



Humana

Interim report Jan-Sep, Q3 2022

Continuous improvements and profitable growth

Third quarter, July–September 2022

- Operating revenue amounted to SEK 2,373 million (2,034), an increase of 16.7 percent mainly due to acquisitions in Sweden and Finland from prior periods, but also higher occupancy in underlying operations.
- Organic growth was 4.0 percent (3.0). All business areas, except Personal Assistance, are contributing. The largest contribution came from Elderly Care and Individual & Family.
- Operating profit amounted to SEK 171m (192), a decrease of 10.9 percent. The decrease is mainly due to increased cost from inflation totalling approximately SEK 11m and continuous shortage of staff. Adjusted for non-recurring costs for adaptation of central functions, operating profit amounted to SEK 175m (192).
- Net profit after tax for the period amounted to SEK 104m (123).
- Basic and diluted earnings per share for the period amounted to SEK 2.17 (2.55).
- Cash flow for the period amounted to SEK -75m (-42). Operating cash flow amounted to SEK 124m (180), a decrease of 31.3 percent attributable to lower result and working capital tiedup related to acquisitions and investments in new units.

Nine-month period, January–September 2022

- Operating revenue was SEK 6,761m (6,078), an increase of 11.2 percent. Organic growth was 2.6 percent.
- Operating profit amounted to SEK 312m (411), a decline of 24.1 percent. Adjusted operating profit amounted to SEK 316m (411).
- Net profit after tax for the period amounted to SEK 150m (243).
- Basic and diluted earnings per share for the period amounted to SEK 3.13 (4.99).
- Cash flow in the nine-month period amounted to SEK -125m (-106). Operating cash flow amounted to SEK 475m (627).

Key ratios

SEK millions	Jul-Sep 2022	Jul-Sep 2021	%	Jan-Sep 2022	Jan-Sep 2021	%	Oct-Sep 2021/22	Jan-Dec 2021	%
Net revenue	2,373	2,033	16.7%	6,761	6,075	11.3%	8,862	8,176	8.4%
Other operating revenue	0	1	-95.1%	0	3	-95.8%	9	12	-27.1%
Operating revenue	2,373	2,034	16.7%	6,761	6,078	11.2%	8,871	8,188	8.3%
Operating profit	171	192	-10.9%	312	411	-24.1%	394	493	-20.0%
Adjusted operating profit	175	192	-8.9%	316	411	-23.1%	400	495	-19.2%
Net profit for the period	104	123	-15.8%	150	243	-38.0%	184	276	-33.4%
Operating cash flow	124	180	-31.3%	475	627	-24.2%	633	785	-19.4%

Comments from the CEO

Humana is continuing its sequentially positive development relating to growth, profit improvement and quality initiatives. We are taking a major step forward in terms of better conveying our contribution to society by presenting social outcome measurements for Individual & Family care in Sweden. Despite continuous shortage of staff, it is pleasing to see that we manage to increase occupancy in our operations.



The Group is continuing to develop in the right direction during the quarter, with higher organic growth and an operating margin approaching our targets in the medium term. Revenue increased by approximately 17 percent in the third quarter, amounting to SEK 2,373m. Pleasingly, growth is achieved throughout all our business areas, which is a clear result of acquisitions, positive occupancy development and increased ramp-up pace rates of new units.

Adjusted operating profit amounted to SEK 175m, corresponding to an adjusted operating margin of 7.4 percent. We note that underlying operations are continuing to recover after a turbulent period, and that profitability is approaching previous years level.

Stable demand in a turbulent operating environment

Demand for our services remains stable and our offering reflects the needs of society, with increased mental health challenges, crime and an ageing population. The need for highly specialised services is clear in all of the Nordic countries, and we continue our efforts to create the best conditions for our employees to take care of perhaps the most fragile individuals in society.

After the Swedish election, we have a cautiously positive outlook on the political landscape as topics such as freedom of choice, quality and price competition, and social innovation, that we keep close to our heart, gets increased attention. We can now finally show actual social outcome measurements and build upon the huge wealth of knowledge that the organisation has collected over many years – all to

establish the best conditions for individuals and society at large.

Our operations continue to face significant attention from authorities. We welcome extensive audits of all providers that leads to higher quality in the sector, and we are confident that we have well-established procedures for systematic quality assurance and are working effectively to improve each and every day. Although, drawn-out review processes create legal uncertainty and risk distracting us from our core operations. In personal assistance, reclaims initiated by the Swedish Social Insurance Agency (Försäkringskassan) for both us and other providers, causes protracted suitability reviews by the Health and Social Care Inspectorate (IVO). We at Humana want to create positive social impact and we take active steps to develop and improve care in the Nordics at every level in our collective system.

There are still considerable staff shortages in our sector. We are working actively and tirelessly to ensure we have the competence to offer our clients the care to which they are entitled. The recruitment and staffing initiatives we implemented earlier in the year have yielded some results, but staffing continues to be a challenge in large parts of the Group. Our colleagues at Humana do impressive work each and every day, and we have raised our ambitions to meet our employees' needs both now and going forward.

We revised our strategy going forward during the quarter. We will more clearly prioritise value-creating activities to reach our long term targets. Monitoring the results of our care will help us with the direction of our priorities.

Positive trend in underlying operations

The integration of Assistans för Dig is moving in a positive direction within **Personal Assistance**. However, this business area remains marked by staffing challenges and higher overhead costs for assistants compared to previous year. Salary increases from 1 July and certain wage drift have also led to greater pressure on margins. In the government's recently disclosed budget, the state compensation was, similar to previous increases, adjusted up by 1.5% for 2023, which will take effect at the turn of the year.

Individual & Family is continuing the positive trend we have seen gradually developing earlier this year. During the quarter, we see historically high organic growth created by higher occupancy levels, a solid opening rate and a positive effect from initiated price increases. We were more successful during this quarter in ensuring staffing levels, even if considerable parts in the operations suffer from staffing challenges. All in all, several of the activities we initiated in the spring have had an effect, meaning that the margin reached the previous year's level, despite a negative effect from inflation.

I am pleased to note that **Elderly Care** is contributing positively to consolidated operating profit during the third quarter. We are gradually increasing occupancy in our newly opened units which together with our initiatives to increase cost control have an effect on earnings. We are continuing to actively target measures to increase profitability.

In **Finland**, the strategic decision to shift towards more specialised services has begun to yield results. However, the business area still struggles with major difficulties to cover staffing needs; offset in the quarter by positive seasonal effects. There is a considerable shortage of staff across the sector in Finland, and the Finnish government recently announced that the implementation pace for



We are taking a major step forward in terms of better conveying our contribution to society by presenting social outcome measurements.

increased staffing levels within elderly care will be slowed down.

Norway continues to develop in a positive direction, with growth continuing in personal assistance. However, development in the business area is hampered by challenges in children and young people. Demand remains stable, but the political climate and regulatory requirements contribute to challenges with staff supply at the same time as the client group is becoming increasingly complex. We continue to fight to give both children, young people as well as adults a better life, both through our everyday efforts and by telling how we as a social provider contribute to the development of care.

New methods of measuring quality give us a head start

Our revised strategy involves a greater degree of prioritisation to reach our targets and to contribute to a socially sustainable society. To create real social sustainability - evidence based methods, standardisation and focus on quality and results are required, which is illustrated on pages 13-14 of this report. This is how we can contribute to shaping the future of social care.

Stockholm, 10 November 2022

Johanna Rastad
President and CEO, Humana AB



This is Humana

We drive the future of welfare

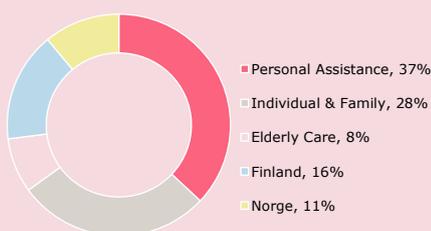
Humana is there for people with functional impairment, psychosocial disorders and mental health problems, as well as for the elderly. Our vision is *Everyone is entitled to a good life*.

