sheet, and to carry forward the Company's retained profits and earnings for 2014
- to discharge the members of the Board of Directors and the CEO from liability
- that the Board should consist of eight members and that the directors' fees, fees for committee work and fees to the auditors would remain unchanged
- to re-elect Board members Per Båtelson, Per Granath, Wojciech Goc, Helen Fasth Gillstedt, Simon Lindfors, Maria Nilsson, Lloyd Perry and Ulrika Östlund
- to elect the chartered auditing firm KPMG AB as auditor of the Company until the end of the 2016 AGM.

Humana held an extraordinary general

meeting on 28 January 2015. A resolution was passed at the meeting to amend the Company's Articles of Association to change Humana from a private to a public limited liability company (publ). In addition, a supplementary fee was approved for the Audit Committee chair.

Nomination Committee

According to the Swedish Code of Corporate Governance, companies whose shares are admitted to trading on a regulated market must appoint a Nomination Committee. The Nomination Committee shall submit proposals to the Chairman and other members of the Board regarding fees and other remuneration of the Board. The Nomination Committee shall also make proposals regarding auditors and remuneration of the auditors. The proposal to the AGM was that the Nomination Committee shall consist of representatives of the three largest shareholders and the Company's chairman. The members of the Nomination Committee are announced in a press release as soon as the members are appointed, but no later than six months before the AGM if the Company is listed.

The Board's composition and independence

According to Humana's Articles of Association, the Board shall consist of three to eight directors with a maximum of eight deputies. In other respects there is no stipulation in the Articles of Association on the appointment or dismissal of board members.

The Board consists of eight directors elected by a general meeting. All of the directors were elected by the AGM on 20 May 2015 for a term through the end of the 2016 AGM. Ulf Bonnevier, the Company's CFO, participates at board meetings as its secretary. Other executives of Humana participate at board meetings in a presenting role on particular matters. Except for Per Granath, all board members are independent relative to the Company and its management. Six of the board members are also independent relative to the Company's major shareholders. The Company thereby

meets the Code's requirement for directors' independence.

The responsibilities and work of the Board

The Board's duties are regulated by the Swedish Companies Act and Humana's Articles of Association. In addition, the Board's work is also regulated by annually adopted Rules of Procedure. The Rules of Procedure regulate, among other things, the delegation of duties and responsibility among the Board's members, the Chairman of the Board, and the CEO, and lay out routines for financial reporting for the CEO. The Board also adopts instructions for the Board's committees.

The Board's duties include adoption of strategies, business plans, budgets, interim financial reports, year-end accounts, and of policies and guidelines. The Board is also responsible for monitoring the Company's financial performance, ensuring the quality of its financial reporting and internal control, and evaluating the business in relation to the goals and guidelines set by the Board. During the year the Board discussed Humana's sustainability efforts and more detailed work will be undertaken over the next fiscal year. Finally, the Board decides on significant investments and changes to the Group's organisation and operations. The Chairman of the Board and CEO are responsible for monitoring the Company's development and for leading and preparing for board meetings. The Chairman of the Board is also responsible for ensuring that board members conduct an annual evaluation of their work and that they receive the information needed to be able to perform their duties effectively. A board evaluation in the form of a survey will be conducted by the Board in the first quarter of 2016. The Chairman of the Board represents Humana vis-à-vis the Company's shareholders.

In addition to the statutory board meeting, the Board held 12 meetings during the year, of which four were conducted by conference call. Board work during the year was particularly focused on strategic

discussions surrounding the Company's development, refinancing and disposal of property holdings.

Committees

During the year Humana's Board established three committees: an audit committee, a remuneration committee and a finance committee.

Audit Committee

The purpose of the Audit Committee is to provide a special forum for the Company's work with financial reporting, internal control, risk management and auditing. The members of the Audit Committee are Helen Fasth Gillstedt, Per Bätelson, Simon Lindfors and Wojciech Goc. Helen Fasth Gillstedt is committee chair. The main duties of the Audit Committee, which works according to rules of procedure set by the Board, is to oversee the Group's financial reporting and to oversee the effectiveness of the Company's internal controls and risk management. The Audit Committee shall also stay informed about the audit of the annual report and consolidated financial statements, review and oversee the auditor's impartiality and independence, and take particular note of the extent to which the auditor provides services other than auditing to Humana. The Audit Committee maintains contact with Humana's auditor in order to ensure a continuous exchange of views and information between the Board and the auditor on audit matters. In 2015, the Audit Committee held five minuted meetings.

Remuneration Committee

The members of the Remuneration Committee are Per Bätelson, Maria Nilsson, Ulrika Östlund and Lloyd Perry. Per Bätelson is committee chair. The Remuneration Committee has an advisory and preparatory function. The Remuneration Committee works according to rules of procedure adopted by the Board. The main duties of the Remuneration Committee are to conduct preparatory work for Board decisions related to remuneration policies, remuneration and other terms of

employment for members of company management, to monitor and evaluate all variable remuneration programmes that are current or were concluded during the year, and to monitor and evaluate application of the guidelines for remuneration of senior executives that the AGM decides on as well as Humana's applicable remuneration structures and levels. In 2015, the Audit Committee held two minuted meetings.

Finance Committee

The Board's Finance Committee is tasked with supporting Group management on financing matters. The members of the Finance Committee are Simon Lindfors, Lloyd Perry and Per Granath. Ulf Bonnevier, the Company's CFO, is a co-opted member of the Finance Committee. In 2015, the Finance Committee held regular status meetings. No minutes were recorded of the meetings, but the Committee's work has been reported to the Board.

Directors' fees

The 2015 AGM resolved that a director's fee of SEK 180,000 shall be payable each to Per Bätelson, Helen Fasth Gillstedt, Maria Nilsson and Ulrika Östlund, with a supplementary fee of SEK 220,000 payable to the Chairman of the Board, as long as the Chairman remains as such for the entire period until the 2016 AGM.

Remuneration for committee work shall be SEK 40,000 to the chairman and SEK 20,000 to each member of the Audit Committee, and SEK 12,500 to each member of the Remuneration Committee, based on continuation of the assignment from the 2015 AGM until the 2016 AGM. Wojciech Goc, a member of the Audit Committee, and Lloyd Perry, a member of the Remuneration and Finance Committees, have declined remuneration for their committee work.

CEO and Group management

The CEO is responsible for the continuing administration of Humana in accordance with applicable laws, rules and regulations, and the instructions and strategies set by the

Board. The CEO ensures that the Board receives the information it needs to be able to make well informed decisions. The CEO oversees compliance with Humana's goals, policies and strategic plans that have been set by the Board and is responsible for informing the Board about Humana's performance between board meetings.

The CEO leads the work of Group management, which is responsible for overall business development. In addition to the CEO, Group management consists of a deputy CEO/CFO, marketing and communication director, head of quality assurance, head of investor relations and the heads of Humana's business areas.

Auditor

According to the Articles of Association, Humana shall have one to two auditors with a maximum of two deputy auditors, or a registered auditing firm.

At Humana's AGM on 20 May 2015 it was resolved to elect the chartered auditing firm KPMG AB as auditor of the Company until the end of the 2016 AGM. Authorised Public Accountant Petra Lindström, who has been responsible for the audit of the companies in the Group since 2010, was appointed to serve as chief auditor. Petra Lindström is a member of the Swedish Institute of Authorised Public Accountants (FAR).

External audit

The external audit of Humana's accounts and of its subsidiaries, including the administration by the Board and Group management, is performed in accordance with International Standards on Auditing and generally accepted accounting practices in Sweden. The external auditor attends a minimum of one board meeting per year, at which the auditor reports on the auditors' observations from the audit and on their view of the company's internal control. Over the last four financial years, KPMG AB performed services related to tax consulting in addition to its audit work. The auditor is paid a fee for its services in accordance with an AGM resolution.

Humana's Group Management

Name	Position	Member of Group management since	Employed by Humana since	Shares held 31 December 2015
Rasmus Nerman	President and CEO	2014 ¹⁾	2014	4,376
Ulf Bonnevier	CFO and deputy CEO	2012	2012	5,000
Claus Forum	Business Area Manager, Individual & Family	2011	2011	5,000
Cecilia Lannebo	Head of Investor Relations (IR)	2015	2014 ²⁾	-
Mona Lien	Business Area Manager, Norway	2014 ¹⁾	2014	597
Eva Nilsson Bågenholm	Director of Quality Assurance	2015	2015	100
Helena Pharmanson	Director of Marketing and Communications	2010	2010	3,000
Eva-Lotta Sandberg	Business Area Manager, Development	2013	2012	2,500
Harald Wessman	Business Area Manager, Personal Assistance	2008	2008	30,000

1) Rasmus Nerman was previously President and CEO of INOM Group, which was acquired by Humana in 2014. Mona Lien also came from INOM Group, where she was head of Norwegian operations.

2) Contracted as Head of Investor Relations in August 2014.



Internal control and risk management

Control environment

Internal governance and control is an integral part of Humana's management strategy. Internal governance and control is designed to ensure that Humana's financial reporting provides a fair presentation of Humana's financial position.

Humana's efforts in the area during the year were strengthened by additional internal control and monitoring resources. Quality control work in the Group was also strengthened during the year through the implementation of improved systems and the introduction of joint work processes.

Humana's board has ultimate responsibility for ensuring that Humana meets the requirements for good internal governance and control over financial reporting. Humana's CEO has delegated responsibility to the CFO for implementing and maintaining formalised routines that ensure adherence to adopted policies for financial reporting and internal control. However, it is the responsibility of each individual employee to participate in internal governance and control, such as by adhering to the financial manual that was adopted by the Board and by performing the daily controls that were adopted for the purpose of preventing, discovering and dealing with faults and errors. This also includes reporting observed faults in a structured manner.

Humana's strategic quality control work includes quality management systems in the respective business areas (parts of the systems are ISO9001-certified), systematic monitoring and internal control. Combined with evidence-based and measurable procedures, the conditions are in place to develop operations in a systematic

and controlled manner.

Humana's control environment is built upon:

- a strong corporate culture with well-grounded values that permeate the Company
- well-grounded ethical guidelines
- extensive quality-assurance work at all levels of the Company
- a clear-cut organisation with clearly defined roles and areas of responsibility
- clear-cut delegation of authority
- governance documents
- identified and well defined key processes

In addition, Humana has a number of governance documents that are designed to provide support for all employees to act in accordance with Humana's internal rules and guidelines. Governance documents for accounting and financial reporting cover areas of particular importance for promoting correct, complete and current accounting, reporting and information issuance. The financial manual is Humana's central governance document with respect to guidelines for achieving good internal governance and control over financial reporting.

Humana has acquired a number of companies, and it is an essential part of the integration work to ensure that values and the control environment in general are aligned with Humana's guidelines.

Risk assessment

Risk analyses are performed for the strategically most important processes both at the overall operational level and at other organisational levels using a documented methodology. Risks for errors in the financial reporting are analysed annually at the Group-wide level. Identified risks are related to the timetable for the annual accounts, expertise, dissemination of information and systems. The risk analyses are documented separately.

In analyses of the financial reporting, the main areas are taken into account, such as rights and obligations, verifying that events have actually taken place, comprehensiveness, valuations and measurement. Other risks that Humana thoroughly takes into account include the risk for fraud, the risk of unauthorised use of assets outside of Humana, the risk of assets disappearing, and the risk of assets being used for the benefit of counterparties at Humana's expense.

Control activities

Humana conducts control activities for identified significant risks. The Group's CFO is responsible for ensuring that identified risks related to the financial reporting at the Group level are managed. Line managers have a general responsibility for

monitoring that controls in their respective areas of responsibility have been performed. In addition to these concrete controls, result analyses and budget follow-ups are important control activities.

Information and communication

Humana's communication and information channels enable the prompt communication of information and news to pertinent employees. Humana's intranet is the primary channel, and where warranted, information is updated in the financial manual. Besides written communication, which is conducted via the financial manual and other channels, news, risks, outcomes of controls and other matters are communicated and discussed at regular meetings and at an annual financial conference. At the same time, it is a duty of every supervisor to clearly explain the risks and their associated controls to the employees who are involved in a given process. The individual employees have a responsibility to report faults and deviations that are discovered in controls, even if they have been remedied. The aim is to obtain a good picture of how the work is conducted and to be able to make improvements to the procedures.

Monitoring

Humana's essential processes for financial information are reviewed at least once a year. Monitoring of Humana's work with internal governance and control is documented mainly through Group management's continuous review of Humana's activities for ensuring good internal control. A compilation and the status of identified actions are reported to the Board via the ongoing work of the Audit Committee.

According to the Code, the Board shall determine annually whether the company shall have an internal audit function that evaluates whether internal governance and control are working as intended, or if the Board can otherwise ensure that such is the case. This issue is also taken up for consideration annually by the Audit Committee. The assessment is that the Company's further strengthened quality organisation with accompanying management systems is sufficient for ensuring satisfactory order and has therefore opted to not appoint an internal auditor. Humana has opted to work with internal monitoring and self-assessment, and reports the results of this work to the Board.

Review

The Corporate Governance Report is not part of the formal annual report documents and has not been reviewed by the Company's auditors.

Chairman's statement



Crucial succession completed within Humana

As an important part in Humana's development, the Board and the Company's largest shareholder, Argan Capital, prepared for a CEO succession. As Chairman of the Board, I would like to thank Per Granath who as founder and CEO of Humana has done a fantastic job over the last ten years developing the company from a small entrepreneurial company to a large Nordic care company, with revenue of nearly SEK 6 billion. After a long period of building Humana into the fine quality company it is today, the Board is of the opinion that the Company is entering its next phase of development. With the assistance of external advisors, the Board conducted a recruitment programme in the autumn and the Company's deputy CEO Rasmus Nerman was considered the most suitable candidate to take over as CEO. Rasmus has in-depth knowledge of the care market and is also very familiar with Humana due to his role as business area manager of Individual & Family and his previous position as CEO of INOM Group, which was acquired by Humana in 2014. My assessment is that the appointment of Rasmus as the new CEO will bring valuable energy and change to the organisation.

Preparing for the future

Humana has invested considerable resources in recent years to continuously improve the quality of its service offering, increase competence in the organisation and to grow the company both organically through acquisitions. To ensure that Humana continues to have the capacity and financial resources to capitalise on the market's strong growth potential and to continue to develop the Company, the Board has decided to resume the work started in 2014 to make Humana ready to enter the stock market and prepare for an initial public offering. Internal preparations have been ongoing for more than a year and both the Board's and my assessment is that the organisation, after operating and living as a listed company for a fiscal year, is well prepared and ready for a listing. Humana's Board intends to continue to develop the company in the direction it has grown historically, which means that the Company aims to take market share through a strong focus on quality, organic growth, large and small acquisitions, and continued geographic expansion.

The shareholders, the rest of the Board and I are very pleased and excited about Humana's growth. Among a few examples where Humana has taken further steps in the past year I would first like to mention the professionalism and entrepreneurship we have within Individual & Family. The organisation has been successful in carrying out and implementing acquisitions in parallel with continued investments in organic growth. In Personal

It will be exciting to follow our upcoming start-ups in Växjö and other areas.

Assistance, management worked hard during the year to cope with higher costs for social security charges and to prepare for a possible increase in working capital requirements as a result of changes in terms of payment from the Swedish Social Insurance Agency. An exciting growth area for the future is investments in elderly care under Humana's management. The Company's first building in Gävle opened recently and we have high hopes that the establishment will show municipalities and clients that we have set a new industry standard with an efficient and attractive housing solution. It will be exciting to follow our upcoming start-ups in Växjö and other areas.

Challenges and opportunities in the care industry

The nursing and health care sector in the Nordic countries finds itself in a staffing and management crisis. It is becoming clearer to me that public employers, with their monopolistic history, are finding it increasingly difficult to get young people to choose this type of job as a future professional career. The recruitment of skilled employees, especially in leadership positions, is a major problem in the industry today. Public sector employers are dependent on the staffing industry, resulting in higher costs and often lower quality. Today we see higher absenteeism and staff turnover in the public care sector than in privately run operations. A growing aging population coupled with increasing immigration and the current refugee crisis is a major challenge for the industry and society in general, in terms of financial resources and also because it increases the demands on municipal social services. Private companies currently provide a considerable amount of social care services, so restricting individual freedom of choice and limiting the private sector would be untenable given demographic factors such as an aging population and increased health problems.

Private companies now need to take responsibility and help raise the status of the industry, continue to work with competence management and capitalise on the opportunity to offer entry into the labour market to many of the immigrants and refugees who are coming to the Nordic countries. Being an attractive employer that offers opportunities for employees to develop their careers and workplaces helps reduce staff turnover and thus the cost of recruitment and vacancies.

Stockholm, March 2016

PER BÅTELSON
Chairman of the Board

Board of Directors



Position	Per Bätelson Born 1950. Chairman of the Board since 2014, director since 2008. Chair of Remuneration Committee and member of Audit Committee.	Helen Fash Gillstedt Born 1962. Director since 2014. Chair of Audit Committee.	Wojciech Goc Born 1966. Director since 2011. Member of Audit Committee.	Per Granath Born 1954. Director since 2006. Member of the Finance Committee.
Education	Engineering Physics, Chalmers University of Technology. Studies in business economics, University of Gothenburg.	M.Sc. Econ., Stockholm School of Economics. Studies in Sustainable Community Development at Stockholm University and the Royal Institute of Technology.	MBA, Texas Christian University. M.A. Economics, Poznań University of Economics.	M.Sc. Chemistry, Royal Institute of Technology. Economics studies at the Gothenburg School of Business, Economics and Law at the University of Gothenburg and at Stockholm University. Healthcare Management at Harvard Business School, Paris.
Other current assignments	Chairman of IVBAR AB and Polybiocept AB. Director of Oriola KD Oy, Swedcare AB, Forte AB, KRY AB and MedGroup OY.	Director of AcadeMedia AB, Handelsbanken Fonder AB, Samhall AB, NAI Svefa Holding AB och Sjölunda Gärd Ekogrossisten AB. Director on the Advisory Board for Save the Children Sweden. Own company in business development.	Managing Partner, Argan Capital Advisors LLP (UK). Chairman of Janton OY (Finland). Chairman of the Supervisory Board of AAT Holding SA (Poland) and Hortex Holding SA (Poland).	Chairman of Aktiebolaget Salktennis. Director of G&S Fastigheter i Sverige AB and Svefa Holding AB.
Professional experience and previous assignments	Chairman of Apoteket AB (publ). Director and CEO of Global Health Partner AB. Director of Permobil AB, Mediatech AB and Unilabs Holding AB. Also former director and CEO of Capio AB.	Director of Intrum Justitia AB, Swedesurvey AB, Precise Biometrics and neXus Technology AB. Executive positions in the SAS Group and the Statoil Group.	Chairman of Paroc Group Oy (Finland). Director of GCE Group AB (Sweden) and EFL SA (Poland).	President and CEO of Humana AB 2006-2015. Chairman of Resurs Bemanning AB (publ). Director of Akademiska Hus Aktiebolag and GustaviaDavegårdh Holding Aktiebolag. President and CEO of Intellecta AB (publ), 2003-2006. Vice President Handelsbanken Capital Markets in charge of healthcare and services sectors, 2000-2003.
Director's fee (AGM year)	400,000	180,000	0	0
Remuneration for committee work	32,500	60,000	0	0
Independent relative to the Company and its management	Yes	Yes	Yes	No
Independent in relation to the principal owner	Yes	Yes	No	Yes
Shares held 31 December 2015	1,850	1,000	0	108,650 ¹⁾
Attendance at board meetings (12)	12	12	11	12
Attendance at Audit Committee meetings (5)	4	5	3	-
Attendance at Remuneration Committee meetings (2)	2	-	-	-
Attendance at Finance Committee meetings⁴⁾	-	-	-	-

1) Incl. 1 Class C1 preference share.

2) Incl. 1 Class C2 preference share.

3) Incl. 1 Class C5 preference share.

4) The Finance Committee holds regular meetings as needed. Since no minutes are recorded of meetings, no attendance record is provided in this compilation.



Simon Lindfors Born 1964. Director since 2011. Member of Audit Committee and Finance Committee.	Maria Nilsson Born 1957. Director since 2006. Member of Remuneration Committee.	Lloyd Perry Born 1965. Director since 2008. Member of Remuneration Committee and Finance Committee.	Ulrika Östlund Born 1968. Director since 2014. Member of Remuneration Committee.
MBA, Stockholm School of Economics.	Higher education studies in HR administration, Frans Schartau.	MBA, University of Chicago, Graduate School of Business. B.A. Economics and History, Northwestern University, Evanston, Illinois.	Studies in Systems Science with complementary studies in economics, Mid-Sweden University, Östersund.
Nordic adviser to Advent International. Director of Silvicapital AB, Silvilao AB and SilviPar AB.	Director of Ewalie AB, Samhall AB and SOS Alarm Sverige AB. Chairman Swesale AB. Chairman of Store Support AB. Own limited company operating as independent consultant specialising in growth companies.	Managing Partner, Argan Capital Advisors LLP (UK). Chairman of GCE Group AB (Sweden). Member of the Supervisory Board of AAT Holding SA (Poland), DHI Company SAS (France) and Hortex Holding SA (Poland).	Director of Q-it AB. Sole proprietor, Q-it.
Principal at Apax Partners and Partner of IT Provider. Chairman of IPM Informed Portfolio Management AB. Director of Avesina Healthcare Holding, Capio AB och Unilabs SA.	Deputy CEO of Manpower AB and CEO of Right Management Consultant and 2Secure. Chairman of Resurs Bemanning AB.	Director of IX Europe (UK). Managing Partner of BA Capital Partners Europe. Vice Chairman of BA Partners Inc. Associate at Bear, Sterns & Co.	Chairman of Vårdföretagarna. Director of Almega Aktiebolag and the Confederation of Swedish Enterprise. Director and CEO of Elina Management Aktiebolag and Familjeforum Holding AB. Director of Öjebo gruppbad i Järvsö AB. CEO of INOM – Innovativ Omsorg i Norden AB.
0	180,000	0	180,000
20,000	12,500	0	12,500
Yes	Yes	Yes	Yes
Yes	Yes	No	Yes
45,764 ²⁾	10,001 ³⁾	0	5,263
11	9	10	11
4	-	-	-
-	2	2	2
-	-	-	-

Group management



Position and year employed	Rasmus Nerman Born 1978. President and CEO since 2015. Deputy CEO since 2014. Former Head of Individual & Family business area.	Ulf Bonnevier Born 1964. CFO since 2012.	Cecilia Lannebo Born 1973. Contracted head of investor relations since 2015.	Helena Pharmanson Born 1966. Director of Marketing and Communications since 2010.
Education	M.Sc. Econ., Stockholm School of Economics. M.Sc. in International Leadership, CEMS MIM.	M.Sc. Econ. with focus on accounting and auditing, Uppsala University. Stockholm School of Economics IFL Executive Education.	MSc Business and Economics from University of Mälardalen and Wirtschfts University in Vienna. International marketing at Mälardalen University. Financial analyst, Kämpasten. Paul Ronge Media Training and Crisis Communication.	International MBA, Uppsala University. Director's programme at the Stockholm Chamber of Commerce.
Other current assignments	Director of Vårdföretagarna Bransch Individ & Familj.	-	Director and founder of i-Core Communications. Deputy director of Zubizuri AB.	-
Professional experience and previous assignments	President and CEO of INOM Group, management consultant in healthcare (project leader), The Boston Consulting Group.	Country Manager of Ipsos in Sweden. CFO Western Europe of Synovate. CEO of Wolters Kluwer in Scandinavia.	Head of Investor Relations at Eniro AB, Hakon Invest AB and Retail and Brands. Equity Analyst at SEB.	Sales Director, Pfizer Sverige AB. Various marketing and sales roles at Pfizer and Pharmacia.
Shareholding (own and related parties)	4,376	5,000	-	3,000



Eva Nilsson Bågenholm

Born 1960. Director, Quality Assurance since 2015.

Nursing Degree, Umeå University. Medical Doctor degree, University of Gothenburg. Licensed physician, specialist in internal medicine.

Director of research council Forte, Danviks Hospital Foundation and Oriola-KD AB. Government investigator, Plastic Surgery Study (Skönhetsutredningen).

Specialist physician at Sahlgrenska University Hospital. Chairman of the Swedish Medical Association. Swedish government national coordinator for the elderly 2011-2014.

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Claus Forum

Born 1965. Head of Individual & Family business area since 2014. Former head of Norway business area.

M.Sc. in international social work and pedagogic leadership, University of Gothenburg. Teaching certificate, Lärarhögskolan i Jelling.

Chairman and CEO of Vindora Utbildning AB. CEO of Nordsternen AB.

5,000



Harald Wessman

Born 1956. Head of Personal Assistance business area since 2008.

M.Sc. Econ., Stockholm School of Economics. MBA from Ivey Business School, Canada.

CEO for several small companies, management consultant at McKinsey, management positions in organisational development and HR at Electrolux.

30,000



Eva-Lotta Sandberg

Born 1971. Head of Development business area since 2013. Business Development Manager 2012-2013.

B.Sc. Economics, University of Gävle. Knowledge Management studies at Luleå University of Technology. Stockholm School of Economics IFL Executive Education.

Director of Vårdföretagarna Bransch Åldreomsorg.

CEO and deputy director of AffärsConcept i Stockholm Aktieföretag. Co-author of the publication Strategiska Offentliga inköp (2010 and 2013).

2,500



Mona Lien

Born 1962. Head of Norway business area.

B.A. Political Science and Psychology, Oslo University and Trondheim. Management programme at BI Norwegian Business School.

Member of NHO Service.

CEO Løft AS, Head of Business Development, INOM Norway.

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Consolidated income statements

SEK millions (excl. earnings per share)	Note	2015	2014	2013
Revenue				
Net revenue	3	5,593	5,065	3,489
Other revenue	4	62	0	0
Operating revenue		5,655	5,065	3,489
Operating expenses				
Other external expenses	6, 8	-794	-662	-322
Personnel costs	7	-4,430	-4,041	-2,931
Depreciation/amortisation of assets	13, 14	-46	-32	-13
Goodwill impairment	12	-36	0	0
Other operating expenses	4	-37	-23	-5
Operating profit	3	312	307	218
Finance income	9	1	3	23
Finance expenses	9	-172	-112	-27
Unrealised changes in value of derivatives		7	-41	3
Profit before tax		149	156	216
Tax	10	-35	-41	-37
Profit for the year		114	115	179
Attributable to:				
Parent Company shareholders		114	115	179
Earnings per ordinary share, basic and diluted, SEK	11	0.61	0.84	2.46

Consolidated statements of comprehensive income

SEK millions	Note	2015	2014	2013
Profit for the year		114	115	179
Other comprehensive income				
Other comprehensive income for the year				
Items that have been/may be reclassified to profit or loss				
Exchange rate differences on translation of foreign operation		-7	0	0
Exchange rate differences reclassified to profit for the year		0	0	0
Comprehensive income for the year		106	115	179
Attributable to:				
Parent Company shareholders		106	115	179

The accompanying notes, G1-G24 and P1-P2, are an integral part of these consolidated financial statements.

Consolidated balance sheets

SEK millions	Note	2015-12-31	2014-12-31	2013-12-31
ASSETS				
Non-current assets				
Goodwill	5.12	2,584	2,565	1,436
Other intangible assets	13	9	7	8
Property, plant and equipment	14	200	294	136
Financial assets		4	3	1
Total non-current assets		2,797	2,870	1,580
Current assets				
Current receivables				
Trade receivables	15	440	391	242
Tax receivables		53	49	33
Other receivables		19	10	4
Prepaid expenses and accrued income		28	96	45
		540	545	325
Cash and cash equivalents	16	501	244	291
Total current assets		1,040	790	616
TOTAL ASSETS		3,838	3,660	2,196

SEK millions	Note	2015-12-31	2014-12-31	2013-12-31
EQUITY AND LIABILITIES				
Equity				
	17			
Share capital		1	1	1
Other paid-in capital		642	642	624
Reserves		-7	0	0
Accumulated profit including profit for the year		458	343	229
Total equity attributable to Parent Company shareholders		1,093	986	853
Non-current liabilities				
Deferred tax liability	10	66	54	45
Interest-bearing liabilities	18	1,550	1,656	540
		1,616	1,710	585
Current liabilities				
Interest-bearing liabilities	18	125	73	106
Derivatives	20	38	45	4
Trade payables		79	72	49
Other current liabilities		245	184	163
Accrued expenses and deferred income	19	643	590	436
		1,129	963	758
TOTAL EQUITY AND LIABILITIES		3,838	3,660	2,196

For information about the Group's pledged assets and contingent liabilities, see note G21.

The accompanying notes, G1-G24 and P1-P2, are an integral part of these consolidated financial statements.

Consolidated statements of changes in equity

SEK millions	Note	Equity attributable to Parent Company shareholders				Total equity
		Share capital	Other paid-in capital	Translation reserve	Retained earnings, including profit for the year	
	17					
Opening equity, 1 Jan 2013		1	624	0	49	674
Profit for the year					179	179
Other comprehensive income				-	-	-
Comprehensive income for the year		0	0	0	179	179
Closing equity, 31 Dec 2013		1	624	0	229	853
Opening equity, 1 Jan 2014		1	624	0	229	853
Owner transactions						
New share issue		0	19			19
Total owner transactions		0	19	0	0	19
Profit for the year					115	115
Other comprehensive income				0		0
Comprehensive income for the year		0	0	0	115	115
Closing equity, 31 Dec 2014		1	642	0	343	986
Opening equity, 1 Jan 2015		1	642	0	343	986
Profit for the year					114	114
Other comprehensive income				-7		-7
Comprehensive income for the year		0	0	-7	114	106
Closing equity, 31 Dec 2015		1	642	-7	458	1,093

The accompanying notes, G1-G24 and P1-P2, are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

SEK millions	Note	2015-12-31	2014-12-31	2013-12-31
Cash flow from operating activities				
Profit before tax		149	156	216
Adjustments for:				
Depreciation/amortisation and impairment		82	32	13
Finance income		-1	-3	-23
Finance expenses		172	112	27
Unrealised changes in value of derivatives		-7	41	-3
Capital gain/loss	4	-29	0	0
Other		2	3	1
		367	342	231
Changes in:				
Decrease (+)/increase (-) in trade receivables		-30	-45	-13
Decrease (+)/increase (-) in other operating receivables		29	-3	20
Decrease (-)/increase (+) in other operating liabilities		35	53	41
Decrease (-)/increase (+) in trade payables		3	13	10
Cash generated from operations		405	360	288
Interest received		2	1	1
Interest paid		-102	-131	-22
Tax paid		-31	-74	-72
Net cash provided by operating activities		274	156	196
Cash flows from investing activities				
Acquisition of subsidiaries, net effect on cash and cash equivalents	5	-141	-821	-134
Disposal of subsidiaries, net effect on cash and cash equivalents	4	261	0	0
Disposal of property, plant and equipment		4	0	0
Investments in intangible assets and property, plant and equipment		-46	-46	-24
Net cash provided by/used in investing activities		78	-868	-158
Cash flows from financing activities				
Loans raised		1,639	1,106	133
Repayment of loans		-1,732	-438	-76
Net cash provided by/used in financing activities		-93	668	57
Net increase (decrease) in cash and cash equivalents		258	-45	95
Cash and cash equivalents at start of year	16	244	291	197
Exchange rate differences		-2	-2	0
Cash and cash equivalents at end of year		501	244	291

The accompanying notes, G1-G24 and P1-P2, are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

Note G1 General information

Humana AB is a Swedish-registered limited liability company with its registered office in Stockholm. Humana is a public company. The address of the head offices is Warfvinges väg 39, SE-112 51 Stockholm, Sweden.