With assignments in hundreds of municipalities, 9,000 customers and clients, 18,000 employees and several hundred units in Sweden, Finland, Norway and Denmark, we are a major provider in Nordic welfare today. Humana shows what quality care is all about. Our work is based on the individual's circumstances and needs. Our care is grounded in scientific evidence and the best available know-how and is provided by knowledgeable, dedicated employees. Both our own and external surveys confirm that we succeed in what we do time and time again.

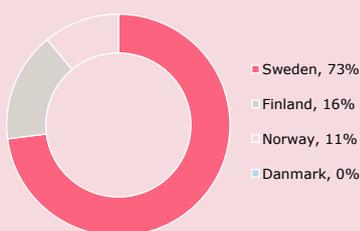
But we won't stop there. Continuous development to maintain the highest quality is an essential aspect for us. We intend to set a new, higher standard of care. This is how we drive the future of Nordic care and welfare.

Everyone is entitled to a good life. Humana works to make this a reality.

Five business areas



Operations in four countries



Strong market position in the Nordics

Humana is a Nordic care group with market-leading positions in individual and family care and personal assistance. We are growing in elderly care and are building new care homes under our own management.

18,329
employees

9,384
customers

8,188
revenue, SEK millions

The financial data on this page refers to the full year 2021.

Strategy for sustainable care

Humana's vision and overall objectives deal with social sustainability at an individual and societal level. For that reason, sustainability is an integral part of our strategy.

We have defined four strategic target areas: quality, attractiveness as an employer, profitable growth and social responsibility. These target areas, together with our core values, steer our business towards the vision that everyone is entitled to a good life.

OBJECTIVE

The obvious choice of provider of care services for customers, clients and contractors who require high quality.

STRATEGIC TARGET AREAS

QUALITY OPERATIONS



ATTRACTIVE EMPLOYER



PROFITABLE GROWTH



SOCIALLY RESPONSIBLE PROVIDER



Financial overview

Operating revenue by business area

SEK millions	Jul-Sep 2022	Jul-Sep 2021	%	Jan-Sep 2022	Jan-Sep 2021	%	Oct-Sep 2021/22	Jan-Dec 2021	%
Individual & Family	616	548	12.4%	1,792	1,678	6.8%	2,371	2,257	5.1%
Personal Assistance	912	767	18.9%	2,478	2,275	8.9%	3,246	3,042	6.7%
Elderly Care	207	173	19.7%	604	479	26.1%	794	669	18.7%
Finland	374	314	19.0%	1,107	956	15.8%	1,435	1,284	11.8%
Norway	259	225	14.9%	765	676	13.3%	1,006	916	9.8%
Other	5	6	-18.9%	14	15	-2.3%	17	20	-12.1%
Total operating revenue	2,373	2,034	16.7%	6,761	6,078	11.2%	8,869	8,188	8.3%

Organic growth by business area

Percent	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/22	Jan-Dec 2021
Individual & Family	6.0%	-1.2%	-0.7%	2.2%	-1.9%	0.9%
Personal Assistance	-1.4%	2.4%	-1.2%	2.0%	-1.3%	1.9%
Elderly Care	19.7%	15.7%	26.1%	6.4%	29.8%	10.1%
Finland	3.9%	0.4%	2.6%	-1.2%	3.2%	-0.5%
Norway	6.3%	10.8%	6.8%	12.6%	8.0%	13.8%
Total organic growth	4.0%	3.0%	2.6%	2.9%	2.8%	3.1%

Operating profit by business area

SEK millions	Jul-Sep 2022	Jul-Sep 2021	%	Jan-Sep 2022	Jan-Sep 2021	%	Oct-Sep 2021/22	Jan-Dec 2021	%
Individual & Family	78	69	11.9%	137	161	-14.8%	144	168	-14.1%
Personal Assistance ¹⁾	54	66	-18.6%	138	151	-8.8%	195	208	-6.4%
Elderly Care	9	3	164.9%	-1	5	n/a	-9	-3	n/a
Finland ²⁾	23	26	-11.5%	26	53	-51.1%	28	56	-48.9%
Norway	21	31	-31.0%	57	70	-18.5%	90	103	-12.5%
Other ³⁾	-14	-4	n/a	-45	-29	n/a	-55	-40	n/a
Total operating profit	171	192	-10.9%	312	411	-24.1%	394	493	-20.0%

Operating margins by business area

Percent	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/22	Jan-Dec 2021
Individual & Family	12.6%	12.7%	7.7%	9.6%	6.1%	7.5%
Personal Assistance	5.9%	8.6%	5.6%	6.6%	6.0%	6.8%
Elderly Care	4.1%	1.9%	-0.2%	1.0%	-1.1%	-0.4%
Finland	6.2%	8.4%	2.4%	5.6%	2.0%	4.3%
Norway	8.3%	13.8%	7.5%	10.4%	9.0%	11.3%
Total operating margin	7.2%	9.4%	4.6%	6.8%	4.4%	6.0%

1) Operating profit in the fourth quarter 2021 includes retroactive repayment of previously paid-in pension premiums totalling SEK 11m.

2) Operating profit in the fourth quarter 2021 includes a final settlement of a dispute of SEK -13m.

3) Operating profit in the third quarter 2022 includes costs for adaptation of central functions totalling SEK 4m.

Group development

Revenue

Operating revenue amounted to SEK 2,373m (2,034) in the third quarter, an increase of 16.7 percent. Revenue increased organically by 4.0 percent (3.0) for the quarter. The increase in organic growth during the quarter is mainly related to new units and higher occupancy in mature units. Price adjustments also had a positive contribution. Acquired operations contributed SEK 227m to revenue in the third quarter. Operations under own management accounted for 95.6 percent of total revenue in the quarter, and contracted operations accounted for 4.4 percent.

Operating revenue for the nine-month period amounted to SEK 6,761m (6,078), an increase of 11.2 percent, mainly due to acquisitions and new units. Organic revenue growth was 2.6 percent (2.9). Acquired operations accounted for SEK 449m of revenues. Operations under own management accounted for 96.3 percent of total revenue and contracted operations accounted for 3.7 percent. Occupancy in elderly care, outpatient care and other operations was negatively affected by the pandemic during the first half of the year, but recovered during the third quarter.

Profit

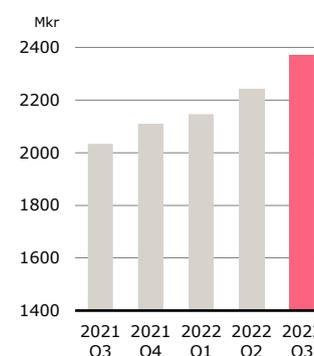
Operating profit for the third quarter totalled SEK 171m (192), a decrease of 10.9 percent. Adjusted for costs related to adaptation of central functions, the operating profit amounted to SEK 175m (192), a decrease of 8.9 percent. The operating margin decreased to 7.2 percent (9.4). The adjusted operating margin was 7.4 percent (9.4). Consolidated operating profit in the third quarter was negatively impacted by higher costs related to inflation by approximately SEK -11m, as well as by ongoing staffing challenges. Operating profit for the quarter was also affected by costs related to new units.