The consolidated financial statements cover the Parent Company and its subsidiaries (see Note K23), together referred to as the Group. The Group runs care operations in the Individual & Family, Personal Assistance, Elderly Care and Norway segments.

Humana AB is 65.3 percent-owned by Air Syndication S.C.A. (corporate identity number B 133.432, Luxembourg; see G23).

The financial statements were approved for issue by the Board and CEO on 7 March 2016.

Note G2 General accounting policies

Conformity with standards and laws

The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretive statements issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

Basis of preparation

Assets and liabilities are measured at historical cost, apart from certain financial assets and liabilities which are measured at fair value. Financial assets and liabilities measured at fair value consist of derivative instruments and contingent considerations from acquisitions.

Functional currency and presentation currency

The Parent Company's functional currency is the Swedish krona (SEK). The presentation currency for the Parent Company and the Group is also the Swedish krona. All amounts are rounded to the nearest million unless stated otherwise.

Accounting estimates

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.

Accounting estimates and assumptions are reviewed regularly. Changes in accounting estimates are recognised prospectively.

Critical accounting estimates made by management that have a significant effect on the financial statements and may entail a material adjustment in the future are foremost related to goodwill impairment testing and the preparation of purchase price allocations.

Goodwill is tested for impairment annually. These tests involve calculations that are based on management's assumptions about growth rates, operating margins and discount rates. Other assessments may bring a different result and a different financial position. More information on impairment testing can be found in Note G12.

Preparation of acquisition analyses. The fair value of assets and liabilities is assessed when a subsidiary or operation is acquired. These assets and liabilities are valued using various measurement methods. Assessments other than those made by management may result in a different future position. A high proportion of goodwill, for example, gives rise to an asset item that is subject to annual impairment testing rather than ongoing amortisation. More information about acquisition analyses can be found in Note G5.

Classification of leases in conjunction with sales and leasebacks. Humana conducted a sale and leaseback transaction involving property in 2015. An assessment was made of the lease in the transaction, which constitutes combined leases of land and buildings. Classification of the agreement is determined by whether it is a financial or operating lease. Ownership of the land will not be transferred, and there is no risk to the Group regarding the building's residual value. Humana has determined that, for the most part, the lease term does not amount to the economic life of the properties and the present value of the minimum lease fees in all material respects do not amount to the fair value of the properties. There are no preferential purchase or extension options and the rent on the properties was set on market terms. Using this information, it is deemed that in all material respects the economic risks and benefits associated with ownership of the properties has been transferred to the lessor and they are therefore classified as operating leases.

For more detailed accounting policies, see the Significant Accounting Policies section.

Note G3 Segment reporting

The Group's operations are divided into operating segments based on components of the business that are reviewed by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), who are the Company's chief operating decision makers. This is referred to as the management approach. The Group's operations are organised in such a way that the CEO and CFO review the results of each business area. The business areas are also operating segments. Each operating segment has a manager who is responsible for the day-to-day operations and regularly reports the results of the segment's performance to the CEO and CFO. The Group's internal reporting is therefore structured in such a way as to allow the CEO and CFO to review the business areas' performance and results. However, the CEO and CFO only monitor the Group's total assets, not assets by segment.

Individual & Family provides care and treatment in psychiatry and psychosocial change processes to clients of all age groups. This is done in part through operations such as residential care homes, temporary and regular family homes, sheltered housing, outpatient care and assisted living homes.

Personal Assistance provides care services and assistance to individuals with disabilities.

Elderly Care includes operations that offer personalised elderly care (home care service and sheltered housing for the elderly), housing with special services tailored to individuals with disabilities, as well as special education schools.

Norway offers care and treatment in institutional psychological and psychiatric care, family homes and sheltered housing for children and adolescents as well as personal assistance.

Other refers to the Group's costs for Group-wide functions such as central administration and central project costs. It also includes income and expenses related to the sale and acquisition of businesses.

Income statement by segment

2015 SEK millions	Individual & Family	Personal Assistance	Elderly Care	Norway	Other	Group
Net revenue – external income	1,750	2,689	738	416	0	5,593
Other revenue	0	0	0	0	62	62
Operating revenue	1,750	2,689	738	416	62	5,655
Profit before depreciation/amortisation and other operating expenses	245	188	-12	24	-14	431
Depreciation/amortisation	-28	-5	-6	-5	-3	-46
Impairment of goodwill	0	0	-36	0	0	-36
Other operating expenses	-1	0	0	-33	-4	-37
Operating profit	217	182	-53	-13	-20	312
Finance income						1
Finance expenses						-172
Unrealised changes in value of derivatives						7
Profit before tax						149
Significant non-cash items other than depreciation and amortization						
Capital losses	-	-	-	33	-	33
Capital gain on property	-	-	-	-	-62	-62

2014 SEK millions	Individual & Family Assistance	Personal Assistance	Elderly Care	Norway	Other	Group
Net revenue – external income	1,422	2,609	825	210	0	5,065
Other revenue					0	0
Operating revenue	1,422	2,609	825	210	0	5,065
Profit before depreciation/amortisation and other operating expenses	192	209	0	14	-52	362
Depreciation/amortisation	-17	-4	-3	-2	-7	-32
Other operating expenses	-1	0	0	-1	-21	-23
Operating profit	174	205	-3	10	-79	307
Finance income						3
Finance expenses						-112
Unrealised changes in value of derivatives						-41
Profit before tax						156

2013 SEK millions	Individual & Family Assistance	Personal Assistance	Elderly Care	Norway	Other	Group
Net revenue – external income	508	2,506	476	-	0	3,489
Other revenue					0	0
Operating revenue	508	2,506	476	0	0	3,489
Profit before depreciation/amortisation and other operating expenses	68	210	-11	-	-30	236
Depreciation/amortisation	-5	-4	-1	-	-3	-13
Other operating expenses	0	0	0	-	-4	-5
Operating profit	63	206	-13	-	-38	218
Finance income						23
Finance expenses						-27
Unrealised changes in value of derivatives						3
Profit before tax						216

Breakdown of income by service:

	2015	2014	2013
Individual & Family	2,134	1,632	508
Personal Assistance	2,722	2,609	2,506
Elderly Care	738	825	476
Other	62	-	-
Operating revenue	5,655	5,065	3,489

No customer accounts for more than 10 percent of income

Income by geographic area

Group	2015	2014	2013
Sweden	5,238	4,855	3,489
Norway	416	210	0
Total	5,655	5,065	3,489

Non-current assets by geographic area*

Group	2015	2014	2013
Sweden	2,560	2,581	1,580
Norway	237	289	0
Total	2,797	2,870	1,580

* Non-current assets do not include financial instruments, deferred tax assets and assets relating to post-employment benefits.

Note G4 Other revenue and other operating expenses

Other revenue	2015	2014	2013
Gain on sale of property	62	0	0
Total	62	0	0

Other operating expenses	2015	2014	2013
Loss on sale of subsidiary	32	0	0
Acquisition costs	4	21	4
Other	1	2	1
Total	37	23	5

Real estate companies

On 2 November 2015, within the framework of a so-called sale-and-leaseback, Humana entered into an agreement with Hemfosa for the sale of a number of subsidiaries with ownership of 43 of Humana's properties. In conjunction with the sale Humana entered into an agreement for rental of the properties for continuing operations (residential care and group homes). Takeover of the shares and properties took place on 30 November 2015. The agreed upon underlying value of the sold property portfolio totalled SEK 258.5 million. The share transfer agreement contains customary representations and warranties about the companies and properties. The warranty period is 15 months from the date of possession. The initial lease period for the lease agreements is 12-15 years.

Villa Skaar

On 10 June 2015 Humana entered into an agreement with Norsk Eldreomsorg AS regarding the sale of Villa Skaar AS. Villa Skaar's operation was Humana's only nursing home for adults in Norway.

Villa Skaar contributed SEK 19 million to income and SEK 1 million to operating profit in 2015

Divested companies' net assets on disposal

	Property companies	Villa Skaar	Total
Goodwill	0	44	44
Non-current assets	181	1	182
Trade and other receivables	0	5	5
Cash and cash equivalents	0	6	6
Trade and other payables	-3	-7	-9
Effect of disposal on individual assets and liabilities	178	49	227
Consideration	250	16	266
Less assets/liabilities above	-178	-49	-227
Transaction costs	-10	0	-10
Gain/loss on sale	62	-32	30
Consideration received	250	16	266
Cash and cash equivalents in divested companies	0	-6	-6
Effect on cash and cash equivalents	250	11	261

Note G5 Acquisitions

Humana has acquired 7 (5 in 2014 and 6 in 2013) businesses during the year, continuing its expansion in the Individual & Family business area. The acquisitions will help Humana to strengthen its position in this area through the acquired companies' cutting edge operations and focus on niche therapy methods. Humana has acquired 100 percent of the shares in all of the companies.

Goodwill

The goodwill resulting from the 2013-2015 acquisitions relates to employee expertise in treatment methods, establishment of market position, the synergies expected to arise when the entities are integrated with the rest of the Group, and the underlying profitability of the acquired businesses. Tax deductible net assets represent the goodwill arising from acquisition of Ekeliden. Other goodwill is not tax-deductible.

Acquisitions completed in 2015:

Dedicare Assistanse AS, April 2015 (Norway)

- Personal assistance in Norway. The acquisition brings geographic expansion and the establishment of an assistance operation in Norway.

Orana Vård och Omsorg Holding, July 2015 (I & F)

- Residential care homes specifically for young girls with severe psychiatric problems.

Oasen HVB & Skola, November 2015 (I & F)

- Residential care home specialising in psychosocial problems – mainly disruptive behaviour disorders – and confirmed or suspected neuropsychiatric problems.

Off.Clinic, November 2015 (I & F)

- Residential care home specialising in sexual behavioural problems and trauma/PTSD, and focusing on young people involved in sexual self-harming.

Familjestödsgruppen i Stockholm, December 2015 (I & F)

- Family home in the Stockholm area.

Other acquisitions

Salbohedes Gruppboende, July 2015 (I & F)

- Group home for students in need of special support.

Ramlösa Social Utveckling, November 2015 (I & F)

- Family home for adults and LARO (medication-assisted treatment for opiate dependence) clinic specialising in comorbidity and psychosocial problems

Contingent considerations

The acquisition agreement for Familjestödsgruppen i Stockholm AB includes contingent consideration clauses and the acquisition agreement for Off.Clinic AB has a settlement clause.

Familjestödsgruppen: The contingent portion of the consideration is based on the earnings outcomes for 2016 and 2017. A fair value assessment conducted on the date of acquisition indicated that the final consideration would total SEK 7.5 million (final at 31 Dec. 2017).

Off.Clinic: The consideration is based on the earnings outcome for 2015 and will be settled after the 2015 annual report is revised and approved. A fair value assessment conducted on the date of acquisition indicated that the final consideration would total no more than SEK 18 million (final at 31 Dec. 2015).

Acquisition costs

Acquisition costs of SEK 4 million (SEK 21 million in 2014, of which most of the amount relates to the acquisition of the INOM Group, and SEK 4 million in 2013) refer to consulting and legal fees, mainly for financial and legal due diligence in conjunction with acquisitions. These are recognised as other operating expenses in the income statement

Receivables acquired

No bad debts were acquired in 2013, 2014 or 2015.

Net assets in acquired companies at date of acquisition

SEK millions	Dedicare	Orana	Oasen	Off.Clinic*	Familjestödsgruppen*	Other	Total
Non-current assets	6	12	17	15	2	13	64
Trade and other receivables	9	5	8	4	8	5	39
Cash and cash equivalents	7	3	0	1	2	9	22
Interest-bearing liabilities	0	-5	-3	-7	-1	-4	-20
Trade and other payables	-12	-5	-1	-3	-6	-12	-40
Deferred tax liability	0	0	-1	-1	0	0	-2
Net identifiable assets and liabilities	10	11	20	9	5	10	64
Goodwill	22	14	7	24	43	9	120
Consideration							
Cash and cash equivalents	32	25	26	15	40	19	158
Contingent considerations	-	-	-	18	8	-	26
Total paid	32	25	26	33	48	19	184
Effect on cash and cash equivalents							
Cash paid	32	25	26	15	40	19	158
Cash and cash equivalents in acquired entities	-7	-3	0	-1	-2	-9	-22
Total impact on cash and cash equivalents	25	22	26	14	38	10	135
Settlement of contingent considerations attributable to acquisitions in prior years	-	-	-	-	-	-	6
Exchange rate differences	0	-	-	-	-	-	0
Total effect on cash and cash equivalents	-	-	-	-	-	-	141
Effect on operating revenue and profit in 2015							
Operating revenue	33	19	10	6	6	18	92
Operating profit	4	2	1	0	0	3	10

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

Humana's acquisitions in 2015 made a total contribution of SEK 92 million to consolidated revenue and SEK 10 million to consolidated operating profit. If the acquisitions had been completed at 1 January 2015, company management estimates that consolidated revenue would have been SEK 295 (SEK 213 million higher), and profit for the year SEK 38 million (SEK 28 million higher).

Acquisitions completed in 2014:**INOM group, January 2014 (I & F and Norway)**

- Residential care homes under own management in Sweden and Norway in the areas of psychiatry and psychosocial improvement, focusing on social psychiatry for adults, and specialised family home operations and outpatient care.

TUA/TG, September 2014 (Norway)

- Residential care homes, family homes and outpatient care for young people with complex problems.

Other acquisitions**Ungdomshemmet Højstorp, May 2014 (I & F)**

- Residential care home specialising in psychiatric, neuropsychiatric and psychosocial problems.

Våre Hjem, June 2014 (Norway)

- Residential care homes focusing on growth and development, and safe care of children and young people.

Lunna Gärd, September 2014 (I & F)

- Residential care homes varying from pubertal crises to borderline psychoses.

Net assets in acquired companies at date of acquisition

SEK millions	INOM	TUA/ TG	Other	Total
Non-current assets	84	8	5	96
Trade and other receivables	89	53	3	145
Cash and cash equivalents	11	10	3	23
Interest-bearing liabilities	-241	-134	-2	-377
Trade and other payables	-128	-31	-5	-164
Deferred tax liability	-14	0	0	-14
Net identifiable assets and liabilities	-200	-95	4	-291
Goodwill	994	128	23	1,146
Consideration				
Cash and cash equivalents	776	34	24	834
Issued shares*	19	-	0	19
Contingent considerations	-	-	2	2
Total paid	794	34	27	855
Effect on cash and cash equivalents				
Cash paid	776	34	24	834
Cash and cash equivalents in acquired entities	-11	-10	-3	-23
Net effect on cash and cash equivalents	765	24	22	811
Settlement of contingent considerations attributable to acquisitions in prior years	-	-	-	10
Total effect on cash and cash equivalents	-	-	-	821
Impact on operating revenue and profit 2014				
Operating revenue	888	82	19	989
Operating profit	103	0	1	104

* The shares issued consist of 19,593 B shares that are valued using multiple measurements based on EBITDA results.

Humana's acquisitions in 2014 contributed SEK 989 million to consolidated revenue and SEK 104 million to consolidated operating profit. If the acquisitions had been completed at 1 January 2014, company management estimates that consolidated revenue in 2014 would have been SEK 1,220 million (SEK 231 million higher), and profit for the year SEK 120 million (SEK 23 million higher).

Acquisitions completed in 2013:**Davidso Group, January 2013 (I & F)**

- Residential care home in Norberg
- Assisted living
- Outpatient care operation focused on nature activities
- Psychiatry-supported family care

Carema Hemtjänst, October 2013 (EC)

- Takeover of Carema's home care operations in 14 municipalities, including Linköping, Greater Stockholm, Gävle, Västerås and Nyköping.

Other acquisitions**Assets and liabilities of Syster Hulda Engunds stiftelse Ekeliden, January 2013 (EC)**

- Group home in Tyringe with daily activities, leisure and holiday activities, and Snouezelen (controlled multisensory environment) therapy

Humlans HVB, July 2013 (I & F)

- Residential care home specialising in family therapy (parents with children ages 0-16)

HVB Lappetorp, August 2013 (I & F)

- HVB Lappetorp operates several residential care homes for boys ages 12-19

Storsjögårdens HVB, November 2013 (I & F)

- Residential care home specialising in psychosocial and neuropsychiatric disabilities.

Contingent considerations

The acquisition agreements for Davidso and HVB Lappetorp include contingent consideration clauses:

Davidso: The contingent portion of the purchase consideration was based on the earnings outcome for 2013. A fair value assessment conducted on the date of acquisition indicated that the final additional payment would amount to SEK 10 million (final at 31 Dec. 2013). At year-end 2013, the entire additional consideration was reclassified to revenue, as the acquisition did not qualify for additional consideration.

Lappetorp: The contingent portion of the purchase consideration is earnings-based. A fair value assessment conducted on the date of acquisition indicated that the final additional payment would amount to SEK 16 million (final at 31 Dec. 2014), which is the maximum additional consideration. At year-end 2014 SEK 3 million of the additional consideration was taken up as revenue since the outcome for the company was lower than the original assessment

Net assets in acquired companies at date of acquisition

SEK millions	Carema Hemtjänst	Davidso	Other	Total
Non-current assets	2	14	23	39
Trade and other receivables	49	8	9	67
Cash and cash equivalents	0	2	9	11
Interest-bearing liabilities	0	-5	-4	-8
Trade and other payables	-51	-16	-7	-75
Deferred tax liability	0	-1	-1	-2
Net identifiable assets and liabilities	0	3	29	32
Goodwill	36	40	58	134
Consideration				
Cash and cash equivalents	35	33	71	139
Contingent consideration	0	10	16	26
Total paid	35	43	87	165
Effect on cash and cash equivalents				
Cash paid	35	33	71	139
Cash and cash equivalents in acquired entities	0	-2	-9	-11
Net effect on cash and cash equivalents	35	31	62	128
Settlement of contingent considerations attributable to acquisitions in prior years	-	-	-	6
Total effect on cash and cash equivalents	-	-	-	134
Effect on operating revenue and profit 2013				
Operating revenue	96	67	50	213
Operating profit	-13	4	6	-3

Humana's acquisitions in 2013 contributed SEK 213 million to consolidated revenue and SEK -3 million to consolidated operating profit. If the acquisitions had been completed at 1 January 2013, company management estimates that consolidated revenue in 2013 would have been SEK 376 million (SEK 163 million higher), and profit for the year SEK 2 million (SEK 5 million higher).

Note G6 Other external expenses

Other external expenses

SEK millions	2015	2014	2013
Direct operating expenses*	221	179	93
Purchased services	64	67	24
Premises and property costs	200	160	59
IT expenses	68	59	31
Marketing expenses	24	23	19
Other expenses	217	174	97
Total other external expenses	794	662	322

* Direct operating expenses refer to the purchase of food, activities and expenses for clients etc.

Operating leases – Group as lessee

The Group conducts operations in properties that are held under operating leases throughout the country. Future minimum lease payments under operating leases:

SEK millions	2015	2014	2013
Within 1 year	137	96	33
1-5 years	587	277	81
After 5 years	729	414	53
Lease payments for the year	133	106	39

Leases for premises have remaining terms of 2 months to 25 years (2 months to 25 years and 2 months to 16 years, respectively), with an average lease term of 8.3 years (7 and 6, respectively). The increase between 2013 and 2014 is mainly attributable to the acquisition of the INOM Group. The increase between 2014 and 2015 is mainly attributable to Humana's sale of 43 properties on 30 November 2015, which were then leased back under triple net contracts with an average contract period of 14 years, and that Humana signed two new contracts for elderly housing with a period of 15 years.

Note G7 Employees, personnel costs and remuneration of senior executives

Personnel costs

Expenses recognised as employee benefits are distributed as follows:

SEK millions	2015	2014	2013
Salaries and benefits	3,283	2,996	2,194
Pension costs, defined contribution plans	131	120	105
Social security contributions	919	852	613
Other personnel costs	96	72	19
Total	4,430	4,041	2,931

Average number of employees

	Average number of employees		Men, %
	2015	2015	
Sweden	8,761	30	
Norway	393	45	
Total	9,154	31	

	Average number of employees		Men, %
	2014	2014	
Sweden	8,415	30	
Norway	204	34	
Total	8,619	30	

	Average number of employees		Men, %
	2013	2013	
Sweden	6,374	29	
Norway	-	-	
Total	6,374	29	

Pension benefit obligations

For salaried employees in Sweden the ITP2 plan's defined benefit retirement and family pensions are secured through an insurance policy from Alecta. The premium for the defined benefit retirement and family pension is individually calculated and is dependent on factors that include salary, previously earned pension and expected remaining period of service. Expected fees for the next reporting period for ITP 2 insurance policies from Alecta total SEK 26 million (SEK 26 million in 2015).

The collective funding ratio is the market value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. The collective funding ratio is normally allowed to vary between 125 and 155 percent. If Alecta's collective funding ratio falls below 125 percent or exceeds 155 percent, action should be taken to ensure the funding ratio returns to the normal range. If the ratio is low, one measure that can be taken is to raise the premium of new contracts and reduce existing benefits. If the ratio is high, one measure that can be taken is to introduce premium reductions. Alecta's preliminary collective funding ratio for 2015 was 153 percent (143 percent in 2014).

The Alecta premiums are determined by assumptions about interest rates, longevity, operating costs and yield tax, and are calculated so that payment of a constant premium until the retirement date suffices for the entire target benefit, which is based on the insured's current pensionable salary and which must be earned.

There is no set of rules for how deficits that may arise are to be handled, but the losses should primarily be covered by Alecta's collective solvency capital, and thus should not lead to increased costs through higher contractual premiums. There are also no rules for how any surplus or deficit would be distributed between the participating employers at liquidation of the plan or a company's withdrawal from the plan.

A few of the Group's pension commitments are secured through endowment insurance, which is pledged in favour of the beneficiaries. None of the commitments concern senior executives. The pension provision is based on the value of the endowment insurance policy and therefore corresponds to the value of the assets in the endowment insurance policy at any given time. The obligation is recognised as a defined contribution plan, as Humana is not obliged to make contributions and the beneficiaries bear the entire risk. At the reporting date, the value of assets in the endowment insurance was SEK 3.6 million (3.7 in 2014 and 3.7 in 2013). No new payments are made in respect of these pension obligations.

Remuneration of the Board of Directors and Group management

2015. Salaries and benefits by type of remuneration per Board member and Group management member:

SEK thousands	Gross salary, excl. bonus	Bonus	Other remuneration**	Pension	Total
Board of Directors*					
Maria Nilsson	193				193
Per Bätelson, Chairman	433				433
Ulrika Östlund	193				193
Helen Fasth Gillstedt	240				240
Simon Lindfors	20				20
Total, Board	1,078	0	0	0	1,078
Per Granath, President and CEO	3,145	900	3,638	2,305	9,987
Others (8 individuals)	11,785	1,787	0	4,071	17,643
Total, Group management	14,930	2,687	3,638	6,375	27,630
Total, Group	16,007	2,687	3,638	6,375	28,707

*Pursuant to an AGM resolution, Board members Per Granath, Simon Lindfors, Wojciech Goc and Lloyd Perry do not receive directors' fees. Simon Lindfors is paid a fee for service on the Group's audit committee.

** Per Granath resigned from his post as CEO on 22 December 2015. Other remuneration of SEK 3,638 thousand refers to termination benefits and mileage (excl. social security contributions and pension).

The Group has an agreement with CEO Rasmus Nerman to the effect that in the event of involuntary or voluntary termination of employment, the period of notice is six (6) months. Upon termination by the Company an additional remuneration of six (6) fixed monthly salaries shall be paid at the end of the notice period. Pension is payable in accordance with the ITP1 plan and the company does not have any future retirement benefit obligations.

2014 Salaries and benefits by type of remuneration per Board member and Group management member:

SEK thousands	Gross salary, excl. bonus	Bonus	Pension	Total
Board of Directors*				
Maria Nilsson	256			256
Per Bätelson, Chairman	247			247
Ulrika Östlund	117			117
Helen Fasth Gillstedt	67			67
Simon Lindfors	7			7
Total, Board	693	0	0	693
Per Granath, President and CEO	2,300	560	690	3,550
Others (7 individuals)	9,810	1,973	2,942	14,725
Total, Group management	12,110	2,533	3,632	18,275
Total, Group	12,803	2,533	3,632	18,968

*Pursuant to an AGM resolution, Board members Per Granath, Simon Lindfors, Wojciech Goc and Lloyd Perry do not receive directors' fees. Simon Lindfors is paid a fee for service on the Group's audit committee.

2013. Salaries and benefits by type of remuneration per Board member and Group management member:

SEK thousands	Gross salary, excl. bonus	Bonus	Pension	Total
Board of Directors*				
Maria Nilsson	180			180
Per Bätelson, Chairman	80			80
Total, Board	260	0	0	260
Per Granath, President and CEO	1,867	713	560	3,140
Others (5 individuals)	6,096	1,913	1,010	9,019
Total, Group management	7,963	2,626	1,570	12,159
Total, Group	8,223	2,626	1,570	12,419

*Pursuant to an AGM resolution, Board members Per Granath, Simon Lindfors, Lars Johansson (deputy), Wojciech Goc and Lloyd Perry do not receive directors' fees

Gender distribution in Board of Directors and Group management

The Board of Directors consists of 5 (5 and 5) men and 3 (3 and 1) women. Group management consists of 5 (5 and 4) men and 4 (3 and 2) women.

Note G8 Auditors' fees

Auditors' fees

SEK millions	2015	2014	2013
KPMG AB			
- audit services	3	3	2
- tax advisory services	0	0	0
- other services	0	2	0
Total	3	6	2

Audit services consist of the auditor's work associated with the statutory audit, while auditing assistance includes various types of quality assurance services. Other services are services other than audit services or tax advisory services.

Note G9 Finance income and expenses

Finance income:

SEK millions	2015	2014	2013
Interest income from cash and cash equivalents	1	2	1
Remeasurement of contingent considerations	0	0	22
Other interest income	0	0	0
Total interest income	1	3	23

Finance expenses:

Interest expenses for borrowing at amortised cost:

SEK millions	2015	2014	2013
Bank loans*	167	106	23
Subordinated loans	2	4	4
Finance leases	2	2	0
Total interest expenses	172	112	27

* Interest expenses for bank loans include SEK 43 million relating to the recognition of previously accrued loan costs in connection with the refinancing in 2015.

Note G10 Income tax

The following components are included in tax expense:

SEK millions	2015	2014	2013
Current tax expense (+)/tax income (-):			
Tax expense for the year	26	46	37
Adjustment of tax relating to prior years	-1	0	-10
	25	46	28
Deferred tax expense (+)/tax income (-):			
Temporary differences in untaxed reserves	10	4	9
Other temporary differences	0	-9	1
Recognised tax	35	41	37
Reconciliation of effective tax			
Recognised profit before tax	149	156	216
Tax at applicable tax rate (22%)	33	34	48
Tax effect of:			
Non-deductible expenses	18	7	1
Non-taxable income	-14	0	-2
Adjustment of tax relating to prior years	-1	0	-10
Increase in loss carryforwards for which no corresponding deferred tax was recognised	0	0	3
Standard interest on tax allocation reserve	0	1	0
Difference in tax rate between Parent Company and foreign subsidiaries	0	0	0
Other	-2	0	-2
Recognised tax	35	41	37
Non-deductible costs are essentially acquisition costs.			
Deferred tax liability (+)/tax asset (-)			
Property, plant and equipment	1	2	1
Derivatives	-8	-10	-1
Untaxed reserves, tax allocation reserves	73	62	45
	66	54	45

The change in deferred tax liability of SEK 12 million consists of a deferred tax expense of SEK 10 million (deferred tax income of SEK 5 million in 2014, tax expense of 10 in 2013) recognised in the income statement and a deferred tax liability of SEK 2 million (SEK 14 million in 2014, SEK 2 million in 2013) in acquired companies.

Unrecognised deferred tax assets

Loss carryforwards and deductible temporary differences for which deferred tax is not recognised in the balance sheet amount to SEK 13 million (SEK 13 million in 2014, SEK 13 million in 2013), corresponding to a deferred tax asset of SEK 3 million (SEK 3 million in 2014, SEK 3 million in 2013).

Deferred tax assets arising from these items are not recognised, as they are subject to Group contribution restrictions and under prevailing legislation cannot be utilised as long as the operation is run in the legal entity.

Note G11 Earnings per share

SEK millions	2015	2014	2013
Profit for the year attributable to Parent Company shareholders	114	115	179
Less return on preference shares	-86	-77	-68
Profit for the year after return on preference shares	28	38	111
Earnings per ordinary share, basic and diluted, SEK	0.61	0.84	2.46
Number of ordinary shares, average	45,881,685	45,830,958	45,000,000

The conditions for the preference shares are described in Note G17 Equity.

Humana has not issued any warrants or other share-related instruments that could give rise to dilution.

The number of shares stated above is calculated as per the 45:1 split that was determined after the reporting date.