Operating profit for the nine-month period totalled SEK 312m (411), a decrease of 24.1 percent, and the operating margin amounted to 4.6 percent (6.8). Adjusted for costs related to adaptation of central functions, the operating profit amounted to SEK 316m (411), a decrease of 23.1 percent. The adjusted operating margin was 4.7 percent (6.8). The decrease in profit for the nine-month period is mainly due to higher staffing costs, including costs for temporary resources. Costs linked to new units have also affected profit negatively. Inflation gradually impacted operating profit during the nine-month period. The pandemic had a direct negative impact of SEK -15m on the first quarter of operations, while the impact on the second and third quarters was significantly lower.

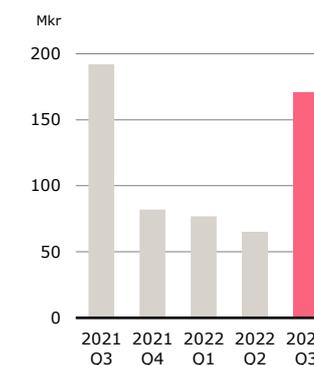
Effects on operating profit from lease contracts regarding rent, depreciation and amortisation as a consequence from the accounting standard IFRS 16, which has been applied since 1 January 2019, amounted to SEK 18m in the quarter (see table).

IFRS 16 effects, SEK millions	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
Rental charges	113	98	333	280
Depreciation/amortisation	-95	-81	-279	-231
Operating profit	18	18	53	48
Net financial effect	-26	-24	-77	-66
Profit before tax	-7	-6	-23	-17

Revenue



Operating profit



Operating cash flow and interest-bearing net debt

Operating cash flow in the third quarter amounted to SEK 124m (180). The difference is mainly explained by changes in working capital, investments in new units and lower profit before tax.

Humana's interest-bearing net debt increased by SEK 497m to SEK 4,650m (4,153). Net debt increased mainly due to higher lease liabilities attributable to investments in new units, acquisitions and share buybacks. The leverage ratio, measured as interest-bearing net debt in relation to adjusted EBITDA, is 5.3x (4.6).

During the first quarter of 2022, Humana repurchased shares of SEK 55m. As of 31 March 2022, the holdings of treasury shares amounts to 10 percent of the total number of outstanding shares corresponding to SEK 313m at cost. The repurchased shares have reduced cash and equity, which increases the company's interest-bearing net debt. The annual general meeting 2022 decided that the holdings of treasury shares to be redeemed and the share capital to be restored by way of bonus issue, which was executed on 19 May 2022. On 30 June, the total number of shares in the company was 47,826,058 and the company's holdings of own shares was 0.



Performance by business area

Individual & Family



Revenue for the third quarter amounted to SEK 616m (548), an increase of 12.4 percent compared to the corresponding period last year. Revenue for the nine-month period increased by 6.8 percent to SEK 1,792m (1,678). Organic growth was 6.0 percent (-1.2) for the quarter and -0.7 percent (2.2) for the nine-month period. The increase in revenue during the quarter is due to acquisitions completed in 2021 and a combination of increased occupancy in the Adult- and Child and Youth segments and price increases. The increase in revenue in the nine-month period is mainly due to acquisitions from 2021, offset by lower occupancy and closed units in the Child and Youth segment.

Operating profit for the third quarter totalled SEK 78m (69), a year-on-year increase of 11.9 percent. Operating profit for the nine-month period amounted to SEK 137m (161), a decrease of 14.8 percent. The operating margin for the quarter was 12.6 percent (12.7) and for the nine-month period 7.7 percent (9.6). Relatively high occupancy in the Adult segment contributed to the increase in profit for the quarter, as well as a recovery to the previous year's margins in the Child and Youth segment. The nine-month period was negatively affected by closed units, higher personnel costs as a result of staffing challenges and, to some extent, effects from the pandemic in the first half of the year.

Personal Assistance



Revenue increased by 18.9 percent to SEK 912m (767) in the third quarter. Organic growth was -1.4 percent (2.4). Revenue for the nine-month period was SEK 2,478m (2,275), an increase of 8.9 percent, of which -1.2 percent (2.0) was organic. The increase in revenue during the quarter and the nine-month period is due to acquisitions partly offset by fewer assistance hours, mainly due to difficulties with recruitment and staffing.

Operating profit in the quarter amounted to SEK 54m (66), a decrease of 18.6 percent, while operating profit in the nine-month period amounted to SEK 138m (151), a decrease of 8.8 percent. The operating margin was

Percentage of Group revenue, Q3 2022

26%

Operating revenue and operating margin



Percentage of Group revenue, Q3 2022

38%

Operating revenue and operating margin



5.9 percent (8.6) for the third quarter and 5.6 percent (6.6) for the nine-month period. Operating profit in the quarter and the nine-month period was affected by increased personnel costs, increased overhead costs for assistants and administrative costs as related to acquisitions. The acquired operations of Assistans för dig contributes positively to the result in the quarter, but pressures the margin in the business area.

Elderly Care



Revenue in the third quarter amounted to SEK 207m (173), an increase of 19.7 percent and SEK 604m (479) in the nine-month period, an increase of 26.1 percent. Organic growth was 19.7 percent (15.7) for the quarter and 26.1 percent (6.4) for the nine-month period. The revenue increase and organic growth in the quarter and nine-month period were primarily due to five new elderly care homes under own management, opened in 2021.

Operating profit amounted to SEK 9m (3) in the quarter and SEK -1m (5) for the nine-month period. The operating margin was 4.1 percent (1.9) for the third quarter and -0.2 percent (1.0) for the nine-month period. Operating profit in the quarter was positively affected by higher occupancy. The negative trend in the nine-month period was mostly impacted by a slow improvement in occupancy during the first half of the year, primarily in new units. Increased personnel costs as a result from staffing challenges also had a negative impact.

Finland



Revenue amounted to SEK 374m (314) in the third quarter, an increase of 19.0 percent. Revenue for the nine-month period amounted to SEK 1,107 m (956), an increase of 15.8 percent. Organic growth was 3.9 percent (0.4) for the quarter and 2.6 percent (-1.2) for the nine-month period. The increase in revenue during the quarter and nine-month period was mainly due to acquisitions and new units in the Child and Youth segment.

Operating profit for the third quarter totalled SEK 23m (26), a decrease of 11.5 percent. Operating profit for the nine-month period amounted to SEK 26m (53), a decrease of 51.1 percent. The operating margin was 6.2 percent (8.4) for the quarter and 2.4 percent (5.6) for the nine-month period. The decrease in

Percentage of Group revenue, Q3 2022

9%

Operating revenue and operating margin



Percentage of Group revenue, Q3 2022

16%

Operating revenue and operating margin



profit during the quarter and the nine-month period is mainly due to continuous high personnel costs as a result of difficulties with staffing and elevated level of sick leave. Operating profit for the nine-month period was also negatively affected by start-up costs for new units and acquisitions undergoing efficiency improvements.

Norway



Revenue increased by 14.9 percent to SEK 259m (225) in the third quarter. Revenue for the nine-month period amounted to SEK 765m (676), an increase of 13.3 percent. Organically, revenues increased by 6.3 percent (10.8) in the quarter and 6.8 percent (12.6) in the nine-month period, mainly due to an increased number of clients in all segments except Child and Youth.

Operating profit for the quarter totalled SEK 21m (31), a decline of 31.0 percent. Operating profit for the nine-month period amounted to SEK 57m (70), a decline of 18.5 percent. The operating margin was 8.3 percent (13.8) in the quarter and 7.5 percent (10.4) for the nine-month period. The lower operating profit in the quarter and the nine-month period was negatively affected by increased personnel costs and reduced operations in the Child and Youth segment. Operating profit for the nine-month period was also affected by higher costs to lay the foundations for sustained growth.

Percentage of Group revenue, Q3 2022

11%

Operating revenue and operating margin



Financial position

Financing

Consolidated equity amounted to SEK 2,670m (2,512) on 30 September 2022. The equity/assets ratio was 28.1 percent (28.3). Interest-bearing net debt amounted to SEK 4,650 (4,153), a year-on-year increase of SEK 497m. The leverage ratio, measured as interest-bearing net debt in relation to adjusted EBITDA, increased to 5.3x (4.6). Leverage ratio increased due to increased lease liabilities attributable to investments in new units, acquisitions, share buybacks and lower adjusted EBITDA.

SEK millions	30 Sep 2022	30 Sep 2021	31 Dec 2021
Non-current interest-bearing liabilities	4,898	4,572	4,702
Current interest-bearing liabilities	345	253	218
Cash and cash equivalents	-593	-672	-695
Interest-bearing net debt	4,650	4,153	4,226
<i>of which interest-bearing lease liabilities</i>	<i>2,879</i>	<i>2,734</i>	<i>2,773</i>
Interest-bearing net debt excl. lease liabilities	1,771	1,419	1,453
Equity/assets ratio	28.1%	28.3%	28.4%
Interest-bearing net debt/adjusted EBITDA, 12 months, times	5.3x	4.6x	4.6x

Cash flow

Cash flow for the quarter amounted to SEK -75m (-42), where cash flow from operating activities was SEK 65m (127). The lower cash flow from operating activities is mainly due to lower result and working capital tied up related to acquisitions. Cash flow for the nine-month period amounted to SEK -125m (-106), where cash flow from operating activities was SEK 376m (545), a decrease of SEK 170m which mainly relates to changes in lower income before tax and changes in working capital.

Cash flow from investing activities amounted to SEK -45m (-91) in the quarter and SEK -172m (-213) for the nine-month period and was due to investments in new units and acquisitions.

Cash flow from financing activities amounted to SEK -95m (-78) in the quarter and SEK -330m (-438) for the nine-month period, mainly due to repayment of lease liabilities. The nine-month period was also affected by lower amortisations and less impact from share buybacks.

Financial targets

Profitability

An operating margin of 7 percent over the medium term.

Revenue growth

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

Capital structure

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

Significant events in and after the third quarter of 2022

- In November, the Chairman of the Board, Sören Mellstig, informed that he will not be available for re-election at the 2023 Annual General Meeting.

Significant events in the second quarter of 2022

- In June, the operations of Assistans för dig were acquired. The company's full-year revenues are approximately SEK 600m and it has around 2,000 employees.
- The care company Vintergatan AB based in Alingsås was acquired in June. Vintergatan AB runs residential care homes including 11 flats for young adults aged 18–25 and two assisted living flats for adolescents aged 16–20. The company's full-year revenues total around SEK 14m.
- In June, the Finnish open care company Debora Lapsiperhepalvelut Oy was acquired. The company provides care to families and children. The company's full-year revenues total approximately EUR 2.9m, corresponding to SEK 30m.
- Humana has signed an agreement for a new elderly care home containing 100 flats in Strängnäs. The assignment will involve both building and managing the home on behalf of the municipality. The home is scheduled to open in spring 2025.
- In accordance with the decision at the 2022 annual general meeting, Humana has reduced share capital by redemption of 5,314,006 shares and restoring the share capital by way of bonus issue.
- In June, Humana's CFO, Noora Jayasekara, left Humana after four years and was replaced by interim CFO, Andreas Westlund.

Significant events in the first quarter of 2022

- In January, the Finnish individual and family care company Kalliola Oy was acquired, which provides individual and family care for children and young people and residential and outpatient care in southern Finland. The company's full-year earnings are approximately EUR 9m, corresponding to SEK 93m, and it has around 190 employees.
- During the quarter, Humana repurchased 1,066,147 own shares. Subsequently, the company's total own shareholding, at the end of the quarter, amounts to 5,314,006, which corresponds 10 percent of the total number of shares outstanding and 10 percent of the total number of votes, which were redeemed during the second quarter.

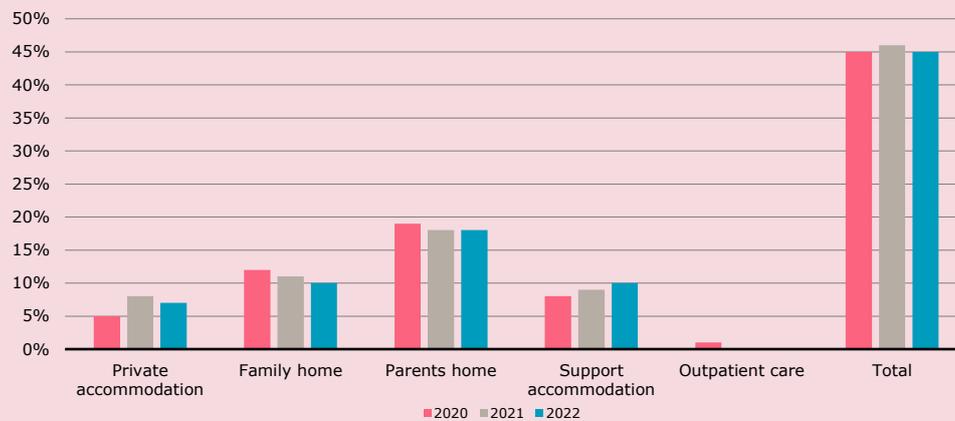
Quality at Humana

Introducing Social outcome measurements

As a Group, Humana wants to contribute to standardise the social care sector, with a focus on outcomes. A common standard for what represents good quality in care is currently lacking, as are clear outcome measurements linked to results and performance. It is time to take the next step in our quality journey – monitoring and following up on social outcomes.

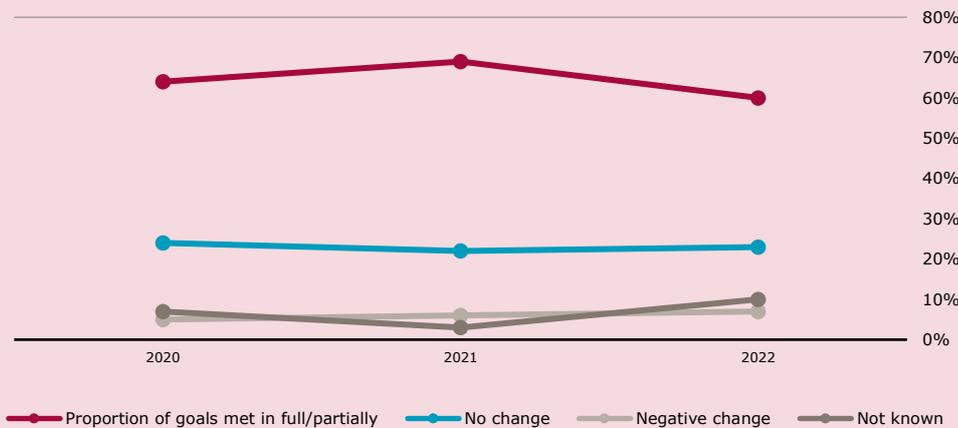
In this quarter we will begin by reporting four outcome indicators in the Individual & Family business area. The outcomes are based on accumulated values from care efforts implemented in 2020, 2021 and 2022 (up until 30 September).

1. Proportion of completed placements that led to a lower level of care



During 2022, 45 percent of total completed placements of children and young people in care at our residential care home operations were able to transfer to lower-intensity care. Humana’s target is to gradually increase the proportion of such placements that transfer to lower-intensity care.

2. Proportion of clients in total HVB care facilities that achieves the targets in their individual plan either entirely or in part.



During 2022, 60 percent of the targets in the individual plan were partially or fully achieved following completion of a placement (HVB). An achieved implementation plan is prerequisite to be able to transfer to lower-intensity care. To increase the proportion in measurement 1, Humana’s target is to achieve an annual result of 55% for measurement 2.