Note G12 Goodwill

Goodwill SEK millions	2015	2014	2013
Accumulated cost			
At start of year	2,565	1,436	1,301
Acquisition of subsidiaries	120	1,146	134
Disposal of subsidiaries	-44	0	0
Impairment for the year	-36	0	0
Exchange rate differences	-21	-16	0
At end of year	2,584	2,565	1,436

Impairment testing

Goodwill is allocated to cash-generating units for impairment testing as follows:

SEK millions	2015-12-31	2014-12-31	2013-12-31
Personal Assistance	964	964	964
Individual & Family	1,358	1,260	396
Elderly Care, excl. Home Care Service	39	39	39
Home Care Service	0	36	36
Norway	223	266	0
Total	2,584	2,565	1,436

The value of goodwill is tested annually for impairment. The annual impairment test is performed at the segment level, since goodwill is monitored at this level, by calculating the recoverable amount, which consists of value in use. As for the Elderly Care segment, annual impairment testing of goodwill is done at the Home Care Service and Elderly Care excl. Home Care Service levels, respectively. When there are indications of permanent impairment of an individual cash-generating unit the test is done by calculating the value in use of the specific cash-generating unit.

Value in use is based on cash flow calculations that are in turn based on specific financial plans determined by management for the next three years, which are then extrapolated using the estimated growth rates for another two years. The cash flows calculated thereafter were based on an annual growth rate according to the assumptions stated below. The estimated cash flows were then discounted to present value using a discount rate as shown below.

The key assumptions in the forecasts and the methods used to estimate values are as follows. The key assumptions and methods used are the same for all cash generating units.

Key assumptions in calculation

Method for estimating value	
Growth	The growth rate during the forecast period is based on specific plans for the next three years based on industry data and management estimates from previous experience. The growth rate after the forecast period is in line with cost trends in the industry.
Operating margin	The operating margin was forecast from historical results and expectations of future margins based on previous experience.
Discount rate	The discount rate is obtained through a weighted average cost of capital for the industry and reflects current market assessments of the time value of money and estimated specific risks in each unit.

Assumptions	Long-term growth	Discount rate, Nordisk eTax	Discount rate, Swedish corporate tax
Individual & Family	2% (2.5%, 2.5%)	8.1% (6.9%, 6.9%)	10.4% (8.8%, 8.8%)
Personal Assistance	1.4% (2.5%, 2.5%)	8.1% (6.9%, 6.9%)	10.4% (8.8%, 8.8%)
Norway	2% (2%)	7.9% (6.8%)	10.2% (8.9%)
Elderly Care, excl. Home Care Service	2% (2.5%, 2.5%)	8.1% (6.9%, 6.9%)	10.4% (8.8%, 8.8%)
Home Care Service	0% (2.5%, 2.5%)	8.1% (6.9%, 6.9%)	10.4% (8.8%, 8.8%)

Impairment

Impairment testing for Humana Home Care Service has led to a write-down of the goodwill item in its entirety. The write-down of SEK 36 million is explained by increasingly difficult market conditions that led management to decide to revoke contracts early. The book value of the CGU before write-down was SEK 66 million. The impairment test indicates a value in use of SEK 30 million, which is the unit's recoverable amount, calculated from a discount rate of 8.1 percent (6.9 percent) after tax and 10.4 percent (8.8 percent) before tax.

Sensitivity analyses

When testing impairment for Home Care Service in 2014 it was determined that a reasonably feasible change in the operating margin could lead to an impairment. Home Care Service's carrying amount on 31 December 2014 totalled SEK 56 million and its recoverable amount was SEK 60 million. The operating margin forecast is 0.7-1.2 percent for years 1-5 and then 1.2 percent. If the operating margin would have been 0.6-1.1 percent in years 1-5 and then 1.1 percent, the carrying amount would have been equal to the recoverable amount.

Note G13 Other intangible assets

2015	System development and licences	Customer relationships	Other	Total
Accumulated cost				
At start of year	18	-	-	18
Investments	0	8	2	10
Exchange rate differences	-	-1	-	-1
Disposals	-1	-	-	-1
At end of year	17	7	2	25
Accumulated depreciation				
At start of year	-11	-	-	-11
Exchange rate differences	-	0	-	0
Disposals	0	-	-	0
Depreciation for the year	-5	-1	0	-6
At end of year	-16	-1	0	-17
Carrying amount	1	6	1	9

None of the costs for systems development or licences pertain to internal development.

2014	Systems development and licences	Customer relationships	Other	Total
Accumulated cost				
At start of year	15	-	-	15
Acquired cost	3	-	-	3
Exchange rate differences	-1	-	-	-1
At end of year	18	-	-	18
Accumulated depreciation				
At start of year	-8	-	-	-8
Exchange rate differences	0	-	-	0
Depreciation for the year	-4	-	-	-4
At end of year	-11	-	-	-11
Carrying amount	7	-	-	7

2013	Systems development and licences	Customer relationships	Other	Total
Accumulated cost				
At start of year	16	-	-	16
Investments	1	-	-	1
Disposals	-2	-	-	-2
At end of year	15	-	-	15
Accumulated amortisation				
At start of year	-6	-	-	-6
Disposals	2	-	-	2
Amortisation for the year	-3	-	-	-3
At end of year	-8	-	-	-8
Carrying amount	8	-	-	8

Note G14 Property, plant and equipment

2015	Land and buildings	Improvements to third-party property	Finance leases	Equipment	Total
Accumulated cost					
At start of year	165	28	95	61	348
Acquired cost	56	1	0	4	61
Purchases	31	8	38	7	84
Disposals/sales	-183	-4	-30	-7	-225
Reclassifications	15	3	0	-9	9
Exchange rate differences	-1	0	0	-1	-2
At end of year	83	36	103	55	276
Accumulated depreciation					
At start of year	-10	-5	-20	-18	-54
Disposals	0	0	15	5	20
Reclassifications	-2	-	-	-2	-3
Exchange rate differences	0	0	0	0	1
Depreciation for the year	-5	-2	-23	-9	-40
At end of year	-17	-8	-29	-23	-76
Carrying amount	66	28	74	32	200

2014	Land and buildings	Improvements to third-party property	Finance leases	Equipment	Total
Accumulated cost					
At start of year	108	9	22	24	162
Acquired cost	47	5	22	17	91
Purchases	11	14	56	22	103
Disposals	0	-	-12	-3	-15
Exchange rate differences	0	0	1	0	0
At end of year	165	28	89	59	341
Accumulated depreciation					
At start of year	-6	-4	-4	-12	-26
Disposals	0	-	6	1	7
Exchange rate differences, net	0	0	0	0	0
Depreciation for the year	-4	-1	-16	-6	-28
At end of year	-10	-5	-14	-17	-46
Carrying amount	155	23	74	42	294

2013	Land and buildings	Improvements to third-party property	Finance leases	Equipment	Total
Accumulated cost					
At start of year	58	7	7	18	89
Acquired cost	34	-	-	4	38
Purchases	15	2	14	6	38
Disposals	-	-	-	-5	-5
Reclassifications	1	1	-	1	3
At end of year	108	9	22	24	162
Accumulated depreciation					
At start of year	-4	-2	-1	-10	-18
Disposals	0	0	0	4	4
Reclassifications	0	0	-	-2	-3
Depreciation for the year	-2	-1	-3	-4	-10
At end of year	-6	-4	-4	-12	-26
Carrying amount	101	5	17	12	136

Finance leases

Future minimum lease payments are as follows:

	Minimum lease payments 31/12/2015				
	Within 1 year	Between 1 and 5 years	After 5 years	Total	Present value
Lease payments, cars	35	39	0	73	69

Lease costs during the reporting period totalled SEK 40 million and represented minimum lease payments. The leases have terms ranging from 12 to 36 months.

	Minimum lease payments 31/12/2014				
	Within 1 year	Between 1 and 5 years	After 5 years	Total	Present value
Lease payments, cars	35	46	0	81	75

Lease costs during the reporting period amounted to SEK 16 million and were related to minimum lease payments. The leases have terms ranging from 12 to 36 months.

	Minimum lease payments 31/12/2013				Present value
	Within 1 year	Between 1 and 5 years	After 5 years	Total	
Lease payments, cars	7	12	0	20	18

Lease costs during the reporting period amounted to SEK 8 million, and were related to minimum lease payments. The leases have terms ranging from 12 to 36 months.

Note G15 Trade receivables

	2015-12-31	2014-12-31	2013-12-31
Trade receivables, gross	445	395	246
Reserve for customer losses	-5	-4	-4
Total	440	391	242
Receivables not due	379	362	212
Past due, 1-30 days	41	15	24
Past due, 31-60 days	9	3	3
Past due, > 60 days	16	15	7
	445	395	246

Humana's customers consist mainly of state, municipal and county council entities in Sweden and Norway. The Group is not exposed to any significant credit risks relative to any individual counterparty or group of counterparties. Based on historical information, management believes that trade receivables which have not fallen due for payment or are not impaired have good credit quality.

Note G16 Cash and cash equivalents

Cash and cash equivalents include the following:

	2015-12-31	2014-12-31	2013-12-31
Cash	1	1	0
Bank balances	500	243	291
Total	501	244	291

Cash and cash equivalents consist of cash and demand deposits with banks and corresponding institutions.

Note G17 Equity

Share capital

Share capital consists of 1,019,593 fully paid Class A and B ordinary shares and 7 Class C preference shares with a quotient value of SEK 1. Class A and B shares carry the same entitlement to dividends and repayment of paid-in capital, while each individual preference share has priority over ordinary shares to receive dividend of the company's distributable profits to an amount (the "preference amount") corresponding to the sum of a base amount, in total SEK 508.9 million, corresponding to 12 percent per year from 31 December 2011, annually accumulated per 31 December each year, of the non-repaid amount and any non-repaid accumulated interest less previously paid dividend on the preference shares.

The extraordinary general meeting held on 15 February 2016 decided on a 45:1 split, after which the number of shares would increase to 29,916,000 A shares, 15,965,685 B shares and 315 C shares. The total number of shares after the split amounts to 45,882,000.

	2015	2014	2013
Number of shares			
At start of year	1,019,600	1,000,007	1,000,007
New issue, B shares	0	19,593	0
At end of year	1,019,600	1,019,600	1,000,007

Paid-up subscribed shares	Number of shares	Votes per share	Number of votes
Share capital, A shares	664,800	4	2,659,200
Share capital, B shares	354,793	1	354,793
Share capital, C shares	7	0.4	3
Total	1,019,600		3,013,996

Calculation of preference amount value

Year	Accrued unpaid preferential rate for the year	Cumulative preference amount at end of period
2011		509
2012	61	570
2013	68	638
2014	77	715
2015	86	801
Total	292	

Other paid-in capital

Amounts received for issued shares over and above what has been added to share capital are included in the item "Other paid-in capital".

Reserves

The translation reserve includes all exchange rate differences arising on translation of foreign operations that have prepared their financial statements in a currency other than the Group's presentation currency.

Note G18 Interest-bearing liabilities

Current	2015-12-31	2014-12-31	2013-12-31
Bank loans	88	37	100
Finance lease liabilities	36	36	6
Total carrying amount	125	73	106
Non-current	2015-12-31	2014-12-31	2013-12-31
Bank loans	1,513	1,576	468
Finance lease liabilities	37	38	11
Subordinated loans	0	42	61
Total carrying amount	1,550	1,656	540
After 5 years	1,058	1,224	0

Borrowing is in SEK and NOK

Bank loan terms and conditions

Humana entered into a 7-year loan agreement in July 2015. The loan carries variable interest, with twice-yearly repayments starting at SEK 13 million in the fourth quarter of 2015 and gradually increasing during the term of the loan. The agreement contains the customary covenants (ratios), which are reported regularly to lenders (EBITDA to net interest, net debt to EBITDA and cash flow to debt service), and a cash sweep in relation to the Group's cash flow. Shares in subsidiaries and floating charges have been pledged as collateral for the loan. Under the terms of the agreement, Humana has converted 50 percent of the principal amount to fixed interest through the use of interest rate derivatives. See Notes G20 and G21.

Subordinated loan terms and conditions

Subordinated loans consisted of promissory notes to previous owners. The promissory notes had an interest rate of 10 percent and were paid in full in July 2015.

Note G19 Accrued expenses and deferred income

SEK millions	2015-12-31	2014-12-31	2013-12-31
Accrued salaries	212	220	193
Accrued holiday pay	291	262	200
Accrued interest expenses	20	17	2
Accrued pensions	58	47	11
Other	62	44	29
Total	643	590	436

Note G20 Financial assets and liabilities

2015-12-31	Loans and receivables	Carrying amount	Fair value
Financial assets			
Trade receivables	440	440	440
Other receivables	19	19	19
Accrued income	7	7	7
Cash and cash equivalents	501	501	501
	966	966	966

Financial liabilities	Financial assets/liabilities assessed at fair value through profit and loss	Other liabilities	Carrying amount	Fair value
Bank loans		1,602	1,602	1,602
Derivatives	38		38	38
Finance lease liabilities		73	73	73
Trade payables		79	79	79
Other current liabilities		16	16	16
Accrued expenses		643	643	643
Additional consideration liabilities	26		26	26
	64	2,413	2,477	2,477

2014-12-31	Loans and receivables	Carrying amount	Fair value
Financial assets			
Trade receivables	391	391	391
Other receivables	10	10	10
Accrued income	23	23	23
Cash and cash equivalents	244	244	244
	667	667	667

Financial liabilities	Financial assets/liabilities assessed at fair value through profit and loss	Other liabilities	Carrying amount	Fair value
Subordinated loans		42	42	42
Bank loans		1,613	1,613	1,613
Derivatives	45		45	45
Finance lease liabilities		74	74	74
Trade payables		72	72	72
Other current liabilities		7	7	7
Accrued expenses		590	590	590
Additional consideration liabilities	6		6	6
	51	2,397	2,448	2,448

2013-12-31	Loans and receivables	Carrying amount	Fair value
Financial assets			
Trade receivables	242	242	242
Other receivables	4	4	4
Accrued income	36	36	36
Cash and cash equivalents	291	291	291
	574	574	574

	Financial assets/liabilities assessed at fair value through profit and loss	Other liabilities	Carrying amount	Fair value
Financial liabilities				
Subordinated loans		61	61	61
Bank loans		568	568	568
Derivatives	4		4	4
Finance lease liabilities		17	17	17
Trade payables		49	49	49
Other current liabilities		6	6	6
Accrued expenses		436	436	436
Additional consideration liabilities	17		17	17
	21	1,138	1,159	1,159

The carrying amounts of trade receivables, other receivables, cash and cash equivalents, trade payables and other liabilities are a reasonable approximation of their fair values.

Subordinated loans carrying interest of 10 percent have been measured at the estimated market rate.

Financial instruments at fair value through profit and loss

When determining the fair value of an asset or liability, the Group uses observable data as far as possible. Fair value measurement is based on the fair value hierarchy, which categorises inputs into different levels as follows:

- Level 1 – inputs that are quoted prices in active markets for identical instruments
- Level 2 – inputs other than those in Level 1 that are directly or indirectly observable market data
- Level 3 – inputs that are not observable in the market

2015-12-31	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives		38		38
Additional consideration liabilities			26	26
Fair value	0	38	26	64

2014-12-31	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives		45		45
Additional consideration liabilities			6	6
Fair value	0	45	6	51

2013-12-31	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives		4		4
Additional consideration liabilities			17	17
Fair value	0	4	17	21

Transfers between levels

There were no transfers between levels in 2013, 2014 or 2015.

Reconciliation of financial instruments measured in Level 3

The table below shows a reconciliation between the opening and closing balances for financial instruments measured in Level 3.

SEK millions	2015	2014	2013
Additional consideration			
Opening balance	6	17	19
Cost of acquisition	26	2	26
Reversed to income statement	0	-3	-22
Settled during the year	-6	-10	-6
Closing balance	26	6	17

Measurement methods and inputs

The tables below show the methods used for fair value measurement in Levels 2 and 3 and non-observable inputs.

Financial instruments measured at fair value

Type	Measurement method	Significant non-observable inputs	Connection between significant non-observable inputs and fair value calculation
Additional consideration	EBITDA multiples: The measurement model calculates the value of the additional consideration based on likely scenarios for future EBITDA results multiplied by a factor as contracted.	Forecast EBITDA	The estimated fair value would increase (decrease) if EBITDA was higher (lower)
Interest rate swaps and interest rate options	The fair value of interest rate swaps and interest rate options was calculated by discounting estimated future cash flows under the contract terms and conditions based on the market rate for similar instruments at the end of the reporting period.		

Sensitivity analysis

Reasonably possible changes in any of the significant non-observable inputs would have the following effect on the fair value of additional considerations, all things being equal:

Additional consideration	Income statement	
	Increase	Decrease
EBITDA (10.0% change)	1.6	-1.6

Financial instruments not assessed at fair value

Type	Measurement method	Significant non-observable inputs	Measurement level
Other financial liabilities*	Discounted cash flows	N/A	2

* Other financial liabilities refer to bank loans, subordinated loans and finance lease liabilities. Subordinated loans carrying interest of 10 percent have been measured at the estimated market rate.

Risks associated with financial instruments

Framework for financial risk management

In the course of its operations, the Group is exposed to different types of financial risk.

- Liquidity risk (funding risk)
- Credit risk
- Interest rate risk
- Currency risk

The Group's financial policy for financial risk management was formulated by the Board and provides a framework of guidelines and rules in the form of a risk mandate and limits for financing activities. Responsibility for the Group's financial transactions and risks is managed centrally by the CFO in consultation with the Board's finance committee. The overall goal of the finance function is to provide cost-effective financing and minimise adverse effects of market risks on the Group's earnings.

Liquidity risk (financing risk)

Liquidity risk is the risk of the Group encountering problems in meeting its obligations associated with financial liabilities. The CFO manages liquidity risks centrally for the entire Group. Liquidity requirements are monitored regularly and in conjunction with reviews of Humana's financing needs. The Group's policy is to minimise borrowing needs by balancing surplus and deficit liquidity within the Group and to achieve financing flexibility through agreements for additional available credit. To facilitate liquidity planning and control, the Group has credit facilities (bank overdraft facilities) and a cash pool.

Humana's liquidity will be affected negatively by Försäkringskassans' (Swedish Social Insurance Administration) decision to introduce payment in arrears from its previous policy of advance payment within Personal Assistance. Payment in arrears will be initiated 1 October 2016 and is expected to have a non-recurrent effect on Humana's working capital requirements of SEK 200-300 million.

Specification of available liquidity:	2015	2014	2013
Unutilised credit facility	100	276	0
Cash	501	244	291
Total	601	520	291

The Group's financial liabilities, which are shown in Note G18, totalled SEK 1,675 million at year-end (current liabilities of SEK 125 million and non-current liabilities of SEK 1,550 million).

Maturity analysis for financial liabilities

	<3 months	3-12 months	2-5 years	>5 years	Total
Bank loans	51	32	279	1,277	1,639
Interest on bank loans	18	52	256	117	443
Derivatives	7	21	9	-	38
Finance lease liabilities	10	29	35	-	73
Trade payables	79	-	-	-	79
Additional consideration liabilities	18	-	6	3	26
Total	182	134	585	1,396	2,298

Credit risk

Credit risk refers to exposure to receivables in the form of investments of surplus liquidity, derivatives, and trade receivables. Surplus liquidity is invested in deposit accounts, and derivatives are only entered into with the major Nordic corporate banks. Most of the Group's trade receivables are from state, municipal and county council entities, which are considered to have good credit quality. Cash and cash equivalents are only invested in banks with high credit ratings. The risk of customer losses is therefore considered to be minimal.

Maximum exposure to credit risk	2015	2014	2013
Trade receivables	440	391	242
Other receivables	19	10	4
Cash and cash equivalents	501	244	291
Total	959	645	538

Interest rate risk

The main market risk affecting Humana is interest rate risk, which can result in fair value and cash flow changes. Fixed-rate periods are a significant factor affecting interest rate risk.

The Group's interest rate risk arises mainly through long-term borrowing and is managed by the CFO. Derivative instruments (interest rate swap contracts) are used to manage interest rate risk. The Group's loan agreement carries variable interest, with 3-month fixed-interest periods, which has been hedged against a fixed interest rate for 50 percent of the liability for 3 years. This has been achieved through interest rate swaps under which Humana receives variable interest and pays fixed interest to the swap counterparties.

A 1 percentage point increase/decrease in interest rates at the closing date would affect interest expenses by SEK 6 million, including interest rate derivatives.

Currency risk

As the Group operates in Sweden and Norway, it is exposed to currency risks from exposure to the Norwegian krone (NOK). The Group's earnings are affected by translation of Norwegian subsidiaries' income statements at the average exchange rate for the financial year. If a Norwegian subsidiary's local currency changes in relation to SEK, the Group's reported net revenue and earnings would change when translated to SEK. Currency risk also arises through future business transactions, reported assets and liabilities, and net investments in foreign operations. Exposure to the Norwegian currency has therefore been partly financed through borrowing in NOK.

Net assets in NOK total SEK 79 million, including goodwill. A 5 percentage point change in the exchange rate would have an effect of SEK -1 million on the income statement and SEK 4 million on the consolidated comprehensive income at the reporting date.

Capital management

The Group's policy is to maintain a good financial position, thereby helping to maintain the confidence of investors, lenders and the market, and providing a solid foundation for continuing development of the business while also generating a satisfactory long-term return for shareholders. The Board aims to achieve a balance between a potential higher return on equity from a high debt to equity ratio and the advantages and security associated with a strong capital base. The objective is to continue to generate returns to shareholders and benefits to other stakeholders.

Neither the Parent Company nor any of the subsidiaries are subject to external capital requirements (see Note G18).

Note G21 Pledged assets and contingent liabilities

SEK millions	2015	2014	2013
<i>Pledged assets for bank loans</i>			
Shares in subsidiaries*	1,686	1,567	640
Floating charges	30	30	30
Property mortgages	3	35	15
<i>Other pledged assets</i>			
Blocked funds in bank accounts	0	0	0
<i>Contingent liabilities</i>			
	None	None	None

*Shares in subsidiaries relates to the consolidated net assets for the subsidiaries where the shares are pledged.

Note G22 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 parties also include the principal owner Air Syndication S.C.A., which is represented on the Board by Lloyd Perry and Wojciech Goc. Related party transactions are based on market conditions.

Remuneration of key personnel

Remuneration of key personnel is shown in Note G7.

Loans from related parties

The Group's outstanding promissory notes (subordinated loans) to related parties are:

Interest expense SEK thousands	2015	2014	2013
Air Syndication S.C.A	0	37	33
Board and CEO	0	577	755
Total	0	613	788

Liability

SEK thousands	2015	2014	2013
Air Syndication S.C.A	0	402	365
Board and CEO	0	6,337	8,314
Total	0	6,738	8,679

Outstanding promissory notes were settled in full, including outstanding interest, in July 2015. The total cash payment to related parties was SEK 10,079 thousand (SEK 424 thousand to Air Syndication S.C.A, SEK 9,655 thousand to the Board and CEO). See Note G18.

Preference shares

The Group's outstanding accumulated preference amounts to related parties are:

Accumulated preference amount SEK millions	2015	2014	2013
Air Syndication S.C.A	760	678	606
Board and CEO	37	33	31
Total	797	711	637

Note G23 Companies included in these financial statements

Humana AB is the Parent Company of the Group, which includes subsidiaries as listed below. All subsidiaries are wholly owned and have financial years that correspond with the Parent Company's financial year.

Company name	Number of shares	Registered office	Share of equity, %
AB Salboheds Gruppboende, 556754-3912	1,000	Sala	100%
Adventum Specialpedagogik AB, 556387-6753	1,000	Borlänge	100%
Adventum Vård AB, 556330-3030	1,000	Borlänge	100%
Amelius Holmsund AB, 559020-1728	500	Sigtuna	100%
Baggiun Vård & Behandling AB, 556747-5230	1,000	Gothenburg	100%
Balanshem AB, 556733-8099	1,000	Höör	100%
Barrebacken AB, 556610-6760	108	Stockholm	100%
Behandlingshemmet Källtorp AB, 556668-5979	1,000	Stockholm	100%
Birkelund Barnevernssenter AS, 988145009	275	Eidsvoll, No	100%
Björkvik-Ringsjöhemmet AB, 556435-1889	1,500	Stockholm	100%
Björkviks Vårdhem AB, 556257-3575	2,000	Stockholm	100%
Björntorps HVB-hem AB, 556740-6219	1,000	Stockholm	100%
Cureum AB, 556681-8661	821	Örebro	100%
Dauidsbo Fastigheter AB, 556787-3327	1,000	Norberg	100%
Dauidsbo Invest AB, 556806-2698	500	Norberg	100%
Dauidsbogård AB, 556709-4296	1,000	Norberg	100%
Ekonomibyrån i Värmland AB, 556521-4573	1,000	Filipstad	100%
Fabriken Förändringskonsulterna i Skaraborg AB, 556650-8544	1,000	Stockholm	100%
Familjeforum konsult i Skåne AB, 556687-4227	1,000	Stockholm	100%
Familjeforum Lund AB, 556589-3764	1,000	Stockholm	100%
Familjestödsgruppen i Stockholm AB, 556699-8182	1,000	Tyresö	100%
Familjevårdskonsulterna i Sverige AB, 556733-7349	1,000	Örebro	100%
Habiliteket AB, 556484-2416	1,000	Täby	100%
Hallandshem AB, 556699-6129	1,000	Kungsbacka	100%
Human Care Assistans AS, 914 597 811	3,956	Stjørdal, No	100%
Humana AS, 997915038	1,000	Tonsberg, No	100%
Humana Assistans AB, 556605-3996	100,000	Örebro	100%
Humana Ekeliden AB, 556891-0508	50,000	Örebro	100%
Humana Group AB, 556697-0249	1,478,571	Örebro	100%
Humana Group Holding AB, 556730-0453	1,428,570	Stockholm	100%
Humana Hemtjänst AB, 556919-2718	50,000	Stockholm	100%
Humana Holding AB, 556645-2206	1,000	Örebro	100%
Humana Holding AS, 996808335	252,000	Lier, No	100%
Humana Omsorg AB, 556749-0007	1,000	Stockholm	100%
Humlans HVB AB, 556641-8165	3,000	Ockelbo	100%
HVB Lappetorp AB, 556525-0247	1,020	Trosa	100%
Häggesta 10:1 AB, 556992-5638	100	Stockholm	100%
INOM Innovativ Omsorg i Norden AB, 556782-9105	3,524,259	Stockholm	100%
INOM Innovativ Omsorg i Sverige AB, 556739-6725	1,000	Stockholm	100%
Istriana AB, 559020-2452	1,000	Lund	100%
JOWE AB, 556644-6281	100	Stockholm	100%
KBT Mälardalen AB, 556718-7025	1,000	Stockholm	100%
Krehab AB, 556766-2720	6,000	Sandviken	100%
Lunna Gård AB, 556586-2371	1,000	Stockholm	100%
Löft AS, 982767458	16,920	Tonsberg, No	100%
Neuropsyk i Bollnäs AB, 556543-1516	1,000,000	Stockholm	100%
Nordic Care AB, 556658-8710	1,000	Örebro	100%
Norrärke Sjukhem AB, 556564-9778	2,500	Stockholm	100%
Oasen HVB & Skola AB, 556420-9608	5,000	Aneby	100%
Oasen Ungdomscenter AB, 556686-2313	1,000	Aneby	100%
Oasen Utbildningscenter AB, 556650-1796	1,000	Aneby	100%
Off.Clinic AB, 556625-9429	1,000	Kristianstad	100%
Orana AB, 556353-3966	1,000	Kristianstad	100%
Orana Kristianstad AB, 556714-8878	1,000	Kristianstad	100%

Company name	Number of shares	Registered office	Share of equity, %
Orana Vård & Omsorg Holding AB, 559012-0159	50,000	Kristianstad	100%
Partnergruppen Svenska AB, 556177-0362	10,000	Stockholm	100%
Plus Assistans AB, 556665-9149	1,000	Örebro	100%
Prompting AB, 556606-5990	200	Stockholm	100%
Ramlösa Social Utveckling AB, 556266-5520	1,000	Helsingborg	100%
Rehabiliteringsbolaget i Mälardalen AB, 556755-5049	1,000	Örebro	100%
Rengsjö Vårdcenter AB, 556383-1857	1,000	Stockholm	100%
Sociala tjänster Sverige AB, 556658-1277	5,000	Stockholm	100%
Storsjögårdens HVB AB, 556335-5780	1,000	Gävle	100%
Södertörns familjevård AB, 556573-0511	1,000	Stockholm	100%
Tiangruppen AB, 556223-5145	2,500	Uppsala	100%
Tibble gård ungdomshem AB, 556632-1757	1,000	Stockholm	100%
TILTAK FOR UNGDOM - AGDER AS, 989649582	1,000	Kristiansand, No	100%
TILTAKSGRUPPEN AS, 980110125	200,000	Bergen, No	100%
Ungdomshemmet Hajstorp AB, 556618-0369	1,600	Töreboda	100%
Vassbo Behandlingshem AB, 556449-1602	1,000	Uddevalla	100%
Vidablick AB, 556679-3179	1,000	Helsingborg	100%
Wikmangården AB, 556167-4275	1,000	Stockholm	100%
Våre Hjem AS, 980399699	1,000	Trondheim, No	100%

Note G24 Significant events after the reporting date

On 4 February 2016 Humana entered into an agreement to transfer parts of its home service operation within the Elderly Care segment (Sollentuna, Solna and Stockholm's inner city) to Attendo AB. The revenue and operating profit for these businesses in 2015 totalled SEK 59 million and SEK -7 million, respectively.

The extraordinary general meeting held on 15 February 2016 decided on a 45:1 split, after which the number of shares would increase to 29,916,000 A shares, 15,965,685 B shares and 315 C shares. The total number of shares after the split amounts to 45,882,000.

Accounting policies

GA1 Changes to accounting policies

A number of new and amended IFRSs are not effective until future annual periods and have not been applied in advance in the preparation of these financial statements. There are no plans for early application of new and amended standards which are effective in future annual periods.

Changes to the presentation of reports

During the year the consolidated income statement was changed such that acquisition costs are recognised under other operating expenses (see Note G4) and revaluation of conditional considerations is recognised under finance income (see Note G9) as opposed to previously being recognised on a separate line in the income statement. As a consequence, acquisition costs are included in the consolidated cash flow statement under consolidated operating profit. Comparative figures were updated in the reports to align with the changes.

GA2 Significant accounting policies

New IFRSs not yet in effect

A number of new and amended IFRSs are not effective until future annual periods and have not been adopted in advance in the preparation of these financial statements. There are no plans for early application of new and amended standards which are effective in future annual periods.

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments:

Recognition and Measurement IFRS 9 contains new requirements for classification and measurement of financial instruments, a forward-looking impairment (expected loss) model and simplified conditions for hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted provided the EU adopts the standard. The EU intends to adopt the standard in the first half of 2016. IFRS 9 is not expected to have any significant impact on Humana's financial reporting.