3. Parent and child assessments of IHF treatment (outpatient care)

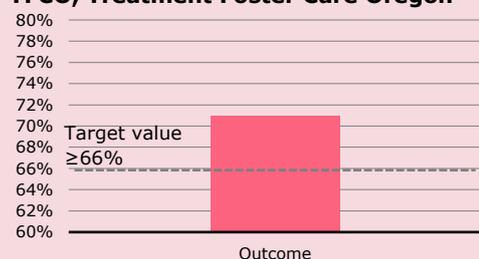
CBCL (Parental view on Child Behaviour) YSR (Youth Self Report)



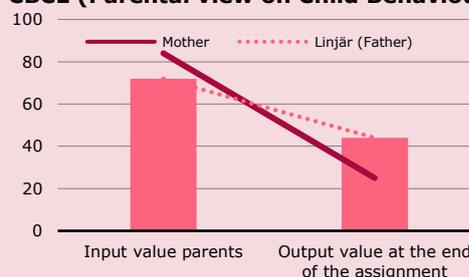
The graph shows the outcome for 31 completed treatments in 2022. We see a decrease in symptoms for the childrens/youths behavioural- social- and emotional problems, which indicates that the wellbeing and functioning of the children /young people has increased, which is in line with Humana’s aim.

4. Proportion of young people who transfer to lower-intensity care following TFCO placement (outpatient care)

TFCO, Treatment Foster Care Oregon



CBCL (Parental view on Child Behaviour)



The graph shows that the outcome in 2022 in which Humana had 27 placements was 71 percent. Humana’s target it to achieve an outcome of at least 66 percent.

Importance of social outcome measurements

The Swedish social political agenda has long focused on modes of operation instead of quality and outcome indicators for the client, as well as on activities instead of actual outcomes. Social care entails enormous costs, and we do not currently know what we get for our money. Outcome indicators that show the actual effect of social measures would increase comparability between providers, both public and private, and would display the results of invested taxpayer money.

Continuous quality efforts at Humana

Humana have implemented a systematic working method for improvement initiatives that promote quality and launched a quality index with twelve important components, known as the Humana Quality Index (HQI). Quality measurement is used as a starting point for setting targets, making evaluations and implementing systematic improvement efforts at the company. The results of the HQI are reviewed by management groups at every level of the company and will be reported externally in the future on an annual basis.

Development of social outcome measures

During 2023, we will present outcome measurements on an ongoing basis, thus focusing on what we as a society receive in the form of social outcomes for our invested taxpayer money.

We also have a long-term goal of using the outcome measures to produce social impact bonds and other performance and quality-orientated procurements that currently do not exist in social care in the Nordics. Quality procurements should be designed in line with those who can demonstrate the outcome through what they deliver. This is an important part of driving social sustainability in the Nordics.

Other information

Employees

The number of full-time employees at 30 September 2022 was 12,976 (11,442).

Shares, share capital and shareholders

The number of shares in Humana AB at 30 September 2022 amounted to 47,826,058 with a quotient value of SEK 0.025, corresponding to share capital of SEK 1,180,890. The number of shareholders was 4,583. The five largest shareholders were Impilo Care AB, Incentive AS (via funds and mandate), Alcur Fonder, SEB Investment Management and Nordea Investment Funds.

Share buybacks

At the 2020 AGM, the Board was authorised to acquire shares as long as the company's total holdings of own shares does not exceed one-tenth of all shares in the company and to transfer own shares in the company. In February 2022, Humana repurchased 1,066,147 shares at a cost of SEK 55m, corresponding to an average price of SEK 51.42 per share. Subsequently, the company's total own shareholding amounts to 5,314,006 shares, which is 10.0 percent of the total number of outstanding shares and votes. The annual general meeting 2022 decided that the holdings of treasury shares be redeemed and the share capital to be restored by way of bonus issue, which was executed on 19 May 2022. On 30 September, the total number of shares in the company was 47,826,058 and the company's holdings of own shares was 0.

Marketplace

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

Share-based incentive programmes

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

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

Related-party transactions

The Group's related parties consist of the Board of Directors, Group management and the CEO, through ownership of the company and through their roles as senior executives. Related-party transactions are carried out on an arm's length basis and on market conditions.

Risks and uncertainties

In the course of its operations, Humana is exposed to different types of financial risks, which can be divided into liquidity and funding risk, interest rate risk, credit risk and currency risk. Risks are described in more detail in the section in Humana's 2021 annual and sustainability report entitled Risks and risk management on pages 62–69 as well as in Note G20.

The main risks related to operations and uncertainties that can affect the company's performance are related to political decisions that may affect private care companies, as well as risks when implementing completed acquisitions. Humana conducts operations that are financed by state, municipal and regional entities and, as such, operations can be affected by political decisions. As a result, Humana's opportunities for growth are affected by public opinion and political views on the company's areas of operation. Political decisions and other external factors may also have an indirect impact on the company, for example, through regulatory requirements, investigations, reclaims and permit trials, or inflation. Humana continuously monitors the operating environment and maintains an active dialogue with relevant authorities. The purpose is to quickly perceive external changes in order to assess risks and opportunities, as well as adapt operations to external changes. Humana's operational agreements are mainly index-regulated over time, although there is a risk that price adjustments do not occur at favourable times to compensate for cost adjustments and salary negotiations during certain periods. The political situation is evaluated continuously.

Humana's main risks connected to compliance, responsibility and sustainability are related to quality deficiencies that impact the customer/client. Humana has over 18,000 employees, the majority of whom work directly with the company's customers and clients. There is a risk of staff not following Humana's procedures, but instead developing their own approach to clients and customers. This may arise as a result of high staff turnover, staff recruitment difficulties or lack of leadership. A possible consequence is that customers and clients do not receive the treatment or intervention that has been decided.

Communicable diseases exist in society. These infections can affect anyone in society but the situation is most difficult for vulnerable persons. Humana's operations include customers and clients in vulnerable groups and there are guidelines and procedures in the company's management system on how to prevent and manage various communicable diseases. Communicable diseases may also lead to several employees getting sick at the same time, which entails a risk of not having enough qualified staff to meet needs. A pandemic also entails a risk of a negative impact on Humana's revenues and costs, for example, as a result of lower occupancy or costs for sickness absences and PPE.

The war in Ukraine that broke out at the end of February has so far had a limited impact on Humana's operations. In the longer term, however, this could change for the worse as world peace and the economy are impacted. Higher inflation, rising interest rates and general concern also affect us. We follow these developments through continuous monitoring and analysis of the operating environment.

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

Stockholm, 10 November 2022

Johanna Rastad,
President and CEO

Review report

Humana AB

CID 556760-8475

Introduction

We have reviewed the condensed interim financial information (interim report) of Humana AB (publ) as of 30 September 2022 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 10 November 2022

KPMG AB

Helena Nilsson

Authorised Public Accountant

Consolidated income statement

SEK millions	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/22	Jan-Dec 2021
Net revenue		2,373	2,033	6,761	6,075	8,862	8,176
Other operating revenue		0	1	0	3	9	12
Operating revenue	3.4	2,373	2,034	6,761	6,078	8,871	8,188
Other external expenses		-254	-206	-783	-672	-1,037	-926
Personnel costs		-1,830	-1,534	-5,319	-4,700	-6,952	-6,333
Depreciation, amortisation and impairment		-117	-101	-339	-294	-465	-420
Other operating expenses		-1	-1	-8	-1	-23	-16
Operating expenses		-2,202	-1,842	-6,449	-5,667	-8,477	-7,695
Operating profit		171	192	312	411	394	493
Financial income		6	1	10	3	10	4
Financial expenses		-43	-36	-123	-106	-160	-143
Profit before tax		134	157	198	308	244	354
Income tax		-30	-34	-48	-66	-60	-78
Net profit for the period		104	123	150	243	184	276
Attributable to:							
Parent Company shareholders		104	123	150	243	184	276
Non-controlling interests		-0	-	-0	-	-	-
Net profit for the period		104	123	150	243	184	276
Earnings per share, SEK, before dilution		2.17	2.55	3.13	4.99	3.81	5.67
Earnings per share, SEK, after dilution		2.17	2.55	3.13	4.99	3.81	5.67
Average number of shares, thousands		47,826	48,374	48,008	48,634	48,231	48,699

Consolidated statement of other comprehensive income

SEK millions	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/22	Jan-Dec 2021
Net profit for the period		104	123	150	243	184	276
Other comprehensive income items that have been/may be reclassified to profit or loss							
Hedges of net investments in foreign operations	6	-11	-4	-26	-17	-34	-24
Exchange rate difference on translation of foreign operation		18	-14	47	36	62	51
Net profit and other comprehensive income for the period		112	105	171	262	213	303
Attributable to:							
Parent Company shareholders		112	105	171	262	213	303
Non-controlling interests		-0	-	-0	-	-	-

Condensed consolidated balance sheet

SEK millions	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
Assets				
Non-current assets				
Goodwill	5	4,452	4,112	4,148
Other intangible assets		11	13	11
Property, plant and equipment		411	345	360
Right-of-use assets		2,761	2,652	2,669
Financial assets		63	45	55
Total non-current assets		7,698	7,167	7,243
Current assets				
Trade receivables and other receivables		1,024	873	923
Other current receivables		190	166	140
Cash and cash equivalents		593	672	695
Total current assets		1,807	1,711	1,759
TOTAL ASSETS		9,505	8,878	9,002
Equity and liabilities				
Equity				
Share capital		1	1	1
Other paid-in equity		1,096	1,096	1,096
Reserves		42	13	21
Retained earnings		1,530	1,402	1,436
Equity attributable to Parent Company shareholders		2,669	2,512	2,553
Equity attributable to non-controlling interests		1	-	-
Total equity		2,670	2,512	2,553
Non-current liabilities				
Non-current lease liability		2,609	2,484	2,557
Other interest-bearing liabilities	6	2,289	2,088	2,146
Deferred tax liabilities		74	70	74
Provisions		5	11	4
Total non-current liabilities		4,976	4,653	4,780
Current liabilities				
Lease liability, current		270	250	216
Other interest-bearing liabilities		75	3	3
Trade payables		142	145	165
Other current liabilities	6	1,371	1,315	1,285
Total current liabilities		1,858	1,713	1,669
TOTAL EQUITY AND LIABILITIES		9,505	8,878	9,002

Condensed consolidated statement of changes in equity

SEK millions	Share capital	Other paid-in capital	Translation reserve	Retained earnings	Equity attributable to Parent company owners	Non-controlling interests	Total equity
Opening balance, 1 Jan 2021	1	1,096	-6	1,264	2,354	-	2,354
Comprehensive income for the period							
Net profit for the period	-	-	-	243	243	-	243
Other comprehensive income for the period	-	-	19	-	19	-	19
Total comprehensive income for the period	-	-	19	243	262	-	262
Owner transactions							
Share buybacks	-	-	-	-159	-159	-	-159
Payment of shares for business combinations	-	-	-	55	55	-	55
Total owner transactions	-	-	-	-104	-104	-	-104
Closing balance, 30 Sep 2021	1	1,096	13	1,402	2,512	-	2,512
Opening balance, 1 Jan 2022	1	1,096	21	1,436	2,553	-	2,553
Comprehensive income for the period							
Net profit for the period	-	-	-	150	150	-	150
Other comprehensive income for the period	-	-	21	-	21	-	21
Shareholder contributions	-	-	-	-	-	1	1
Total comprehensive income for the period			21	150	172	1	173
Bonus issue	0	-	-	-0	-	-	-
Owner transactions							
Redemption of own shares	-0	-	-	0	-	-	-
Share buybacks	-	-	-	-55	-55	-	-55
Total owner transactions	-	-	-	-55	-55	-	-55
Closing balance, 30 Sep 2022	1	1,096	43	1,530	2,669	1	2,670

Condensed consolidated statement of cash flows

SEK millions	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/22	Jan-Dec 2021
Profit before tax		134	157	198	308	244	354
Adjustments for:							
Depreciation, amortisation and impairment		118	101	339	294	465	420
Financial items, net		37	35	114	102	150	139
Capital gain on sale of property, plant and equipment		0	0	4	0	6	2
Other non-cash items		-1	-6	1	7	-9	-4
Profit before tax adjusted for non-cash items		287	287	656	712	856	912
Change in working capital		-129	-94	-68	9	-88	-12
Financial items paid, net		-38	-37	-112	-103	-148	-139
Income tax paid		-54	-29	-101	-73	-100	-72
Cash flow from operating activities		65	127	376	545	520	689
Acquisition of operations, net cash impact	5	-10	-73	-70	-135	-88	-153
Disposal of subsidiaries, net cash impact		-	-	-1	-	-1	-
Disposal of properties		-	1	7	5	7	5
Disposal of property, plant and equipment		1	-	5	4	6	5
Investments in other non-current assets, net		-36	-19	-113	-87	-143	-117
Cash flow from investing activities		-45	-91	-172	-213	-219	-260
Change in liabilities to credit institutions, net		-2	-	-2	-50	-2	-50
Repayment of lease liabilities		-93	-78	-273	-229	-356	-312
Share buybacks		-	-	-55	-159	-55	-159
Cash flow from financing activities		-95	-78	-330	-438	-413	-521
Cash flow for the period		-75	-42	-125	-106	-112	-92
Cash and cash equivalents, opening balance		660	709	695	759	672	759
Exchange differences in cash and cash equivalents		8	6	23	19	33	28
Cash and cash equivalents, closing balance		593	672	593	672	593	695

Key ratios

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/22	Jan-Dec 2021
Operating revenue	2,373	2,034	6,761	6,078	8,871	8,188
Operating margin, %	7.2%	9.4%	4.6%	6.8%	4.4%	6.0%
Interest-bearing net debt, SEK million	4,650	4,153	4,650	4,153	4,650	4,226
Return on capital employed, %	2.2%	2.6%	4.0%	5.6%	5.1%	6.6%
Equity/assets ratio, %	28.1%	28.3%	28.1%	28.3%	28.1%	28.4%
Operating cash flow, SEKm	124	180	475	627	633	785
Interest-bearing net debt/adjusted EBITDA, 12 months, times	5.3x	4.6x	5.4x	4.6x	5.4x	4.6x
Average full-time employees, Individual & Family	2,440	2,274	2,343	2,192	2,282	2,169
Average full-time employees, Personal Assistance	6,374	5,541	5,606	5,225	5,494	5,209
Average full-time employees, Elderly Care	1,204	1,016	1,145	943	1,107	955
Average full-time employees, Finland	1,934	1,633	1,996	1,622	1,886	1,605
Average full-time employees, Norway	1,127	1,050	1,090	1,012	1,053	994
Average full-time employees, central functions including Denmark	59	69	63	66	62	65
Total average full-time employees	13,137	11,583	12,244	11,060	11,884	10,996
Full-time employees at end of period	12,976	11,442	12,976	11,442	12,976	10,945
Average number of customers, Individual & Family	1,889	1,724	1,877	1,778	1,864	1,789
Average number of customers, Personal Assistance	2,155	1,864	1,977	1,873	1,952	1,874
Average number of customers, Elderly Care	1,053	912	1,042	859	1,031	894
Average number of customers, Finland	4,356	4,027	4,222	4,034	4,219	4,079
Average number of customers, Norway	502	422	478	397	466	406
Average number of customers, Denmark	48	65	63	67	59	61
Total average customers	10,004	9,013	9,658	9,008	9,590	9,102
Average number of shares, thousands	47,826	48,374	48,008	48,634	48,231	48,699
Equity per share, SEK	56	52	56	52	55	52
Earnings per share, SEK, after dilution	2.17	2.55	3.13	4.99	3.81	5.67