In January 2016 the International Accounting Standards Board (IASB) issued a new standard for the accounting of leases, IFRS 16 Leases, effective 1 January 2019. The European Financial Reporting Advisory Group has not yet announced when the standard is expected to be adopted by the EU and thus can be applied to Humana.

IFRS 16 Leases entails that a lessee recognises all leased assets and related liabilities in the balance sheet and that the lessee recognises depreciation of these assets and interest expenses linked to the related liabilities in the income statement, that is, in the same way that finance leases are recognised under the current standard. This differs from the current method, which recognises operating leases outside the balance sheet with information on the obligation and where the leasing fees are expensed linearly over the contract period. Thus, IFRS 16 will affect Humana since the operational lease agreements recognised in Note G6 will be recognised in the balance sheet and lease fees that are now recognised under other external costs will be replaced by an amortisation of the assets recognised in the balance sheet and interest expenses linked to the financial liabilities.

IFRS 15 Revenue from Contracts with Customers. The purpose of the new revenue standard is to replace existing revenue standards and interpretations with a single principles-based model. Sectors expected to be affected most are telecommunications, software, construction and civil engineering. However, all companies will be affected by the new, significantly extended disclosure requirements. IFRS 15 is effective for annual periods beginning in or after 2018 and earlier application is permitted provided the EU adopts the standard. The EU intends to adopt the standard in the first quarter of 2016. Analyses made so far indicate that IFRS 15 is not expected to have any significant impact on Humana's financial reporting.

Other new and amended IFRSs with future application are not expected to have any material effect on the Company's financial statements.

Classification

Non-current assets and liabilities are essentially amounts that are expected to be recovered or paid more than twelve months after the reporting date. Current assets and liabilities are essentially amounts that are expected to be recovered or paid within twelve months of the reporting date.

Segment reporting

Humana has four business areas that are also recognised as four segments: Individual & Family, Personal Assistance, Elderly Care and Norway. Sales and operating profit for each segment are reported after allocation of segment-specific costs, but not including costs for central functions. The Group's segment reporting corresponds to the internal reporting to the chief operating decision maker. However, the CEO and CFO only monitor the Group's total assets, not assets by segment. See Note G3 for a more detailed description of the breakdown and presentation of operating segments.

Basis of consolidation and business combinations

Subsidiaries

The consolidated financial statements include the Parent Company Humana AB and its subsidiaries. Subsidiaries are entities over which the Parent Company has control. Control exists when the Parent Company has exposure to variable returns from its holding in an entity and has the ability to affect the returns through power over the entity.

A subsidiary is consolidated from the date on which the Parent Company obtains control until such control ceases.

Business combinations

Humana recognises business combinations in accordance with the acquisition method from the date on which control is obtained. The consideration paid in connection with an acquisition is recognised at the acquisition-date fair value, as are the acquired assets and liabilities. The difference between the purchase consideration and the fair value of the acquired assets and liabilities is recognised as goodwill. Goodwill is subject to annual impairment testing. See Note G5. In bargain purchases, which are acquisitions where the value of the net assets exceeds the purchase consideration paid, the difference is recognised immediately in the income statement. Acquisition-related costs are recognised as an expense as incurred.

Contingent considerations are recognised at fair value on the date of acquisition and contingent considerations that are financial liabilities are remeasured at each reporting date with changes in value recognised under financial items.

The consideration paid in connection with an acquisition does not include payments related to settlement of a pre-existing relationship. This type of settlement is recognised in profit or loss.

Revenue

Revenue is recognised when the services are performed. Health and social care services are largely provided under monthly invoicing agreements. Compensation is based on the number of users, care days, assistance hours, residential places, home care visits and similar services performed by the Group. Compensation for assistance services from Försäkringskassan is paid monthly in advance and is recognised as deferred income. Compensation corresponding to chargeable assistance time is recognised as the personal assistance services are performed.

Personnel costs

Short-term benefits

Employee benefits are recognised as an expense when the services have been performed. A liability for the expected cost of bonus payments is recognised when the Group has a legal or constructive obligation to make such payments as a result of employees having provided the services in question and when the amount can be measured reliably.

Termination benefits

An employee termination benefit expense is recognised at the earlier of the following: when the company can no longer withdraw the offer of the benefits or when the company recognises costs for a restructuring. Benefits expected to be settled after twelve months are recognised at their present value.

Pension benefit obligations

Humana has various pension plans which are classified as either defined contribution or defined benefit plans. A defined contribution pension plan is a plan under which the Group's obligation is limited to the fixed contributions paid to the insurer in question. Pension premiums under defined contribution plans are recognised as personnel costs in the income statement as they fall due.

A defined benefit pension plan is a plan that is not based on defined contributions. Humana's defined benefit obligations for retirement benefits and family pensions for salaried employees in Sweden (ITP2) are covered by insurance with Alecta. In accordance with Statement UFR 10 issued by the Swedish Financial Reporting Board, this is a multi-employer defined benefit plan. Like other Swedish companies, the Group has not had access to sufficient information to enable it to report this plan as a defined benefit plan. Consequently, the ITP pension plan, which is insured through Alecta, is reported as a defined contribution plan.

The Group has certain pension obligations that are covered by endowment insurance. The pension provision includes a special payroll tax and corresponds to the value of the assets in the endowment insurance at any given time.

Finance income and expenses

Finance income consists of interest income and, where applicable, dividend income, as well as gains on the remeasurement or disposal of financial instruments.

Finance expenses consist of interest charges on loans, including accrued transaction costs, losses on changes in value or disposal of financial instruments.

Exchange gains and losses are reported on a net basis.

Interest income and expenses are reported using the effective interest method.

Dividends are recognised in the income statement when the right to receive payment of a dividend has been established.

Leases

Operating leases

Operating lease costs are recognised in profit or loss on a straight-line basis over the lease term. Benefits received in connection with the signing of a lease are recognised in the income statement as a reduction of lease payments on a straight-line basis over the lease term. Contingent rents are recognised as an expense in the periods in which they arise.

Finance leases

Finance leases are reported in the balance sheet under non-current assets, which are depreciated in accordance with the principles for property, plant and equipment, and financial liabilities. The lease payments are apportioned between the finance charge and the repayment of the outstanding lease obligation. The finance charge is allocated over the lease term in such a way as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Contingent rents are recognised as an expense in the periods in which they arise.

Accounting for sale and leaseback transactions

A sale and leaseback transaction (SLB) is the sale of an asset under a purchase agreement that results in a subsequent lease of the same asset with the original owner as lessee. These transactions are accounted for on the basis of how the lease transaction is classified. This assessment follows the customary principles for classification of leases.

If a sale and leaseback transaction results in a finance lease, any excess of proceeds over the carrying amount (capital gain) is not recognised directly in the seller's income statement but is amortised over the lease term.

If a sale and leaseback transaction results in an operating lease, any excess of proceeds over the carrying amount (capital gain) is recognised in the period of the sale, provided the transaction is based on fair value. The Group has determined that all SLB transactions have been or will be conducted at arm's length at a price equal to fair value.

Income attributable to sale and leaseback transactions is recognised as income on the handover date unless the risks and rewards have been transferred to the buyer on an earlier occasion. Control of the asset may have been transferred before the handover date, in which case the property sale is recognised as revenue on that earlier date.

Taxes

Income tax consists of current tax and deferred tax. Income taxes are recognised in the income statement, unless the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is recognised in other comprehensive income or in equity.

Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the current year, and is calculated using tax rates that have been enacted or substantively enacted at the reporting date, including any adjustments relating to prior periods.

Deferred tax is accounted for using the balance-sheet liability method. A deferred tax liability is recognised for temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Temporary differences are not taken into account in the consolidated goodwill nor for the difference resulting from the initial recognition of assets and liabilities that are not business combinations, and that at the time of the transaction affect neither recognised nor taxable earnings. The measurement of deferred tax is based on how the underlying assets and liabilities are expected to be recovered or settled. Deferred tax liabilities and assets are measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets on temporary differences and deferred tax assets arising from the carry-forward of unused tax losses are only recognised to the extent that it is probable that they can be utilised. The carrying amounts of deferred tax assets are reviewed and reduced to the extent that it is no longer probable that the deferred

tax asset can be utilised.

Intangible assets

Goodwill

In a business combination, goodwill arises when the consideration paid exceeds the fair value of identifiable net assets in the acquired entity. Goodwill is not amortised, but is tested for impairment. See the section on impairment below. See also Note G12.

When the Group adopted IFRS, it was decided not to apply IFRS retrospectively to goodwill arising from acquisitions prior to 1 January 2012. Consequently, the carrying amount on that date represents the Group's cost of acquisition after impairment testing.

Other intangible assets

When a business is acquired, the company assesses the extent to which there are identifiable intangible assets to be reported separately from goodwill, such as customer relationships, trademarks and customer contracts. In addition, Humana reports capitalised expenditure on system development and licences as an asset.

Other intangible assets are recognised at cost less accumulated amortisation (see below) and impairment (see accounting policy).

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the intangible asset's useful life, unless it has an indefinite useful life. Useful lives are reviewed at least annually. Goodwill is tested for impairment annually and as soon as there are indications that the asset in question has decreased in value. Intangible assets with finite useful lives are amortised from when they are available for use. The estimated useful lives are:

- Systems development and licences 5–7 years
- Customer relationships 5–7 years

Property, plant and equipment

Property, plant and equipment, consisting primarily of owner-occupied properties, is recognised at cost less accumulated depreciation and impairment. Property, plant and equipment with sub-components that have different useful lives are treated as separate components of property, plant and equipment.

The cost of financial leases is the lower of the leased asset's fair value and the present value of the minimum lease payments at the inception of the lease.

Gains or losses on the disposal or retirement of an asset are recognised in the income statement under other revenue/expenses.

Subsequent costs

Subsequent costs are capitalised only if it is probable that future economic benefits associated with the cost will flow to the company. All other subsequent costs are recognised as an expense in the period in which they arise.

Depreciation

Depreciation is applied on a straight-line basis over the useful life of the asset. Leased assets are also depreciated over their estimated useful lives or over the agreed lease term if this is shorter. Land is not depreciated.

Estimated useful lives:

The following main groups of components have been identified and form the basis of depreciation of buildings:

- Building frame	40-100 years
- Supplementary structures, interior walls etc.	20-40 years
- Installations: heating, electricity, plumbing, ventilation etc.	25-40 years
- Exterior surfaces: façades, roof etc.	20-70 years
- Interior surfaces, machinery etc.	10-25 years
- Equipment	5-10 years
- Leasehold	Contract period

Depreciation methods, residual values and useful lives are reviewed at each year-end.

Impairment

The carrying amounts of the Group's assets are assessed at each reporting date to determine if there is any indication of impairment.

Impairment of property, plant and equipment and intangible assets

If there is an indication of impairment, the asset's recoverable amount is measured (see below). The recoverable amount is calculated annually for goodwill, other intangible assets with indefinite useful lives and intangible assets not yet ready for use. If an asset does not generate independent cash inflows and its fair value less costs to sell cannot be used, it is tested for impairment as part of the cash-generating

entity to which it belongs, i.e. the smallest identifiable group of assets which generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is recognised when the recoverable amount of an asset or a cash-generating entity (group of entities) is less than its carrying amount. An impairment loss is recognised as an expense in net income for the year. Impairment losses recognised for a cash-generating entity are initially allocated to goodwill. They are then allocated to the other assets of the entity pro rata on the basis of each asset's carrying amount.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. In measuring value in use, cash flows are discounted using a discount rate that reflects the risk-free rate of interest and the risks specific to the asset.

Reversal of impairment losses

Impairment of assets accounted for under IAS 36 is reversed if there is an indication that the impairment no longer exists and there has been a change in the assumptions on which the calculation of the recoverable amount was based. However, goodwill impairment is never reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation where applicable, had no impairment loss been recognised.

Preference shares

Preference shares are reported under equity when the conditions state that there is no irrevocable obligation for Humana to repay in cash.

Issued preference shares are not redeemable at the holder's request nor is there a contractual obligation for the Company to pay dividends. Dividends on preference shares are paid only as decided at the Annual General Meeting. The preference shares have therefore been classified as equity.

Earnings per share

Calculation of basic and diluted earnings per share is based on profit for the year, adjusted for interest on preference shares, and the weighted average number of ordinary shares outstanding during the year.

Provisions

A provision differs from other liabilities as there is uncertainty about the timing or amount required to settle the provision. A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Onerous contracts

A provision for onerous contracts is recognised when the benefits the Group expects to receive from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

Financial assets

Financial instruments reported under assets in the balance sheet are primarily cash and cash equivalents, derivatives and trade receivables. Financial instruments reported under liabilities include trade payables, loans and derivatives.

A financial asset or liability is recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument. A receivable is recognised when the company has delivered and there is a contractual obligation for the counterparty to pay, even if an invoice has not yet been sent. Trade receivables are recognised when an invoice has been sent. A liability is recognised when the counterparty has delivered and there is a contractual obligation to pay, even if an invoice has not yet been received. Trade payables are recognised on receipt of the invoice.

A financial asset is derecognised when the rights to receive benefits have been realised, expired or the Company loses control over them. A financial liability is derecognised when the contractual obligation is discharged or extinguished in some other way.

A financial asset and a financial liability may be offset when, and only when, there is a legally enforceable right to set off the amounts and there is an intention to settle the items on a net basis.

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the company commits itself to purchase or sell the asset.

Financial instruments at fair value through profit and loss

This category consists of derivative instruments (interest rate swaps and interest rate

options) that are included in the financial assets held for trading sub-category. Financial instruments in this category are measured at fair value, with changes in fair value recognised in profit and loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortised cost. Amortised cost is calculated based on the effective interest method used at initial recognition. Trade receivables are recognised at the amounts expected to be received, i.e., less an allowance for doubtful receivables.

Financial liabilities at fair value through profit and loss

This category consists of financial liabilities held for trading, which includes the Group's derivatives and contingent earn-out payment liabilities, which are to be accounted for at fair value. Changes in fair value are recognised in profit or loss.

Other financial liabilities

Borrowings and other financial liabilities such as trade payables are included in this category. These liabilities are measured at amortised cost.

Impairment of loans and receivables recognised at amortised cost is reversed if the previous indication of impairment no longer exists and full payment from the customer is expected.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset or group of assets is impaired. Objective evidence consists of observable events that have occurred and adversely affect the ability to recover the cost of the asset, and a significant or prolonged decline in the fair value of an investment in a financial instrument classified as an available-for-sale financial asset.

The Company classifies trade receivables as doubtful when they are 90 or more days past due. Impairment of receivables is established by referencing historical experience of bad debt losses on similar receivables.

Contingent liabilities

A contingent liability is recognised when a possible obligation arises from past events whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events outside the Group's control, or when there is an obligation which is not recognised as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation or the amount cannot be measured reliably.