Parent Company

Condensed income statement

SEK millions	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/22	Jan-Dec 2021
Operating revenue	0	-	0	-	0	-
Operating expenses	-5	-3	-14	-13	-17	-16
Operating profit	-5	-3	-14	-13	-17	-16
Interest income	27	7	37	22	56	40
Interest expenses	-51	-19	-98	-69	-132	-103
Profit after financial items	-29	-16	-75	-60	-94	-79
Group contributions	-	-	-	-	-132	132
Change in untaxed reserves	-	-	-	-	-1	-1
Profit before tax	-29	-16	-75	-60	37	52
Income tax	6	3	15	12	-9	-13
Net profit for the period	-23	-12	-59	-47	27	39

Condensed balance sheet

SEK millions	30 Sep 2022	30 Sep 2021	31 Dec 2021
Non-current assets	1,684	1,684	1,684
Current assets	1,801	1,389	1,897
TOTAL ASSETS	3,485	3,074	3,582
Restricted equity	316	370	370
Unrestricted equity	1,078	1,051	1,138
TOTAL EQUITY	1,394	1,421	1,508
Untaxed reserves	149	148	149
Non-current liabilities	1,542	1,499	1,508
Current liabilities	401	6	417
TOTAL LIABILITIES	1,943	1,505	1,925
TOTAL EQUITY AND LIABILITIES	3,485	3,074	3,582

Notes

Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting along with applicable stipulations in the Swedish Annual Accounts Act. The report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act – Interim Reports. In general, the same accounting policies and bases of calculation have been used as in the annual report for 2021, which was prepared in accordance with the International Financial Reporting Standards as ratified by the EU and interpretations of these.

Disclosures in accordance with IAS 34.16A appear in the financial statements and their associated notes as well as in the interim information on pages 1–16, which form an integral part of this financial report.

Figures may be rounded up or down in tables and statements.

New accounting standards applied from 1 January 2022

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

Note 2 Estimations and assessments

Preparation of interim 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 and assessments. The critical assessments and sources of uncertainty in estimates are the same as in the most recent annual report.

Note 3 Operating segments

SEK millions	Individual & Family		Personal Assistance		Elderly Care	
	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
Net revenue – external income	1,792	1,678	2,478	2,275	604	479
Other operating revenue	0	0	-	-	-	0
Operating revenue	1,792	1,678	2,478	2,275	604	479
Profit before depreciation, amortisation and other operating expenses	172	189	139	152	13	16
Depreciation, amortisation and impairment	-29	-28	-1	-1	-15	-11
Other operating expenses	-6	0	-	-	-	-
Operating profit	137	161	138	151	-1	5

SEK millions	Finland		Norway		Other		Total	
	Jan-Sep 2022	Jan-Sep 2021						
Net revenue – external income	1,107	956	765	674	15	14	6,761	6,075
Other operating revenue	-0	0	0	2	-0	1	0	3
Operating revenue	1,107	956	765	676	14	15	6,761	6,078
Profit before depreciation, amortisation and other operating expenses	39	65	63	80	235	203	659	705
Depreciation, amortisation and impairment	-13	-12	-6	-10	-276	-232	-339	-294
Other operating expenses	-	-	-0	0	-4	-	-8	-1
Operating profit	26	53	57	70	-45	-29	312	411
Financial income								3
Financial expense								-106
Profit before loss								308

Note 4 Revenue by country and service

SEK millions	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
Sweden	1,736	1,490	4,875	4,433
Finland	374	314	1,107	956
Norway	259	225	765	676
Denmark	4	5	14	14
Total operating revenue	2,373	2,034	6,761	6,078

SEK millions	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
Individual and family	1,023	877	2,991	2,701
Personal assistance	1,001	847	2,745	2,494
Elderly care	344	305	1,011	868
Other	5	6	14	15
Total operating revenue	2,373	2,034	6,761	6,078

Note 5 Acquisitions

Net assets in acquired companies at date of acquisition

SEK millions	Humanan Kallio Oy ¹⁾	Vinter- gatan AB ¹⁾	Debora Lapsiperhe palvelut Oy ¹⁾	Assistans för dig ¹⁾	Total
Non-current assets	3	-	0	1	5
Current assets	19	2	7	-	28
Non-current liabilities	-	-	-	-	-
Current liabilities	-25	-2	-6	-10	-42
Net identifiable assets and liabilities	-3	1	1	-9	-9
Goodwill	27	11	15	160	213
Total consideration	24	12	17	151	204
Cash and cash equivalents in acquired entities	-4	-1	-4	-	-9
Contingent consideration	-5	-	-	-141	-146
Effect on cash and cash equivalents	15	11	13	10	49

	Other
Settlement of considerations attributable to prior acquisitions	11
Minor acquisitions	10
Total effect on cash and cash equivalents	70

1) The acquisition analysis is preliminary as the final settlement has not been determined.

Humanan Kallio Oy

In January 2022, Humana acquired 100 % of the shares in the Finnish individual and family care company Humanan Kallio Oy. The acquisition strengthens Humana's position in the capital region of Finland and increases the company's capacity to provide care services for children, young people and adults in line with growing needs in society. The total purchase price for Humanan Kallio Oy was financed with cash. Total estimated an earn-out payment amounts to maximum SEK 5.2m based on the performance of Humanan Kallio Oy in 2022. Goodwill of SEK 27,3m, included in the acquisition of Humanan Kallio Oy, will partly complement the Finish operation becoming more comprehensive and effective in terms of care services and expertise. Except for the coordinations gains that occurs, the acquisition will also complement Humanas' care services for children, young and adults geographically. Operating revenue from the acquired company included in the consolidated income statement since 3 January amounts to SEK 26.6m for the third quarter and SEK 80.8m for the nine-month period. The acquired company contributed SEK 1.6m to profit for the quarter and SEK -3.9m for the nine-month period. Transaction costs of SEK 0.2m have been reported as administrative costs in the Group.

Vintergatan AB

In June 2022, Humana acquired 100 % of the shares in the care company Vintergatan AB based in Alingsås. The acquisition complements Humana's residential care home and assisted living home operations through its unique concept, whereby young adults live in their own flats. Vintergatan's full-year revenue amounts to approximately SEK 14m and it has around 20 employees. The total purchase price for Vintergatan AB was financed with cash. Godwill of SEK 11.1m, included in the acquisition of Vintargatan AB, corresponds to a widening of unique working procedures within residential care homes, a field in which Vintergatan AB has successfully and with high quality operated within. Operating revenue from the acquired company included in the consolidated income statement since 1 June amounts to SEK 2.8m for the quarter and SEK 3.7m for the nine-month period. The acquired company contributed SEK -0.4m to profit for the third quarter and SEK 0.7m for the nine-month period. No transaction costs are reported for the acquisition.

Debora Lapsiperhepalvelut Oy

In June 2022, Humana acquired 100 % of the shares in the open care company Debora Lapsiperhepalvelut Oy. This acquisition strengthens Humana's nationwide offering of open care in Finland. The company's full-year revenue amounts to approximately EUR 2.9m, corresponding to SEK 30m. The total purchase price for Debora Lapsiperhepalvelut Oy was financed with cash. Goodwill of SEK 15,4m, included in the acquisition, will complement Humanas' offer of open care services and preventive open care services for families and children, in which the demand is growing. Operating revenue from the acquired company included in the consolidated income statement since 1 June amounts to SEK 7.1m for the third quarter and SEK 9.3m for the nine-month period. The acquired company contributed SEK 1m to profit for the third quarter and SEK 1.4m for the nine-month period. No transaction costs are reported for the acquisition.