Parent Company income statements

SEK millions	Note	2015	2014	2013
Operation revenue				
Operating revenue	P1	7	0	0
Operating expenses				
Other external expenses	P1, P2	-12	-16	-7
Personnel costs		0	0	0
Depreciation of assets		0	0	0
Operating profit		-5	-16	-7
Profit from financial items				
Income from shares in Group companies - received		45	220	228
Interest income		0	2	0
Interest expenses		-46	-52	-12
Profit after financial items		-6	154	209
Change in tax allocation reserve	P5	7	-38	-53
Profit before tax		0	115	157
Tax		0	-26	-24
Profit for the year and comprehensive income for the year		0	89	133

Parent Company balance sheets

SEK millions	Note	2015-12-31	2014-12-31	2013-12-31
ASSETS				
Non-current assets				
Property, plant and equipment				
Property, plant and equipment	P3	0	1	0
Financial assets				
Shares in subsidiaries	P4	1,623	1,623	816
Total non-current assets		1,623	1,625	817
Current assets				
Current receivables				
Receivables from Group companies		47	536	527
Tax receivables		0	14	22
Other receivables		0	0	2
Prepaid expenses and accrued income		0	9	2
		47	559	553
Cash and bank balances		51	9	0
Total current assets		98	568	553
TOTAL ASSETS		1,722	2,192	1,369

SEK millions	Note	2015-12-31	2014-12-31	2013-12-31
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital	P17	1	1	1
Unrestricted equity				
Share premium reserve		642	642	624
Retained earnings		386	297	164
Profit for the year		0	89	133
Total equity		1,030	1,030	922
Untaxed reserves				
Tax allocation reserve	P5	170	176	138
		170	176	138
Non-current liabilities				
Liabilities to credit institutions	P6	470	891	145
Subordinated loans	P6	0	42	61
		470	933	206
Current liabilities				
Liabilities to credit institutions		25	37	102
Trade payables		2	7	1
Liabilities to Group companies		20	0	0
Other current liabilities		0	0	0
Accrued expenses and deferred income	P7	5	9	1
		52	53	104
TOTAL EQUITY AND LIABILITIES		1,722	2,192	1,369

MEMORANDUM ITEMS		2015-12-31	2014-12-31	2013-12-31
Pledged assets				
Shares in subsidiaries		1,623	1,623	816
Contingent liabilities				
		None	None	None

Parent Company statements of changes in equity

SEK millions	Share capital	Share premium reserve	Retained earnings including profit for the year	Total equity
Opening equity, 1 Jan 2013	1	624	164	789
Profit for the year and comprehensive income for the year			133	133
Closing equity, 31 Dec 2013	1	624	297	922
Opening equity, 1 Jan 2014	1	624	297	922
Profit for the year and comprehensive income for the year			89	89
Owner transactions				
New share issue	0	19		19
Total owner transactions	0	19	0	19
Closing equity, 31 Dec 2014	1	642	386	1,030
Opening equity, 1 Jan 2015	1	642	386	206
Profit for the year and comprehensive income for the year			0	0
Closing equity, 31 Dec 2015	1	642	386	1,030

Share capital, 1,019,593 (1,018,466 for 2014 and 1,000,000 for 2013) ordinary shares (nom. value SEK 1) and 7 preference shares (nom. value SEK 1).

Parent Company statements of cash flows

SEK millions	Note	2015	2014	2013
Cash flows from operating activities				
Operating profit		-5	-16	-7
Adjustments for non-cash items				
Depreciation/amortisation and impairment		0	0	0
		40	-16	-6
Interest received		2	0	0
Interest paid		-42	-45	-4
Tax paid		14	-18	-52
		14	-78	-63
Cash flows from operating activities before changes in working capital				
Cash flows from changes in working capital				
Decrease (+)/increase (-) in receivables		5	1	1
Decrease (-)/increase (+) in current liabilities		0	0	-18
Decrease (-)/increase (+) in trade payables		-6	6	0
		11	-71	-81
Cash flows from operating activities				
Investing activities				
Acquisition of subsidiaries		0	-804	0
Acquisition of intangible assets and property, plant and equipment		0	-1	0
		0	-805	0
Cash flow from investing activities				
Financing activities				
Loans raised		495	932	-19
Repayment of loans		-969	-170	-21
Loans, Group companies		505	123	118
		31	885	78
Cash flows from financing activities				
		42	9	-3
Cash flow for the year				
Cash and cash equivalents at start of year				
		9	0	3
Cash and cash equivalents at end of year				
		51	9	0

Notes to the Parent Company financial statements

Note P1 Parent Company's transactions with Group companies

There were no purchases or sales with the Parent Company in 2015, 2014 and 2013.

Note P2 Information on auditors' fees and cost reimbursement

Auditors' fees	2015	2014	2013
<i>KPMG AB</i>			
- audit services	1	1	0
- tax advisory services	0	0	0
Total	1	1	0

Audit services consist of the auditor's work associated with the statutory audit, while auditing assistance includes various types of quality assurance services. Other services are services other than audit services or tax advisory services.

Note P3 Equipment

	2015-12-31	2014-12-31	2013-12-31
Opening cost	2	1	1
Purchases	0	1	0
Disposals	-2	0	0
Closing accumulated cost	0	2	1
Opening depreciation	-1	-1	-1
Disposals	1	0	0
Scheduled depreciation for the year	0	0	0
Closing accumulated depreciation	0	-1	-1
Closing scheduled residual value	0	1	0

Note P4 Shares in subsidiaries

	2015-12-31	2014-12-31	2013-12-31
Opening cost	1,623	816	816
Purchases	0	807	0
Closing accumulated cost	1,623	1,623	816

Company name	Carrying amount		
	2015-12-31	2014-12-31	2013-12-31
Humana Group Holding AB, 556730-0453	1,623	816	816
INOM - Innovativ Omsorg i Norden AB, 556782-9105		807	

* Shares in INOM - Innovativ Omsorg i Norden AB have been provided as shareholder contributions to Humana Group Holding AB during the year.

NOTE P5 Untaxed reserves

	2015-12-31	2014-12-31	2013-12-31
Allocation reserve, tax year 2010	0	7	7
Allocation reserve, tax year 2011	19	19	19
Allocation reserve, tax year 2012	19	19	19
Allocation reserve, tax year 2013	41	41	41
Allocation reserve, tax year 2014	53	53	53
Allocation reserve, tax year 2015	38	38	0
Total	170	176	139

NOTE P6 Non-current liabilities

	2015-12-31	2014-12-31	2013-12-31
Non-current liabilities falling due in one to five years after the end of the reporting period	0	181	0
Non-current liabilities falling due more than five years after the end of the reporting period	470	709	145
Subordinated loans from shareholders	0	42	61
Total	470	933	206

See Note G18 for loan terms and conditions and Note G20 for financial risk management.

NOTE P7 Accrued expenses and deferred income

	2015-12-31	2014-12-31	2013-12-31
Accrued interest	4	9	0
Other items	1	1	0
Total	5	9	1

Note PA 1 Parent Company accounting policies

The Parent Company has prepared its annual report in compliance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and with the Financial Reporting Board's published statements applicable to listed companies. RFR 2 entails that in the annual report for the legal entity the Parent Company shall apply all EU-approved IFRSs and statements as far as possible within the framework of the Annual Accounts Act, the Pension Protection Act and considering the relationship between accounting and taxation. The recommendation specifies the exceptions and additions to IFRSs that shall be made.

Difference between Group and Parent Company accounting policies

The differences between the Group's and the Parent Company's accounting policies are described below. The accounting policies for the Parent Company were applied consistently to all periods presented in the Parent Company's financial statements.

Participations in subsidiaries

Participations in subsidiaries are recognised in the Parent Company using the cost

method. This means that transaction costs are included in the carrying amount of holdings in subsidiaries. In the consolidated financial statements, transaction expenses attributable to subsidiaries are recognised directly in profit when they arise.

Financial instruments and hedge accounting

Due to the connection between accounting and taxation, the rules on financial instruments and hedge accounting in IAS 39 are not applied in the Parent Company as a legal entity.

The Parent Company values financial assets at cost less impairment and financial current assets according to the lowest value principle. The cost of interest-bearing instruments is adjusted for the accrued difference between the amount originally paid, net of transaction costs, and the amount paid at maturity (premium or discount).

Interest rate swaps that effectively hedge cash flow risk in interest payments on liabilities are measured at the net of accrued receivables at variable interest and accrued liabilities pertaining to fixed interest, and the difference is recognised as interest expense and interest income. Hedging is effective if the economic significance of the hedge and liability is the same as if the liability had instead been taken up at a fixed market rate when the hedging relationship commenced. Any premium paid for the swap agreement is accrued as interest over the contract term.

The Board's proposed appropriation of profits

Proposed appropriation of profits	SEK
Funds available for distribution by the AGM	
Share premium reserve	642,253,871
Retained earnings	386,490,179
Profit for the year	83,138
Total	1,028,827,188
The Board proposes that the profits be distributed as follows:	
To shareholders in the form of dividends	-
Profit carried forward	1,028,827,188
Total	1,028,827,188

The Board of Directors of Humana has decided that the generated cash flow will be reinvested in operations. In accordance with previous years, the Board will propose to the 2016 AGM that no dividend be paid for Class A and B ordinary shares or Class C preference shares for the 2015 financial year, and that profit for the year be reinvested in operations.

The Board of Directors and the CEO confirm that the annual accounts have been prepared in accordance with generally accepted accounting standards in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in European Parliament and Council Regulation (EC) no. 1606/2002 of 19 July 2002 on the application of international financial reporting standards. The

annual accounts and consolidated accounts provide a true and fair view of the financial position and financial performance of the Parent Company and the Group. The Board of Directors' Report for the Parent Company and the Group provides a true and fair overview of the development of the operations, financial position and financial performance of the Parent Company and Group, and describes material risks and uncertainties faced by the Parent Company and Group companies.

The Board has authorised the annual accounts and the consolidated accounts for issue on 23 February 2016. The consolidated income statements and balance sheets and the Parent Company's income statements and balance sheets will be presented for adoption at the Annual General Meeting on 6 March 2016.

Stockholm, 23 February 2016

Per Bätelson
Chairman of the Board

Helen Fasth Gillstedt
Board member

Wojciech Goc
Board member

Per Granath
Board Member and CEO

Simon Lindfors
Board member

Rasmus Nerman
CEO

Maria Nilsson
Board member

Lloyd Perry
Board member

Ulrika Östlund
Board member

Our Audit Report was submitted on
23 February 2016
KPMG AB

Petra Lindström
Authorised Public Accountant

Audit report

To the Annual General Meeting of Humana AB, corporate identity no. 556760-8475

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts for Humana AB for the year 2015, with the exception of the Corporate Governance Report on pages 55-58. The Parent Company's annual accounts and the consolidated accounts are included in the printed version of this document on pages 43-94.

Responsibility of the Board of Directors and CEO for the annual report and consolidated financial statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act, and of the consolidated accounts in accordance with International Financial Reporting Standards as adopted by the EU and the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We have conducted the audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and conduct the audit to obtain reasonable assurance that the annual report and consolidated financial statements are free of material misstatements. An audit involves taking steps to obtain audit evidence about the amounts and disclosures in the annual report and consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinion

In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and presents fairly, in all material respects, the financial position of the Parent Company at 31 December 2015 and its financial performance and cash flows for the year in accordance with the Annual Accounts Act. In our opinion, the consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Group at 31 December 2015 and its financial performance and cash flows in accordance with International Financial Reporting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the Corporate Governance Report on pages 55-58. The Board of Directors' Report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that

the annual meeting of shareholders adopt the income statements and balance sheets for the Parent Company and for the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the Company's profit or loss and the administration of the Board of Directors and the Managing Director of Humana AB for the year 2015. We have also conducted a statutory review of the Corporate Governance Report.

Responsibility of the Board of Directors and Managing Director

The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and ensuring that the Corporate Governance Report on pages 55-58 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriation of the profit or loss and on the administration of the Company based on our audit. We have conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion concerning the Board's proposed appropriations of the Company's profit or loss, we examined whether the proposal is in accordance with the Companies Act. As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the Company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the Company. We also examined whether any member of the Board or the Managing Director has in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

We have read the Corporate Governance Report and based on this reading and our knowledge of the Company and Group, we believe that we have sufficient grounds for our opinions. This means that our statutory review of the Corporate Governance Report has another focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinion

We recommend to the annual general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board and the Managing Director be discharged from liability for the financial year. A corporate governance report has been prepared and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Stockholm, 23 February 2016

KPMG AB

Petra Lindström

Authorised Public Accountant

Definitions of financial terms

Adjusted EBIT

Operating profit adjusted for non-recurring items.

Adjusted EBITDA

Operating profit before depreciation, amortisation and impairment losses adjusted for non-recurring items.

Average equity

Calculated on average equity attributable to Parent Company shareholders per quarter, calculated from the opening and closing balance for each quarter.

Average number of customers

Average number of customers during the period.

Average number of employees

The average number of full-time employees during the reporting period.

Average number of ordinary shares

Calculated as the average number of ordinary shares outstanding on a daily basis after redemption and repurchase.

Capital employed

Total assets less non-interest-bearing liabilities.

Earnings per ordinary share for the period

Profit for the period attributable to Parent Company shareholders less the period's share of the adopted dividend for preference shares divided by the average number of ordinary shares.

EBIT

Operating profit before provision for additional purchase consideration, interest and tax.

EBIT margin (percent)

EBIT divided by operating revenue multiplied by 100.

Equity per ordinary share

Equity attributable to Parent Company shareholders divided by the number of shares at the end of period after redemption, repurchase and new share issue.

Equity/assets ratio (percent)

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

Interest-bearing net debt

Borrowing 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/impairment, working capital and investments in other assets (net).

Operating profit

Profit before provision for additional purchase consideration, interest and tax.

Organic growth

Growth for comparable companies in each segment that Humana owned during the corresponding comparative period.

Return on capital employed (percent)

Operating profit and finance income divided by total capital employed multiplied by 100.

Definitions of sector terms

Bufdir

Barne-, ungdoms- og familiedirektoratet (Children, Youth and Family Directorate). The Norwegian central body for the administration and operation of child care services.

Bufetat

Barne-, ungdoms- og familieetaten (Children, Youth and Family Affairs). Bufetat is under the auspices of the Norwegian Children, Equality and Inclusion Department. Bufetat is divided into five regions and is responsible for operations and services related to child and family care.

Care chain

A sequence of health and care forms that run over time.

Core values

Humana's ethical and moral platform.

CSI

Customer satisfaction index

Dynamic Care

Humana's name for a combination of various measures and forms of care that are adapted dynamically to customer needs.

ESI

Employee satisfaction index

Habiliteket

Humana's preschool, day-care and short-term care facilities for children with multiple disabilities.

HOT

Act on Municipal Health and Care Services. Norwegian law regulating the care of children, youth and adults with physical and mental disabilities.

HSL

The Health Care Act

Humana Academy

Humana's internal training activities.

HVB

Residential care home

INOM

Group with operations focused on specialist care in psychiatry and psycho-social change, acquired by Humana in 2014.

IVO

Inspectorate for Health and Social Care

LSS

Law on support and service to certain disabled persons

LOU

The Public Procurement Act

LOV

Act on System of Choice in the Public Sector

SFB

Social Insurance Code

SiS

Swedish National Board of Institutional Care

SoL

The Social Services Act

Tiltaksgruppen

Norwegian care company, acquired by Humana in 2014.

TUA

Norwegian care company, acquired by Humana in 2014.

Våre Hjem

Norwegian care company, acquired by Humana in 2014.



A good life.
No matter
who you are.

Everyone is entitled
to a good life.
Yes, everyone.



Humana

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Humana – The leading private care company driven by ideas