Assistans för dig

In June 2022, Humana completed the acquisition of 100 % of the operations in Assistans för dig. This acquisition strengthens Humana's position as the leading assistance coordinator in Sweden. The total consideration is estimated at SEK 151m. The payment is divided to an initial consideration of SEK 20m on a cash and debt free basis, and two earn-out payments based on the financial performance for each of the years 2022 and 2023. The majority of the consideration will be paid on the last due date. The transaction was financed using existing cash. Goodwill of SEK 160m, included in the acquisition, corresponds to the strenhgtened market position which the acquisition of the operations of Assistans för dig provides. The increased volume implies better opportunities to deliver good care and high quality. Operating revenue from the acquired company included in the consolidated income statement since 1 June amounts to SEK 142m for the quarter and SEK 191m for the nine-month period. The acquired company contributed SEK 6.1m to profit for the third quarter and SEK 6.7m for the nine-month period. Transaction costs of SEK 0.3m have been reported as administrative costs in the Group.

If the acquisitions above had been made as at 1 January 2022, consolidated operating revenue for the nine-month period would total SEK 7,045.5m (SEK 283.5m higher) and profit for the period would total SEK 157.2m (SEK 6.8m higher).

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

30 Sep 2022 SEK millions	Financial liabilities at fair value through profit or loss	Total carrying amounts	Fair values	Level 1	Level 2	Level 3
Financial liabilities						
Earn-out payment	219	219	219	-	-	219

30 Sep 2021 SEK millions	Financial liabilities at fair value through profit or loss	Total carrying amounts	Fair values	Level 1	Level 2	Level 3
Financial liabilities						
Earn-out payment	81	81	81	-	-	81

Reported value of other financial assets and liabilities constitutes a reasonable approximation of fair value.

Fair value measurement

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

Level 1: according to prices quoted in an active market for the same instruments

Level 2: based on directly or indirectly observable market data that is not included in level 1

Level 3: inputs that are not observable in the market

Presentation of the reconciliation of the opening and closing balances for financial instruments measured at level 3, earn-out payments

SEK millions	30 Sep 2022	31 Dec 2021
Opening balance, 1 January	80	6
Total recognised gains and losses:		
Acquisitions	147	81
Settled during the period	-9	-19
Reversed to income statement	-	12
Closing balance, end of period	219	80

Measurement methods and inputs

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

Financial instruments at fair value through profit or loss

	Earn-out payment
Measurement method	EBITDA multiples: The measurement model calculates the value of the earn-out payment based on likely scenarios of future EBITDA outcomes using agreed multiples
Significant non-observable inputs	Forecast EBITDA
Connection between significant non-observable inputs and fair value calculation	The estimated fair value would increase (decrease) if: EBITDA was higher (lower)

Sensitivity analysis

The maximum outstanding earn-out which may be paid amounts to SEK 249 (82).

Financial instruments not measured at fair value

Type	Measurement method	Significant non-observable inputs	Measurement level
Other financial liabilities ¹⁾	Discounted cash flows	NA	2

1) Other financial liabilities refers to bank loans and finance lease liabilities.

Hedge accounting

The Group is hedging parts of the foreign exchange risk related to net investments in foreign operations. As at 30 September 2022, the Group had exposure to EUR, NOK and DKK. DKK makes up a small amount and is not hedged. NOK and EUR are hedged using loans in foreign currency. Hedge accounting entails recognising the effective part of the translation differences in the consolidated statement of other comprehensive income. As at 30 September 2022, the Group had loans of EUR 40m and loans of NOK 328m for which hedge accounting is applied. The related translation difference of SEK -33m (-21) before tax is consequently recognised in the consolidated statement of other comprehensive income.

Reconciliation of financial statements with IFRS

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

SEK millions	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct-Sep 2021/22	Jan-Dec 2021
Adjusted operating profit						
Operating profit	171	192	312	411	394	493
Retroactive repayment of previously paid-in pension premiums	-	-	-	-	-11	-11
Final settlement dispute	-	-	-	-	13	13
Costs for adaptation of central functions	4	-	4	-	4	-
Adjusted operating profit	175	192	316	411	400	495
Adjusted EBITDA						
Operating profit	175	192	316	411	398	493
Depreciation, amortisation and impairment	117	101	339	294	465	420
EBITDA	292	293	655	705	863	913
Retroactive repayment of previously paid-in pension premiums	-	-	-	-	-11	-11
Final settlement dispute	-	-	-	-	13	13
Costs for adaptation of central functions	4	-	4	-	4	-
Adjusted EBITDA	296	293	659	705	869	916
Organic revenue growth						
Revenue, base	2,032	1,930	6,075	5,823	8,013	7,761
Revenue, organic growth	82	58	156	171	223	238
Total organic growth	4.0%	3.0%	2.6%	2.9%	2.8%	3.1%
Operating cash flow						
Operating profit	171	192	312	411	394	493
Depreciation, amortisation and impairment	117	101	339	294	465	420
Change in working capital	-129	-94	-68	9	-88	-12
Investments in other non-current assets, net	-35	-19	-108	-87	-137	-117
Operating cash flow	124	180	475	627	633	785

	30 Sep 2022	30 Sep 2021	31 Dec 2021
Interest-bearing net debt			
Non-current interest-bearing liabilities	4,898	4,572	4,702
Current interest-bearing liabilities	345	253	218
Cash and cash equivalents	-593	-672	-695
Interest-bearing net debt	4,650	4,153	4,226
Adjusted EBITDA, 12 months	869	901	916
Interest-bearing net debt/Adjusted EBITDA, 12 months, times	5.3x	4.6x	4.6x
Return on capital employed, %			
Total assets	9,505	8,878	9,002
Deferred tax liabilities	-74	-81	-74
Trade payables	-142	-145	-165
Other current liabilities	-1,371	-1,345	-1,285
Capital employed	7,918	7,307	7,478
Operating profit	312	411	493
Interest income	3	1	1
Total	315	412	494
Return on capital employed, %	4.0%	5.6%	6.6%
Equity/assets ratio, %			
Total equity	2,670	2,512	2,553
Total assets	9,505	8,878	9,002
Equity/assets ratio, %	28.1%	28.3%	28.4%

Financial definitions and intent

Financial performance measures

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

Other performance measures

	Definition
Equity per share	Equity attributable to Parent Company shareholders divided by number of shares at end of period after redemption, buyback and new share issue.
Average number of shares	Calculated as the average daily number of shares outstanding after redemption and buyback.
Items affecting comparability	Non-recurring items that complicate the comparability between two given periods.
Average number of full-time employees	Average number of full-time employees during the reporting period.
Average customers	Average number of customers during the period.
Earnings per share for the period	Profit for the period attributable to Parent Company shareholders less the period's share of the adopted dividend divided by average number of shares.
Operating profit	Profit before financial items and tax.
EBIT margin (%)	Operating profit divided by operating revenue multiplied by 100.

This information is information that Humana AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons set out below on 10 November 2022 at 08:00 CET.

Conference call

A web-based teleconference will be held on 10 November 2022 at 09:00 CET at which President and CEO Johanna Rastad will present the report and answer questions. To participate, call:

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Financial calendar

Interim report Jan–Dec, Q4 2022	9 Feb 2023
Interim report Jan–Mar, Q1 2023	4 May 2023
2023 Annual General Meeting	9 May 2023
Interim report January–June, Q2 2023	21 July 2023

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